



## **Local Appliance Rentals Pty Ltd Target Market Determination as required by ASIC's Product Design and Distribution Obligations (DDO)**

In October 2021, ASIC's Product Design and Distribution Obligations (DDO) legislation came into effect, requiring Issuers to develop a target market determination for certain financial products, which includes Consumer Leases. A target market determination (TMD) describes the class of consumers that comprises the target market to which a financial product will be distributed.

A TMD is a mandatory public document that sets out the class of consumers a financial product is likely appropriate for (the target market). It also sets out matters relevant to the product's distribution and review.

DDO is covered by ASIC's RG274.

### **Target Market Determination - TMD**

#### Target Market

The target market for Consumer Leases offered by Local Appliance Rentals Pty Ltd are those consumers that wish to rent a home appliance or other day to day household item (such as a laptop, mobile phone or other device) because they do not have the funds available to purchase the item outright, or if they do have the funds available may choose to use them for a different purpose. The target market may also not have access to more mainstream financial products such as credit cards, personal loans from banks or redraw facilities on a mortgage. In entering a rental agreement with Local Appliance Rentals Pty Ltd the target market chooses to rent household items (rather than purchase them) with the understanding that they are renting the items and will not own the goods outright at the end of their rental agreement period, nor have the right to the goods at the end of the rental agreement. (Note: Consumers can refer to the Local Appliance Rentals Pty Ltd Terms and Conditions for more information on how our Consumer Leases operate).

An extensive assessment of the Consumers situation is undertaken before a Consumer Lease is offered to a Consumer. This assessment is undertaken using our proprietary software Lend Assess. This ensures that the Consumer Lease meets the objectives, financial situation and needs of the Consumers in the Target Market.

#### Distribution Conditions

Local Appliance Rentals Pty Ltd distributes Consumer Leases through an Australia wide network of Franchisees. Local Appliance Rentals Pty Ltd holds a credit licence with ASIC. All Franchisees and their team members operate as Credit Representatives of Local Appliance Rentals Pty Ltd. In this way Local Appliance Rentals Pty Ltd is able to monitor the actions and operations of their Credit Representatives.

No Consumer Leases are offered by, nor any other operations undertaken in any way or form by any third party organisations on behalf of Local Appliance Rentals Pty Ltd or its Credit Representatives.

Neither does Local Appliance Rentals Pty Ltd nor its Credit Representatives offer any other products apart from Consumer Leases.

#### Review and Monitoring

Local Appliance Rentals Pty Ltd, as part of its business operations, continually monitors the operations of its Credit Representatives. In this way, they are regularly ensuring that all operations are undertaken with a Consumer-centric approach.

Local Appliance Rentals Pty Ltd undertakes to review the TMD under our DDO at a maximum period of one year. The review will be undertaken on the 30<sup>th</sup> of June of each year. This maximum period for the review will occur when there have not been any review triggers.

The review triggers that would cause Local Appliance Rentals Pty Ltd to review the TMD at the time it became aware of the review trigger rather than waiting for the annual review date are as follows;

- A material change in the operation of Consumer Leases such that they no longer are deemed to meet the objectives, financial situation and needs of the Consumers in the Target Market
- A material change to the National Consumer Credit Protection Act 2009 or the National Credit Code that affects Consumer Leases
- Any other substantial change to Consumer Leases
- A notice from ASIC requiring a review of our TMD or other operations
- A change to ASICs Regulatory Guidelines that relate to Consumer Leases, including, but not limited to, RG274
- A significant increase in the number of complaints from Consumers or other parties acting on their behalf
- Advice from any Credit Representatives that Consumer Leases are no longer meeting the objectives, financial situation and needs of the Consumers to whom they are distributing Consumer Leases
- When any other events or circumstances are identified that indicate that the TMD may need to be reviewed

If a review trigger occurs, Local Appliance Rentals Pty Ltd will undertake a review within 30 days of it becoming aware of the review trigger and update the TMD appropriately.

If a review trigger does not occur, then Local Appliance Rentals will undertake a review on 30<sup>th</sup> June of each year to ensure that we continue to meet our Design and Distribution Obligations under RG274.

Date of Last Review: 30 June 2022

Review By: Megan Perston

Findings: No changes required to DDO or TMD. No changes required in the way the product is distributed.