

## Target Market Determination

### 1. About this document

This target market determination (TMD) sets out the class of customers for which the following Q Pay Plan product has been designed, having regard to the objectives, financial situation and needs of customers in the products' target market:

- **Q Pay Plan BNPL Product (the Product)**

This TMD is not to be treated as a full summary of the Product terms and conditions and is not intended to provide financial advice. Customers must refer to the relevant terms and conditions of the Product when making a decision about this product.

This TMD is effective from 10 June 2025.

### 2. Class of customers that fall within the target market

#### *(a) Target market for the Product*

The Product is available to eligible Q Pay Plan merchants. The BNPL product is for property owners. Only property owners can use this product to pay for home improvement products and services conducted on the property being serviced.

The BNPL Product is for customers who would like an alternative to traditional credit products which enables them to buy home improvement products and services on a 'buy now, receive now, pay later' basis. It has been purposefully designed as a safe product for customers, with strong inbuilt protections. Q Pay Plan BNPL customers are required to make their first repayment upfront.

Although customers may pay late fees, Q Pay Plan caps its late fees (at \$200 per payment plan) to ensure that customers are protected. Customers never pay interest. Although customers may potentially pay repeated late fees on multiple instalments over time, our late fee cap ensures that the total amount of late fees paid never exceeds \$200 per payment plan. Our research has shown that many homeowners value access to a product with compulsory monthly instalments compared to revolving credit products such as credit cards.

Q Pay Plan requires all payment plans to be paid off within the instalment period (4, 6, 9 or 12 months) nominated by the customer, and does not allow customers to pay a fee (or pay interest) to extend the repayment period.

This means that customers cannot revolve in debt on additional payment plans, and

customers pay off their purchases over the nominated instalment period.

Q Pay Plan recognises that customers may experience financial hardship from time to time and has an accessible hardship program. We do not decline requests for genuine hardship assistance, and we provide customers that are experiencing hardship with a wide range of flexible payment options.

Because of these reasons, Q Pay Plan is suitable for a wide range of customers who own or are paying off the property for which services are being provided by an independent service provider.

**(b) *Class of customers that fall within this target market***

The product is designed for customers who:

- Are the owners of the property being serviced
- Wish to use the Product for home improvement or home repair products and services on the property owned by the customer
- Are aged 25 years or older
- Are employed
- Are seeking to pay for products and services on an instalment basis without payment of interest, account keeping or establishment fees and without the risk of entering into revolving debt.
- Would benefit from a product with strong inbuilt controls which protect the customer, such as:
  - Real-time risk decisioning - i.e., payment plans are approved individually, rather than a customer being provided with an unrestricted spending limit.
  - Protections to avoid excessive fees, with hard caps on late fees.
  - Restrictions on using the product when instalment payments are missed.
- Would benefit from a product which provides them with the flexibility of paying by instalments via automatic direct debit from a debit card or credit card, and has no hidden fees or costs associated with its use if instalments are paid on time.
- Would benefit from a product that is zero cost upfront or, if late fees happen to be paid, is low-cost relative to other financial products that are available in the market.
- Would benefit from a product that does not result in merchants engaging in 'discretionary' pricing - i.e., where a merchant will effectively inflate the price of their product or service to account for the use of a BNPL product.
- Would be comfortable with the ease and efficiency of using a digital-only product.

## **(c) Excluded class of customers**

The Product may not be suitable for customers that are seeking functionality and flexibility that goes beyond what Q Pay Plan supports. This product is not designed for customers who:

- Do not own a property.
- Are not aged 25 years or older.
- Require a product to pay for invoices over \$25,000 per merchant.
- Are not employed.
- Require a product that enables unrestricted on-demand spending.
- Require a product for use at all categories of merchants.
- Require a product that enables them to pay down their purchase over a long period of time.
- Are not comfortable using digital-only services.
- Currently have a suspended or written off Q Pay Plan account.

The Product may also not be suitable for customers who use a direct debit as their repayment method and who incur repeated late fees as a result of repayments being dishonoured by their credit card provider due to having an insufficient credit card limit (i.e., a credit card that is effectively 'maxed out'). Customers in this situation may be more likely to be vulnerable, potentially increasing their overall liabilities and be using multiple products to manage a difficult financial situation. Q Pay Plan puts in place measures to protect these customers (see below).

## **(d) Eligibility requirements and product attributes**

The key eligibility requirements and product attributes of the Product are:

- Customers must successfully complete the application process by meeting the following conditions:
  - Be an individual over 25 years of age.
  - Are employed.
  - Be capable of entering into a legally binding contract.
  - Successfully verify their identity to the satisfaction of Q Pay Plan.
  - Have a valid and verifiable email address and Australian mobile number.
  - Provide a valid home address in Australia.
  - Are the owners of the property being serviced.
  - Be the authorised user of a valid Australian-issued debit or credit card.
- Customers must be able to access the product through digital means.

- Customers must meet Q Pay Plan's internal credit risk criteria.
- Be able to pay the first instalment upon approval.
- Customers must demonstrate consistent on time payments on the BNPL product.

### *Product attributes*

- Pay within a 4-, 6-, 9- or 12-month instalment period.
- No charging of interest, account keeping or establishment fees.
- Declining of further payment plan applications if a customer has significant late charges on previous payment plans.
- No charging of late fees when the customer pays on time.
- Capping of late fees.
- Freezing of late fees for customers who apply for hardship.
- Customers will be able to use Q Pay Plan BNPL Product with eligible Q Pay Plan merchants.

### **3. Consistency between target market and the Product**

The Product is consistent with the identified class of market due to the following key terms, features, attributes, and controls:

- No charging of interest, account keeping or establishment fees.
- Only charging a small late fee for customers who have missed their scheduled instalment payment.
- No option provided to customers to pay extra fees or interest to delay their debt or payment schedule.
- Hard system controls in place to:
  - Ensure customers complete the approval process and provide appropriate assurances before they can use the Product.
  - Decline further payment plan approvals if a customer has significant late charges on previous payment plans, thus preventing a debt spiral.
  - Minimise the financial impact of missed payments by capping late fees and freezing all late fees for customers who apply for hardship.
  - Prevent spending over a specified amount.
  - Prevent customers from spending on Q Pay Plan when they are in arrears with Q Pay Plan.
- In-network merchants are contractually prevented from inflating the cost of their products where Q Pay Plan is used as the payment method, and Q Pay Plan conducts monitoring to ensure that this contractual requirement is met. Q Pay Plan also does not partner with merchants that are associated with a higher risk of discretionary pricing.

- The product is a purely digital product.

#### 4. Distribution Conditions

##### *(a) How the Product is distributed*

The Product is distributed directly by merchants that have been approved to offer Q Pay Plan to their customers and prospective customers. Customers may obtain the Product by:

- a. Scanning the secure QR code provided by their chosen home service provider.
- b. Clicking on the secure payment link provided by their chosen home service provider via email, text, or invoice.
- c. Accessing our website at [www.qpayplan.com.au](http://www.qpayplan.com.au) and enquiring about the Product.
- d. Seeing our product available for use at online merchants and enquiring about our Product online via Q Pay Plan merchant websites.

Although customers may see Q Pay Plan available for use at physical retail stores, customers must still apply online (via their service provider's secure payment portal) to use our Product. Sales staff within retail stores do not assist customers in obtaining the Product.

##### *(b) Adequacy of distribution conditions and restrictions*

Q Pay Plan only distributes its Product using the methods above and uses a standardised process for onboarding customers. This control helps ensure that customers that obtain the Product are in the target market.

Further, the marketing for the Product does not deliberately target customers outside the eligibility criteria (such as those under the age of 25 and those outside Australia) which assists in ensuring the distribution is being directed towards the target market for whom the Product has been designed.

## 5. Reviewing this target market determination

We will review this TMD in accordance with the below:

<b>Initial review</b>	By 10 June 2026
<b>Periodic reviews</b>	At least every 12 months from the initial review. Upon the issue of significant changes in regulations by ASIC
<b>Review triggers or events</b>	<p>Any of the below triggers may indicate that the TMD is no longer considered appropriate for the target market and a review of the TMD is to be undertaken by Q Pay Plan:</p> <ul style="list-style-type: none"> <li>● A material change to the design or distribution of the product.</li> <li>● Occurrence of a significant dealing outside the target market.</li> <li>● External events such as material adverse media coverage or regulatory attention.</li> <li>● A material change to our metrics outside tolerance, including, but not limited to:             <ul style="list-style-type: none"> <li>(a) A significant increase in volumes of complaints relating to:                 <ul style="list-style-type: none"> <li>▪ Declined hardship applications.</li> <li>▪ Payment of late fees when the customer has paid on time or is in a hardship arrangement with us.</li> <li>▪ Customers being able to spend over their set spending limit.</li> </ul> </li> <li>(b) Customers being able to use the Product before completion of the onboarding process.</li> <li>(c) Customers being able to transact over their set spending limit.</li> <li>(d) Customers having orders approved if they have an overdue instalment.</li> <li>(e) Customers being charged late fees while they are in a hardship arrangement with us.</li> <li>(f) Number or proportion of customers paying late fees over the cap.</li> </ul> </li> </ul>

Where a review trigger has occurred, this target market determination will be reviewed within 10 business days.