

RACQ Bank Target Market Determination Everyday Account



This Target Market Determination (TMD) is designed to provide customers, distributors and our representatives with information about who this product has been designed for by describing the class of customers that comprise the target market for the product and other matters relevant to the product's distribution and review.

In this document the terms "RACQ Bank", "we", "us" or "our" refer to Members Banking Group Limited ABN 83 087 651 054 AFSL/Australian credit licence 241195 trading as RACQ Bank.

RACQ Bank - Everyday Account

The RACQ Bank Everyday Account is a transaction account that offers no account keeping or ongoing fees while giving customers freedom to access and withdraw funds at any time.

RACQ Bank offers a 100% offset facility with an eligible RACQ Bank variable rate Home Loan as a product option of the Everyday Account.

Below is a description of the following key terms, features and attributes that affect whether this product is likely to be suitable for the needs of the target market:

- No monthly or everyday transaction fees,
- No minimum account opening or ongoing balance required,
- No minimum monthly deposit required,
- Available funds are accessible at any time without penalty,
- Ability to utilise available funds to 100% offset an eligible RACQ Bank variable rate Home Loan (principal and interest repayments only).

Target Market for the Everyday Account (the target market for the offset facility product option is listed below separately)

This product is designed for customers who want a low risk, basic transaction account with no account keeping fees.

This product is likely to be suitable for customers who:	This product is not suitable for customers who:
<ul style="list-style-type: none">✓ Are individuals, aged 13 years and over,✓ Are Australian citizens, permanent residents or have a visa granting the individual with the right to live, work or study in Australia for at least 12 months; and✓ Want to deposit and withdraw funds.	<ul style="list-style-type: none">✗ Are non-personal entities,✗ Want to earn interest on their transaction account balance; and/or✗ Require an overdraft credit facility.

The likely objectives, financial situation and needs of the customers within the target market for the Everyday Account are likely to be met because:

- The product provides 24/7 access to deposit or withdraw funds,
- The product has no monthly or everyday transaction fees,
- The amount deposited in an RACQ Bank Everyday Account benefits from an Australian government guarantee under the Financial Claims Scheme (<https://www.apra.gov.au/about-financial-claims-scheme>), up to a maximum of \$250,000 across all protected accounts held by the account holder with RACQ Bank.

Target Market for the offset facility product option

This product option is likely to be suitable for customers who:	This product option is not suitable for customers who:
<ul style="list-style-type: none">✓ Want to reduce interest on their eligible variable rate Home Loan (principal and interest payment only).	<ul style="list-style-type: none">✗ Do not have an eligible variable rate Home Loan:<ul style="list-style-type: none">• When customers close their variable rate home loan linked offset facility is removed providing customers with base Everyday Account product.

The likely objectives, financial situation and needs of the customers within the target market for the mortgage offset facility product option are likely to be met because:

- The product offers the ability to reduce interest costs on your eligible variable rate Home Loan,
- The product provides all the benefits of the Everyday Account.

Distribution of this product

This product has been designed to be distributed by our representatives only via our distribution network, being:

- RACQ contact centres by calling 13 1905,
- RACQ website by visiting racq.com (where available),
- RACQ Mobile Lenders,
- RACQ stores (including agencies).

We have distribution conditions in place designed to help ensure this product is only sold to customers in the target market.

These conditions include measures such as:

- Production and distribution of materials that explain and document the features of the product that are designed for customers in the target market,
- Where comparison websites display this product, purchase pathways referring customers only to representatives in our distribution network,
- Training and authorisation of representatives in our distribution network for this product. These representatives understand the market this product has been designed for, have the appropriate levels of authority for their role in the distribution chain, and where relevant, comply with their obligations as Australian Financial Services Licence (AFSL) holders,
- Questions and information gathering on application, to determine whether the customers meet the eligibility requirements and RACQ Bank's acceptance criteria for the product,
- Systems and processes that support our eligibility assessments, and the delivery of other information relevant to the customer's understanding of the market for the product.

Reviewing this document

The first review will be performed by 05 October 2023. This TMD will be reviewed within 2 years from each review date to ensure it remains appropriate.

We will also review this TMD if an event or circumstance (called 'review triggers') occurs that would reasonably suggest that the determination is no longer appropriate, or the product is no longer consistent with the likely objectives, financial situation and needs of customers in the target market, such as:

- Notification from ASIC requiring immediate cessation of the product distribution or particular conduct in relation to the product,
- Material change to the product,
- A change in our acceptance criteria that impacts on the suitability of the product for the target market,
- A material change to the distribution of the product,
- The discovery of a relevant and material deficiency in the product's disclosure documentation,
- Material complaints which indicate that the product is no longer suitable for the described target market,
- Significant dealings which indicate that the product is no longer suitable for the described target market,
- Material indicators and relevant changes in our key product suitability metrics such as:
 - Customer satisfaction,
 - Product value for the customer.

We will review this TMD within 10 business days of any review trigger.

Reporting

RACQ Bank and all distributors must record all complaints received about this product and report on a quarterly basis (Complaints Reporting Period). Distributors are required to provide to us written details of any complaints about the product they have received during the Complaints Reporting Period within 10 business days of the end of the period.

The Complaints Reporting Periods are as follows:

- 1 January – 31 March,
- 1 April – 30 June,
- 1 July – 30 September,
- 1 October – 31 December.

All distributors are required to provide monthly and incident-based reporting on key metrics (see the heading "Reviewing this document") to allow us to review this TMD.

Distributors are also required to report to RACQ Bank if they become aware of a significant dealing in this product which is not consistent with this TMD within 10 business days of becoming aware of such dealing.

All distributors must report sales data including number of products issued and cancelled on a monthly basis.

Record keeping

RACQ Bank and its distributors will maintain records of the reasonable steps they have taken to ensure that this product is sold in a manner consistent with this TMD.

We will also prepare and maintain complete and accurate records of our decisions, and the reasons for those decisions, in relation to:

- All target market determinations for this product,
- Identifying and tracking review triggers,
- Setting review periods, and
- The matters documented in this TMD.