

Regulated Bridging

Product name: Regulated Bridging

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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 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, those customers who need a short term lending solution including for an auction purchase, chain breaking, downsizing and refurbishment. The product features and criteria are designed to support these needs.

- Available up to 75% LTV
- Maximum loan up to 90% of the purchase price
- Retained Interest Only so the customer doesn't need to pay the interest during the term
- Up to 12 months term to give the maximum allowable within regulation
- There are no ERCs on the product should the loan remain in place for at least 1 month, if redeem before then, a full months interest is payable
- Ability to use first property as charge for second
- Allowable up to 85 years at the end of term
- Tier 1 & 2 Refurbishment available (Light and Heavy)

- Can consider loans for any legal purpose
- Chain breaking and auction purchase available
- No exit fee
- Maximum loan of £2m

Full eligibility criteria can be accessed on our intermediary website via [\[this\]](#) link.

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
Customer is purchasing a new home but the deal for selling their current home has fallen through, putting their purchase in jeopardy	Available through Intermediaries only. Applications are only accepted on an advised basis.	<ul style="list-style-type: none"> • A way to be able to still purchase their new home while finding a new buyer home • Doesn't want to have to pay for two mortgages at the same time • Only wants the solution for a short period of time
Customer is purchasing a home that needs serious refurbishment. They will not be moving into the new property until the refurbishment completed	Available through Intermediaries only. Applications are only accepted on an advised basis.	<ul style="list-style-type: none"> • Funds to purchase and refurbish the property • Don't want to have to make loan payments, alongside paying for somewhere else • Plan to get all of the refurbishment work carried out with eight months
Customer is downsizing - Moving to a smaller or more suitable property	Available through Intermediaries only. Applications are only accepted on an advised basis.	<ul style="list-style-type: none"> • Bridging loan enables them to raise funds against their current house to purchase new property, then sell the old property to repay the loan • Up to 85 years old at the end of the term • Cross Collateral Charges if they already have a new property

Intermediary distribution allowable through:

- Directly authorised mortgage intermediaries
- Networks and their Appointed Representatives

- Mortgage Clubs
- Specialist distributors

All intermediary must be FCA registered and must registered with the lenders to make an application.

The Product is not designed for customers who:

- Are looking for a long term product
- Want to pay interest during the term of the Bridging loan
- Want a product for more than 12 months
- Have an adverse credit history
- Are First Time Buyers
- Do not meet lending criteria
- Are purchasing a property that does not meet criteria

4. Customers with characteristics of vulnerability

The Product is designed for those customers who need a short term lending solution, which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

Bridging customers could be under pressure to be able to find a solution. As it is a different type of lending, customers may be unfamiliar with Bridging products even where they have gone through a standard mortgage application process multiple times. Furthermore, due to the age range allowable, there is a possibility for vulnerability in older borrowers.

All applications must be on an advised basis from a registered intermediary/mortgage advisor. This provides a degree of assurance the customer understands the product especially for those who have little knowledge of this type of loan.

We consider the needs, characteristics and objectives of the customer who may be vulnerable within the design process along with understanding that any customer can become vulnerable at any point during the customer journey.

We have a Vulnerable Customer Policy in place to ensure that where a vulnerability is identified we can ensure appropriate steps are taken and customers are treated individually. The strategies include:

- Training for all necessary staff so that they can recognise and respond to the needs of vulnerable customers
- Processes in place to ensure vulnerable customers are serviced appropriately (including specialist staff members)
- Suitable communications can be put in place when required

Intermediaries should continue to comply with your obligations to ensure that you treat customers in vulnerable circumstances fairly and deliver good outcomes.

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 both the Senior Management and Compliance Functions, 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	Cost	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. How the product helps a customer achieve their financial goals.	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 service we provide of the Product. How the product, in terms of its features, is fair value for everyone.

Results of our assessment

Our assessment concluded that the Product continues to deliver fair value for customers in the target market for the Product.