



Target Market Determination

For PayPal Pay in 4 Facility provided by PayPal Credit Pty
Ltd ABN 66 600 629 258 (PPC)

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 in 4 Facility product issued by PPC (Pay in 4 Facility), 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 nor is it designed to encourage consumers to apply for credit. Consumers must refer to the Pay in 4 Facility agreement (available [here](#)), which outlines 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 Pay in 4 Facility, 'buy now pay later' product.

Date from which this target market determination is effective

1 October 2024

2. Class of consumers that compromise target market

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

Background

The Pay in 4 Facility product is issued by PPC which is a related entity of PayPal Australia Pty Ltd (PPAU). Both PPAU and PPC are wholly owned by PayPal Pte. Ltd. (a company incorporated in Singapore). PPAU is an Authorised Deposit Taking Institution (ADI) that has the authority to provide Purchased Payment Facilities, offering online "digital wallet" accounts that allow 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 online. PPAU is the sole distributor of the Pay in 4 Facility product through the PPAU digital wallet.

Class of consumers

The Pay in 4 Facility has been designed for use by Australian residents over the age of 18 years:

- who hold, or are eligible to hold, a PayPal Personal Account¹ that is in good standing (for example, has no limitations, restrictions or negative PayPal balance) and that is linked to a valid funding source;
- whose credit worthiness has been assessed, and
- who require safe and easy to use continuing credit facility that enables payments by way of four

¹ To see the Target Market Determination for the PPAU Personal Account, visit: <https://www.paypal.com/au/legalhub/home#tmd>

equal instalments to make online purchases for domestic, personal or household purposes and have the capacity to make Pay in 4 Facility repayments as and when they fall due (the **Target Market**).

Product description and key attributes

Pay in 4 Facility is a 'buy now pay later' product that may provide up to AUD \$2,000 in credit to enable consumers to purchase goods and services online and to pay for those purchases in four interest-free instalments. The first instalment is payable at the time of purchase with three consecutive fortnightly instalments following.

Subject to an application and credit assessment, eligible consumers are Australian residents, at least 18 years of age, who have met PPAU's onboarding requirements and hold a PayPal Personal Account in good standing.

The Pay in 4 Facility product is for personal, domestic, or household purposes only.

The Pay in 4 Facility product is limited to eligible purchases between AUD\$30 - \$2,000³ (and an aggregate amount of AUD \$2,000 for all eligible purchases) and repayments may be made using a credit card, debit card or bank account which is linked to the consumer's PayPal Personal Account. Repayments are automatically deducted from the consumer's chosen repayment method.

Consumers may elect to repay any outstanding Pay in 4 Facility balance or part thereof at any time without penalty or fee (provided they are made before the repayment date).

The Pay in 4 Facility can be used for various purchases but approval for each individual purchase will be determined at the time of each individual transaction.

All Pay in 4 Facility transactions are made in AUD and if a purchase is made in a foreign currency it will be converted to an AUD amount before the consumer elects to pay using the Pay in 4 Facility product. The consumer will be responsible for paying any foreign exchange charges but has no foreign exchange risk through the use of the Pay in 4 Facility product.

Pay in 4 Facility users have the benefit of the following safeguards and protections:

- PPC's eligibility check and credit assessment which may include a credit check with a Credit Reporting Body (CRB);
- Consumer reminders about Pay in 4 Facility repayments and an ability to make ad hoc repayments at any time without fees or penalty;
- mistaken and unauthorised transaction liability protections contained in the ePayments Code;
- PPAU's chargeback and refund policies²;
- PPAU's Buyer and Seller Protection Policy (exclusions apply to some types of transactions including real estate, vehicles, financial products)³;
- PPC's hardship processes; and
- recourse via PPC's internal dispute resolution process as well as the Australian Financial Complaints Authority⁴.

² For more information on PPAU's chargeback and refund policies, see PPAU's User Agreement, located [here](#).

³ For more information on PPAU's Buyer and Seller Protection Policy, see PPAU's User Agreement, located [here](#).

⁴ For further information on PayPal's complaints handling process, visit PayPal's User Agreement [here](#).

Needs and objectives

The Pay in 4 Facility product has been designed for consumers who want an instalment payment option for purchases valued between AUD\$30 and \$2,000 and who want to pay in instalments over a short period of time in a safe and cost-efficient manner.

Excluded class of consumers

The Pay in 4 Facility product is not designed for business customers⁵, minors, consumers who do not satisfy PPC's credit assessment or those seeking to fund purchases in respect of certain goods and services, including but not limited to gambling, non-profit, cryptocurrency trading, peer to peer payments, contracts for difference (CFD) and foreign exchange (Excluded Goods and Services).

The Pay in 4 Facility product is not designed for high-value transactions or for commercial purposes. It is not designed for investment purposes or to leverage a consumer into an investment product.

Financial situation

This product has been designed for individuals who satisfy PPC's credit assessment, and who are therefore deemed able to make fortnightly repayments of amounts borrowed.

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. This is based on an analysis of the key terms, features and attributes of the Pay in 4 Facility product and a finding that these are consistent with the identified class of consumers. As the Pay in 4 Facility product has been designed for consumers who want an instalment payment option, any drawdown of credit from the Pay in 4 Facility is repayable over three fortnightly interest-free instalments, after an initial repayment is made at the time of purchase. Similarly, as the Pay in 4 Facility product has been designed for personal, domestic, or household purposes, only consumer, not business accounts are eligible (and may apply).

3. How this product is to be distributed

The Pay in 4 Facility product is only available to eligible consumers with a PPAU Personal Account through PPAU's digital wallet. Application for the product must be submitted via PPAU's online or mobile application processes. These processes include the collection and verification of all required information to satisfy eligibility criteria and a credit assessment. Some applicants' credit assessments may require a credit check to be done with a CRB.

The PayPal Personal Account opening process is limited to PPAU's own proprietary online channels.

PPAU provides online merchants that offer PayPal payments with the ability to enable their consumers to pay using the Pay in 4 Facility via the merchant's checkout. This process is undertaken as a referral.

⁵ If a customer converts their PPAU Personal Account to a PPAU Business Account after their initial acquisition of the Pay in 4 Facility product, that customer will no longer be eligible to use the Pay in 4 Facility for future purchases. Any repayments owed by the customer for any prior purchases made with the Pay in 4 Facility remain due and payable by the customer.

Merchants do not provide product advice to their consumers or otherwise assist in the product application process.

To apply for the Pay in 4 Facility product, consumers must log into their PayPal Personal Account, agree to the Pay in 4 Facility Agreement⁶⁸, undergo any required identification verification and/or credit check, and pass a credit assessment.

Distribution channels

The Pay in 4 Facility product is distributed to consumers through PPAU's website.

Distribution conditions

(a) Pay in 4 Facility product advertising

Advertising is designed to reach Australian adults and placed at times and places (virtual and real) where consumers are likely to be receptive to receiving instalment payment information or to be making purchases. Product advertising is not undertaken at places, times or in a manner that targets minors and/or consumers who are seeking to fund transactions for Excluded Goods and Services.

(b) Pay in 4 Facility product applications

Applications may only be made with a valid PayPal Personal Account (accountholder is an Australian resident, over 18 years of age and has met PPAU onboarding requirements) which is in good standing (e.g., no limitations, restrictions or negative PayPal balance) with the option to apply for the product in their digital wallet. A credit assessment is required to be undertaken as part of the application, which may require a credit check with a CRB for some applicants. Application data is checked against internal and/or external CRB data to assess credit worthiness and identify and decline any (suspected) fraudulent applications.

Applicants have access to information about the product during the application process to assist consumers to understand the product's key attributes and consider if it meets their needs, objectives and financial situation.

The Pay in 4 Facility product must not be distributed to consumers who do not meet the eligibility criteria outlined in this TMD. Application data is assessed to ensure that only applications by consumers in the Target Market will be approved for the product. PayPal systems are configured to disallow or reject applications by ineligible consumers.

(c) Pay in 4 Facility product distribution channels

Other than its related body corporate PPAU, whose digital wallet platform allows the Pay in 4 Facility product to be offered to eligible consumers, PPC does not use third party agents or distributors to sign up or contract on PPC's behalf in respect of potential consumers.

(d) Pay in 4 Facility product monitoring and credit reporting

⁶ A copy of the Pay in 4 Facility Agreement is available [here](#).

There is ongoing monitoring of the Pay in 4 Facility product, hardship requests and credit reporting to a CRB (where necessary) to enable PPC to understand whether the product continues to meet the needs, objectives and financial situation of the Target Market in accordance with the product's key attributes.

Adequacy of distribution conditions and restrictions

PPC has determined that the distribution conditions and restrictions will make it likely that consumers who use the Pay in 4 Facility 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

PPC has implemented the following monitoring program for the Pay in 4 Facility product, which is designed to trigger a review of this TMD:

Periodic reviews	Within 12 months from the date which this Target Market Determination is effective.
Review triggers	Any event or circumstances arise that would reasonably suggest the TMD is no longer appropriate. This may include (but is not limited to): • 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 engagement or changes; • a significant increase in the number of consumers with the Pay in 4 Facility product who enter into collections or hardship; and • a significant increase in the number of internal complaints or complaints made to the Australian Financial Complaints Authority in relation to consumer acquisition or use of the product.

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

5. Reviewing this target market determination

PPAU, as the distributor of the Pay in 4 Facility product, will collect and report on the following information in relation to this TMD.

Complaints	PPAU will collect information on all complaints in relation to this TMD on a monthly basis. This will include written details on the numbers and substance of complaints and general feedback relating to the Pay in 4 Facility product and its performance.
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Sales data	PPAU will collect information on Pay in 4 Facility product applications, approvals and rejections and consumer data in relation to this TMD on a monthly basis.
Significant Dealing	PPAU 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.