

RACQ Bank Target Market Determination Term Deposit 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 – Term Deposit Account

The RACQ Bank Term Deposit Account is an account that offers a fixed interest rate over an agreed period of time.

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

- Minimum investment of \$1000,
- No maximum investment amount, subject to RACQ Bank accepting the deposit,
- The customer can choose the term of the deposit, a term from 1 to 11 months or a term from 1 to 5 years,
- Customers cannot withdraw any part of the investment during the period of the nominated term, except with a notice period and applicable early redemption fee,
- Interest is paid at maturity or yearly for terms greater than 12 months,
- Eligible for a government-backed safety net for deposits of up to \$250,000.

Target Market

This product is designed for customers who want a low risk, low maintenance savings option and are looking for an easy way to start saving or to create a longer-term savings solution. Designed for customers who want a guaranteed return while comfortable with their funds being locked away for the period of the agreed term.

This product is likely suitable for customers who:	This product is not suitable for customers who:
<ul style="list-style-type: none">✔ Are individuals or non-personal entities,<ul style="list-style-type: none">• If individuals they are, Australian citizens or permanent residents,• Aged 13 years and over,✔ Want an investment where the agreed interest rate is guaranteed not to change over the nominated term,✔ Want interest to be paid at maturity or annually for terms greater than 12 months,✔ Want a standard term from between one month and 5 years; and✔ Have a nominated RACQ Bank account to which the funds can be dispersed or are prepared to open an account with RACQ Bank for this purpose.	<ul style="list-style-type: none">✘ Require access to their funds within the period of the term,✘ Want to invest less than \$1000,✘ Want interest to be paid more frequently than at maturity or annually for terms greater than 12 months,✘ Require their funds to be dispersed other than to a nominated RACQ Bank account; and/or✘ Have wholesale funding.

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

- The product provides certainty about the amount of interest that will be payable for the period of the nominated term,
- Once the funds are invested, the customer is not required to monitor the investment during the term,
- The customer can change their maturity instructions during the period of the term if they choose to,
- The amount deposited in an RACQ Bank Term Deposit 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.

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 internet and mobile banking (including RACQ Bank app),
- 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 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 risk 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 2022. This TMD will be reviewed within 1 year 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, after such as:

- Notification from ASIC requiring immediate cessation of the product distribution or particular conduct in relation to the product,
- A material change to the product,
- A change in our acceptance criteria 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, renewed 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.