

**Product name: Self Employed range**

**Information sheet produced March 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 self employed 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 self employed range is designed to meet the needs of the target group:

- Designed for customers who have been trading for less than two years and are able to provide one year's accounts or an SA302 and corresponding Tax Year overview form.
- Those looking for a maximum LTV of 80%, maximum loan amount of £1m
- At least 1 year full accounts available

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

- Limited Company Directors can use salary and dividends and can utilise salary and share of net profit for established businesses (for those who have more than 25% shareholding).
- Once the customer has been trading for 3 years or more they would fit our standard lending criteria and qualify for any product in our standard residential portfolio.
- Fee assisted features are on selected products, i.e. free standard valuation, cashback Availability on new and existing homes (subject to LTV restrictions)
- Product fee on completion on selected product up to the max LTV
- All products allow repayment of up to 10% of the capital balance annually without incurring Early Repayment Charges
- Regularly monthly over payment of £499.99 in addition to the 10% annual overpayment allowance
- Early Repayment Charge if the borrower redeems the mortgage during the initial fixed rate period (subject to T&C's)

- At the end of the initial fixed rate period, the rate will revert to our Society's 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 who are self employed and have been trading for less than two years.  Are able to provide one year's accounts or an SA302 and corresponding Tax Year overview form.	Available through both our direct and intermediary channels.	<ul style="list-style-type: none"> <li>• Access to fixed rate mortgage up to a maximum LTV of 80%</li> <li>• Looking to fix their costs for a defined period</li> <li>• To reside in the property</li> <li>• Repayment mortgage to clear the capital by the end of the term</li> </ul>

The Product is not designed for customers who:

- Unable to provide one year's accounts or an SA302 and corresponding Tax Year overview form
- Have been trading for more than 2 years
- Are purchasing a property to let
- Are unable to demonstrate the loan is affordable i.e. severely credit impaired borrowers
- Those looking to benefit from a variable rate product
- Do not meet our lending or property criteria (insert web link to criteria page)

### 4. Customers with characteristics of vulnerability

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

Self employed mortgage customers maybe unaware of the different options available to them or unable to obtain the best rate. They may not have a comprehensive understanding of mortgages or the mortgage market, therefore unable compare the options available to them and the impact various product characteristics may have.

They may also require additional support to provide the information and documentation we require to meet our criteria.

Therefore, they may require additional advice and support in providing documentation and understanding 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 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 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
<p>The range of features the Product offers and the benefit they offer to the target market.</p> <p>The level of customer service provided to the customer across the distribution channels.</p>	<p>The Product interest rates, fees and charges a customer pays and how they compare to the wider market.</p> <p>Fees reflect true cost to the Society.</p> <p>The Product rates are comparable to relevant market rates. Monitor intermediary's' advice fees.</p>	<p>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.</p> <p>Operational costs incurred to product and service the product.</p> <p>Non-financial costs associated with operating the Product such customer journey and experience.</p>	<p>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 terms and conditions.</p>

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
- 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 product range continues to deliver fair value for customers in the target market for these Products.