

Target Market Determination

HSBC Premier World Mastercard

Date: 5 October 2021



HSBC

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Product Description (including Key Attributes)

The HSBC Premier World Mastercard Credit Card is a credit card which accesses a line of credit subject to a limit with an interest free period before an interest rate applies to purchases and a different interest rate applies to cash advances.

The key attributes of the product are:

- only available to HSBC Premier customers
- a minimum credit limit of \$10,000
- up to 55 days' interest free on purchases. Cash advances incur interest immediately
- choice of two Rewards Programs:
 - HSBC Rewards Plus Program, with no annual fee; or
 - Qantas Rewards Program, with an annual fee
- complimentary insurance benefits – including domestic and international travel insurance
- physical and/or digital card

Target Market

The target market for the HSBC Premier World Mastercard Credit Card 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:

- to manage cash flow
- make ordinary, everyday or one-off domestic purchases, overseas and/or online purchases
- make a balance transfer

Likely needs

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

- time to make repayments before incurring interest
- access to an amount of credit of at least \$10,000
- access to a choice of rewards program (Qantas Rewards Program or HSBC Rewards Plus Program)
- access to complimentary insurance benefits (including domestic and international travel insurance)
- ability to access cash in emergency situations
- ability to access special promotional terms
- ability to make purchases using a widely accepted payment method (through a physical and/or digital card)

Likely financial situation

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

- meet the HSBC Premier eligibility criteria* which includes maintaining either monthly deposits of \$9,000 or more into an HSBC Australia account, or a savings balance of \$150,000 with HSBC Australia
- aged 18 years or older

- regular income of at least \$75,000 p.a.
- not experiencing financial hardship or financial stress as identified through credit bureau checks carried out at the time of application
- likely to be able to make at least minimum repayments each month without experiencing financial hardship
- likely to be able to repay the credit limit within 3 years without experiencing financial hardship

*full details of HSBC Premier eligibility requirements are set out in the HSBC Premier Service Guide.

Dependencies

The class of persons must 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.

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:

- the credit limit on this card starts at \$10,000, which is aligned with customers who need access to a higher amount of credit and to manage their cash flow
- there are up to 55 days' interest free on purchases which is aligned to customers needing time to make repayments before incurring interest
- HSBC Rewards Plus points or Qantas Frequent Flyer Points are earned on eligible purchases which is aligned to customers needing access to a choice of Rewards Program that contains these benefits

Distribution Conditions

This product can only be distributed through the following channels and subject to the following distribution conditions:

HSBC Australia

- via an HSBC branch
- over the telephone with HSBC

Applications cannot be made or completed via HSBC's website or through online or mobile banking. Marketing identifies the product or product type and refers customers to the channels above.

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 direct channels are proprietary channels and HSBC has strict control and monitoring over the distribution, application process and marketing of products within these channels

Review Triggers

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

- where there is significant dealing outside the target market
- where there are 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
- where there is a significant number of material 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 within the first year of issuing the product to customers
 - where there is a significant number of customers making only minimum monthly repayments for a number of months
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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
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Distribution Information Reporting Requirements

Not applicable as all distribution channels are proprietary channels (and not through third party channels).

Disclaimer

For more information about HSBC credit cards, please visit www.hsbc.com.au