

**Target Market Determination for Mortgage Crusher Offset Account
Issued by Heritage Bank Limited**

Category	Description	
Product:	Mortgage Crusher Offset Account A transaction account that offers a 100% offset on balances above the minimum interest calculation balance against an eligible variable home loan reducing the amount of interest payable on the loan.	
Product Inclusions: The other facilities included with the product and covered by this determination	Visa Debit Card A non-cash payment facility used to make payment using funds held in the product.	
	Direct Debit A non-cash payments facility used to make payment using funds held in the product.	
	Cheque facility A non-cash payment facility used to make payment to a specified payee or bearer.	
	Periodical Payments A non-cash payment facility used to make payment to another Heritage account or an account at another financial institution using funds held in the product.	
	BPAY A non-cash payment facility used to make payment using funds held in the product on a platform operated by BPAY.	
	Sweeps A pre-approved automatic transfer of funds between nominated Heritage accounts where the consumer does not have sufficient clear funds in the account to be debited for a cheque or a direct debit.	
	Fund Transfers A non-cash payment facility used to make payment to another Heritage account or an account at another financial institution using funds held in the product.	
	Fast Payments A non-cash payment facility used to make payment to another Heritage account or an account at another financial institution using a "PayID" and the New Payments Platform (NPP).	
Start Date: Date the determination was made	5 October 2021	
Version:	1.0	
Review Date:	The first review, and each ongoing review, must be completed within each consecutive 1 year period from the Start Date.	
Target Market: Class of consumers that comprise the target market for the product	Consumer Description: This describes consumers in the target market	Objectives & Needs A person that may seek: <ul style="list-style-type: none"> an account for depositing funds into, to make day-to-day purchases and withdrawal transactions; and to offset on balances above the minimum interest calculation balance of their existing eligible variable home loan to reduce the amount of interest payable on the loan. Financial Situation A person who may have an eligible variable home loan and who may have access to funds to deposit in order to benefit from the interest offset and pay associated fees when such amounts become due and payable.
	Product Description: This describes the product	A transaction account with the following key attributes: <ul style="list-style-type: none"> the ability to use the facility to deposit funds and to make day-to-day personal transactions; the ability to deposit funds; and the ability for funds held in the product, where the balance is above the minimum interest calculation balance, to be offset against the balance of an existing eligible variable home loan to reduce the amount of interest payable on the loan. In general, it is only available to consumers that meet standard eligibility criteria such as a person that holds an eligible variable home loan.
	Appropriateness Statement: This explains why the product is consistent with the likely objectives, financial situation and needs of the target market	The product is appropriate for the target market on the basis that the key attributes of the product listed in this determination directly address the objectives, financial situation and needs of consumers in the target market as described in this determination.
Distribution Conditions: The conditions and restrictions on the distribution of the product	Marketing and Promotion This condition applies to marketing and promotional materials	Condition 1 A distributor must only market and promote the product through: <ul style="list-style-type: none"> advertising on television, radio, the internet (including social media), billboards and physical banners, brochures and other marketing material available to the general public;

	that describe the product	<ul style="list-style-type: none"> in person recommendations to access marketing material (including in branch communications and referrer networks); and any other issuer approved communication channels (including telephone, email and social media). <p>This condition is appropriate as the target market is wide.</p>
	Retail Product Distribution Conduct (other than Marketing) This condition applies to all conduct (other than marketing) such as issuing, arranging and providing disclosure material	Condition 2 A distributor must only engage in retail product distribution conduct (other than general advice) through: <ul style="list-style-type: none"> in person communications (including in branch and through referrer networks); and through the issuer's and other third party digital platforms. <p>This condition is appropriate as the issuer has distributed this product using these methods, with limited risk to the consumers.</p>
Condition 3 A distributor must only engage in retail product distribution conduct (other than general advice) if it has identified the key difference between the product and other deposit products issued by the issuer. This condition is appropriate as it requires a distributor to confirm that the consumer is in the target market. It is also appropriate as the issuer has distributed this product by third parties, with limited risk to consumers.		
Condition 4 A distributor must only engage in retail product distribution conduct (other than general advice) if the consumer holds an eligible home loan facility with Heritage and who has access to funds to deposit in order to benefit from the offset. This condition is appropriate as it requires a distributor to confirm that the consumer is in the target market.		
Review Triggers: The events and circumstances that would reasonably suggest the determination is no longer appropriate	The issuer, and any distributor of this product, must cease retail product distribution conduct in respect of this product when the issuer determines a material event or circumstance has occurred in relation to:	
	Material Complaints	material complaints (in number or significance) in relation to the terms of this product and / or the distribution conduct.
	Product Performance	evidence, as determined by the issuer, of the performance of the product, in practice, that may suggest that the product is not appropriate for the target market.
	Distributor Feedback	reporting from distributors, or consistent feedback from distributors on the target market which suggests that the determination may no longer be appropriate.
	Substantial Product Change	a substantial change to the product that is likely to result in the determination no longer being appropriate for the target market.
	Significant Dealing	a material pattern of dealings in the product or of distributor conduct that is not consistent with the determination.
	Notification from ASIC	a notification from ASIC requiring immediate cessation of product distribution or particular conduct in relation to the product.
Reporting Period:	The reporting period for this determination is every 6 months commencing from the Start Date.	
Reporting Information: The kinds of information needed to identify whether a review trigger has occurred, who must report this information and the reporting period	A distributor that engages in retail product distribution conduct in respect of this product must provide the following information in writing to the issuer within the times specified below:	
	Complaint Information	Information about complaints received in relation to the product during the reporting period, and if complaints were received, a description of the number of complaints and the nature of the complaints received and other complaint information set out in paragraph RG 271.182 of Regulatory Guide 271 Internal dispute resolution. The distributor must provide the information as soon as practicable, or in any event, within 10 business days after the end of each reporting period.
	Distributor Feedback	Information discovered or held by the distributor that suggests that the determination may no longer be appropriate. The distributor must provide the information as soon as practicable, or in any event, within 10 business days after the reporting period.
	Significant Dealing	Information about any significant dealing in the product that is not consistent with the target market determination of which the distributor becomes aware. The distributor must provide the information as soon as practicable, or in any event, within 10 business days after becoming aware of the significant dealing.
	Information Requested by Issuer	Information reasonably requested by the issuer The distributor must provide the information as soon as practicable and no later than the date specified by the issuer.
Notes: Other information relevant to the distribution of the product	Nil	

Document Control

Version	Date	Comments
1.0	5 October 2021	Determination commenced as a result of the new DDO Regime.