

Product name: Buy to Let range

Information sheet produced February 2024

Expires 28 February 2025

Our approach to meeting the Products & Services Outcome and Price & Value Outcome – Information for distributors of the Product

This summary document is being provided to you to fulfil our responsibilities under PRIN 2A.4.15R and PRIN 2A.3.12 R (2). -

It is designed to support you to comply with your responsibilities under PRIN 2A.3.16 R and PRIN 2A.4.16 R. Please note that you are ultimately responsible for meeting your obligations under 'The Consumer Duty'.

This information is intended for intermediary use only and should not be provided to customers.

1. Summary of our assessment

We have assessed that:

- Our buy to let range continues to meet the needs, characteristics, and objectives of customers in the identified target market.
- The intended distribution strategy remains appropriate for the target market.
- The product provides fair value to customers in the target market (i.e. the total benefits are proportionate to total costs).

2. Product characteristics & benefits

The buy to let range is designed to meet the needs of the target group:

- Customers who are purchasing a property specifically with the purpose of renting it out
- Customers who are looking to apply as an individual or joint borrower.
- Applications are not accepted from limited companies, trusts or subsidiaries.

The product features and criteria are designed to support these needs:

- Variable and fixed product types available over a range of terms
- Loans up to a maximum 80% LTV (75% LTV for New Build flats)
- Minimum property value of £75,000
- Minimum loan amount is £25,000
- Maximum loan on an individual property up to £1m
- Maximum number of mortgage Buy to Let properties is 3
- No minimum income requirements
- No maximum age criteria with a mortgage term of up to 25 years
- The rental calculation used will be dependent on if a short- or long-term product is selected and is as follows:
 - For **lower rate taxpayers** an ICR of 125% at 7.50% will apply if fixed for less than 5 years or 125% at 5.00% if the product is fixed for more than 5 years (based on an interest only basis); and for **higher rate taxpayers** an ICR of 145% at 7.50% will

apply if fixed for less than 5 years or 145% at 5.00% if the product is fixed for more than 5 years (based on an interest only basis).

- Availability on new and existing homes (subject to LTV restrictions)
- Product fee on completion on selected product up to the max LTV
- All products allow repayment of up to 10% of the capital balance annually without incurring Early Repayment Charges
- Regularly monthly over payment of £499.99 in addition to the 10% annual overpayment allowance
- Early Repayment Charge if the borrower redeems the mortgage during the initial fixed rate period (subject to T&C's)
- At the end of the initial product period, the rate will revert to our Society's Standard Variable Rate for the remainder of the term.

Full eligibility criteria can be accessed on our intermediary website via [this link](#).

3. Target market assessment and distribution strategy

This target market assessment matrix segments the target customers for the product, recognising their different needs to enable you to tailor the services you provide when you distribute the product.

Customer Circumstances	Distribution Strategy	Customer Needs & Objectives
<p>For customers who are purchasing a property specifically with the purpose of renting it out.</p> <p>Customers who are looking to apply as an individual or joint borrower.</p>	<p>Applications are available through our intermediary channel.</p> <p>Non-advised service for new applications and retention.</p>	<ul style="list-style-type: none"> • Purchasing a property to let • Access to fixed or variable rate mortgage products • Customer looking to purchase no more than 3 properties or in excess of £1m maximum loan exposure

The product is not designed for customers who:

- Are planning to reside in the property
- Are first time buyers
- Portfolio landlord (in excess of 3 properties)
- Need to utilise employed or self-employed income to support the rental cover calculation
- Are unable to demonstrate the loan is affordable i.e. severely credit impaired borrowers.
- Applications from limited companies, trusts or subsidiaries
- Do not meet our lending or property criteria, or do not meet our product specific criteria

4. Customers with characteristics of vulnerability

The product is designed for buy to let mortgage market, which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

Buy to let mortgage customers maybe unaware of the different options available to them or unable to obtain the best rate.

They may not have a comprehensive understanding of the varying features of buy to let mortgages or the mortgage market. They may not understand the various product features or the impact of variable rate product. This could affect the ability to compare options available to them.

Therefore, they may require additional advice and support to understand the information being presented to them and the implications of the arrangement they are entering into to reduce the risk of harm occurring.

We considered the needs, characteristics, and objectives of customers with characteristics of vulnerability as part of the design process for this range to ensure the product meets their needs.

We regularly conduct testing and monitoring of our product range to ensure good outcomes for our customers. This testing and monitoring includes a proportion of customers who have characteristics of vulnerability.

We have in place a framework to achieve good outcomes for vulnerable customers, which includes:

- Education and training for our colleagues to ensure they have the appropriate skills and experience to recognise and respond to the needs of vulnerable customers
- Suitable customer service provision and communications are in place
- Multiple contact methods are available
- Tailored communication requirements are available on request
- Flexible policies, where appropriate, to support vulnerable members
- Monitoring to ensure we continue to meet and respond to the needs of customers with characteristics of vulnerability.

Intermediaries should continue to comply with your obligations to ensure that you treat customers in vulnerable circumstances fairly.

Please contact us if you need any further information about how we support the needs of all our customers in relation to the Product.

5. Our assessment of value

We have developed a comprehensive and robust assessment process which evaluates several aspects of our business to determine the value of our mortgage products. This analysis is used to ascertain whether the product delivers fair value for customers.

The outcomes of the assessment process is presented to the Mortgage and Savings Committee allowing for challenge and further investigation before we sign-off the outcomes and share the summary of our assessment with you.

Our fair value assessment has considered the following:

Benefits	Price	Costs	Limitations
The range of features the product offers and the benefit they offer to the target market.	The product interest rates, fees and charges a customer pays and how they compare to the wider market.	The main cost of the product is the funding cost, which is retail savings deposits (standard Building Society model).	Any limitations on the scope and service we provide or the features of the product, such as advise and non-advise, channel distribution, regional exclusivity and product specific T&C's.
The level of customer service provided to the customer across the distribution channels.	Fees reflect true cost to the Society. The product rates are comparable to relevant market rates. Monitor intermediary's' advice fees.	Costs are impacted by external financial markets and bank base rate. Operational costs incurred to product and service the product.	

		Non-financial costs associated with operating the Product such customer journey and experience.	
--	--	---	--

Below is an example of the information reviewed and taken into consideration when completing the assessment:

- Product performance
- Operational performance
- Fees and charges (Product) subject to annual review and governance
- Customer experience insight and data
- Customer outcomes testing
- Customer complaints
- Product risk assessments
- Colleague education and training
- Customer in Vulnerable Circumstances Policy

Result of our assessment

Our assessment concluded that the product range continues to deliver fair value for customers in the target market for these products.