

Product name: Right to Buy
Information sheet produced: 13/04/2023

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 right 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 & benefits

The products are designed to meet the needs of the target market, most notably the need to borrow more for home improvements. Product characteristics and benefits are as follows:

- No arrangement fees
- Lower administration fees (application and valuation fees) due to the account already being with the Society
- Maximum Loan to Value of 85% of the full property value
- Maximum advance amount of £500,000
- Discount for term; therefore, borrowers will not revert to a higher Standard Variable Rate
- Mortgage term up to 40 years

Full eligibility criteria can be accessed on our intermediary website via dudleybuildingsociety.co.uk/intermediaries/intermediaries/our-criteria

All products can be accessed on our intermediary website via: 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
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Customers looking to make further improvements to their home	Available for our existing right-to-buy customers Applications must come through an intermediary	<ul style="list-style-type: none"> • Access to high LTV • Access enough capital to make the desired improvement • To repay the capital by the end of the term Have permission granted from their local authority in order to access additional borrowing
<p>*Intermediary distribution through:</p> <ul style="list-style-type: none"> • Networks and their Appointed Representatives. • Mortgage clubs. • Directly authorised mortgage intermediaries. All intermediaries must be registered with us.		

The Product is not designed for:

- Borrowers who do plan to let the property
- Properties the borrower is building
- Borrowers who will only have part equity
- Borrowers who do not qualify for the right to buy government scheme
- Borrowers who require interest only or part & part repayment strategies
- Borrowers who do not meet the Society's lending or property criteria
- Borrowers who are looking for a new mortgage with the Society

Customers with characteristics of vulnerability

We consider 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.

The Product is designed for borrowers who are credit worthy but because they are buying a property within the Right to Buy scheme may not meet the requirements of mainstream lenders. There are likely to be characteristics of vulnerability present/that arise within the target market/customer group as right to buy customers may be more likely to have low income and/or debt and therefore have low discretionary income, be first-time buyers and therefore associated with less experience. This will be more prevalent with the current cost-of-living crisis as it could adversely impact their financial security and personal finances.

To support this, the collections and recoveries employees are trained to identify potential signs of vulnerability. It is also fundamental that affordability is carefully considered. The Society is happy this is the case, with most payment difficulties occurring due to changes in circumstances.

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 489 195, 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. Findings are 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.