

# Target Market Determination

## **Buy Now Pay Later for Real Estate**

**Issuer: RealPay Holdings Pty Ltd, trading as “Rello” (ABN 43 651 812 645)  
and its subsidiaries**

Issue Date: 1 November 2021

Review Date: 1 November 2022

# 1 About this Target Market Determination

## 1.1 Introduction

This target market determination (“**TMD**”) details a description of the likely objectives, financial situation and needs of customers that require a payment option to spread the cost of purchases into multiple repayments over time, while attracting no interest costs (“**Payment Plan**”).

A description of the product for this TMD, including the key attributes and explanation of why the product is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market is provided in this document.

This TMD is required under section 994B of the Corporations Act 2001 (Cth). This document is not intended to provide financial advice. It forms part of Rello’s design and distribution framework for the product.

## 1.2 Product to which this Target Market Determination applies

Rello provides customers a flexible line of credit facility with no fixed term for real estate payment related transactions up to \$2,000. This product is available to a retail consumer base and enables consumers make purchases followed by a series of interest free repayments over time.

## 1.3 Date from which this target market determination is effective

1 November 2021 (the Effective Date).

# 2 The Target Market

The information below summarises the type of consumers that fall within the target market for this product, based on the key product attributes, the likely objectives, financial situation and needs that the product has been designed to meet.

## 2.1 Background

Rello’s payment plan solutions enable tenants, landlords, prospective buyers, vendors and property owners the ability to make purchase of goods and services and defer the payment for these purchases by spreading the purchase price into a series of interest free instalments over time.

At the time of a purchase and successful payment plan activation, the Customer pays a deposit (between 20% and 25% of the purchase price depending on the Payment Plan) followed by a series of 3 or 4 interest-free instalments for the balance of the purchase price in accordance with the Payment Schedule agreed by the Customer.

## 2.2 Target Market for the Product

The product is designed for individuals who:

- require a flexible line of credit between to make purchases or pay bills;
- require a digital product;
- want an interest free line of credit; and
- are either a tenant, landlord or property owner.

(the **Target Market**).

## 2.3 Eligibility

To be eligible for a Payment Plan, a customer must;

- be at least 18 years old;
- be a permanent resident or citizen of Australia;
- verifiable mobile telephone number and a valid address in Australia;
- hold a valid ID with either a driver's licence or passport;
- have an Australian issued debit/credit card to apply;
- purchasing from an authorised merchant; and
- have not previously defaulted on a payment plan with Rello.

## 2.4 The appropriateness of the product for customers

Rello has concluded that this product is consistent with the likely objectives, financial situation and needs of individuals in the Target Market.

Specifically, the product is designed for consumers who have the financial capacity to service the ongoing financial obligations (including fees, if any) and repay the funds over time.

# 3 Product Description and Design

A summary of the product attributes which may apply are set out below:

<b>Product Name</b>	▪ Rello Pay Later
<b>Purpose</b>	▪ Purchase of Goods or Services including maintenance requests, rental bonds
<b>Exclusions</b>	▪ Commercial purchases
<b>Funding Amount</b>	▪ From \$200 to \$2,000
<b>Term</b>	▪ Pay in 4: 42 days or ▪ Pay in 5: 56 days
<b>Fees</b>	▪ Service Fee (Option to be paid by merchant or end customer) ▪ Late Fees of \$5.0 each time may apply (maximum of 2 times)
<b>Repayment</b>	▪ 25% of total amount is charged upfront with three (3) more automatic equal payments each coming due every fourteen (14) days thereafter.
<b>Documentation</b>	▪ The Customer agrees a Payment Plan which details the payment schedule along with terms and conditions.

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<b>Customer Service</b>	<ul style="list-style-type: none"><li>▪ The Customer receives electronic confirmation of their Payment Schedule.</li><li>▪ The customer has access to a self-service portal to review their payment schedule, make payments or lodge complaints</li></ul>
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## 4 How this product will be distributed

### 4.1 Distribution

Rello has defined a set of distribution channels and associated distribution conditions or restrictions. The product is distributed digitally through:

- Online through the Rello Platform to customers that meet the eligibility criteria of the product;
- Third party platforms that have a direct API integration with Rello and are the main supplier of technology to Real Estate Agency;
- Directly when presented with a pay later option by an onboarded merchant at the time of payment; and
- By responding to direct mail offers from onboarded merchants.

### 4.2 Adequacy of distribution conditions and restrictions

We have determined that the distribution conditions and restrictions will make it likely that consumers who are open to the product are the type of consumers for which it has been designed. This is based on an analysis of the key terms, features and product characteristics and a finding that these are consistent with the identified class of consumers.

## 5 Reviewing this TMD

Rello has implemented the following monitoring program for the product which is designed to trigger a review of this TMD.

### 5.1 Review periods and review triggers

The features of the product, and this Target Market Determination, will be reviewed no later than 12 months after the date of this Target Market Determination, and thereafter annually each June to assess the product's continued suitability for the objectives, financial situation and needs of Agencies in the target market, including:

- Quarterly review of the appropriateness of the product limits.
- Quarterly review of the performance of each distributor of the product including the number of products offered and sold, payment plan missed payments within the portfolio.
- We will collect information on the number applications, number of payment plan approvals, and repayments in relation to this TMD on a monthly basis.

The following circumstances (**review triggers**) will trigger an earlier review of this Target Market Determination, and of the suitability of the product to the target market:

- If overdue account balances exceed 5% of the total open outstanding balances;
- If more than 10 complaints are received in relation to the product in any quarter; and
- If originations for the pay option represent less than 5% of all new payment method options.

## 6 Reporting and Monitoring the TMD

We will collect the following information from external parties in relation to the TMD:

### 6.1 Product complaints

Distributors will report all complaints they receive in relation the product every three months, including customer information and details of the complaint.

### 6.2 Significant dealings

We will report any significant dealings to ASIC within 10 business days of becoming aware of the dealing.