

**Product name: Help to Buy**

**Information sheet produced: 20 April 2023**

## **Our approach to meeting the Products and Services Outcome and Price and 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 Help To Buy 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 and benefits**

This product is designed to meet the needs of first time buyers that are looking to purchase a new build residential property in Wales using a residential mortgage and a shared equity loan. The product features and criteria are designed to support these needs.

- First standard mortgage valuation/AVM† included with ALL Help To Buy products
- £500 Cashback. No Administration Fee
- 2 and 5 year Fixed Rate products
- Minimum loan size £75,000
- Mortgage Term up to 40 years
- Available to customers purchasing a residential property through a builder registered with the scheme
- Minimum Energy Performance Certificate rating of B
- Purchase price cap of £300,000
- Overpayment facility, subject to an annual maximum

†One free valuation accepted per application, per customer, when using our recommended surveyors.

Full eligibility criteria can be accessed on our intermediary website [Help to Buy 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 and Objectives   |
|--|---|---|
| First Time Buyers looking to purchase a new build residential property through the Welsh help to buy scheme.   | Intermediary* channel   | <ul style="list-style-type: none"> <li>• Access to high Loan To Value (LTV) lending</li> <li>• Access to high Loan To Income (LTI) lending</li> <li>• Provides a shared equity loan to support customers raise the required deposit when looking to purchase a new-build property.</li> <li>• Flexibility available through staircasing allowing the customer to help pay off the equity loan.</li> <li>• Fixed rate mortgages for customers seeking certainty of payments for a defined period.</li> <li>• Ability to overpay, subject to a maximum per annum'</li> <li>• To repay the capital by the end of the mortgage term.</li> </ul> |
| Existing customers that are looking to undertake a product switch  | Available through:<br>Direct <ul style="list-style-type: none"> <li>• Online – execution only</li> <li>• Telephony – advised sale and execution only</li> </ul> Intermediary* channel | <ul style="list-style-type: none"> <li>• As above</li> </ul>  |
| Existing customers that are looking to undertake a mortgage variation such as additional borrowing   | Available through:<br>Direct <ul style="list-style-type: none"> <li>• Telephony – advised sale</li> </ul> Intermediary* channel   | <ul style="list-style-type: none"> <li>• As above</li> </ul>  |
| <p>*Intermediary distribution through:</p> <ul style="list-style-type: none"> <li>• Mortgage 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:

- Do not meet our lending or property criteria
- Do not live in Wales
- Are Help to Buy remortgage customers
- Are Buy to Let customers
- Are customers that require an interest only repayment mortgage (including part interest only and part capital repayment)
- Where the builder is not registered on the Help to Buy scheme

#### **4. Customers with characteristics of vulnerability**

The Product is designed for the first time buyer market segment who are looking to purchase a new-build property and whilst they have the financial means to maintain their mortgage, experience difficulty in raising the required deposit. This market segment is likely to include some customers with characteristics of vulnerability or may experience vulnerability over time.

It is likely that some customers might not have a comprehensive understanding of mortgages or the mortgage market. 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 concluded that the Product continues to deliver fair value for customers in the target market.