

Target Market Determination

AFS Secured Consumer Loans

This target market determination (TMD) seeks to offer consumers, distributors, and staff with an understanding of the class of consumers for which this product has been designed, having regard to the objectives, financial situation and needs of the target market.

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. Consumers must refer to and any supplementary documents which outline the relevant terms and conditions under the product when deciding about this product.

In this document, "we", "us", "our", "Automotive Financial Services" or "AFS" refers to Automotive Financial Services Pty Ltd (ABN 73 003 622 375), Australian Credit Licence 383762.

Terms and Conditions to which this target market determination applies

This TMD applies specifically to personal loan products referred to below, to which the following Terms and Conditions apply: [AFS Terms and Conditions](#)

Secured Consumer Loans \$5,000 - \$250,000

Date from which this target market determination is effective

5 October 2021

Class of consumers that fall within this target market

The information below summarises the overall class of consumers that fall within the target market for AFS Secured Consumer Loans based on the product key attributes and the objectives, financial situation and needs that it has been designed to meet.

The AFS Secured Consumer Loan has been designed for consumers whose likely objectives, financial situation and needs (as listed below) are aligned with the product (including the key attributes). The Secured Consumer Loans are for those who are seeking an amount of credit for the purchase of an asset for domestic or personal use.

Product description and key attributes

The key and product attributes of the AFS Secured Consumer Loan are:

	Property Owner	Renter	Boarder or other residential status
Loan Terms	12 - 84 months	12 - 84 months	12 - 84 months
Credit available	Up to \$250,000	Up to \$250,000	Up to \$250,000
Origination Fee	Up to a maximum \$990		
Establishment Fee	\$495		
Credit Search Fee	\$7.75		
Security Registration Fee	\$9.85		
Monthly Administration Fee	\$15		
Early Termination Fee	\$600 reduced on a pro-rata basis each month based on the contract term		
Acceptable assets include most auto and leisure assets			

Objectives, financial situation, and needs

These products have been designed for individuals who:

- need an amount of credit to purchase an auto or leisure asset for domestic or personal use
- require repayments across a specified or agreed term
- can service the principal balance of the loan and the fees and interest as it accrues

Consistency between target market and the product

The secured consumer loan product has been designed to suit a wide target market of consumers who require access to funds for the purchase of an asset for personal use.

Consumers in this class require access to credit particularly for transport, to enhance their employment opportunities and their lifestyle overall.

How this product is to be distributed

Distribution channels

This product is designed to be distributed through the following means:

- Through AFS accredited finance brokers across Australia
- Through AFS accredited dealerships across Australia
- Through AFS approved referral partners
- Direct Consumer Application

Distribution conditions

AFS has distribution conditions in place designed to help ensure this product is only sold to consumers in the target market.

These conditions include such measures as:

AFS as a distributor on the proprietary website

- Knockout questions on application to determine whether the consumer is meeting the eligibility requirements for the product
- Website content is reviewed to ensure appropriate messaging to the target market

For all other distribution

- Accreditation and onboarding of finance brokers and dealerships to confirm they are qualified to distribute the products
- Provision of AFS' eligibility criteria to accredited brokers, dealerships and referral partners to ensure the consumer loan products are being recommended are suitable.
- Checklists are provided to distributors which outlines information AFS requires from the consumer (via the distributor) to verify information as well as perform a credit assessment
- AFS' Relationship Manager (RM) is a point of contact for all approved brokers and referral partners to clarify any questions of eligibility

Adequacy of distribution conditions and restrictions

- Implementation of suitability and eligibility questions through the application process allows AFS' proprietary platform to identify those applicants who do not meet the criteria for the products prior to any loan offer being made to a consumer.
- Provision of the reference material such as checklists to accredited brokers and dealerships means the consumer's required information is received by AFS to enable assessment of suitability and eligibility prior to loan offer or approval.
- Finance brokers and dealerships that are accredited with AFS typically share and have access to the target market.

Reviewing this target market determination

We will review this target market determination in accordance with the below:

Initial review	Within two years of the effective date.
Periodic reviews	At least every two years from the initial review.

Review triggers or events	<p>Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but not limited to):</p> <ul style="list-style-type: none"> • a material change to the design or distribution of the product, including related documentation • occurrence of a significant dealing • distribution conditions found to be inadequate • external events such as adverse media coverage or regulatory feedback • significant changes in metrics, including, but not limited to, complaints, hardship applications, arrears, application volumes and approvals per accredited finance broker and per approved referral partner • as a result of feedback or guidance from the Ombudsman, the Australian Financial Complaints Authority (AFCA), or the regulatory body Australian Securities and Investments Commission (ASIC)
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Where a review trigger has occurred, this target market determination will be reviewed within 10 business days.

Reporting and monitoring this target market determination

AFS will hold metric information such as arrears, hardship applications, approved, declined and withdrawn application volumes and won't need to verify this with distributors. AFS will therefore collect the following information from all distributors in relation to this TMD:

Complaints	Confirmation in writing to AFS detailing complaints in relation to the product covered by this TMD as soon as the distributor become aware of the complaint.
Feedback and reviews	Any anecdotal feedback and/or reviews received from the customer in relation to the secured consumer loan product on a quarterly basis.
Dealings outside the TMD	As soon as practicable, information about a transaction that falls outside the TMD
Significant dealings	Report to ASIC and AFS if they become aware of a significant dealing in relation to this TMD within 10 business days.

The AFS RM frequently monitors application volumes. Where an accredited finance broker or dealership submits little or no applications or referrals on behalf of consumers, the RM critically reviews their agreement with AFS, as the low volume may indicate the broker or dealership does not have appropriate access to the target market.