

# Target Market Determination

## Pepper Money Personal Loans Unsecured Personal Loan

**Issuer:** A Pepper Money Personal Loan- Unsecured is issued by Now Finance Group Pty Ltd as agent for NF Finco 2 Pty Ltd (**Credit Provider**) ACN 164 213 030 Australian Credit Licence number 425142, under an agreement between the Credit Provider and Pepper Money Limited ACN 094 317 665 (**Pepper Money**)

**Pepper Money:** Pepper Money Limited ACN 094 317 665 (also known as **Pepper Money**)

**Start Date:** 17 October 2024

**Product:** **Pepper Money Personal Loan- Unsecured**

Pepper Money Personal Loan- Unsecured (**the Loan**) allows individuals to borrow funds on an unsecured basis for a number of personal, domestic or household purposes. The Loan offers a fixed interest rate and requires individuals to make regular repayments over a fixed term.

# Purpose of this document

This target market determination (TMD) seeks to provide consumers, distributors and staff with an understanding of the class of consumers (target market) for which this product has been designed, having regard to the likely objectives, financial situation and needs of the target market.

This document should not be treated as a full summary of the product's terms and conditions or all of the product's features. This document is not a customer disclosure document and does not provide financial advice.

Consumers should refer to the Credit Guide, Credit Schedule and the other documents setting out the terms and conditions of the product when making a decision about this product. These documents are provided to a consumer prior to the provision of credit. A copy of these documents can otherwise be requested by contacting us at: [customerservice@pepperlending.com.au](mailto:customerservice@pepperlending.com.au)

# Target Market and Key Attributes

The Loan is designed for the class of consumers who:

- wish to borrow a potentially large sum of credit from a non-bank lender without providing an asset as security for the Loan;
- meet the eligibility requirements for the Loan (**Eligibility Requirements**), including:
  - being of 18+ years of age;
  - holding Australian citizenship or permanent residency;
  - currently employed (full time/ part time/ casual) and not on probation;
  - no defaults (paid or unpaid);
  - Centrelink is not the primary form of income;
  - not a current or prior bankrupt or party to a court judgement; and
- have the likely needs, objectives and financial situation described below (**Target Market**).

*The Pepper Money Personal Loan- Unsecured has been designed for customers with the following likely needs, objectives and financial situation:*

*Key Attributes of the Pepper Money Personal Loan- Unsecured that make the product consistent with the likely objectives, financial situation and needs of consumers in the target market.*

## Objectives

Obtain a large lump sum which can be used for a wide range of [expensive] personal, domestic, or household purposes including but not limited to: <ul style="list-style-type: none"> <li>• Vehicle, watercraft or caravan purchases;</li> <li>• Home renovations;</li> <li>• Household furnishings;</li> <li>• Debt consolidation;</li> <li>• Travel;</li> <li>• Medical expenses; and</li> <li>• Wedding expenses.</li> </ul>	A Pepper Money Personal Loan- Unsecured provides: <ul style="list-style-type: none"> <li>◦ a single lump sum of credit (in other words it is not revolving credit);</li> <li>◦ a minimum sum of \$5,000 and a maximum sum of \$50,000 which is a sufficiently large sum for these types of personal, domestic or household purposes.</li> <li>◦ it can be used for any personal, domestic, or household purpose.</li> </ul>
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## Needs

Spread / smooth the repayments over an extended period of time without a balloon payment at the end.	A Pepper Money Personal Loan- Unsecured provides: <ul style="list-style-type: none"> <li>◦ a term between 1.5 years to 7 years which is an extended period of time;</li> <li>◦ weekly or fortnightly payments to smooth/spread the repayments; and</li> <li>◦ repayments of principal and interest so that it is paid off by the end of the term.</li> </ul>
Need certainty of repayment amounts.	A Pepper Money Personal Loan- Unsecured provides: <ul style="list-style-type: none"> <li>◦ a fixed interest rate which allows repayment amounts to be the same and therefore certain;</li> <li>◦ no Loan fees, including upfront fees, periodic fees or event-based fees.</li> </ul>
Need flexibility to make extra repayments or pay out the Loan early.	A Pepper Money Personal Loan- Unsecured provides: <ul style="list-style-type: none"> <li>◦ <b>No extra repayment charges:</b> customers can make early repayments during the Loan without any fees.</li> <li>◦ <b>No early repayment charges:</b> customers can pay out their Loan at any time without any fees or charges.</li> </ul>

### Financial Situation

Have the financial capacity to service the Loan without a need for providing a security for the loaned amount.

The Issuer analyses and assesses the suitability and affordability of the Loan to the consumer's needs and objectives when assessing an application for the Loan and conducts a credit assessment to confirm whether the consumer would have the financial capacity to service the ongoing financial obligations under the Loan.

## Excluded customers

The Pepper Money Personal Loan- Unsecured is not designed for individuals who:

- do not satisfy each of the Eligibility Requirements;
- do not have consistent income;
- want the interest rate to increase/decrease over the life of the Loan;
- want to be able to redraw any additional repayments made on the Loan;
- are seeking a Loan amount of less than \$5,000 or more than \$50,000; and/or
- require an ongoing line of credit that can be redrawn up to the limit.

## Distribution of the Pepper Money Personal Loan- Unsecured

The Issuer has the following distribution channels and applies the following conditions and restrictions to the distribution of the Pepper Money Personal Loan- Unsecured through the channels so that this product is likely to be provided to customers who are in the target market.

<b>Distribution Channels:</b>	<b>Pepper Money Personal Loan Channels</b> <ul style="list-style-type: none"><li>◦ The Pepper Money Personal Loans website; and</li><li>◦ The Pepper Money Personal Loans call centre.</li></ul> <b>Third Party Distributions Channels, other than Pepper Money Personal Loan</b> <p>Authorised third party distributors such as:</p> <ul style="list-style-type: none"><li>◦ finance brokers and aggregators;</li><li>◦ partner websites (including comparison websites); and</li><li>◦ authorised referrers.</li></ul> <b>(Distributors)</b>
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## Distribution Conditions:

The Pepper Money Personal Loan- Unsecured can only be distributed in accordance with the distribution conditions below.

### Pepper Money Personal Loan Channels

- **Pepper Money Personal Loans website:** Consumers click through a website journey which collects information on the consumer's objectives, needs and financial situation for assessment by the Issuer. A Loan cannot be provided to a consumer until this information is collected and verified by the Issuer.
- **Pepper Money Personal Loans call centre:** Call centre staff are trained and follow a call script which asks questions of a consumer to collect information on their objectives, needs and financial situation for assessment by the Issuer. A Loan cannot be provided to a consumer until this information is collected and verified by the Issuer.
- The Issuer assesses each application against the Eligibility Requirements and conducts a credit assessment check to confirm that the consumer has an appropriate borrowing capacity to service the Loan, in accordance with the Issuer's responsible lending guidelines and product and process requirements.
- Pepper Money provides information and disclosures issued by the Issuer to consumers, who access the Loan via the Pepper Money channels. This information and disclosures make it more likely that the consumer will be able to assess whether the Loan is suitable for their objectives, needs and financial situation.
- Pepper Money has entered into a written agreement with the Issuer which controls what Pepper Money can and cannot do in distributing the product.
- The Issuer only permits Pepper Money to market the product using marketing material approved by the Issuer.
- The Issuer requires Pepper Money to hold an Australian Credit Licence. This means that Pepper Money is regulated (or subject to regulatory requirements), has its own requirements to comply with regulatory requirements, is of good standing and is insured.
- The Issuer must notify Pepper Money on the product features and attributes, eligibility requirements, target market and distribution to inform their advertising of the product and so they can discharge their regulatory obligations. This notification is also on the Eligibility Requirements for the Loan.

### Third Party Distributors, other than Pepper Money Personal Loan Channels

- All other Distributors must have entered into a written agreement with the Issuer which controls what they can and cannot do in distributing the product including in relation to marketing materials.
- For partner websites and referrers, they are not permitted to market the product other than through the Issuer's approved marketing material, must only display product information on their websites and must refer the customer lead through to the Issuer's direct channels above which then follow the conditions above.
- All other Distributors (excluding partner websites and referrers) must hold an Australian Credit Licence or be an authorised Credit Representative and be accredited by the Issuer. This means that they are regulated (or subject to regulatory requirements), have their own requirements to comply with regulatory requirements, are of good standing and insured. This allows these distributors to do more than simply provide product information, they can also market and have unscripted conversations with customers.
- All other Distributors (excluding partner websites and referrers) must be trained by the Issuer on the product features and attributes, eligibility requirements, target market and distribution to inform their conversations with customers and so they can discharge their regulatory obligations. This training is also on the Eligibility Requirements for the Loan.
- To comply with their own regulatory obligations, all other Distributors (excluding partner websites and referrers) ask questions to assess the individual customer's specific objectives, needs and financial situation and if they meet the eligibility criteria.

In all circumstances, a Loan cannot be provided to a consumer until the Issuer has collected and verified required consumer information. As part of this process, the Issuer will assess the suitability of the consumer and confirm whether the Loan will meet the consumers objectives and requirements.

## Review of TMD

The Issuer will review this TMD periodically to ensure it remains appropriate.

<b>Review Period</b>	<p><b>Initial Review:</b> Within 12 months of the date of this TMD</p> <p><b>Ongoing Review:</b> Within 12 months of the date of the previous review.</p>
<b>Review Triggers</b>	<p>The Issuer will also review this TMD if one or more of the following events occur:</p> <ul style="list-style-type: none"> <li>• Material changes to the Pepper Money Personal Loan- Unsecured terms and conditions;</li> <li>• Occurrence of a significant dealing (where the Pepper Money Personal Loan- Unsecured is not consistent with this TMD);</li> <li>• If the distribution conditions are found to be inadequate;</li> <li>• If there is an external event such as adverse media coverage or regulatory attention;</li> <li>• If there is a significant change in metrics, including but not limited to, complaints, default rates and application rates.</li> </ul>

## Information Reporting

All Distributors, including Pepper Money and other third party Distributors or any 'regulated person' who engages in relation distribution conduct must provide the Issuer with the following information:

Category	Information to be provided	How and When to Report
<b>Complaints</b>	<p>Any complaints made in relation to the Pepper Money Personal Loan- Unsecured including:</p> <ul style="list-style-type: none"> <li>• the number of complaints received during the reporting period (which may be 0) and;</li> <li>• written details of any complaints in the form as instructed by the Issuer.</li> </ul>	<p><b>When to report:</b> Within 10 days following the end of every six months.</p> <p><b>How to report:</b> Reports should be made to: Head of Dispute Resolution by email at: <a href="mailto:disputeresolution@nowfinance.com.au">disputeresolution@nowfinance.com.au</a></p>
<b>Significant dealings</b>	<p>Any significant dealing in relation to the Pepper Money Personal Loan- Unsecured and this TMD</p>	<p><b>When to report:</b> As soon as possible but no later than 10 days after the person becomes aware of the significant dealing.</p> <p><b>How to report:</b> Reports should be made to the General Counsel by email at: <a href="mailto:legal@nowfinance.com.au">legal@nowfinance.com.au</a></p>

## Revision Management

Version	Start Date	Comment
1.0	5 October 2021	TMD Issued
2.0	16 August 2022	TMD Updated
3.0	30 June 2023	TMD Updated
4.0	17 October 2024	TMD Updated