

VIRGIN MONEY REWARD ME HOME LOAN

Target Market Determination
September 2023

What is a Target Market Determination?

A Target Market Determination (TMD) describes:

- the class of customers that comprise the Target Market for the product
- any conditions or restrictions on how the product is distributed to retail customers
- events or circumstances where we will review the TMD for the product.

Why does Virgin Money Australia need to make this TMD publicly available?

We are required to produce this TMD by law. The law is intended to help customers obtain appropriate financial products by requiring issuers and distributors to have a customer centric approach to the design and distribution of products.

This document is not a substitute for the product's terms and conditions or other disclosure documents. Customers must refer to these documents when making a decision about this product. These documents can be found on our website or you can obtain a copy upon request.

The TMD will undergo a periodic review as follows:

Effective date
30 September 2023
Next Review Due
Before 30 September 2025
Review
At least two years from when this TMD was made and then every two years thereafter.

Target Market

The Target Market for this product are customers who need a loan to acquire a residential property, refinance their existing loan and have the financial situation to borrow money to do so. These customers are likely to have the following objectives, needs and financial situation and must meet the eligibility criteria for this product.

Objectives

The customers' likely objectives are:

- to buy an existing property to be owner occupied or held for investment purposes, or
- to refinance an existing residential property loan to be owner occupied or for investment purposes
- to construct a new property to be owner occupied or held for investment purposes.

Needs

The customers' likely need is a fully-featured home loan product that meets their objective to acquire a home, offering:

- certainty of repayments and interest rates/ cost with a fixed rate or flexible repayments with a variable interest rate
- a longer repayment term of up to 30 years
- wide range of Loan-to-Value Ratio (LVR) with Lender's Mortgage Insurance applicable for higher LVRs
- offset account option

For more information see the table in the product description section below.

Financial situation

This product is suited to customers who satisfy Virgin Money Australia's credit assessment criteria.

Eligibility criteria for this product

Customers must satisfy the following criteria to acquire this product:

- be an Australian citizen, permanent resident, or temporary resident (subject to eligibility) with acceptable residency status
- be 18 years or older
- have an acceptable credit history
- demonstrate their capacity to repay the loan without substantial hardship
- provide sufficient security in accordance with Virgin Money Australia's credit assessment criteria, including residential property that meets our loan-to-value ratio (LVR) and lender's mortgage insurance (LMI) requirements.

Product description

A fully featured home loan with competitive rates and discounted rates based on the loan size and loan-to-value ratio. The home loan comes with a Home Loan Companion Account, which is a simple transaction account required for settlement of your loan and to manage the payment of fees and charges related to your home loan. The Home Loan Companion Account can also be used as a mortgage offset account. An offset account allows you to reduce the amount of interest you pay on your loan by maintaining a credit offset balance in a linked offset account.

Key attributes of this product

- variable or fixed interest rate
- principal and interest repayment schedule
- interest only payment option (up to five years for owner occupied and up to ten years for investors)
- loan splitting
- redraw and top up for variable rate portions
- interest offset option (on variable rate loans only)
- ability to make unlimited repayments for variable rate portions
- Home Loan Companion Account to facilitate funds transfers, direct debits, direct credits and BPAY payments
- secured against residential property
- Product(s) can only be accessed and operated by the customer via internet banking
- break costs may apply for early termination of fixed term or additional repayments of over \$10,000 per year.

Customisable key features and customer needs

Customers can customise the following listed key features of this product. These features and are appropriate for those customers within the Target Market with the selected needs described below. Other non-listed key features of the product are appropriate for the whole Target Market.

	Key features appropriate for the needs of this target market							
Target Market Needs	Variable Interest Rate	Fixed Interest Rate	Loan Splitting	Construction Loan Feature – Progressive Draw Down to Facility Limit	Interest Offset	Redraw and Top Up	Principal and Interest Repayment	Interest Only Payment
Certainty of Repayments and Interest Rates/Cost	No	Yes	Yes, for fixed portion	No	No	No	Yes	Yes
Flexibility in Repayments Structure	Yes	No	Yes, for variable portion	Yes	Yes	Yes	Yes	Yes
Home Construction Finance	Yes	Yes	Yes	Yes	Yes	Yes (subject to credit approval)	No. Interest only payments during construction phase with no repayments of principal. After construction phase, your loan changes to the repayments shown in your original loan application.	Yes
Interest Savings through Offset Account	Yes	No	Yes, for variable portion	Yes	Yes	Yes	Yes	Yes

Why the product is likely to be consistent with the likely objectives, needs and financial situation of the Target Market

The product's attributes are designed to support the Target Market's objectives, needs and financial situation. The customer's need to acquire a residential property can be met by the multiple repayment options and loan features such as variable and fixed interest, principal and interest, interest only, loan splitting, offset and redraw

Distribution conditions

This product can be distributed through:

- Virgin Money Australia's direct channels, including the customer contact centre (phone only)
- accredited third-party channels, including aggregators/brokers and comparison sites.

This product can only be distributed to retail customers in accordance with Virgin Money Australia's customer acceptance requirements and is subject to our credit assessment criteria.

Why the distribution conditions will make it likely that the customers who acquire the product are in the Target Market

Virgin Money Australia considers that the distribution conditions and restrictions support our assessment that the product will likely be distributed to the Target Market because of the following key controls:

- training of contact centre sales staff with quality assurance processes over compliance
- aggregator/broker accreditation requirements
- controls to ensure applying customers meet our credit assessment and eligibility requirements
- client needs analysis and broker checklists applied to align customer needs and financial circumstances with this product.

Review triggers

We will review this TMD if any of the following trigger events and information being monitored reasonably suggest that the TMD may no longer be appropriate:

- there is an increase in complaints received in relation to the product and its features that exceeds internally set tolerances
- we identify a material adverse customer experience in relation to the product appropriateness
- there is a material change to the product attributes, fees, charges, terms and conditions or the manner of distribution
- there is a Significant Dealing in this product which is inconsistent with the Target Market
- there is a Notification from ASIC which require Virgin Money Australia to cease product distribution conduct if they deem the product inappropriate for any reason.

Information reporting requirements

All distributors that distribute this product must provide the following information to Virgin Money Australia:

Type of Information	Description	Reporting Period
Customer complaints received in relation to this product	Customer complaints (including number of complaints, complaints record verbatim, product name and distributor name) in relation to this product that may indicate the TMD may no longer be appropriate for this product	As well as agreed in writing, quarterly and in any case within 10 business days from the end of the reporting period
Significant Dealings	The date or date range of when the Significant Dealing occurred and a description of why it may not be consistent with this TMD	As soon as practicable, and in any case within 10 business days after becoming aware
Incidents/Issues (including regulatory breaches)	Incidents and breaches that may indicate product is no longer appropriate for the Target Market or is being distributed outside the Target Market	As soon as practicable, and in any case within 10 business days after becoming aware

Note: Record keeping

Virgin Money Australia and its distributors will keep records of the reasonable steps they have taken to ensure that this product is sold in a manner consistent with this TMD.

Virgin Money Australia will also keep complete and accurate records of our decisions, and the reasons for those decisions about:

- all Target Market determinations for this product
- identifying and tracking review triggers
- setting review periods, and
- the matters documented in this TMD.

Important Information: Bank of Queensland Limited ABN 32 009 656 740, AFSL and Australian Credit Licence No. 244616 ("BOQ/the Mortgagee") is the issuer of home loans and the mortgagee under this mortgage.

Virgin Money (Australia) Pty Limited ABN 75 103 478 897 ("Virgin Money Australia") promotes and distributes the home loans as an authorised credit representative of BOQ. Virgin Money Australia is a wholly-owned but non-guaranteed subsidiary of BOQ.

