

**Product name: Large Loan range**

**Information sheet produced November 2023**  
**Expires 28 February 2024**

**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 Large Loan products continue to meet the needs, characteristics, and objectives of customers in the identified target market
- The Large Loan range includes:
  - Fixed and variable rate products. Please see our mortgage product range on our intermediary website via [this link](#) to confirm current availability.
- 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 Large Loan products are designed to meet the needs of the target group:

- Customers who require a tailored service to meet their mortgage needs
- Those looking for a loan in excess of £500k and up to £3m (subject to LTV)

The product features and criteria are designed to support these needs:

- Dedicated service with direct underwriter access
- Loans from £500k - £1m at 80% LTV, or £1m - £1.5m at 75% LTV, with enhanced income multiples up to 5.5x
- Loans from £1.5m - £3m at 65% LTV, with enhanced income multiples up to 5.25x
- Acceptance of up to 100% bonus/commission (subject to underwriter discretion)
- Interest Only loans available up to 75% LTV or 80% LTV on a part Capital & Repayment basis
- Allowing loans on an Interest Only basis (subject to T&Cs)
- Early Repayment Charge may apply (subject to T&Cs)
- Product fee on completion on selected product up to the max LTV

- Regularly monthly over payment of £499.99 in addition to the 10% annual overpayment allowance
- At the end of the initial product period, the rate will revert to our Standard Variable Rate for the remainder of the term.

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
For customers looking to purchase or remortgage a property, with a mortgage of £500k to £3m, who require a more bespoke approach to their lending needs.	Available through the direct and intermediary channels.	<ul style="list-style-type: none"> <li>• Customers looking for a fixed or variable rate</li> <li>• Those looking for a tailored service to meet their mortgage needs</li> <li>• Those looking to reside in the property</li> </ul>

The Product is not designed for customers who:

- Are purchasing a property to let
- Require lending that fits within our standard residential lending criteria
- Are unable to demonstrate the loan is affordable i.e. severely credit impaired borrowers
- Do not meet our large loan lending or property criteria
  - [Criteria - Newcastle Intermediary Services \(newcastleis.co.uk\)](#)

### 4. Customers with characteristics of vulnerability

The Product is designed for the Large Loan market, which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

Large Loan customers maybe unaware of the different options available to them and will benefit from the tailored approach where we provide a dedicated service with direct access to our underwriters.

They may not have a comprehensive understanding of the mortgage market, therefore unable compare the options available to them and the impact various product characteristics may have.

Should a life event occur, this could have a greater impact to the customer.

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 as part of the design process for this range of Products to ensure the Product meets their needs.

We regularly conduct testing and monitoring of our product range to ensure good outcomes for our customers. This testing and monitoring includes a proportion of customers 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 colleagues 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 are in place
- Multiple contact methods are available
- Tailored communication requirements are available on request
- Flexible policies, where appropriate, to support vulnerable customers
- 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 products. This analysis is used to ascertain whether the Product delivers fair value for customers.

The outcomes of the assessment process are presented to the Mortgage and Savings 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 the Product offers and the benefit they offer to the target market.  The level of customer service provided to the customer across the distribution channels.	The Product interest rates, fees and charges a customer pays and how they compare to the wider market.  Fees reflect true cost to the Society.  The Product rates are comparable to relevant market rates. Monitor intermediary's' advice fees.	The main cost of the product is the funding cost, which is retail savings deposits (standard Building Society model). Costs are impacted by external financial markets and bank base rate.  Operational costs incurred to product and service the product.  Non-financial costs associated with operating the Product such customer journey and experience.	Any limitations on the scope and service we provide or the features of the Product, such as advise and non-advise, channel distribution, regional exclusivity and product specific T&Cs.

Below is an example of the information reviewed and taken into consideration when completing the assessment:

- Product performance
- Operational performance

- Fees and charges (Product) subject to annual review and governance
- Product Governance
- Customer experience insight and data
- Customer outcomes testing
- Customer complaints
- Product risk assessments
- Colleague education and training
- Customer in Vulnerable Circumstances Policy

#### Result of our assessment

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