

Target Market Determination

Effective Date: 28 October 2024

This Target Market Determination (**TMD**) is for Cancel For Any Reason (**CFAR**) benefits issued by Virgin Australia Airlines Pty Ltd ACN 090 670 965 (**Virgin Australia**). References to “we”, “our” and “us” in this document means Virgin Australia as the product issuer.

CFAR is not insurance, it is an incidental financial product provided by Virgin Australia as an additional benefit for customers who book certain flights sold and marketed by Virgin Australia (or marketed by Virgin Australia and operated by third party airline partners on behalf of Virgin Australia). Virgin Australia is not required to hold an Australian financial services licence to offer CFAR.

CFAR is subject to terms, limits, conditions and exclusions. Please refer to the terms and conditions for full [details](#).

This TMD was prepared on 28 October 2024 and will apply to CFAR sold to Virgin Australia’s customers on or after the effective date shown above. The TMD applies until it is replaced or withdrawn. We may review this TMD at any time.

This TMD is designed to help Virgin Australia’s customers and its staff understand who CFAR is most suitable for (**Target Market**). It also describes:

- Who CFAR may not be suitable for;
- How CFAR will be sold to Virgin Australia’s customers;
- How often we will review this TMD and when the next review will occur;
- What events or circumstance may trigger a review of this TMD; and
- The information that we need, to decide if the TMD is no longer appropriate.

Our Product

CFAR will be offered to Virgin Australia’s customers who purchase eligible non-refundable flights through the Virgin Australia website and mobile web page (**Site**) and require a refund of their flight costs, if they wish to cancel for any reason.

Below is a description of the key terms, features and attributes that affect whether CFAR is likely to be suitable for a customer’s needs, objectives and circumstances and which affect the Target Market.

Key Features

Description of Feature

Refund

CFAR will provide a refund to Virgin Australia’s customers of either 80% or 100% of their flight booking value (as selected by the customer), if the customer wishes to cancel their flight for any reason.

The refund is for the value of the fare for the original booking including applicable taxes, fees and charges, but not for subsequent or additional costs because of voluntary changes made to the booking or for optional extras the customer elects to buy such as additional baggage allowance or paid seat upgrades.

CFAR is only available for eligible Virgin Australia marketed flights for which the fare has no right to refund as part of the fare inclusion or a travel credit for cancellation (for example, Economy Lite and Economy Choice fares). It is not available for Flex fares, where refunds and changes can be made by customers by paying a fee to Virgin Australia.

Purchase and cancellation conditions

The following conditions apply to CFAR:

- CFAR must be purchased at the time of the flight booking for all passengers and all segments and cannot be added after the fare has been purchased.
- A refund is only valid for the flight booking on which it was purchased and cannot be transferred or used for another booking.
- If there is more than one booking made by the customer, only the customer who made the original flight booking has the authority to cancel for any reason including the original booking and any subsequent bookings that are made to which a CFAR applies.
- The customer can cancel 24 hours after making the booking and must cancel on the earlier of 24 hours before the scheduled departure of the flight on the original flight booking or 24 hours before the new departure date, if the booking was changed.
- No documentation or reason is required for a customer to exercise their right to receive a CFAR refund.
- A refund is not available if a customer elects to cancel their flight under Virgin Australia's Conditions of Carriage and the Fare Rules rather than requesting a CFAR refund, or you receive a refund under Virgin Australia's Guest Compensation Policy because Virgin Australia has delayed or cancelled your flight.

For full details of the conditions, limits and exclusions of the product, please refer to the [T&Cs](#).

Who is the Target Market for this product

CFAR has been designed for a class of customers who wish to purchase eligible non-refundable flights from Virgin Australia and would like to receive a refund benefit if they cancel their flight booking for any reason, rather than purchasing a more flexible Virgin Australia fare that includes a right to a travel credit or refund (whether subject to a fee or not) if the customer needs to cancel their flight booking.

Key eligibility criteria	Suitable for customers who:	Not suitable for customers who
Type of fare	<ul style="list-style-type: none"> ✓ prefer to purchase an Economy Lite or Economy Choice fare but still want to be able to cancel their flight and obtain a refund for the cost of the fare. 	<ul style="list-style-type: none"> ✗ prefer to purchase a more flexible fare such as Economy Flex or Business so that if they decide not to travel at the scheduled time, they can claim a travel credit and defer their flight with Virgin Australia for a future date or can cancel their flight and seek a refund (which, in the case of Economy Flex fares, is subject to payment of the applicable cancellation fee).
Refund option	<ul style="list-style-type: none"> ✓ would like a refund for their flight booking rather than receiving a travel credit with Virgin Australia and do not want to pay the applicable cancellation/change fee to obtain the travel credit. 	<ul style="list-style-type: none"> ✗ do not require a refund and would be content with a travel credit and to defer their travel to a later date, or require a refund but are content to pay the applicable cancellation/change fee; or ✗ are not willing to sign up for a Hyperwallet account as part of the refund process.
Scope	<ul style="list-style-type: none"> ✓ only require a cancellation benefit for the cost of their non-refundable flight with Virgin Australia. ✓ do not require a refund for the cost of other products and services they purchase (e.g. checked baggage or paid seat upgrades) and are willing to forfeit any fees paid for additional products and services. 	<ul style="list-style-type: none"> ✗ are seeking more comprehensive protection for cancellation (including additional products and services, checked baggage, medical expenses, accommodation etc), such as travel insurance. ✗ require a refund of the costs of other products and services from Virgin Australia (e.g. checked baggage) or additional travel-related services they buy from other providers.
Flexibility	<ul style="list-style-type: none"> ✓ are seeking the flexibility to cancel a flight for any reason and receive a refund and do not want to pay the applicable cancellation fee. 	<ul style="list-style-type: none"> ✗ already have travel insurance that provides a refund for cancellation in specified circumstances and consider that travel insurance provides sufficient protection having regard to their personal circumstances or requirements, or have purchased other missed event or ticket cancellation benefits from elsewhere (including through credit card providers).
Cost	<ul style="list-style-type: none"> ✓ are able to meet the costs of CFAR and the flight booking (and any other costs that may be applicable) and consider that the total cost is better value than a flexible fare or paying the applicable cancellation fee (in the case of cancellation of Economy Flex fares only). 	<ul style="list-style-type: none"> ✗ are not able to meet the costs of CFAR and the flight booking or do not consider there is value in having CFAR.

CFAR is designed for people who are Virgin Australia’s customers and whose likely objectives, financial situation and needs are described below. CFAR is likely to be

consistent with such customers' likely objectives, financial situation and needs because:

- it provides protection for flight cancellation risks that they are seeking to have protected; and
- it is designed to provide protection for people with the key attributes set out above.

Objectives	Customers seeking to financially protect themselves against the cost of cancelling their flight booking for any reason by obtaining a refund.
Financial situation	Customers who can afford to book a flight and purchase CFAR but do not have the financial resources to afford to lose the value of their booking if they need to cancel their flight for any reason.
Needs	Customers who: <ul style="list-style-type: none"> • want the flexibility to cancel their flight for any reason; • want a refund instead of a travel credit; and • are not insured or otherwise protected for this cost.

Distribution of the product

CFAR can only be distributed by Virgin Australia through our Site. We have conditions in place to help ensure that CFAR is only sold to people in the Target Market. These conditions include:

- CFAR can only be sold to Virgin Australia customers who are in the Target Market in accordance with this TMD;
- The product is only available for purchase by customers who purchase an eligible flight with Virgin Australia through our Site.
- The sales and distribution processes are specifically designed to identify individuals outside the Target Market and prevent the product being sold to them. For example, we will not make CFAR available for purchase to customers who have an Economy Flex or Business fare in their booking.

The distribution conditions make it likely that customers who purchase CFAR are in the Target Market because they are supported by reasonably appropriate design and distribution controls.

Reviewing Our Target Market Determination

It is important that we review this TMD to make sure it is appropriate for the needs of our customers. When we review this TMD, we will consider information which we collect or which any of our third party providers collect and provide to us. This information covers:

- Eligibility for the product;
- Sales information;

- Details of refunds issued;
- Customer information;
- Product review outcomes;
- Dealings of product outside of the TMD;
- Feedback and complaints; and
- Cancellations.

The first review will take place 1 year from the effective date of this TMD and then we will review this TMD every year from the date of the last review to ensure it is still appropriate.

Review Triggers

Certain events and circumstances taking place could mean that a review should take place earlier than the scheduled reviews. This is because these events and circumstances may reasonably suggest that the TMD is no longer appropriate or the product is no longer consistent with the likely objectives, financial situation and needs of the people in the Target Market. These events and circumstances are called **review triggers**. Below is a list of review triggers for this TMD:

- A significant dealing in CFAR occurs, for example a significant number of customers who are not in the target market are sold CFAR.
- We make a significant change to the eligibility criteria for CFAR.
- We make a significant change to CFAR, including the terms and conditions.
- There is a relevant and significant change or event affecting a reasonable proportion of people in the Target Market (e.g. a change in law or regulation).
- We make a significant change to the way CFAR is offered and distributed.
- There is a pattern of complaints or feedback relating to the appropriateness of this product for the Target Market or which may suggest that customers do not see value in the product. We record all complaints that we receive about CFAR and will review them on a quarterly basis.
- We receive a significant number of complaints which may suggest that this product is not performing appropriately for the Target Market.
- Data suggests that the product is being distributed outside of the Target Market.
- We identify that we have been selling CFAR to people outside the Target Market.
- Changes to our product suitability metrics suggests that the TMD is no longer appropriate, taking into account:
 - Customer satisfaction / complaints;
 - Product acceptance;
 - Financial performance;
 - Number and nature of complaints;
 - Benefits to customers; and
 - Product value and affordability.
- Feedback, orders or directions from a regulator or external dispute resolution body suggests the TMD is no longer appropriate.

- There is a change in law, regulatory guidance or industry code which may materially affect the terms of CFAR or its distribution, or regulatory feedback or concerns or media attention that materially affects the design or distribution of CFAR and suggests the TMD may no longer be appropriate.
- We detect significant changes in other metrics relating to the suitability of CFAR for the Target Market, including but not limited to number of products sold and nature and number of complaints.

If we decide we have enough information to identify that a review trigger has occurred, we will review this TMD as soon as possible, and in any event within 10 business days of our decision.