

Product name: Expat Residential
Information sheet produced: 31/03/2023

The Society's (we/our) approach to meeting the 'Products & Services Outcome' and 'Price & Value Outcome' of the Consumer Duty – 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.3.12R (2).

It is designed to support you to comply with your responsibilities under PRIN 2A.3.16R and PRIN 2A.4.16R. 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 Expat residential 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 market, most notably the need to secure finance to purchase a property to live in in England or Wales for when the borrower returns from working overseas, or for their family to live in while they are located abroad. Product characteristics and benefits are as follows:

- Arrangement fees on new lending products are significantly lower than the market average
- Society is the only lender in the market to offer discount for term products
- Selected products are for term, therefore, customers will not revert to a higher Standard Variable Rate
- Society can consider any currency (dependent on where the borrower resides and satisfactory Enhanced Due Diligence checks)
- ERC waived if the customer returns to the UK and chooses a retention product, or ERC waived if applicant returns to UK within ERC period
- Society's products charge some of the lowest ERCs compared with the new lending and remortgage market
- Borrowers can make overpayments of up to 10% of advance amount per year
- Maximum 40 years mortgage term
- Products are portable
- No maximum age requirement
- No minimum income requirement

Full eligibility criteria can be accessed on our intermediary website via [dudleybuildingsociety.co.uk/intermediaries/intermediaries/our-criteria](https://www.dudleybuildingsociety.co.uk/intermediaries/intermediaries/our-criteria)

All products can be accessed on our intermediary website via <https://www.dudleybuildingsociety.co.uk/intermediaries/intermediaries/products/>

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
UK citizens living abroad looking to purchase a property in England or Wales on a residential basis	Intermediary only	<ul style="list-style-type: none"> • Return to England or Wales to live • Purchase property for family to live in while borrower is living abroad • Flexible criteria • Repay the capital in a lump sum at the end of the term
UK citizens living abroad looking to remortgage their existing residential property in England or Wales	Intermediary only	<ul style="list-style-type: none"> • Access to lower rates • Switch to different mortgage type e.g. from discounted to fixed • Access to additional features e.g. overpayments • Circumstances may have changed
Existing customers looking to take on additional borrowing with the Society	Intermediary only	<ul style="list-style-type: none"> • Fund home improvements • Increase property value
<p>*Intermediary distribution through:</p> <ul style="list-style-type: none"> • Networks and their Appointed Representatives. • Mortgage clubs. • Directly authorised mortgage intermediaries and packagers. <p>All intermediaries must be registered with us.</p>		

The Product is not designed for customers who:

- Want to let out the property
- Live and work in the UK
- Wish to purchase a property under the Right to buy or shared ownership scheme

Customers with characteristics of vulnerability

The Product is designed for the Expat residential market segment, which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

Of the more prevalent customer profiles, there is a significant portion of customers who are older and may be at risk of vulnerabilities associated with life events and health. A breakdown of the associated vulnerabilities is below:

- Older customer profiles – more likely to experience bereavement, hearing or visual impairment, and retirement

The Society would normally expect borrowers on this product to have an above average level of confidence and financial sophistication. It is unusual for them to be first time borrowers.

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 in place a framework to achieve good outcomes for vulnerable customers This includes the following:

- A Vulnerable Persons and Financial Abuse Policy which helps outline the definition of vulnerability, identifying vulnerability and dealing with vulnerable customers.
- The Society ensures its employees are educated and trained to identify and respond to the needs of vulnerable customers.
- The Society aims to tailor its communication methods based on the customers' individual preferences.
- Accounts are monitored to ensure the Society continues to respond to the needs of customers with characteristics of vulnerability.

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

Please contact our Intermediary Support Team on 01384 489195, or email us at intermediaries@dudleybuildingsociety.co.uk, if you need any further information about how we support the needs of all our customers in relation to the Product.

4. 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 second line of defence, allowing for challenge and further investigation before we finalise the outcomes and share the summary of our assessment with you. Any findings will be presented to the relevant committees and Board.

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; 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 for the Product.