

# TMD for Zip Plus



## **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	<b>ZipMoney Payments Pty Ltd</b>
Product name	<b>Zip Plus</b>
TMD Version effective date:	2 November 2023
Version:	V1.0
Product description	Zip Plus is a line of credit facility established with a specified credit limit (between \$2,000 and \$4,000) available to a consumer with no fixed term for everyday spend amounts. This product is available to a retail consumer base and facilitates consumers to make multiple and ongoing purchases up to their approved limit.

**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 criteria of this product includes that consumers must:</p> <ul style="list-style-type: none"> <li>● be at least 18 years of age;</li> <li>● be an individual;</li> <li>● be an Australian citizen or permanent resident;</li> <li>● be a current Zip Pay customer;</li> <li>● have an Australian bank account or debit card;</li> <li>● have an active email address and mobile number; and</li> <li>● meets Zip’s credit assessment criteria for this product.</li> </ul>
	Excluded consumers	<p>This product would not be suitable for the following types of consumers:</p> <ul style="list-style-type: none"> <li>● a consumer who does not meet Zip’s credit assessment criteria for this product;</li> <li>● a consumer who would like face to face customer service;</li> <li>● a consumer who would like a product that is entirely interest free regardless of account balance or spending patterns;</li> <li>● a consumer who would like access to cash;</li> <li>● a consumer who would like to make a funds transfer to a third party; and</li> <li>● a consumer who would like a line of credit less than \$2,000 or greater than \$4,000.</li> </ul>
	Needs & Objectives	<p>The product is designed for individuals who:</p> <ul style="list-style-type: none"> <li>● require a line of credit of between</li> </ul>

		<p>\$2,000 to \$4,000 for everyday purchases;</p> <ul style="list-style-type: none"> <li>● require a digital product;</li> <li>● require a flexible line of credit with a higher credit limit than what is available through Zip Pay, but value lower interest rates and require certainty of when interest may be charged;</li> <li>● require access to early repayment without penalty.</li> </ul>
	<p>Financial Situation</p>	<p>The product is designed for consumers who meet our credit assessment criteria and have the capacity to afford the monthly minimum repayment as and when it is due (including fees and interest charges, if any).</p>
<p>Key Product Attributes</p>	<p>The product includes the following key attributes:</p> <ul style="list-style-type: none"> <li>● an interest-bearing line of credit with a credit limit between \$2,000, or up to \$4,000;</li> <li>● a digital product;</li> <li>● monthly account fees and late fees may apply;</li> <li>● interest accrues daily on the unpaid daily balance. Interest is debited monthly unless the customer’s unpaid daily balance at the end of the last day of the calendar month is \$1,500 or less, in which case no interest is charged;</li> <li>● when the unpaid daily balance at the end of the last day of the calendar month is above \$1,500, all interest accrued during the calendar month will be debited to the customer's account;</li> <li>● 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;<sup>1</sup></li> <li>● ability to finance payments to authorised merchants for personal purposes, including to finance the purchase of goods and services;</li> <li>● ability to spend at Zip partnered merchants via in store barcodes and online checkout payment methods;</li> <li>● ability to spend everywhere Visa is accepted using tap to pay and single-use cards;</li> <li>● ability to pay bills via BPAY functionality;</li> </ul>	

<sup>1</sup> **Drawdown** means the advance or borrowing of money under your Zip Plus Account.

## TMD for Zip Plus



	<ul style="list-style-type: none"><li>• ability to update repayment frequency and amount to suit their schedule (subject to meeting minimum monthly repayments); and</li><li>• options of (early) repayment at any point in time, without incurring a fee.</li></ul>
Target Market Appropriateness	<p>The Zip Plus product (and the Zip Plus 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"><li>• the key terms, features and attributes of the Zip Plus product are consistent with the likely needs and objectives and financial situation of the identified class of consumers as described above; and</li><li>• confirmation that the Zip Plus product has been designed, and its terms drafted, to meet those likely objectives, needs and financial situation.</li></ul>

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

**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 Conditions	Zip Plus is distributed digitally by Zip through <sup>2</sup> :
	Zip mobile app: to individuals who meet the eligibility criteria.
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).

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<sup>2</sup> Risks relating to the distribution of Zip Plus digitally are monitored ongoing by Zip and its dedicated Securities teams.

## 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.	
Review Period (ongoing)	At least every 12 months from the last review or earlier, as required.	
Review Triggers	Zip internally sets 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 to ensure the product remains suitable for the target market:	
	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 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	Where Zip used distributors, 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.