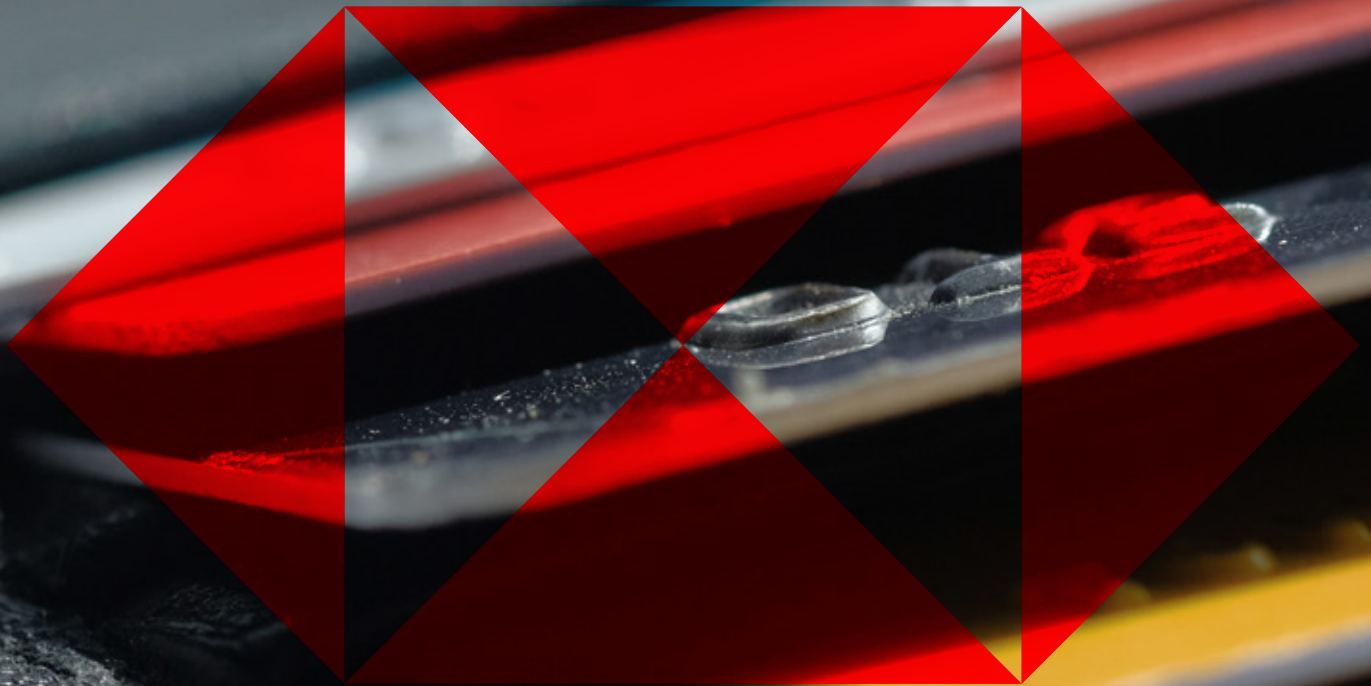


# Target Market Determination



## HSBC Low Rate Credit Card

**Date:** 4 October 2024



**HSBC**

| Opening up a world of opportunity

# Target Market

## Product description and key attributes

The HSBC Low Rate Credit Card is a simple credit card which offers a lower interest rate on purchases compared to HSBC's other credit card products, no overseas transaction fees and no rewards program.

The following table sets out the key attributes of the HSBC Low Rate Credit Card, which HSBC has assessed as being consistent with the likely needs, objectives and financial situation of customers in the target market for this product:

Customers with any one or more of the following needs and objectives	Key attributes
Require a revolving credit facility with a low interest rate on purchases, and a convenient way to manage cash flow by having the ability to make regular or one-off purchases as well as perform other transactions.	<p>The HSBC Low Rate Credit Card has a low interest rate on purchases compared with other HSBC credit cards. The credit facility can be accessed by using the credit card anywhere Visa is accepted to:</p> <ul style="list-style-type: none"><li>• make card present transactions (including point of sale);</li><li>• make card not present transactions (including online and over the phone);</li><li>• make digital wallet payments (including point of sale and online);</li><li>• set up recurring payments; and</li><li>• access cash.</li></ul>
Ability to consolidate credit card debts by utilising a balance transfer facility to move balances from one or multiple non-HSBC credit or store cards to an HSBC credit card.	Special balance transfer promotional rates.
Access to complimentary insurance benefits.	<p>This credit card provides access to the following complimentary insurances subject to certain eligibility conditions:</p> <ul style="list-style-type: none"><li>• Domestic Travel Insurance; and</li><li>• Rental Vehicle Excess Insurance in Australia.</li></ul>
Access to card spend and security controls.	Spend and security control options include locking a credit card, setting transaction limits and applying temporary blocks to certain transaction types.
Customers in all of the following financial situations	Key attributes
Require a credit card facility with a limit of at least \$1,000.	A minimum credit limit of \$1,000.
Time to make repayments before incurring interest on purchases.	Receive up to 55 days interest free on purchases if cardholders pay their full monthly closing balance (excluding any balance transfers, cash transfers and promotional purchases) by their statement due date. Cash advances incur interest immediately.
Earn a regular income.	<p>Minimum monthly repayments are required to be made on this credit card, and takes into account the following:</p> <ul style="list-style-type: none"><li>• card annual fee;</li><li>• minimum monthly repayments of 3% of the outstanding balance or \$30, whichever is higher; and</li><li>• interest charges.</li></ul>
Have a good credit rating and not be experiencing financial hardship or financial stress as identified through credit bureau checks carried out at the time of application.	
Be able to make at least the minimum repayment each month on their account without experiencing financial hardship.	
Likely to be able to repay their credit limit within 3 years without experiencing financial hardship.	

Key eligibility requirements

To hold this credit card, customers must be able to satisfy certain eligibility criteria, including that customers must:

- be aged 18 years or older;
- be an Australian resident;
- earn a regular income of at least \$40,000 p.a. before tax;
- have a good credit rating and not be experiencing financial hardship or financial stress as identified through credit bureau checks carried out at the time of application; and
- be able to service the proposed credit limit in accordance with the bank’s lending criteria and responsible lending obligations at the time of application.

Consistency with the Target Market

HSBC has assessed this product, including its key attributes, and determined that they are consistent with the likely needs, objectives and financial situation of the target market.

Distribution Conditions

This product can only be distributed through the following channels:

- staff assisted channels including in an HSBC branch, over the phone and via Relationship Managers;
- online channels including our website, mobile banking and online banking; and
- third party channels including comparison websites.

Channel	Distribution of this product is subject to the following conditions and restrictions
Staff assisted	<p>HSBC staff must:</p> <ul style="list-style-type: none"><li>• be appropriately trained to discuss the key features, eligibility requirements, interest rates and fees associated with this product;</li><li>• have access to resources and materials including up to date product information and product comparison tools to be able to discuss the key difference between our products; and</li><li>• collect the necessary information from the customer at the time of application in order to apply our suitability assessment checks.</li></ul> <p>This condition is appropriate as HSBC has control over the distribution and marketing of all products contained within this channel. Staff are required to follow an approved conversation framework. This seeks to ensure that HSBC staff will only discuss products that are likely to match the needs, objectives and financial situation of those customers likely to be within the target market for this product. Staff assisted channels are subject to supervisory oversight, continuous monitoring and customer feedback surveys.</p>
Online	<p>Online channels must:</p> <ul style="list-style-type: none"><li>• provide customers with clear and accurate information about the key attributes, eligibility requirements, interest rates and fees associated with this product;</li><li>• provide access to an easy to navigate product comparison tool which assists customers in identifying the key difference between our products; and</li><li>• collect the necessary information from the customer at the time of application in order to apply our suitability assessment checks.</li></ul> <p>This condition is appropriate as HSBC has control over the distribution and marketing of all products contained within this channel, ensuring that information about this product including key attributes, eligibility requirements, interest rates and fees are accessible on HSBC’s online channels in an easy to navigate format.</p>
Third party, including comparison websites	<p>Third party channels must:</p> <ul style="list-style-type: none"><li>• only be those with whom HSBC has an agreement;</li><li>• provide customers with information about the key attributes of this product, hosted together with a link to HSBC’s public website; and</li><li>• not conduct any additional marketing of HSBC’s products.</li></ul> <p>This condition is appropriate as it ensures customers will be directed to HSBC’s public website if the key attributes displayed are aligned with the product they are looking for.</p>

# Review Triggers

The following review triggers, which reasonably suggest that the Target Market Determination for the product is no longer applicable, apply where there is:

- significant dealing outside the target market;
- a significant number of exceptions outside the target market, for example, a significant number of exceptions in relation to the minimum age requirement or the financial hardship or financial stress requirements;
- a significant number of material complaints in relation to the product;
- a material change to the product or the terms and conditions of the product;
- a significant increase in the number of defaults within the first year of issuing the product to customers; and/or
- a significant number of customers making only minimum monthly repayments for a number of months.

# Review Periods

Unless a review trigger occurs:

- **periodic reviews:**
  - next review completed by 4 October 2025
  - maximum period between reviews: 12 months

# Distribution Information Reporting Requirements

Distributor	Information	Frequency	Reporting period
Comparison websites	Information on all complaints received in relation to the product, HSBC or the distributor	Quarterly	Within 10 business days of the end of the quarter

For more information related to HSBC credit cards, please visit [www.hsbc.com.au/credit-cards](http://www.hsbc.com.au/credit-cards).