

# Target Market Determination (TMD)

## Term Deposit

<b>Product</b>	Term Deposit Account
<b>Issuer</b>	Police Credit Union Ltd ABN/ACN 30 087 651 205 AFSL/Australian Credit Licence 238991
<b>Effective Date</b>	4 October 2021
<b>Last Review Date</b>	1 March 2024

**Target Market** ***Description of target market***

A Term Deposit is a product designed for investors who do not require access to their funds for the length of the term deposit and want to deposit the money with a bank to receive an amount of interest that is higher than the rate available for savings and transaction accounts.

***Description of product, including key attributes***

- **Fees:** No transaction fees charged to this account. An interest penalty applies if funds are withdrawn (in part or full) before the end of the agreed term.
- **Interest:** Interest is calculated daily. Unless otherwise agreed when your account is opened, interest is paid at maturity if the term is one year or less, or annually if the term is more than one year. Please note below for Interest Payment Options.

**Monthly**

- Credited to a nominated Police Credit Union savings account.

**At Maturity**

- Credited to a nominated Police Credit Union account.
- Credited via a direct credit to an alternative financial institution.

**Annually**

- Credited to a nominated Police Credit Union savings account.
- Credited via a direct credit to an alternative financial institution.

- **Account balance:** Minimum account balance \$5,000.
- **Access:** Fixed terms are available for 3, 6, 9, 12, 24, 36 and 48 months and any other term agreed by Police Credit Union from time to time. There is limited access to the funds during the term of investment without incurring an interest penalty.

# Target Market Determination (TMD)

## Term Deposit



### ***Description of likely objectives, financial situation and needs of consumers in the target market***

This product is designed for customers who:

- **Likely objectives:** Are seeking a low-risk investment with higher returns relative to a savings account for their own deposit or funds held by a Self-Managed Super Fund; ability to access the funds with 31 days' notice if their circumstances change (an interest penalty will be incurred); access to 100% of the amount invested at the end of the agreed term.
- **Likely financial situation:** Have a minimum \$5,000 to invest; have a wide range of income with savings at a level such that they are unlikely to require access to their investment; wide range of employment statuses; wide range of spending habits; wide range of ages and life stages.
- **Likely needs:** Have the ability to open an account in their own name or that of their Self-Managed Super Fund; generate capital growth through payment of interest; ensure their return is locked in to avoid any reduction in interest payments.

### ***Classes of consumers for whom the product is unsuitable***

- Customers with an account balance less than \$5,000; who are seeking a regular income stream; who require immediate access to funds.

### ***Explanation of why the product is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market***

A Term Deposit Account is a product for customers that have a minimum of \$5,000 to invest for terms between 3 months and 48 months. Customers who take out a term deposit will benefit from a higher interest rate and lower fees than a transactional account, whilst maintaining limited access to their funds.

### ***Distribution conditions***

**Distribution channels:** A Term Deposit Account can only be issued or arranged to be issued by phone or at a Police Credit Union branch to ensure the product is only offered to eligible customers who complete the application process and provide the required documentation through channels that are subject to appropriate controls.

The Term Deposit Account is actively promoted to customers through:

- Media campaigns which include but are not limited to statements, press, TV, website, digital, radio and social media channels; and

### **Distribution Conditions and Restrictions**

# Target Market Determination (TMD)

## Term Deposit

- Promotion by Police Credit Union staff and through advertising collateral available at Police Credit Union branches.

**Process:** The Term Deposit Account is only offered by Police Credit Union staff in branches and the Contact Centre who have been accredited and trained to offer the product. The product is not available via any third-party distributor. This will ensure that only customers within the target market will acquire the product and that the product will meet the objectives, financial situation and needs of customers.

### Review Triggers

The review triggers that would reasonably suggest that the TMD is no longer appropriate and would trigger a review of the TMD by Police Credit Union are:

- A significant dealing of the product to consumers outside the target market occurs.
- Material changes to the product such as:
  - Fees or rates of interest and/or the way in which these are incurred/earned.
  - Changes to other key attributes such as access to funds.
- Material change in law, relevant industry codes or regulatory guidance that impacts the product.
- An Australian Financial Complaints Authority (AFCA) determination, court decision or enforcement activity which suggests that the product does not meet the target market's objectives or needs.
- A material increase beyond expected levels in complaints, or a material change in the nature of complaints or disputes relating to the product.
- Any other event occurs, or information is received that reasonably suggests the target market is no longer appropriate such as:
  - High numbers of account closures beyond expected levels within a set period.
  - High numbers of consumers beyond expected levels switching to other accounts offered by the issuer.
  - Change to eligibility criteria.

### Review Periods

**Initial review date:** No later than 12 months from the date the first determination is made.

**Periodic reviews:** Every one year after the initial and each subsequent review.