

Credit Renew Mortgage Products

Assessment Date: 31st July 2024
Next Review Date: 31st July 2025

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.

Summary of Our Assessment

We have assessed that:

- Our Credit Renew 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).

Product characteristics and benefits

The products are designed to meet the needs of the target group, the product features and criteria are designed to support these needs.

- Set arrangement fee (product specific)
- Overpayments of up to 10% of the capital balance per annum without invoking an early repayment charge.
- Capital repayment, interest only and part and part available.
- Mortgage Term up to 40 years
- Cashback and fee support (product specific)
- Family support options, including JBSP and Guarantor, available using standard products and rates (subject to eligibility)
- Availability on new and existing homes subject to LTVs
- Up to a maximum age of 90 (subject to eligibility)
- Products available for customers who have experienced a significant life event

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

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
<p>New customers looking to purchase a property or remortgage their existing property for residential purposes</p> <p>Existing customers looking to switch to a new product / rate.</p> <p>Borrowers who are over the age of 18 and under the age of 90 and resident in the UK.</p> <p>Customers who have had a historic significant life event that impacted their credit file</p>	<p>Direct</p> <p>Intermediary via: Networks and appointed representatives Mortgage clubs only</p>	<p>Both new borrowers looking to purchase a new property or remortgage to us and existing customers looking to product transfer or take further lending.</p> <p>Are looking for the lower monthly repayments and are comfortable with interest rates and monthly payments changing throughout term of the product.</p> <p>Borrowers who are seeking a repayment mortgage to clear the capital by the end of the term or a mortgage with an element of Interest Only borrowing with a suitable repayment vehicle in place to clear at the end of the term.</p> <p>Borrowers who are looking to take further lending to improve the environmental efficiency of their property.</p> <p>Are looking to use the support of family members or close connections to help with mortgage affordability. (JBSP & Guarantors)</p>

The Product is not designed for customers who:

- Under the age of 18 (under 21 for lending above 90% LTV)
- Will be aged over 90 at the end of the mortgage term
- Are currently resident outside of the UK or have been resident outside the UK within the last 3 years
- Are looking to make annual overpayments of more than 10%.
- Borrowers who are seeking stability in their monthly payments for a period of time.
- Are purchasing or remortgaging a BTL property
- Do not meet our lending or property criteria

Customers with characteristics of vulnerability

The Product is designed for the customers who can accommodate changes in their interest rate during the product term, which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

Some borrowers may not have a comprehensive understanding of mortgages or the mortgage market. 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 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.
- Flexible approach to communication based on the individual needs of the customer.
- 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.
- Dedicated team who can support customers with early hardship and arrears.

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.

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 ALCO committee 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 with frequent reviews to ensure the best outcome to the customer.	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.