

Target Market Determination (TMD)

Transaction Accounts

Product	Mortgage Offset Account (S14) – Basic Account
Issuer	Police Credit Union Ltd ABN/ACN 30 087 651 205 AFSL/Australian Credit Licence 238991
Effective Date	4 October 2021
Last Review Date	14 September 2023
Target Market	<p><i>Description of target market</i></p> <p>The Mortgage Offset Account is a basic account designed for customers who have an eligible Police Credit Union home loan account(s) (as specified by Police Credit Union from time to time) and are seeking an account which offsets the interest charged to their Police Credit Union home loan and who also wish to have access to funds in a Mortgage Offset Account.</p> <p><i>Key product attributes</i></p> <ul style="list-style-type: none"> • Fees: No transaction fees charged to this account • Transactions: Fully featured offset account that provides deposit and withdrawal access to funds. • Interest Offset: The account offsets interest charged to an eligible Police Credit Union home loan. • Account balance: No minimum account balance requirements and no minimum monthly deposits or withdrawals. • Access and Payment Methods: Free access to your account through branch, phone, Online Banking, including access to the following payment methods: <ul style="list-style-type: none"> ○ Online Banking ○ Police Credit Union Banking App ○ Tele-Service ○ IVY Phone Banking ○ Direct Credits/Debits ○ BPAY® ○ Periodic Payments ○ In-branch withdrawals

Distribution Conditions and Restrictions

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

This product is designed for consumers who:

- **Likely objectives:** Have a Police Credit Union home loan and are seeking an account for savings which allows the customer to offset the interest on their home loan.
- **Likely financial situation:** Have a Police Credit Union home loan and have money to put into an account which can be used to offset their mortgage.
- **Likely needs:** Have the need to withdraw funds through one or more of the payment methods offered by Police Credit Union.

Classes of consumers for whom the product is unsuitable:

- Customers who do not have an eligible Police Credit Union home loan or do not have money to put into a savings account.

Distribution conditions

Distribution channels: An offset account can only be issued or arranged to be issued by phone or in branch to ensure the product is only offered to eligible customers who complete the application process through channels that are subject to appropriate controls.

The Mortgage Offset Account 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.

Distribution conditions: Linked to an eligible and active Police Credit Union home loan account.

A Mortgage Offset Account can only be linked to one home loan, and a home loan account can only have one Mortgage Offset Account linked to it. A Mortgage Offset Account can only be opened in exactly the same name(s) as the linked home loan account. A Mortgage Offset Account must be closed when the eligible home loan account to which the Mortgage Offset Account is attached is paid out and closed. In the event that the Mortgage Offset Account is not closed, Police Credit Union will close the Mortgage Offset Account and transfer the funds to an alternative savings account, in the same name(s).

Process: A Mortgage Offset Account is only offered by Police Credit Union staff who have been accredited and trained to offer the product. Police Credit Union will make relevant enquiries to ensure the prospective customer meets the eligibility conditions and that the product otherwise meets the objectives, financial situation and needs of customers.

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 such as:
 - Fees or rates of interest and/or the way in which these are incurred/earned.
 - Changes to withdrawal limits or transaction methods.
- 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 of account closures beyond expected levels within a set period.
 - High numbers of consumers beyond expected levels switching to other accounts offered by the issuer.
 - Withdrawal of an access channel(s).
 - Change to eligibility criteria.

Review Periods

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

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