

Product name: Shared Ownership
Information sheet produced: 20/04/2023

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 shared ownership 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

Products are designed to meet the needs of the target group, most notably the need to secure additional finance to staircase or carry out home improvements. Product characteristics and benefits are as follows:

- Lower administration fees (application and valuation fees) due to the account already being with the Society
- No arrangement fees
- Borrowers can make overpayments of up to 10% of the advance amount per year
- High LTV lending of the share
- Mortgage term up to 40 years
- Product rate is discount for term; therefore, borrowers will not revert to a higher Standard Variable Rate
- Borrowers can staircase to 100% subject to lease requirements
- No maximum age requirement
- Product is portable
- Additional borrowing for shared ownership can only be considered for purchase of additional/final shares and for home improvements

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
Existing customers looking to take on additional borrowing with the Society	Intermediary only	<ul style="list-style-type: none"> • Access to high LTV • Purchase further shares of the property • 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. <p>All intermediaries must be registered with us.</p>		

The Product is not designed for:

- Borrowers who are looking for a new mortgage with the Society
- Borrowers who are looking to purchase a property through the traditional route
- Borrowers who do not plan to live in the property
- Borrowers looking to let their property out
- Borrowers looking to repay their mortgage on an interest only or part and part basis
- Borrowers who are looking for a fixed rate mortgage
- Borrowers who are not able to staircase to 100%
- Borrowers who do not meet the Society's lending or property criteria
- Borrowers who wish to build their own property
- Borrowers who want to capital raise for debt consolidation

Customers with characteristics of vulnerability

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

Shared ownership borrowers are more likely to be vulnerable customers as they may be younger, lower-income earners and first-time buyers therefore lacking financial experience or a comprehensive understanding of mortgages or the mortgage market.

Shared ownership borrowers will often be at the limit of affordability, and this is carefully checked at the underwriting stage. They may be more exposed to arrears following a life event such as job loss or relationship breakdown than other borrowers as monthly mortgage and rent commitments exist. This will be more prevalent with the current cost-of-living crisis as it could adversely impact financial security and personal finances. To support this, the Society's collections and recoveries employees are trained to identify potential signs of vulnerability. It is also fundamental that affordability is carefully considered.

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.

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 outlines the definitions 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 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.