

## Target Market Determination

### **DepositPay | Early Deposit Access for Vendors**

Issuer: Rello Finance Pty Ltd, trading as “Rello” (ACN 633 994 859)

Issue Date: 1 November 2022

Revision Date: 31 March 2026

Next Review Date: 31 March 2028

Version 2.0

#### **1 About this Target Market Determination (“TMD”)**

##### **1.1 Introduction**

This target market determination (“**TMD**”) applies to Rello’s Early Deposit Access for Vendors referred to as ‘DepositPay’ and has been prepared by the issuer in accordance with our obligations under the Design and Distribution Obligations under Part 7.8A of the *Corporations Act 2001* (DDOs).

Rello provides real estate agencies and vendors of real property with payment solutions associated with selling a property.

The TMD contains a description of the product, including the key attributes and why the product is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market.

It also specifies any conditions and restrictions on the distribution of the product, details distributor reporting requirements and sets out set review dates as well as the events or circumstances which will prompt us to review the TMD (Review Triggers).

This document is not intended to provide financial advice. It forms part of Rello’s design and distribution framework for the product. It does not replace our terms and conditions or other disclosure documents that we may provide to our customers.

##### **1.2 Product details**

Rello offers DepositPay to vendors when the sale of their domestic residential property is unconditional and a deposit for that sale had been received from the purchaser and is held in trust for the Vendor.

Vendors generally must wait for settlement to take place (normally 30-90 days depending on which state the property is located) before they can access the deposit.

The product is designed for individuals who require access to funds following the sale of their property where they have a short term immediate requirement for those funds. Rello provides the Vendor with early access to the amount of the deposit ahead of

settlement. In return, the Vendor sells Rello a right to receive an identified amount of the sale proceeds.

### 1.3 Date from which this TMD is effective

21 March 2024 (the Effective Date).

## 2 Product Description and Design

The following is a summary of the key attributes of the product:

|                       |                                                                                                                                                                                                                                            |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Purpose</b>        | Advance funding of deposits held in trust                                                                                                                                                                                                  |
| <b>User</b>           | Vendor who enters into an unconditional exchange of contract to sell their residential property                                                                                                                                            |
| <b>Exclusions</b>     | Commercial Property, off-the-plan sales and property developments                                                                                                                                                                          |
| <b>Advance Amount</b> | From \$25,000 to \$250,000 per exchanged contract                                                                                                                                                                                          |
| <b>Fees</b>           | A service fee is payable based on a percentage of the Advance amount which is payable on settlement.                                                                                                                                       |
| <b>Repayment</b>      | The Advance Amount and service fee are payable at settlement upon deposit release of the deposit or on a prescribed date which is generally the settlement date under the contract of sale, early repayments are possible without penalty. |
| <b>Term</b>           | Payment periods will match the settlement date up to 120 days.                                                                                                                                                                             |

## 3 The Target Market

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

### 3.1 Description of the Target Market for the product

This product is designed for individuals where:

- The individual owns a property which is residential and located in Australia;
- An unconditional contract of sale has been exchanged for the property, any cooling off period has expired and the deposit has been paid by the purchaser;
- The contract of sale gives the Vendor a right to retain the deposit if the purchaser fails to settle.

(the **Target Market**).

### 3.2 The appropriateness of the product for customers

Rello has concluded that this product is consistent with the likely objectives, financial situation and needs of individuals in the Target Market because it provides access to funds for vendors with an immediate need for money that otherwise is not available until settlement of the sale of a property.

Specifically, the product is designed for consumers who have the financial capacity to fulfil obligations from the proceeds of selling the property.

### 3.3 Product Eligibility

To be eligible to access DepositPay, a customer must:

- be at least 18 years old and have title to the property sold;
- be a permanent resident or citizen of Australia;
- have a verifiable mobile telephone number and a valid address in Australia;
- hold a valid driver's licence or passport;
- have signed an confirmed an unconditional contract of sale to sell their property;
- can confirm deposit is received and held in trust.

The target market excludes sales from a deceased estate, off plan residential sales and commercial property sales.

## 4 How this product will be distributed

### 4.1 Distribution

The table below describes the methods of distribution that we have assessed as being suitable for our product. It also lists the distribution conditions relevant to each channel of distribution:

Third party distributors may inform Vendors of the potential availability of a DepositPay when a need is possible.

| Method of Distribution   | Conditions                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Direct – online          | <ul style="list-style-type: none"><li>• Only authorised staff are permitted to assist consumers with this product.</li><li>• Authorised staff have the necessary training, skills and knowledge to assess whether the consumer is within the target market.</li></ul>                                                                                       |
| Third party distributors | <ul style="list-style-type: none"><li>• Real estate agencies that meet our KYC/AML onboarding criteria, can refer their clients to us when a contract of sale has been exchanged and deposit has been paid.</li><li>• Conveyancers and lawyers (“Settlement Agents”) who support Vendors in facilitating complex and often multiple transactions.</li></ul> |

- Third party platforms and marketplaces that have a direct API integration with Rello and are the main supplier of technology to a real estate agency can refer consumers to us.

Training via video calls and presentation material are provided on how to refer enquiries to Rello to not make any false or misleading representation or statement about Rello or Rello's products and services.

**All applications from consumers referred to us by third parties are assessed by us.**

#### 4.2 Adequacy of distribution conditions and restrictions

Rello has determined that the conditions and restrictions on distributors make it likely that Vendors who request a DepositPay will be in the class of customers that require early access to the buyer deposit on an unconditional exchange because all applications must be assessed and approved by Rello irrespective of the source and the application process is designed so that only customers who fall within the target market will be approved.

We consider that the distribution conditions and restrictions are appropriate and will ensure that distribution is directed towards the Target Market for whom DepositPay has been designed.

### 5 Reviewing this TMD

Rello has implemented the following monitoring program for the product which is designed to trigger a review of this TMD in the specified circumstances.

#### 5.1 Review periods and review triggers

The features of the product, and this Target Market Determination, will be reviewed no later than 12 months after the date of this Target Market Determination, and thereafter annually each October to assess the product's continued suitability for the objectives, financial situation and needs of consumers in the target market. Reviews will take into account:

- Quarterly review of the appropriateness of the product limits.
- Quarterly review of the performance of each distribution method including the referral of any consumers outside the target market;
- Quarterly review of product and portfolio performance;

We will collect information on the number applications, number of active payment plans and repayments in relation to this product on a monthly basis.

The following circumstances (**review triggers**) will trigger an earlier review of this Target Market Determination, and of the suitability of the product to the target market:

- If the ratio of complaints received to new DepositPay advances issued exceeds 5% in any quarter.
- If there is a significant dealing in the product outside the target market.

- We identify that the product has caused, or may be likely to cause, consumer harm.
- There is a material change to the product or the terms and conditions
- There is a material change in the law or Regulator expectations.

## **6 Reporting and Monitoring the TMD**

### **6.1 Product complaints**

Distributors must report all complaints they receive in relation to the product as they occur so that they can be resolved by us immediately. Each report must include the following:

- the identity of the distributor;
- the product name;
- the customer's name; and
- the exact details of the complaint.

### **6.2 Significant dealings**

Distributors must report any significant dealings in the product to consumers outside the target market to us within 10 business days of becoming aware of the significant dealing.