

Target Market Determination HSBC Personal Loan

Date: 5 October 2021



HSBC

Opening up a world of opportunity

Product Description (including Key Attributes)

The HSBC Personal Loan is an unsecured credit facility that provides customers with a lump sum of funds to achieve various life goals (e.g. buying a car, paying for a wedding).

The key attributes of the product are:

- loan amount ranging from \$5,000 to \$50,000
 - fixed interest rate
 - fixed monthly repayment
 - loan term from 1 year to 5 years
 - unsecured
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Target Market

The target market for the HSBC Personal Loan is the class of persons who are consumers and who have the following likely objectives, needs and financial situation.

Likely objectives

Customers with **any one or more** of the following likely short term and long term objectives:

- funds to achieve various life goals e.g. buying a car, property renovation, paying for a wedding, education, holiday
- consolidating other debts
- ability to manage cash flow where there is an expense

Likely needs

Customers with **any one or more** of the following likely needs:

- certainty of monthly repayments over the loan term
- repay the loan within the agreed term
- flexibility with respect to the loan term
- want a loan between \$5,000 to \$50,000
- not having to give security over any assets

Likely financial situation

Customers in **all** of the following financial situations:

- are 18 years of age or older
- income of at least \$40,000 p.a.

Dependency

The class of persons must be able to service the proposed loan in accordance with HSBC's lending criteria and responsible lending obligations at the time of application.

Explanation

The product and its key attributes are likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market because:

- a fixed interest rate is consistent with customers who wish to have certainty of repayments over the loan term
 - The credit is between \$5,000 to \$50,000 which is aligned with customers needing access to an amount of credit and to manage their cash flow
 - a loan term of 1 – 5 years is consistent with customers who want to pay off the loan over a relatively short time frame
 - the loan is unsecured which is consistent with customers who do not want to give security over any assets
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Distribution Conditions

This product is distributed through the following channels:

HSBC Australia

- via an HSBC branch
- online application via the HSBC public website, Online or Mobile Banking, or
- over the telephone via the Contact Centre

Third party comparison websites

From time to time, the product is distributed via third party comparison websites – only those with whom HSBC has an agreement, where factual information about the key attributes of the product are hosted together with a link to HSBC's public website and no additional marketing is conducted.

Explanation

The distribution conditions make it more likely that the consumers who acquire the product are in the target market because:

- all HSBC branch and customer service staff must have completed the required training to be able to recommend this product
 - the HSBC public website provides all necessary product information, so customers can make an informed decision before applying for the product
 - the third party comparison websites are strictly controlled through the agreement
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Review Triggers

If, in HSBC's view, any of the following occur:

- where there is significant dealing outside the target market
 - where there is a significant number of complaints in relation to the product
 - where there is a material change to the product or the terms and conditions of the product
 - where there is a significant increase to the number of defaults
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Review Periods

Unless a review trigger occurs:

- **first review date:** 5 October 2022
- **periodic reviews:**
 - next review completed by: 5 October 2023
 - 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.

Disclaimer

For more information about HSBC's personal loans, visit www.hsbc.com.au