



Small Amount Credit Contracts (SACC)

Fair Go Finance Target Market Determination

This Target Market Determination (TMD) for a “SACC” has been prepared by Fair Go Finance Pty Ltd (the Company) in compliance with our Design and Distribution Obligations under Part 7.8A of the Corporations Act 2001 (DDOs).

All products & pricing strategies support the Company’s positioning as a responsible consumer lender that:

- Participates in the Comprehensive Credit Reporting regime;
- Offers Risk Based Pricing; and
- Targets the Australian Near Prime consumer credit market

1. Who is the Target Market for this Product?

The Target Market for the Small Amount Credit Contract (SACC) product offered by Fair Go Finance Pty Ltd (Us, We, Our) is made up of Australian consumers who:

- a. Typically have a risk profile in the Credit bureau credit score range of 300 – 650;
- b. Want, if at all possible, access to funds priced below “the cap” typically offered a SACC product by other lenders;
- c. Are looking to apply for finance in an “online” environment with an “always on” (24/7) access.
- d. Need amounts of between \$500 and \$2,000 for infrequent and sometimes unforeseeable expenses
- e. Are looking to supplement any savings and / or regular/usual disposable income;
- f. Want digital or personal access to account information and support from customer services to discuss loan contract terms, repayments & disbursement details;

Outside of our target market are:

- Customers who are solely reliant on Centrelink benefits such as Newstart or Parenting Payments;
- Customers with excessive gambling and inconsistent repayments on existing credit facilities; and
- Customers looking to refinance existing SACC loans into a new SACC loan.
- Customers who are above the PEA threshold

2. What are the Key attributes of this Product?

The SACC product covers smaller loan amounts and shorter repayment term within the Company’s product range and as such the key attributes of our SACC product are:

- a. Loan amounts from \$500 to \$2,000.
- b. Repayment Terms from 3 months to 12 months.
- c. Credit charges:
 - i. Establishment fee ranging from 12% to 20% of the loan amount; and
 - ii. A Monthly fee ranging from 3% - 4% per month which can be reduced depending on the credit history of the customer.
 - iii. No early repayment fee
- d. Transparent, legible and easily understood contract, including financial table and loan terms.
- e. Consumer protections around the total amount that could possibly be repaid by a customer should they fall into arrears.



3. How do the key attributes of the product meet the target market?

In addition to the Responsible Lending Obligations which apply when any application for a credit product is assessed by the Company, the key attributes of the SACC product that meet the needs, objectives and financial situations of consumers in the target market are:

- a. A SACC loan can be obtained online through the web based application process providing easy access short term finance for infrequent and sometimes unforeseeable expenses.
- b. Customers can access information relating to the SACC loan from the website or over the phone.
- c. Our SACC loan amounts are closely related to the amounts required by the target market consumers in their loan applications.
- d. Our SACC loan amounts meet the consumer's requirements and objectives for that loan purpose.
- e. Repayments on our SACC loans are typically lower than the larger products making them affordable for the consumer.
- f. A SACC loan is a Product that allows customers of a higher perceived risk to demonstrate a "willingness to repay", enhancing their eligibility to other, longer term, products within our range that may not have been eligible for previously.
- g. A sustained willingness to repay translates to Repayment History Information that is reported to all major Credit Bureaus in Australia, having the potential to boost a customer's credit score, opening opportunities with other main stream ("Prime") lenders.
- h. Historical data shows that for customers in the Target Market for this product have been the subject of:
 - i. Lower Default rates
 - ii. Fewer hardship applications
 - iii. Fewer customer complaints

all of which fall within an acceptable range and indicate that the product is suitable for the target market and is meeting the customer needs, objectives, requirements and financial situations.

4. Distribution Channels and Conditions

As an online lender, the Company distributes its products through both direct (e.g. google and the Company's website) and indirect channels (e.g. referral sites).

All our distribution channels present the product appropriately to consumers as follows:

- a) Our website contains information to assist a person evaluate our suitability to their needs as a credit provider, before applying, including:
 - I. Product and pricing related information
 - II. Tools and information relating to a person's likely eligibility for the product
 - III. No misleading information
 - IV. All relevant disclosures and warnings as required by law.
- b) All third party refers are
 - I. Vetted before being allowed to present our product;
 - II. Subject to regular monitoring;
 - III. Required to enter into referral agreements with us.

We do not distribute products through:

- a. Through gaming websites or locations;



- b. At hotels, pubs or casino's; or
- c. By making any unsolicited "cold call" offers of credit.

We have adopted the following Voluntary Distribution Conditions to ensure that our product is distributed appropriately to its target market:

- a. No loans to any new customer whose only source of income is Centrelink Benefits.
- b. No more than 3 SACC loans to the same customer within a 12 month period.
- c. No loans for the purpose of paying regular, ongoing ordinary household expenses.

All our products are distributed in compliance with our responsible lending obligations.

5. Review Triggers

We will review this TMD if the following occurs in relation to this product:

- a. The number of defaults, as measured by proportion of accounts "30 Days in arrears within 3 months of funding, increases by 10%.
- b. The number of complaints from approved customers in a 3-month period increases by 20%.
- c. The number of hardship applications in a 3-month period increases by 20% of customers.
- d. The number of loans per customer per year exceeds 3.

The responsible manager will collect, assess and review all the above data every month. We will also respond to external sources such as:

- a. Australian Financial Complaints Authority (AFCA);
- b. Australian Securities and Investments Commission (ASIC); and
- c. Community based consumer organisations.

If any of the above trigger events occur, this will trigger a review as if it were a periodic review as below.

6. Periodic Scheduled Reviews

- a. We will conduct annual periodic reviews whether or not a trigger event has occurred in the previous quarter.
- b. The responsible manager will conduct all reviews of this TMD.
- c. The responsible manager will report the management team and board of directors of Fair Go Finance Pty Ltd within two weeks of conducting a review as to:
 - 1. Whether any trigger events have occurred.
 - 2. What factors may have caused these trigger events to occur.
 - 3. Which of the follow actions we should take:
 - (a) No change if all of our DDOs as published above are being met;
 - (b) The product needs a redesign;
 - (c) A new distribution condition is required; or
 - (d) The product must cease to be offered.



7. Significant Dealings

If at any time, we detect that more than 10% of the consumers receiving our product within a 3 month period are not within our target market, we shall:

- a) Report this to ASIC as a significant dealing within ten (10) business days;
- b) Treat this as a Trigger Event and conduct an immediate review of our loan product and its Target Market and distribution channels.