



# Target Market Determination

## Kit Card and Account, non-cash payment product

Issuer: Hay Limited ACN 629 037 403 Australia Australian Financial Services License 515459 (Hay Limited) – Kit is a brand of CBA New Digital Businesses Pty Ltd ABN 38 633 072 830 trading as HEY KIT, a wholly owned but non-guaranteed subsidiary of the Commonwealth Bank of Australia ABN 48 123 123 124 (CBA). CBA New Digital Businesses Pty Ltd is not an Authorised Deposit-taking Institution for the purposes of the Banking Act 1959 and its obligations do not represent deposits or other liabilities of CBA. Kit is a distributor of the Hay issued Kit Account and Kit Card.

Start date: 9 May 2022

Review date: 6<sup>th</sup> November 2024

Review period: 6<sup>th</sup> November 2026

## Target Market

**The Kit Card and Account, non-cash payment product is a virtual account linked to a prepaid Visa card. The Kit Account cannot itself be used to purchase goods and services and withdraw cash; it can only be used to transfer value onto the Kit Card.**

### Eligibility criteria for the product

**Customers will need to satisfy certain eligibility criteria to maintain this product. Customers must:**

- Be an individual.
- Be aged 18 years or older to apply for the account
- Have a valid Australian residential address (including parent/guardian)

### Objectives & Needs

This product is targeted at consumers with the likely objectives, financial situation and needs of wanting:

- A virtual account to pre-fund for another individual (likely 5-14-year-olds)
- Access to a prepaid card to make purchases with an internationally branded scheme such as Visa
- To store value in an account without the ability to access interest on their balance
- To manage access to funds available in the account or on the prepaid account through spend limits, merchant blocking and card management

Objectives and Needs	Product Attributes
A virtual account to pre-fund for another individual (likely 5-14 year-olds)	The account issued by Hay Limited ( <b>Hay</b> ) is a virtual account. A Non-cash payment product issued by Hay is a fully digital transaction account that allows retail Clients to access their funds



	<p>on demand.</p> <p>Kit requires a parent/guardian over the age of 18 years old to take out the product, the virtual account and prepaid card are then created for each individual that the parent/guardian nominates to set an account up for.</p> <p>Access is only possible by card, app, BSB and Account number and does not have a access through a branch network. This means retail clients cannot make cash deposits or other withdrawals from the account via a physical branch except by using a card at an ATM where Visa pre-paid or debit cards are accepted.</p> <p>The Kit financial product is supported by the Kit app which provides financial education content. Kit's app and educational content are targeted to users 5-14 years old.</p>
Access to a prepaid card to make purchases with an internationally branded scheme such as Visa	Hay issue a prepaid Visa card for each account set up.
To store value in an account to facilitate short term savings goals for planned purchases without the ability to access interest on their balance	<p>Each Kit account is established with a dedicated sub-account for the purpose of storing value in a segregated account that does not earn interest.</p> <p>No interest can be earned on the funds deposited in the Kit account.</p> <p><u>For customers with a Kit account linked to a CommBank Youthsaver account*</u></p> <p>The Kit Account can be linked to a CommBank Youthsaver account, enabling a customer to transfer funds to the linked Youthsaver account, which earns interest in accordance with and subject to its terms and conditions.</p> <p>(Note – once funds are transferred to the Youthsaver account, the Kit app cannot be used to transfer funds from the Youthsaver account back to the Kit account).*</p>
To manage access to funds available in the account or on the prepaid account through spend limits, merchant blocking and card management	<p>Controls within Kit makes the parent/guardian the owner/controller of the account, there are actions only the parent/guardian can take on the account.</p> <p>Spend control and merchant category code limitations:</p> <ul style="list-style-type: none"><li>• The card program prohibits spend at unsuitable or inappropriate merchants for the Target Market to reduce harm.</li><li>• The card program has limits in place for the account balance</li></ul>



	<p>and daily spend.</p> <ul style="list-style-type: none"> <li>• Additionally, account owners can further restrict spend by merchant to customise the product to suit their needs.</li> <li>• Account owner can impose daily spending limits to suit the product to their needs.</li> </ul>
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**Financial Situation:**

- At the time of application, the person has the right to open a prepaid account and has access and the ability to transfer funds in Australian dollars to preload the facility, pay fees and is not looking to earn interest.

**Appropriateness Statement:**

The issuer, Hay Limited, has considered that the product is likely to be consistent with the likely objectives, financial situation and needs of the Target Market as:

- Customers can fund the account, to save and/or spend those funds through a prepaid card accessing Visa network; and

Customers can manage access to the funds through spend limits, merchant blocking and card management.

## Distribution Conditions

<b>Hay Limited distribution conditions for Kit as authorised distributor (and associated parties)</b>	
<b>Distribution Conditions</b>	
<p><b>Marketing and Promotion</b></p> <p>This condition applies to marketing and promotional materials that describe the product</p>	<p><b>Condition 1</b></p> <p>The authorised distribution partner must only market and promote the product as a reloadable non-cash payment product in Australia.</p>
<p><b>Retail Product Distribution Conduct (other than Marketing)</b></p> <p>This condition applies to all conduct (other than marketing) such as issuing, arranging and providing disclosure material.</p>	<p><b>Condition 2</b></p> <p>The authorised distributor must only engage in retail arranging, distribution and the provision of general product advice:</p> <ul style="list-style-type: none"> <li>• through the Kit website and Kit app;</li> <li>• to prospective retail customers who are individuals and meet Hay Limited’s minimum eligibility criteria for the product; and</li> </ul>



	<ul style="list-style-type: none"><li>to issue a non-cash payment product to retail customers after applying for and completing the application process.</li></ul>
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<b>Kit distribution channels as authorised distributor</b>	
<b>Distribution channel</b>	<b>Conditions that make product distribution through the channel appropriate</b>
Online channels (e.g. Kit website, Kit Apple and Android App)	<p>Kit's online channels provide customers with access to clearly presented information in an easy to understand and navigate format which is designed to assist customers in determining if Kit is the most suitable product for their circumstances including:</p> <ul style="list-style-type: none"><li>product information pages which include a summary of the product's key features and benefits.</li><li>Applicable fees and rates</li><li>Kit's disclosure documents to help inform customers of their obligations.</li></ul>

## Review Triggers

The following events and circumstances that would trigger a review and are initial indicators suggesting this target market determination is no longer appropriate.

The issuer, and any distributor of this product, must cease retail product distribution conduct in respect of this product when the issuer determines a material event or circumstance has occurred in relation to:	
<b>Customer outcomes</b>	<p>Unexpected trends in customer outcomes which are significantly inconsistent with the intended target market, including:</p> <ul style="list-style-type: none"><li>Age of children being set up on the app</li><li>Card usage and activation rates</li><li>Account balance and usage rates</li></ul>
<b>Complaints</b>	<p>Unexpected trends in complaints received from customers who acquired the product, which relate to the customer's purchase or use of the product, for example:</p>



	<ul style="list-style-type: none"><li>• Distribution</li><li>• Product suitability</li><li>• Product attributes</li></ul>
<b>Substantial Product Change</b>	<p>A significant change to the product features outlined in the product description is likely to result in the determination no longer being appropriate for the target market.</p> <p>A significant change to the product because of regulatory, legislative or code changes is likely to result in the determination no longer being appropriate for the target market.</p>
<b>Significant Dealing</b>	<p>A material pattern of dealings in the product or distributor conduct that is not consistent with the determination.</p>
<b>Notification from ASIC</b>	<p>A notification from ASIC requiring immediate cessation of product distribution or conduct concerning the product.</p>

#### **Review Trigger Information Reporting requirements**

The authorised distributor of this product must provide the following information to Hay Limited on a monthly cycle ahead the scheduled Client Governance meetings for review and noting or for significant dealings as soon as practicable within 10 days.

<b>Product Complaints Insights</b>	Information relating to complaints received including both the number and nature of complaints received.
<b>Significant Dealings</b>	Any significant dealings of the product to customers who are outside the target market.
<b>Complaints Action</b>	Case specific information relating to the actions taken, dates and timing and current case action status.

\* **CommBank Youthsaver Account** is an account offered and issued by the Commonwealth Bank of Australia ABN 48 123 123 124 AFSL and Australian credit licence 234945. This account is designed to help teach under 18s how to save and reach savings goals with more detail available from CBA directly or via [www.commbank.com.au/banking/youthsaver](http://www.commbank.com.au/banking/youthsaver).