

Target Market Determination

Visa Low-Rate Credit Card



About this document

This document has been prepared by First Option Bank Ltd (“the Bank”, “we”, “us”), ABN 95 087 650 735, Australian Financial Services Licence (AFSL) no. 236 509, Australian Credit Licence (ACL) no. 236 509.

This Target Market Determination (TMD) is prepared in accordance with section 994B of the Corporations Act 2001 (Cth). It outlines the class of consumers for whom this product is intended, and sets out:

- ② The conditions under which the product may be distributed,
- ② The events or circumstances that would trigger a review of the TMD, and
- ② The reporting obligations for distributors.

This document is not a Product Disclosure Statement (PDS) and does not contain a complete summary of the product’s features or terms. It should not be relied upon as personal advice. Consumers should refer to the relevant disclosure documents before making any decision about this product.

This TMD supports First Option Bank’s commitment to designing and distributing financial products that align with the needs and expectations of our members. First Option Bank is the issuer of this product.

Target Market

This product is designed for members who:

- ② are seeking a non-cash payment facility, to make purchases and to manage their cash flow needs
- ② are seeking a lower rate of interest so that they have the option to spread repayments over more than one statement cycle
- ② are seeking to have available a credit card facility to meet contingencies but want to minimise the costs of such a facility unless and until it is used
- ② are seeking to manage their cash flow using the interest free period even if that means higher interest and fees

And are:

- ② not seeking to earn reward points which they can then redeem
- ② not seeking other features, for example, insurance and concierge services provided by a rewards card
- ② unlikely to carry a substantial balance for a prolonged period because of their financial circumstances

They must:

- ② be aged 18 years or more
- ② meet the credit assessment criteria for the product

Description of Product, including Key Attributes

This is a Visa Low-Rate Credit Card. The key attributes are:

- ⌘ available exclusively to First Option Bank members
- ⌘ a range of credit limits are available (contact us via one of our distribution channels for more information)
- ⌘ separate variable interest rates apply for purchases and cash advances (refer to the Lending Interest Rates Schedule for current rates)
- ⌘ an annual fee may apply (refer to our Fees and Charges - Loans for current fee amount)
- ⌘ fees for transactions may apply, including eftpos, Bank@Post withdrawals and withdrawals at overseas ATM (refer to Fees and Charges - Loans for current fee amounts).
- ⌘ no security required
- ⌘ monthly statements
- ⌘ minimum monthly repayments calculated from the closing balance of the statement of account, rounded to the nearest dollar (contact us via one of our distribution channels for more information on calculation)

Distribution Conditions

This product is distributed only by the issuer through the following channels:

- ⌘ Member Services Contact Centre
- ⌘ Online (firstoption.com.au)

Distribution conditions for this product include:

- ⌘ ensuring that customers meet the eligibility requirements for the product
- ⌘ ensuring that distribution through the member contact centre is by appropriately trained staff

There are currently no other distributors for this product.

Reasonable Steps

First Option Bank will take the following reasonable steps to ensure the product is distributed in accordance with this TMD:

- ⌘ Ensure all staff involved in distribution are trained on the product's features, target market, and eligibility criteria.
- ⌘ Regularly monitor sales and distribution data to identify any patterns of distribution outside the target market.
- ⌘ Implement system-based controls to prevent distribution to ineligible customers (e.g., credit assessment filters, eligibility checks).
- ⌘ Promptly investigate any significant dealings or complaints and take corrective action where necessary.

Review Triggers

The review triggers that would reasonably suggest that the TMD is no longer appropriate include:

- ⌘ a significant dealing of the product to consumers outside the target market
- ⌘ a significant number of complaints is received from customers in relation to their use of the product that reasonably suggests that the TMD is no longer appropriate
- ⌘ any material changes to the product or the terms and conditions of the product occurs which would cause the TMD to no longer be appropriate

Distributor Reporting Requirements

Distributors of this product must report the following information to First Option Bank:

- ⑤ Any dealing in the product that is inconsistent with this TMD, within 10 business days of becoming aware.
- ⑤ The number and nature of complaints received about the product, on a quarterly basis.
- ⑤ Information on the number of products sold, customer demographics (if available), and any trends or anomalies observed, on a quarterly basis or upon request.
- ⑤ Any feedback that may indicate the product is not meeting the needs of the target market.
- ⑤ This information must be reported to the issuer in accordance with the agreed reporting schedule or upon request.

Review Periods

- ⑤ First issue date: 5 October 2021
- ⑤ Periodic reviews: Annually