



Target Market Determination

For PayPal Pay After Delivery

provided by PayPal Australia Pty Ltd (**PPAU**) (ABN 93 111 195 389)

1 About this document

When to use this target market determination

This target market determination (**TMD**) details a description of the likely objectives, financial situation and needs of consumers in the target market for the Pay After Delivery payment option (**PAD**) offered by PPAU, a description of the product, including its key attributes and an explanation of why the product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market.

This document is not intended to provide financial advice. Consumers must refer to the PAD Terms and Conditions (available [here](#)), which outline the relevant terms and conditions for the product when making a decision about this product.

Product to which this target market determination applies

This TMD applies to the PAD deferred payment product issued and distributed by PPAU.

Date from which this target market determination is effective

5 October 2021 (the **Effective Date**).

2 Class of consumers that fall within this target market

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

Background

PPAU is an Authorised Deposit Taking Institution (**ADI**) that has the authority to provide Purchased Payment Facilities (**PPF**), offering online “digital wallet” accounts that enable consumers to buy and sell goods and services online and to send and receive money for personal transactions that do not involve a purchase, i.e. the payment is not for goods or services (a Personal Transaction) online. There are three types of PPAU online accounts that can form the basis of a consumer’s “digital wallet”. These are the Personal Account, Premier Account and Business Account. The PAD product is only available to consumers who have a Personal or Premier Account.

Class of consumers

The PAD product has been designed for individual Australian consumers over the age of 18 that require a low cost, safe and easy to use deferred payment option in respect of online purchases, for domestic, personal or household purposes (the **Target Market**).

Product description and key attributes

The PAD product is a deferred payment option available to individuals that are Australian residents with an Australian address and at least 18 years of age and:

- have a Personal or Premier PayPal account in good standing that has been operating for at least three months; and
- have a valid bank account linked to their PayPal account, from which funding transfers may be withdrawn; and
- who have met PPAU’s onboarding requirements.

The PAD product is for personal, domestic, or household purposes only.

When PAD is offered by PPAU to a consumer as a payment method, PPAU pays the seller immediately, to enable the seller to immediately send the consumer the purchased item. PPAU does not debit funds with respect to the purchase from the consumer's linked bank account for 21 days from the purchase date. A consumer may also choose to pay earlier at any time, up until 21 days after purchase. There are no fees for the consumer to use PAD, and no interest is charged.

Consumers who use PAD have the benefit of the following safeguards and protections:

- mistaken and unauthorised transactions liability protections contained in the ePayments Code;
- PPAU's chargeback and refund policies¹;
- PPAU's Buyer and Seller Protection Policy on eligible purchases (some exclusions apply to some types of transactions including real estate, vehicles, gambling, financial products, purchases in excess of \$20,000 etc)²; and
- recourse via PPAU's internal dispute resolution process as well as the Australian Financial Complaints Authority³.

Needs and objectives

The PAD product has been designed for consumers who want to defer payment for goods and services that have been purchased online for personal, domestic or household purposes, for a period of 21 days and who need to do so at no cost⁴ and in a safe and secure manner.

Excluded class of consumers

The PAD product is not designed for consumers conducting transactions for business purposes or those seeking to use a traditional credit facility to make purchases (other than a credit card linked to their Personal or Premier Account). It is not available to consumers who hold a PPAU Business Account. PAD is only available on certain eligible purchases as determined by PPAU and is not a credit facility.

PAD is not designed for consumers that engage in activities that do not comply with PPAU's Acceptable Use Policy (See link [here](#)).

Financial situation

This product has been designed for individuals who are able to pay the transaction amount and any associated transaction fees or charges⁵.

Consistency between target market and product

This product is designed to be consistent with the likely objectives, financial situation and needs of the class of consumers in the Target Market who are seeking a deferred payment option for online purchases made for personal, domestic or household purposes, at no cost⁶ and in a safe and secure manner. This is based on an analysis of the key terms, features and attributes of the product and a finding that these are consistent with the identified class of consumers. As PAD has been designed for individuals with good financial standing, only those with an operating Personal or Premier Account of longer than 3 months are offered the product by PPAU. Similarly, as PAD has been designed for those that require a deferred payment option, funds are not debited for a period of 21 days from purchase.

1. For more information on PPAU's chargeback and refund policies, see PPAU's User Agreement, located [here](#).

2. For more information on PPAU's Buyer and Seller Protection Policy, see PPAU's User Agreement, located [here](#).

3. For more information on PPAU's complaints handling procedure, see PPAU's User Agreement, located [here](#).

4. PPAU will not impose a fee for a buyer's use of PAD. However, a third party, such as the financial institution holding the primary bank account, may impose a fee in connection with the payment.

5. See clause 18 of PPAU's Combined Financial Services Guide and Product Disclosure Statement for a full list of fees [here](#).

6. PPAU will not impose a fee for a buyer's use of PAD. However, a third party, such as the financial institution holding the primary bank account, may impose a fee in connection with the payment.

3 How this product is to be distributed

Distribution channels

The PAD product is distributed directly by PPAU to qualifying PPAU Personal or Premier accountholders via the PPAU checkout.

Distribution conditions

PPAU may make the PAD payment option available to consumers once the consumer has been operating a PPAU Personal or Premier Account for at least 3 months. The PPAU Account opening process is made online or via a mobile app. These processes include verification of the consumer's name, date of birth, and address to ensure the consumer meets the PAD product criteria.

The account opening process is limited to PPAU's own proprietary online channels.

Eligible consumers with a valid PPAU Personal or Premier account who are offered PAD as a payment option are informed of the PAD product limitations (i.e. over 18, Australian resident, personal use and qualifying criteria) directly by PPAU and are provided with the PAD Terms and Conditions document during the online enrollment process for the product.

PPAU does not use third party agents or distributors to sign up or contract on PPAU's behalf in respect of potential consumers that may qualify for the PAD product.

The limited distribution via use of PPAU's own proprietary online channels assists in ensuring only qualifying consumers in the Target Market are able to acquire the PAD product.

Adequacy of distribution conditions and restrictions

PPAU has determined that the distribution conditions and restrictions will make it likely that consumers who use the product are in the class of consumers for which it has been designed. We consider that the distribution conditions and restrictions are appropriate and will assist distribution in being directed towards the Target Market for whom the product has been designed.

4 Reviewing this target market determination

PPAU has implemented the following monitoring program for the PAD product which is designed to trigger a review of this TMD:

Initial review	One (1) year from the Effective Date.
Periodic reviews	At least every year from the Initial Review.
Review triggers	<p>Any event or circumstances arise that would reasonably suggest the TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none"> • a material change to the design or distribution of the product, including related documentation; • a significant dealing of the product to consumers outside the Target Market occurs; • distribution conditions found to be inadequate; • external events such as material adverse media coverage or regulatory attention; and • a significant increase in the number of internal complaints or complaints made to the Australian Financial Complaints Authority in relation to a consumer’s acquisition or use of the product.

Where a review trigger has occurred, this target market determination will be reviewed within 10 business days of PPAU’s awareness of that trigger.

5 Reviewing this target market determination

PPAU, as the issuer and distributor of PAD, will collect the following information in relation to this TMD.

Complaints	We will collect information on all complaints in relation to this TMD on a monthly basis. This will include written details on the number and substance of complaints and general feedback relating to the product and its performance.
Sales data	We will collect information on PAD applications, PAD transactions and consumer data in relation to this TMD on a quarterly basis.
Significant Dealing	We will collect the date or date range of significant dealings and the description of the significant dealing as soon as practicable, and in any case, within 10 business days after becoming aware of the significant dealing.