

Target Market Determination

Laybuy Buy Now Pay Later

Version 1 dated 5 October 2021

This Target Market Determination (TMD) has been prepared in accordance with the *Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019* and associated Regulations.

TMDs are designed to assist issuers to ensure that financial products they issue are likely to be consistent with the *likely objectives, financial situation and needs* of the consumers for whom they are intended (the target market) and to assist distributors to ensure that financial products are distributed to the target market.

The TMD is general in nature and should not be construed as financial advice. Consumers should obtain independent advice prior acquiring the product to ensure that it is appropriate for their particular *objectives, financial situation and needs*.

Product	Laybuy Buy Now Pay Later (BNPL)
Reference documents	Laybuy's Consumer Terms and Conditions, https://www.laybuy.com/au/consumer-terms Laybuy's Privacy Policy, https://www.laybuy.com/au/privacy
Issuer	Laybuy Australia Pty Ltd ABN 45 640 349 971 (Laybuy)
Date of TMD	5 October 2021
Target Market	<p><i>Description of target market, including likely objectives, financial situation and needs of consumers in the target market</i></p> <p>The product has been assessed as meeting the <i>likely objectives, financial situation and needs</i> of consumers who:</p> <ul style="list-style-type: none"> • satisfy our eligibility criteria, including: <ul style="list-style-type: none"> ○ being 18 years or age or older; ○ passing Laybuy's customer KYC procedures; ○ having a satisfactory credit score; ○ having a valid credit or debit card issued in Australia linked to their Laybuy account; and ○ being a permanent resident of Australia; • require the ability to make interest-free purchases online and in-store from approved merchants and pay off the purchase over 6 equal automatic weekly payments; • want the option of making additional payments or repaying the amount due early without a penalty; <p>The product is likely to be consistent with the <i>likely objectives, financial situation and needs</i> of a broad range of consumers because it enables consumers in the target market to make purchases online and in-store and pay off the purchase over 6 equal automatic weekly payments, which assists with household budgeting and cash-flow.</p> <p>We have assessed that this product is unlikely to be suitable for consumers who:</p> <ul style="list-style-type: none"> • do not meet the product eligibility requirements; or • do not have a satisfactory credit score <p><i>Description of product, including key attributes</i></p> <p>The product allows consumers to make interest free purchases from select merchants in-store and online and spread the total cost over 6 weekly payments.</p>

	<p>The product has the following key attributes:</p> <ul style="list-style-type: none"> • automatic payment plan by a continuous payment authority; • consumers can choose their payment days provided payment 2 is not due more than 7 days after the date of purchase; • no interest payable; • the consumer can choose pay of the full amount of any purchase at any time. • Laybuy boost may be available, allowing consumers to spend more than they available credit by paying the difference between the purchase price and their credit limit upfront; • maximum default fee of \$10 per missed instalment; • if payment is not paid on a missed payment within 7 days of the due date another late fee of \$10 is payable; • in all circumstances the maximum late fees are \$40 per purchase); and • mobile app and online account to manage account and payments.
<p>Distribution Conditions</p>	<p><i>Distribution conditions</i></p> <p>The following distribution channel has been assessed as being appropriate to direct the distribution of the product to the target market:</p> <ul style="list-style-type: none"> • Direct online applications through our website or mobile app. <p>Distribution of the product is subject to the following restrictions:</p> <ul style="list-style-type: none"> • The product must not be distributed to consumers who do not satisfy the product’s eligibility criteria (stated above). This is controlled via our application process which flags any applicants that do not fit within the target market. Additionally, all applications have to be approved by us before the product is distributed. <p>The distribution channel is appropriate because:</p> <ul style="list-style-type: none"> • the product is simple and easy to understand, and has a very wide target market; • our system is designed so that the product complies with our design and distribution obligations, including the need to ensure all approved applicants fall within the target market • all applications are completed and approved by us, generally electronically; and • our system has controls in place to flag applicants who may be outside the target market.
<p>Review Triggers</p>	<p>The following review triggers would reasonably suggest that the TMD may no longer be appropriate:</p> <ul style="list-style-type: none"> • A significant dealing of the product to consumers outside the target market occurs; • A significant number of complaints are received from customers in relation to the product; • There is a material change to the product or the terms and conditions of the product which may suggest that the TMD may no longer be appropriate; • There is a significant and sustained increase in fraud; and • A significant number of consumers are missing payments and paying default fees.
<p>Review Periods</p>	<p><i>First review date: 5 October 2022</i></p>

	Periodic reviews: every 12 months after the initial and each subsequent review.		
Distribution Information Reporting Requirements	The following information must be provided to Laybuy by distributors who engage in retail product distribution conduct in relation to this product. It is included for completeness, noting that Laybuy is the sole distributor of this product:		
	Type of information	Description	Reporting period
	Specific Complaints	Subject to availability, details of the complaint, including name and contact details of complainant and substance of the complaint	As soon as practicable and within 10 business days of receipt of complaint.
	General information about Complaints	Number of complaints	Every 6 months
Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing (eg, why it is not consistent with the TMD)	As soon as practicable, and in any case within 10 business days after becoming aware	