



**Product name:** Consumer Buy To Let (CBTL24) - Mortgages

**Information sheet produced:** 06/12/2023

## **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 mortgage product 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 Consumer Buy To Let (CBTL24) product is designed to meet the needs of the target group, that is customer(s) aged 18 plus looking for a remortgage of a residential property where they have become accidental landlords. The product features and criteria are designed to support these needs.

- Variable rate product with a maximum loan to value of 75%.
- Mortgage Term up to 40 years
- Availability on existing homes
- Interest only option.
- £250 application fee (non refundable)
- £1249 product fee payable on completion.
- Minimum loan size = £50k.
- Early Repayment Charge (ERC) of 2% in first 3 years if loan balance falls below £25k as a result of overpayments / capital repayments.
- Overpayments / capital repayments allowed in first 3 years from completion without charge as long as mortgage loan balance does not fall below £25k.
- Private individuals only over 18 years of age with one applicant earning a minimum of £30k per annum.

- The Buy to Let property must meet EPC Regulations effective from 1 April 2018, i.e. a minimum band rating of A-E.

Full eligibility criteria can be accessed on our intermediary website via <https://www.swanseabs.co.uk/broker-zone/swansea-intermediaries> 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
Customers looking to remortgage their residential property they own or have inherited in England & Wales on a let to buy basis where they will gain rental income generally on an annual basis but are classed as accidental landlords	Available through Direct & Intermediary* channels.  Applications can be through advised sale only.	<ul style="list-style-type: none"> <li>• Access to equity in the property for an onward purchase.</li> <li>• To repay the capital by the end of the mortgage term by sale of property at term end.</li> <li>• Become a landlord for the first time to allow for equity to be released in current property while retaining ownership.</li> <li>• To have flexibility for the duration of the mortgage with no penalties for overpayments / lump sum capital repayments as long as not redeemed in full.</li> </ul>
<p>*Intermediary distribution through:</p> <ul style="list-style-type: none"> <li>• Networks and their Appointed Representatives.</li> <li>• Mortgage clubs.</li> <li>• Directly authorised mortgage intermediaries.</li> </ul> <p>All intermediaries must be registered with us.</p>		

The Product is not designed for customers who:

- Are credit impaired borrowers
- Do not meet our lending or property criteria
- Are already investment property owners.
- Are looking to fix their costs for a defined period.

### 4. Customers with characteristics of vulnerability

The Product is designed for customer(s) aged 18 plus looking for a remortgage of a residential property where they have become accidental landlords which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time. For example:

Health – health conditions or illnesses etc.

Life events – for example, bereavement, divorce

Resilience – ability to withstand financial or emotional shocks

Capability – financial literacy of customer(s) / confidence.

We considered the needs, characteristics, and objectives of customers with characteristics of vulnerability at all stages of the design process for this Product to ensure the Product meets their needs.

We have also tested the Product to assess whether it will meet the identified needs, characteristics, and objectives of the target market, including customers in the target market 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 staff 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.
- 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 product. This analysis is used to ascertain whether the Product delivers fair value for customers.

The outcomes of the assessment process are presented to the Assets & Liabilities Committee, allowing for challenge and further investigation before the Risk Committee and Board sign-off the outcomes and we share the summary of our assessment with you.

Our fair value assessment has considered the following:

Benefits	Price	Costs	Limitations
The range of features that the Product provides, the quality of the Product, the level of customer service that is provided and any other features that the Product may offer.	The interest rates, fees and charges customers pay for the Product, comparable market rates, advice fees paid to intermediaries and non-financial costs associated with operating the Product.	The cost of funding the Product and any other reductions in costs to the customer made possible by economies of scale.	Any limitations on the scope and service we provide or the features of the Product.

### Results of our assessment

Our assessment concluded that the Product delivers fair value for customers in the target market for the Product.