

Target Market Determination

StepPay Account

Start date: 7th August 2024

Next review due: 7th August 2025

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

The table below matches the Product Attributes to the Objectives and Needs of the Target Market for this Product. CBA has assessed that the Product including its Key Attributes are likely to be consistent with the Objectives and Needs of the Target Market.

Objectives and Needs	Product Attributes
<p>Require the ability to 'buy now pay later' for purchases of \$100 or more, with a facility which enables purchases to be repaid over four equal interest free instalments.</p>	<ul style="list-style-type: none"> • Customers can 'buy now, pay later' by using a digital Mastercard to make purchases that are \$100 or more (up to an initial credit limit of \$2,000). • Payments for purchases of \$100 or more will be split into four equal repayments. Customers first repayment will come out of the linked CommBank account up to two days after the purchase is posted to the StepPay account. The following repayments will come out over the next three fortnights. • Instalments can be paid off early. • Purchases can be made where Mastercard is accepted by: <ul style="list-style-type: none"> • Making card-not-present payments, including over the phone, online or via mail; • Making digital wallet payments, including point of sale and online (if available by the Merchant); • Setting up a recurring payment arrangement.
<p>Require the ability to make purchases for amounts under \$100 without using a 'buy now, pay later' facility</p>	<ul style="list-style-type: none"> • Customers can use the same digital Mastercard to make small value transactions of under \$100. • While customers can use the same digital Mastercard for transactions under \$100, transactions under \$100 are not split into four equal repayments. Rather, transactions under \$100 are deducted in full from the customer's linked transaction account, 2 days after the transaction is posted to the StepPay account. • Purchases can be made where Mastercard is accepted by: <ul style="list-style-type: none"> • Making card not-present payments, including over the phone, online or via email; • Making digital wallet payments, including point of sale and online (if available by the merchant); • Setting up a recurring payment arrangement.
<p>Does not want to incur account or card fees</p>	<ul style="list-style-type: none"> • No account or card fees. • If a repayment in relation to the buy now pay later facility is missed, a \$10 late fee may apply.



	<ul style="list-style-type: none"> • A late fee does not apply to transactions below \$100.
Does not want to incur international transaction fees	<ul style="list-style-type: none"> • No international transaction fees for purchases made overseas or online.
Access to spend and security controls	<ul style="list-style-type: none"> • Gambling transactions are blocked. • No access to cash advances.

Financial Situation

The Financial Situation of the Target Market are customers that:

- meet CBA's credit assessment criteria; and
- choose a credit limit of \$200 or more, up to a maximum initial credit limit of \$2,000.

CBA views that its processes in place, including assessing the customer's ability to service the credit facility, will mean that the product will likely be consistent with the Financial Situation of the Target Market.

Customers outside of the Target Market

This product is not targeted at customers who:

- require a product with a large upfront spending limit;
- require a product that enables purchases to be paid down over a longer period than four equal repayments, starting from up to 2 days after the purchase is posted to the StepPay account.

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;
- have an eligible CBA transaction account to which the product will be linked;
- meet CBA's credit assessment criteria.

Distribution Conditions

CBA will have oversight over how the product is promoted and issued. All customers must satisfy CBA's credit assessment criteria. In addition, the below table identifies the distribution channels which the product can be sold through and sets out the conditions that apply to each channel. CBA views that the conditions specified are appropriate and are of a nature that it will be likely that the product will be distributed to the target market.



Distribution Channels	Conditions that make product distribution through the channel appropriate
Proprietary:	
The product can only be distributed directly through the CommBank App, where a customer has been identified as eligible to apply.	CBA's online channels provide customers with access to information about the products with a summary of key benefits, trade-offs and rates/fees, in an easy to navigate format.

Review Triggers

If any of the below review triggers occur, or if an event or circumstance has occurred that would reasonably suggest that the TMD may no longer be appropriate, CBA will undertake a review of this TMD:

Information Type	Description
Customer Outcomes	<p>Unexpected trends in customer outcomes which are significantly inconsistent with the intended product performance, including:</p> <ul style="list-style-type: none"> customers who are closing their account prior to usage; customers in hardship arrangements; customers who have missed repayments; customers who have been charged late fees.
Complaints	<p>Unexpected trends in complaints received from customers who acquired the product, which relate to the customer's purchase or use of the product, for example:</p> <ul style="list-style-type: none"> misrepresentation of product features online; product suitability (e.g. sale of a CommBank StepPay Account to a customer who requires a revolving credit facility with no set repayment schedule for purchases over \$100); and product attributes (e.g. the customer's ability to access certain product features such as the 'buy now pay later' feature are significantly inconsistent with expectations).
Incident Data	A material incident or significant number of incidents in relation to the product's design or distribution that identify potential breaches of our legal or regulatory obligations.
Changes to the Product	The material alteration of the product or product terms and conditions (e.g. adding to, removing or changing a key product attribute; significant change to distribution channel and distribution strategy).



Significant Dealings	Any significant dealing of the product to customers who are outside of the Target Market.
Notification from ASIC	The receipt of a product intervention power order from ASIC requiring CBA to immediately cease retail product distribution conduct in respect of the product.

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 name, product name and complaint verbatim.	Quarterly and in any case no later than 10 business days from the end of the quarter.

Product Issuer: Commonwealth Bank of Australia ABN 48 123 123 124 AFSL and Australian credit license 234945

