

Product name: Regulated - Offset Further Advance Mortgage Range

Information sheet produced: July 2024

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 Offset 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 existing mortgage customers who may require a further advance during the lifetime of their mortgage, with the ability to offset the balance of any existing savings against their mortgage advance to reduce their monthly repayment. The product is also suitable for customers who may wish to pay off lump sums without any penalty. The product features and criteria are designed to support these needs.

- Available for our existing offset mortgage customers only.
- Available on an interest only, or capital and repayment basis.
- The ability to overpay on your mortgage without penalty, up to 10% of your outstanding mortgage balance per calendar year.

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
Looking for additional borrowing	<ul style="list-style-type: none"> Available through Intermediary channels (advised only) 	<ul style="list-style-type: none"> Utilise potential future savings to reduce the monthly repayment or term.

The Product is not designed for customers who:

- Any customer under the age of 18 years
- Customers who will be older than 81 years of age when a mortgage term ends (Interest Only mortgages)
- Customers who will be older than 86 years of age when the mortgage term ends (Repayment mortgages)
- Loans where there are greater than 4 or more joint applicants.
- Customer who could not meet the loan commitments alongside other household financial expenditure.
- Impaired credit history
- Loans secured on a property out mainland UK.
- Equity release type lending
- Do not meet our lending criteria.

4. Customers with characteristics of vulnerability

The Product is designed for customers who would benefit from a fixed monthly repayment for a defined period of time, which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

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 a business framework to achieve good outcomes for vulnerable customers, which includes:

- Group training to ensure colleagues have the knowledge and skills in relation to identification, treatment and consideration of customer vulnerability.
- Defined processes for tracking, review, contact strategy, desired outcome and data update.

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 our Product & Pricing 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 that the products provide, the quality of the products, the level of customer service hat is provided and any other features that the products mat offer.	The interest rates, fees and charges customers pay for the products, comparable market rates, advice fees paid to the intermediaries and non financial costs associated with operating the products	The cost of funding the products	Any limitations on the scope and service of the product 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 for the Product.