

# Target Market Determination (TMD) Credit Card



<b>Product</b>	Extralite Credit Card – low rate and low fee card with up to 44 interest free days.
<b>Issuer</b>	Police Credit Union Ltd ABN 30 087 651 205   AFSL/Australian Credit Licence 238991
<b>Effective Date</b>	4 October 2021
<b>Last Review Date</b>	1 December 2024
<b>Target Market</b>	<p><b><i>Description of target market</i></b></p> <p>The Extralite Credit Card is for customers looking for a low fee credit card with a low interest rate and up to 44 interest free days.</p> <p><b><i>Key product attributes</i></b></p> <ul style="list-style-type: none"><li>• <b>Repayments:</b> minimum monthly repayments are required.</li><li>• <b>Fees Payable:</b><ul style="list-style-type: none"><li>○ no transaction fees on Visa credit purchases</li><li>○ no ongoing annual or monthly fees</li><li>○ standard fees apply upon the occurrence of certain events such as cash advance, late payment and overdrawn transactions which exceed the credit limit.</li></ul></li><li>• <b>Interest:</b> up to 44 days interest free period on purchase transactions, same interest rate applies for purchase or cash advance transactions. There are no interest free days for cash advances, Bank@Post withdrawals or balance transfers.</li><li>• <b>Credit limit:</b> minimum credit limit \$1,000 and maximum credit limit \$10,000.</li><li>• <b>Access and Payment Methods:</b> transaction fee free access to your account through phone, Online Banking and the Banking App, including access to the following payment methods:<ul style="list-style-type: none"><li>○ World-wide Visa Card access 24/7 with no purchase transaction fees</li><li>○ ATM/efpos, Cash Advance fee applies</li><li>○ Online Banking</li><li>○ Police Credit Union Banking App</li><li>○ Tele-Service</li><li>○ Payroll Deposits</li></ul></li></ul>

- Direct Credits
- BPAY®
- Bank@Post
- Periodic Payments
- Direct Debits.

- **Guardian Fraud Protection Service:** a comprehensive suite of services which identify, assess, and monitor high risk transactions, monitor fraud trends Australia-wide and globally, and proactively recover funds.

***Description of likely objectives, financial situation and needs of consumers in the target market***

This product is designed for customers who have the following:

- **Likely objectives:** are seeking no annual or monthly fees and low interest rates to minimise interest on purchases.
- **Likely financial situation:** meet Police Credit Union's credit criteria including having regular income and stable employment which support the customer's ability to meet minimum repayments, are an Australian permanent resident, have an acceptable credit history.
- **Likely needs:** need credit for everyday purchases.

***Consumers for whom the product is clearly unsuitable***

- Customers seeking to earn reward points,
- customers seeking to receive complimentary insurance cover on purchases,
- customers who are under the age of 18, are not an Australian permanent resident or do not have an acceptable credit history, or
- customers who do not have any surplus income after meeting their existing financial commitments.

***Explanation of why the product is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market***

Extralite Credit Card is a low rate and low fee credit card that is suited to customers who do not intend to pay off their credit balance in full each month, do not require access to any 'loyalty rewards' programs and who are seeking to pay no annual or monthly fees.

**Distribution Conditions and Restrictions**

***Distribution conditions***

**Distribution Channels:** the Extralite Credit Card is only distributed by Police Credit Union and is not available through any third-party distributors.

The Extralite Credit Card is available to customers by:

- applying online through [policecu.com.au](http://policecu.com.au),
- calling the Contact Centre on 1300 131 844,
- visiting any Police Credit Union branch, or
- requesting a work site visit from a Relationship Manager/Branch Manager.

**Process:** the Extralite Credit Card will only be offered by Police Credit Union staff who have been accredited and trained to offer the product. Police Credit Union will make relevant enquiries about prospective customers to assess and review all applications for the product.

This will ensure that only customers within the target market will acquire the product and that the product will meet the objectives, financial situation and needs of the customer.

Customers considering the Extralite credit card must meet the lending criteria which includes:

- employment and income criteria,
- ability to make minimum repayments with surplus income after taking into consideration all current debts and living expenses, and
- an acceptable credit file.

The Extralite Credit Card is actively promoted to customers through:

- media campaigns which include but are not limited to statements, press, TV, website, digital, radio and social media channels; and
- promotion by Police Credit Union staff and through advertising collateral available at Police Credit Union branches.

## Review Triggers

The review triggers that would reasonably suggest that the TMD is no longer appropriate and would trigger a review of the TMD by Police Credit Union are:

- a significant dealing of the product to consumers outside the target market occurs.
- Material changes to the product or the terms and conditions of the product such as changes to:
  - fees or rates of interest and/or the way in which these are incurred,
  - other product attributes such as the minimum monthly repayment requirement or available credit limits.
- A material change in law, relevant industry codes or regulatory guidance that impacts the product.
- An Australian Financial Complaints Authority (AFCA) determination, court decision or enforcement activity which suggests that the product does not meet the target market's objectives or needs.
- A material increase beyond expected levels in complaints, or a material change

in the nature of complaints or disputes relating to the product.

- Any other event occurs, or information is received that reasonably suggests the target market is no longer appropriate such as:
  - high numbers beyond expected levels of account closures or consumers switching to other products.
  - High rates of default beyond expected levels.
  - High hardship rates beyond expected levels.
  - Change to eligibility criteria.

## **Review Periods**

***Initial review date:*** no later than 12 months from date the first determination is made.

***Periodic reviews:*** every one year after the initial and each subsequent review.