

Product name: Buy to Let

Information sheet produced: 20 April 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 Buy To Let 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 products are designed to meet the needs of the target group, most notably customers who want a first charge mortgage to purchase or remortgage property in England, Scotland and Wales to let to tenants, and not live in the property itself. The product features and criteria are designed to support these needs.

- First standard mortgage valuation/AVM† included for remortgage cases
- Fee assisted legals^ for remortgage cases
- Cashback options available
- Fixed rate and tracker products available
- Minimum loan size £25,001
- Standard fixed rate product - maximum loan value £350,000
- Premier fixed rate product - minimum loan value £350,001 and maximum £500,000.
- Mortgage Term up to 40 years
- Overpayment facility, subject to an annual maximum
- Six months after completion option to:
 - Apply for additional secured borrowing, subject to lending criteria. A revaluation of the property may be required.
 - Port the mortgage to another residential property, subject to lending criteria. An early repayment charge may apply.

Full eligibility criteria can be accessed on our intermediary website [Buy to Let products | Intermediaries | Platform](#)

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>Customers looking to purchase or remortgage a property in England, Scotland and Wales to let to tenants, and not live in the property itself. Not suitable for customers who already have 3 BTL properties.</p>	<p>Available through Intermediary* channel.</p>	<ul style="list-style-type: none"> • Access to high Loan To Value (LTV) lending • Access to high Loan To Income (LTI) lending • Fixed rate mortgages for customers seeking certainty of payments for a defined period. • Tracker rate mortgages for customers seeking lowest rate available and are comfortable with potential increases in payments. • Ability to overpay, subject to a maximum per annum. • To repay the capital by the end of the mortgage term. • Applicant(s) personal disposable income can be utilised to make up the required Interest Coverage Ratio (ICR).
<p>Existing customers that are looking to undertake a product switch in England, Scotland & Wales.</p>	<p>Available through: Direct</p> <ul style="list-style-type: none"> • Online & Telephony – execution only <p>Intermediary* channel</p>	<ul style="list-style-type: none"> • As above
<p>Existing customers that are looking to undertake a mortgage variation such as additional borrowing or porting subject to criteria</p>	<p>Available through: Direct</p> <ul style="list-style-type: none"> • Telephony – execution only <p>Intermediary* channel</p>	<ul style="list-style-type: none"> • As above
<p>*Intermediary distribution through:</p> <ul style="list-style-type: none"> • Mortgage Networks and their Appointed Representatives. • Mortgage clubs. • Directly authorised mortgage intermediaries. <p>All intermediaries must be registered with us.</p>		

The Product is NOT designed for customers who:

- Do not meet our lending or property criteria
- Are portfolio landlords – have 4 or more BTL properties.
- Require a Consumer BTL remortgage. These are defined where any of the following apply:
 - The applicant does not own any properties that are being let out on a rental basis (the property being remortgaged is sufficient to meet this rule if it is currently let out).
 - The purpose of the loan is not wholly or predominantly for business purposes.
 - The applicant or their relatives have lived in the property in the last 2 years and will not be residing in the property at any point in the future.
- Require a loan value > £500,000
- Are looking to secure a mortgage on a House in Multiple Occupations (HMO's). We define a HMO as a property let to 3 or more tenants who do not form one household, but share facilities such as a bathroom and kitchen
- Requires multi let properties
- Requires lending on a property in Northern Ireland.
- Require a LTV on new build house/bungalow > 75%
- Require a loan on new build flats/maisonettes.
- Require a loan on an ex public sector flat
- Where the tenant is either a family member or a previous owner
- Have more than 25% exposure in any block of flats
- Have property not suitable for immediate letting
- Have property which is subject to any sale and rent back agreement, or any similar scenario
- Have flats situated above/adjacent to commercial property where the valuer cannot confirm the valuation is not adversely affected by the surrounding property
- Have properties that have internal door locks and/or separate utility services
- Have a property with an EPC band of below an E, no EPC or not registered as an exemption is not considered suitable security
- Require a part capital repayment & part interest only

4. Customers with characteristics of vulnerability

The Product is designed for customers looking to purchase a property to let to tenants, and not live in the property itself in England, Wales and Scotland. This market segment is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

It is likely that some customers might not have a comprehensive understanding of buy to let mortgages. Therefore, they may require additional advice and support to ensure they 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 are committed to a continuous assessment process to ensure that the product and associated support meets the needs of vulnerable customers.

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 customers
- 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 have been discussed at the appropriate level in line with the Banks Governance Framework, allowing for challenge and further investigation before final sign-off, and then ultimately sharing 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 has concluded that the Product continues to deliver fair value for customers in the target market.

[^]When using our recommended Solicitors. Remortgage applications for unencumbered properties are not eligible for this feature.

[†]One valuation accepted per application, per customer, when using our recommended surveyors. An Automated Valuation Model (AVM) may be used for suitable applications and the result is final.

