

TMD for Zip Money



Purpose

This Target Market Determination (TMD) is required under section 994B of the *Corporations Act 2001* (Cth). It sets out the target market for the product, triggers to review the target market and certain other information. It forms part of Zip's design and distribution framework for the product.

This document is not a product disclosure statement or a full summary of the product's terms and conditions, and is not intended to provide financial advice. Consumers interested in acquiring the product should refer to Zip's website (<https://zip.co/au>) for detailed product information.

Issuer	ZipMoney Payments Pty Ltd
Product name	Zip Money
TMD Version effective date:	5 July 2023
Version:	V2.1
Product description	Zip Money is a line of credit facility established with a credit limit up to \$5,000 (or up to \$50,000 in some circumstances) available to a consumer with no fixed term. This product is available to a retail consumer base and facilitates consumers to make multiple and ongoing purchases up to their approved limit. ¹

¹ In some cases, a consumer can establish a Zip Money account as part of an exclusive arrangement with one merchant only.

Target Market

This product has been designed for the class of consumer which meets the below requirements.

TMD Element	Details	
Target Market	Eligibility Criteria	<p>The eligibility of this product includes that consumers must:</p> <ul style="list-style-type: none"> ● be at least 18 years of age; ● be an individual; ● be an Australian citizen or permanent resident; ● have an Australian debit card/bank account; ● have a valid email address and mobile number; and ● meet Zip's credit assessment criteria.
	Excluded consumers	<p>This product would not be suitable for the following types of consumers:</p> <ul style="list-style-type: none"> ● a consumer who does not meet Zip's credit assessment criteria. ● a consumer who would like face to face customer service. ● a consumer who would like access to cash.
	Needs & Objectives	<p>The product is designed for consumers who:</p> <ul style="list-style-type: none"> ● Require a line of credit for personal use up to \$5000 (or up to \$50,000 in some circumstances) for finance payments to authorised merchants and/or pay bills; ● require a digital product; ● require a flexible line of credit, including options for instalment repayments and early repayment without penalty; and ● want interest free periods, but also require the certainty of fixed interest rates at the end of the period.
	Financial Situation	<p>The product is designed for consumers who have the capacity to afford:</p>

		<ul style="list-style-type: none"> the monthly minimum repayment as and when it is due (including fees, if any); or to make repayments above the minimum repayment amount, including in full repayments.
<p>Key Product Attributes</p>	<p>The product includes the following key attributes:</p> <ul style="list-style-type: none"> available credit limits up to \$5,000, or up to \$50,000 for eligible purchases; a digital product; establishment fees, monthly account fees, late fees, dishonour fees, BPAY fees and instalment fees may apply; the ability to finance payments to merchants for personal purposes, including to finance the purchase of goods and services; standard interest free period for all transactions, unless a promotional interest free period applies; any balance outstanding at the expiry of the interest free period will be charged at the applicable standard variable interest rate, as notified from time to time; a consumer may transact on an ongoing basis up to their credit limit should their account be up to date and they meet Zip’s drawdown criteria;² ability to pay bills via BPAY functionality; ability to update repayment frequency to suit their schedule (subject to minimum monthly repayments); and options of (early) repayment at any point in time, without incurring a fee. 	
<p>Target Market Appropriateness</p>	<p>The Zip Money product (and the Zip Money product’s key attributes) is likely to be consistent with the objectives, needs and financial situation of the class of consumers in the target market. This is based on an analysis of the key terms, features and attributes of the product and a finding that:</p> <ul style="list-style-type: none"> the key terms, features and attributes of the Zip Money product are consistent with the likely needs and objectives and financial situation of the identified class of consumers as described above; and confirmation that the Zip Money product has been designed, and its terms drafted, to meet those likely objectives, needs and financial situation. 	

Please note that more detailed information on product terms, features and attributes can be found on the Zip website (<https://zip.co/au>).

² **Drawdown** means the advance or borrowing of money under your Zip Money Account.

Distribution Conditions

Zip defined a set of permitted distribution channels and associated distribution conditions or restrictions. These distribution conditions will be reviewed if distribution channels change.

TMD Element	Details
Distribution Channels and Conditions	Zip Money is distributed digitally by Zip through ³ :
	Zip website (online): to individuals who meet the eligibility criteria.
	Zip mobile app: to individuals who meet the eligibility criteria.
	Zip Money can also be distributed by third party comparison websites. The product should only be distributed by these third parties in accordance with the applicable agreement between Zip and the third party. ⁴
Distribution Appropriateness	It has been determined that the distribution conditions and restrictions will make it likely that consumers who purchase the product are in the class of consumers for which it has been designed. The distribution conditions are appropriate and will direct distribution towards the target market for whom the product has been designed (for example consumers with digital experience given this product is distributed and administered online).

³ Risks relating to the distribution of Zip Money digitally are monitored ongoing by Zip and its dedicated Securities teams.

⁴ When third party comparison websites are used to distribute the Zip Money product, monitoring occurs by Zip of the activities of this distribution. For example, it is a requirement that a third party comparison website distributor provides Zip with ongoing information such as any complaints received.

Product Review

This TMD will be reviewed as outlined below. Where a review trigger has occurred, this TMD will be reviewed within 10 business days.

TMD Element	Details	
Review Period (initial)	Within 12 months of the effective date (by 5 October 2022).	
Review Period (ongoing)	At least every 12 months.	
Review Triggers	Zip internally set thresholds for these review triggers (where appropriate) and monitors performance against these thresholds, in Zip governance forums. Where Zip determines that one of the below review triggers has occurred, a review of this TMD will be performed:	
	External Environment	Significant changes to the external environment that would reasonably suggest that this TMD is no longer appropriate, including the regulatory / legislative environment for the product, as well as the economic and market conditions.
	Notification from ASIC	The use of ASIC's Product Intervention Powers (PIP), regulator orders or directions with regard to this product that would reasonably suggest that this TMD is no longer appropriate.
	Material Change	A material change to the key product attributes or terms and conditions that would reasonably suggest that this TMD is no longer appropriate.
	Complaints	As measured through internal metrics, a significant number or significantly increased number of complaints are received from consumers who have applied for, acquired and/or used the product, with respect to the design, functionality, outcome and distribution of the product, which would reasonably suggest that this TMD is no longer appropriate.
	Consumer Behaviour	An observation based on product / consumer analysis of a material consumer behaviour and product usage that would reasonably suggest that this TMD is no longer appropriate. Metrics monitored for customer behavior would include data

TMD for Zip Money



		on items such as missed payments and financial hardship.
	Significant Dealing	Occurrence of a significant dealing that would reasonably suggest that this TMD is no longer appropriate.

Reporting

Zip will collect the following distribution information from external providers who distribute the product.

TMD Element	Details
Reporting Information	Distributors will report if they become aware of a significant dealing in the product immediately (and in any case, no more than 10 business days after becoming aware of the significant dealing).
Complaints Reporting	Distributors will report all complaints they receive in relation to the product every three months, including customer information and details of the complaint.
Compliance Reporting	Zip will report information as required to ASIC. For example, Zip must notify ASIC within 10 business days of becoming aware of a significant dealing (except excluded dealings) in a financial product that is not consistent with the product's TMD.