



Target Market Determination

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

Australian Credit Licence Number 568848

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 which is a low cost credit contract (LCCC) issued by PPC (Pay in 4 Facility). This TMD includes 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

21 May 2025

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, a related body corporate 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. PPAU is the sole distributor of the Pay in 4 Facility product through the PPAU digital wallet.

Product description and key attributes

Pay in 4 Facility is a 'buy now pay later' product with a credit limit of AUD \$1,999.99 to enable consumers to purchase goods and services online and to pay for those purchases in four interest-free instalments. The first instalment for each eligible purchase is payable at the time of purchase with three consecutive fortnightly instalments following.

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\$1 - \$1,999.99. 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 to ensure that the purchase is an eligible purchase and consistent with the terms of the Pay in 4 Facility.

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.

Target market and Pay in 4 Facility attributes

The eligibility criteria for the Pay in 4 Facility includes that the consumer must:

- be an Australian resident aged 18 years or over;
- 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; and
- meet our credit assessment criteria, (Eligibility Criteria).

The target market for the Pay in 4 Facility has been designed for a class of consumer that meets the Eligibility Criteria, has needs and objectives and financial situation as described below and is not in the excluded class of customer (described below) (**Target Market**).

The key attributes of the Pay in 4 Facility that meet the needs, objectives and financial situation of consumers in the Target Market, are described below.

| Consumer needs and objectives | Pay in 4 Facility attributes |
|--|--|
| A consumer that wants a facility to purchase goods for domestic, personal or household purposes. | The Pay in 4 Facility cannot be used to make purchases for commercial or investment purposes. |
| A consumer that wants the ability to pay for goods in instalments over a 6 week period. | The Pay in 4 Facility provides the consumer with a facility to make purchases now and pay for that purchase over 4 instalments. The first is due at the time of the purchase and the following three are due every 14 days thereafter. |
| A consumer that wants an instalment payment option when purchasing goods online. | The Pay in 4 Facility is available through the PPAU digital wallet for eligible purchases and is not available for Excluded Goods and Services. |
| Consumer financial situation | Pay in 4 Facility attributes |

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

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| A consumer that requires a continuing credit contract with a credit limit of \$1,999.99. | The Pay in 4 Facility has a credit limit of \$1,999.99. The Pay in 4 Facility is a continuing credit contract and does not require a new facility to be established for each purchase. |
| A consumer that wants to manage their cash flow by spreading the cost of purchases into 4 instalments. | The Pay in 4 Facility provides the consumer with a facility to make purchases now and pay for that purchase over 4 instalments. |
| A consumer that does not want to incur interest and other fees or charges for splitting the payment of their purchase into 4 instalments. | The Pay in 4 Facility has no late fees and does not charge interest. |
| A consumer that is able to manage payment obligations over an instalment basis. | Consumers must meet PPC's credit assessment criteria which assesses whether the consumer is able to manage the payment of goods and services in instalments up to the credit limit. |

Excluded class of consumers

The Pay in 4 Facility product is not designed for:

- business customers²
- consumers under the age of 18
- consumers who do not satisfy PPC's credit assessment criteria
- consumers who are 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)
- consumers who are seeking to fund purchases in respect of high-value transactions or for commercial or investment purposes or to leverage a consumer into an investment product.

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 interest-free instalments every 14 days, 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).

² 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.

3. How this product is to be distributed

Distribution channels

The Pay in 4 Facility product is distributed to consumers through PPAU's digital wallet and is only available to eligible consumers with a PPAU Personal Account. 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 our eligibility and credit assessment criteria.

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. 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, aged 18 years or over, 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. Applicants are required to satisfy our credit assessment criteria, which includes a credit check with a CRB. 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.

(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, 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

There is ongoing monitoring of the Pay in 4 Facility product, hardship requests, the application of our credit assessment criteria 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 – periodic reviews and review triggers

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

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| First and ongoing review period | The first review, and each ongoing review, must be completed within each consecutive 12 months from the date which this Target Market Determination is effective. |
| Review triggers | <p>Any event or circumstances arise that would reasonably suggest the TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none"> • 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. Review trigger reporting requirements

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

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| 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. |
| 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. |