

Product name: Regulated Bridging Product

Information sheet produced: 2/5/23

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 Regulated Bridging product 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 the need to secure finance against an asset that is used, or will be used as the primary residence of the borrower, in order to facilitate purchase or undertake home improvements. The product features and criteria are designed to support these needs.

- Fixed rate lending
- Retained interest
- Mortgage Term up to a maximum of 12 months
- Minimum term of 1 month
- No Early repayment penalty
- Availability on new and existing homes
- AVM valuation (subject to eligibility)
- Title indemnity insurance (subject to eligibility)

Full eligibility criteria can be accessed on our intermediary website or by contacting your BDM

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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Homeowners seeking access to funding to undertake (non-structural) home improvement works	<p>Only available Intermediary* channels.</p> <p>Only available through advised sale.</p>	<ul style="list-style-type: none"> To fix their costs for a defined period of no more than 12 months. Defined exit strategy in place either via re-mortgage or sale Wishes to make interest payments upfront (advance will be paid net of these costs)
Homeowners seeking a new acquisition who wish to complete ahead of the mortgage being in place (e.g. chain break)	<p>Only available through Intermediary* channels.</p> <p>Only available through advised sale.</p>	<ul style="list-style-type: none"> Need loan to secure new home – e.g. chain break, or speed of acquisition Has equity in new property and/ or existing property to secure the loan Seeking to fix their costs for a defined period of no more than 12 months. Ability to repay the capital by the end of the mortgage term via an approved exit strategy (e.g. sale of existing house, or mortgage of new property)
<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 customers who:

- Are seeking longer term finance
- Are developing their own home (i.e. ground up/ self-build)
- Borrowers undertaking structural alterations of their existing or new home
- Borrowers without a clear exit strategy for repaying the loan in full on or before the end of the agreed term.

4. Customers with characteristics of vulnerability

The Product is designed for the homeowner market who are seeking to transitional finance, which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

Homeowners may only use bridging finance once or twice in their lifetime. 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 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 and our systems and processes 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 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 members
- 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 are presented to the Board, 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 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 for the Product.