

ANZ FREQUENT FLYER CARDS

TARGET MARKET DETERMINATION

PURPOSE OF THIS DOCUMENT

ANZ is legally required to prepare this Target Market Determination (TMD). The TMD describes the class of customers the product has been designed for, the conditions under which the product must be distributed and how ANZ will review this document so it remains appropriate.

PRODUCTS INCLUDED IN THE TMD

This document constitutes the TMD for the following ANZ credit cards, referred to in this document as **ANZ Frequent Flyer cards**:

- ANZ Frequent Flyer
- ANZ Frequent Flyer Platinum
- ANZ Frequent Flyer Black

TARGET MARKET

ANZ has identified the target market for ANZ Frequent Flyer cards and the key attributes of the product that meet the needs, objectives and financial situation of customers in the target market as follows:

ANZ Frequent Flyer cards have been designed for individual customers who:	Key attributes of ANZ Frequent Flyer cards that make the product appropriate for the target market:
<ul style="list-style-type: none">• Require a credit card facility (being a line of credit) to make purchases or perform other transactions regularly;	<ul style="list-style-type: none">• Line of credit: A credit card facility allowing purchases from retailers who accept Visa.• Transactional ability: Customers can perform other transactions, including balance transfers, cash advances and other types of payments (eg BPAY).
<ul style="list-style-type: none">• Are unlikely to carry a substantial balance frequently from month to month;	<ul style="list-style-type: none">• Interest rate on purchases: The interest rate on purchases is higher than the equivalent rate on the ANZ Low Rate card.• Cash advances and balance transfers: Specific interest rates apply to:<ul style="list-style-type: none">- cash advances; and- balance transfers (at the end of the relevant balance transfer promotion period if applicable).• Interest free period: Up to 55 days interest free period for purchases.

ANZ Frequent Flyer cards have been designed for individual customers who:

- Want or value the ability to earn Qantas Frequent Flyer points on eligible purchases with access to other applicable benefits;

Key attributes of ANZ Frequent Flyer cards that make the product appropriate for the target market:

- **Earn rate:** Qantas Frequent Flyer points are earned on eligible purchases at different rates depending on the specific card:
 - **ANZ Frequent Flyer:** Qantas Frequent Flyer points are earned at the lowest earn rate.
 - **ANZ Frequent Flyer Platinum:** Qantas Frequent Flyer points are earned at an intermediate earn rate.
 - **ANZ Frequent Flyer Black:** Qantas Frequent Flyer points are earned at the highest earn rate.
- **Other benefits:** ANZ Frequent Flyer cards customers may incur higher annual fees (which will differ depending on the card) but will have access to other benefits including:
 - **ANZ Frequent Flyer:** Up to 3 additional cardholders (subject to applicable fees).
 - **ANZ Frequent Flyer Platinum:** Up to 9 additional cardholders (subject to applicable fees) and complimentary insurance, including International Travel Insurance.
 - **ANZ Frequent Flyer Black:** Up to 9 additional cardholders (subject to applicable fees); complimentary insurance, including International Travel Insurance; Qantas Club Membership offers and lounge invitations.

- Want a credit card facility with a credit limit of at least \$1,000, \$6,000 or \$15,000 having regard to card features and benefits; and

- **Minimum credit limit:** The minimum credit limit will depend on the specific card:
 - **ANZ Frequent Flyer:** This product has a minimum credit limit of \$1,000.
 - **ANZ Frequent Flyer Platinum:** This product has a minimum credit limit of \$6,000.
 - **ANZ Frequent Flyer Black:** This product has a minimum credit limit of \$15,000.

- Can satisfactorily demonstrate they are able to afford to repay the credit card facility.

- **ANZ processes:** ANZ applies its affordability and suitability checking process to assess whether the product is consistent with the customer's needs and objectives and confirm the customer's ability to repay the credit card.

DISTRIBUTION CONDITIONS

ANZ applies the following conditions and restrictions to the distribution of ANZ Frequent Flyer cards so that the product is likely to be provided to customers in the target market.

These conditions and restrictions:

- limit the channels through which the product can be provided;
- ensure those who distribute the product are adequately trained and accredited; and
- ensure ANZ only distributes the product in accordance with a consistent application and assessment process.

	Condition	How does this make the distribution appropriate?
Channel	<p>ANZ Frequent Flyer cards can only be provided to customers through the following channels:</p> <ul style="list-style-type: none"> • ANZ Branches, ANZ Private, ANZ Customer Contact Centre; • Online channels (this may include anz.com, ANZ App and Internet Banking); • ANZ Mobile Lenders (credit representatives who provide services in relation to ANZ products); and • ANZ accredited brokers. 	<p>By limiting channels, ANZ can ensure that applications for ANZ Frequent Flyer cards are only received through channels that are subject to appropriate conditions, controls and/or monitoring.</p>
Training & Accreditation	<p>ANZ Frequent Flyer cards can only be provided to customers by ANZ directly, or through authorised ANZ staff who are accredited and trained or through the following persons:</p> <ul style="list-style-type: none"> • ANZ Mobile Lenders who are accredited and trained; and • ANZ accredited brokers who are accredited and given instructions to an appropriate level for their tasks. 	<p>By applying training and accreditation standards to ANZ staff and third parties who distribute the product, ANZ is ensuring:</p> <ul style="list-style-type: none"> • background checks are conducted on relevant individuals; • those distributing the product hold appropriate qualifications, are authorised to engage in distribution activities and are appropriately trained and accredited to ANZ standards; and • those distributing the product understand the distribution process ANZ requires them to follow, as well as the legislative framework relevant to their activities.
Process	<p>ANZ Frequent Flyer cards can only be provided to customers after ANZ collects the required customer information (including being provided information by ANZ Mobile Lenders and ANZ accredited brokers where relevant) and applies its affordability and suitability checking processes.</p>	<p>By applying its affordability and suitability checking process, ANZ assesses whether the product is consistent with the customer's needs and objectives and confirms the customer's ability to repay the credit card.</p> <p>ANZ's process can include measures to:</p> <ul style="list-style-type: none"> • collect relevant financial information from customers (either directly or through ANZ's third party distribution channels); • analyse that information and assess whether the customer will be able to meet their financial obligations; • make enquiries with customers about their needs and objectives in relation to the credit card; and • present clear information about product features, benefits and trade-offs before the customer applies for the product.

REVIEW OF THE TARGET MARKET DETERMINATION (TMD)

ANZ will review the TMD periodically to ensure it remains appropriate.

Periodic Reviews of the TMD	Timing
<ul style="list-style-type: none">Initial review	<ul style="list-style-type: none">No later than 18 months from the date the TMD is made.
<ul style="list-style-type: none">Subsequent ongoing review	<ul style="list-style-type: none">No later than 18 months from the date of the previous review.

Review Triggers

In addition, ANZ will review this document earlier if one or more of the following occurs, where they reasonably suggest that the TMD is no longer appropriate:

- There is a material change to the product or its distribution. For example, a change to a key product attribute or a material change to a distribution channel.
- There is a change in law or its application, a change in relevant industry code, an AFCA determination, a court decision, or ASIC or other regulatory guidance or action that materially affects the product. For example, if a change in the law requires ANZ to change or remove a key product attribute or a product intervention order is made by ASIC in respect of the product.
- There is a significant increase beyond expected levels in complaints or disputes, or a significant change in the nature of complaints or disputes relating to the product.
- ANZ has information about the way in which the product is being distributed, operating or being used by customers that reasonably suggests the TMD is no longer appropriate. For example, ANZ will monitor:
 - number of accounts that customers opt to close or move to a different product shortly after the product is issued;
 - number of accounts where customers are carrying persistent credit card debt over an extended period;
 - number of accounts where customers are carrying a substantial balance frequently from month to month; and
 - number of accounts where customers are charged a higher annual fee but are not utilising the associated features.
- Administration, insolvency or other major events or circumstance affecting the frequent flyer provider, or a material change to the frequent flyer program.
- Any other event occurs or information is received (for example, significant dealings in the product that are not consistent with the TMD) that reasonably suggests the TMD is no longer appropriate.

REPORTING

Regulated Persons must provide the following information to ANZ:

Category	Description	Reporting period	Reporting timeframe
Complaints	<ul style="list-style-type: none">• Whether any complaints relating to the product were received during the reporting period; and• If so:<ul style="list-style-type: none">- the number of complaints received during the reporting period; and- the substance of those complaints and any general feedback relating to the product or its performance.	Every calendar quarter.	As soon as practicable and in any case within 10 business days of the relevant reporting period.

In addition, ANZ accredited brokers must provide the following information to ANZ:

Category	Description	Reporting period	Reporting timeframe
Regulator feedback	Any other significant feedback from a regulator or consumer group which relates to the suitability of the product or its distribution.	Every calendar quarter.	As soon as practicable and in any case within 10 business days of the relevant reporting period.
Significant dealings	<ul style="list-style-type: none">• Date(s) the significant dealing occurred;• Description of the significant dealing and why it is not consistent with the TMD;• Why the dealing is significant;• How the significant dealing was identified; and• What steps, if any, have been, or will be, taken in relation to the significant dealing.	See reporting timeframe.	As soon as practicable and in any case within 10 business days of becoming aware of the significant dealing.

IMPORTANT INFORMATION

This target market determination is not a recommendation, opinion or advice that any person acquire the product or is within the target market for the product. It does not summarise the terms or risks of the product and is not an offer of, or invitation to apply for, the product to any person in Australia or elsewhere. It does not set out all obligations of regulated persons in relation to the product or this target market determination. Go to <https://www.anz.com.au/support/rates-fees-terms/target-market-determinations> for more information about target market determinations. Go to <https://www.anz.com.au/personal/credit-cards/frequent-flyer/> for information about the product.