



Target Market Determination

Low Fee Credit Cards (Low Fee and Low Fee Gold)

Start date: 5th October 2021

Next review due: 5th October 2022

Review period: At least every 12 months from the start date of this Target Market Determination

What is a Target Market Determination?

A Target Market Determination (TMD) describes the cohort of customers that the product is targeted at (the Target Market) and any conditions around how the product is distributed to customers (the Distribution Conditions).

It also describes the events or circumstances where we are required to review the Target Market Determination for a financial product (the Review Triggers).

Why does CommBank need to have Target Market Determinations?

We're required to have Target Market Determinations under law. The purpose of the law is to make sure customers are at the centre of our approach when designing and distributing our financial products.

This document is not a substitute for the product's terms and conditions or other disclosure documents. When making a decision about this product, customers must refer to the relevant Product Disclosure Statement (PDS), Terms and Conditions or other disclosure documents.

Target Market

Objectives, financial situation and needs of the Target Market

This product is targeted at customers with the likely objectives and needs of wanting a revolving credit facility with:

- A convenient way to make payments by using the card attached to the facility;
- A low annual fee; and
- The option to select the Low Fee Gold card to access additional benefits (for a higher annual fee).

The financial situation of the target market for this product are those that meet CBA's credit assessment criteria.

Eligibility criteria for the product

To hold this product, customers will need to satisfy certain eligibility criteria, including that customers must:

- Be individuals aged 18 years or older;
- Have an Australian residential address; and are either:
 - An Australian citizen;
 - An Australian permanent resident (permanent visa sub class holder);
 - A New Zealand citizen; or
 - An eligible non-resident visa holder; and
- Meet CBA's credit assessment criteria which includes demonstrating the capacity to service the credit facility.

Customers that are likely to fall outside the Target Market

Customers who are outside the Target Market of this product are customers whose financial situation is to carry a substantial balance over a prolonged period of time (unless a promotional rate and/or grace period applies).

Key features of the product

- Customers can access funds in a revolving credit facility by using a credit card anywhere Mastercard is accepted to:
 - Make card-present payments, including point of sale;
 - Make card-not-present payments, including over the phone, online or via mail;
 - Make digital wallet payments, including point of sale and online (if available by the Merchant);



Target Market continued

- Set up a recurring payment arrangement; and
- Receive cash advances;
- Lower annual fee when compared to most of CBA's other credit card products;
- Higher interest rate on purchases;
- Access to up to 55 days interest free on purchases; and
- The product is available to customers by two different card types – Low Fee and Low Fee Gold. If the customer is willing to pay a higher annual fee and have a higher minimum credit limit, they can select the Low Fee Gold card and access the following additional features:
 - Access to international travel insurance, upon activation;
 - No international transaction fees;
 - Extended warranty on eligible purchases; and
 - Purchase security insurance available for eligible lost, stolen or damaged purchases.

Why the product is likely to be consistent with the likely objectives, financial situation, and needs of the Target Market

- There are a broad range of ways that customers can access the revolving credit facility;
- The product has a low annual fee (when compared to most of CBA's other credit card products).
- Customers have the option to select additional features (subject to paying a higher annual fee); and
- Customers can only obtain the product if they meet credit assessment criteria.

In circumstances where promotional rates do not apply, given that the Low Fee credit card has a higher interest rate on outstanding balances (when compared to some of CBA's other credit card products), the Low Fee credit card may be inconsistent with the financial situation of customers who carry substantial balances over a prolonged period.



Distribution Conditions

Distribution conditions for the product

The distribution of this product is subject to the following conditions and restrictions:

- The product can be distributed through CBA's proprietary channels, including:
 - Staff assisted channels (e.g. branch or over the phone); and
 - Online channels.
- CBA staff that distribute this product must meet CBA's qualification criteria (e.g. customer service specialists, private bankers and relationship managers);
- The product can also be distributed through an accredited third party broker as part of a home lending application;
- Third party brokers involved in the distribution of the product must meet CBA's accreditation requirements;
- Aggregators and other third parties responsible for third party brokers involved in the distribution of the product must comply with their agreement in place with CBA and take reasonable steps to ensure that individual brokers meet CBA's mortgage broking requirements; and
- This product can only be distributed to customers in accordance with CBA's product and process requirements.

CBA views that these distribution conditions are appropriate and are of a nature that it is likely that the product will be distributed to the Target Market given that:

- CBA will have oversight of how the product is promoted and issued, including that:
 - CBA staff are appropriately trained to discuss the features of the product with customers;
 - Aggregators must comply with their obligations under their agreement with CBA, including taking reasonable steps to ensure that individual brokers meet CBA's accreditation requirements, failing to do so may mean their respective authority to distribute this product will be terminated; and
- Customers must satisfy CBA's credit assessment criteria.



Review Triggers

The TMD may no longer be considered appropriate and a review of this TMD must be undertaken by CBA, if any of the below review triggers occur:

- A significant number of complaints received from customers who acquired the product, which relate to the customer's purchase or use of the product and which shows that the TMD may no longer be appropriate for the product;
- A material incident or significant number of incidents, which relate to the customer's purchase or use of the product and which shows that the TMD may no longer be appropriate for the product;
- A significant dealing of this product to customers who are outside the Target Market;
- Unusual patterns or clusters of agreed hardship arrangements which show that the TMD may no longer be appropriate;
- The receipt of a product intervention power order from ASIC requiring CBA to immediately cease retail product distribution conduct in respect of the product;
- The material alteration of the product or product terms and conditions, which would cause the TMD to no longer be appropriate for the product; or
- Any other event or circumstance that CBA views would materially change a factor taken into account in making the TMD.

Review Trigger Information Reporting Requirements

The following information must be provided to CBA by all third parties responsible for the retail product distribution conduct of this product in accordance with this TMD, within the required timeframes:

Information Type	Description	Time Frame for Reporting
Product complaints data	Information relating to complaints received including number of complaints, third party distributor identifier information, product name and complaint verbatim.	Quarterly and in any case no later than 10 business days from the end of the quarter.
Significant Dealings	Any significant dealing of the product to customers who are outside of the Target Market.	As soon as practical and in any case no later than 10 business days after becoming aware.

