



The Stafford Building Society

Product name: Residential - Standard Variable Rate (SVR) - RSVR

Information sheet produced: April 2023

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 Residential Standard Variable Rate 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, most notably the need to secure funds on a residential property with no early repayment charges. The product features and criteria are designed to support these needs.

- Standard Variable Rate;
- No Early Repayment Charge (ERC);
- Mortgage Term up to 40 years;
- Minimum mortgage term of 5 years;
- Availability for Residential House Purchase, Re-mortgage, Movers & capital raising;
- Minimum Property Value £100,000;
- Minimum Loan £50,000;
- Maximum Loan £500,000
- Maximum LTV 80%
- Capital & Repayment, or Interest Only (subject to acceptable repayment strategy);
- No Cap Rate;
- Collar Rate (lower limit) of 1.00%
- Properties in England & Wales only;

Full eligibility criteria can be accessed on our intermediary website via [this] link. <https://srbs.co.uk/intermediaries/criteria>

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
<p>Customers looking to purchase, re-mortgage or capital raise.</p> <p>Customers who are looking for a No Early Repayment Charge product;</p>	<p>Available through Direct, *Intermediary & *Online Channels.</p> <p>All applications through advised sale only.</p>	<ul style="list-style-type: none"> • Borrowers who are seeking flexibility of a variable rate. • For those who have a minimum 20% deposit; • To repay the capital at the end of the mortgage term (repayment basis option); • To reduce their monthly payment (interest only option), subject to an acceptable repayment strategy;
	<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:

- Require a fixed monthly mortgage repayment;
- Require a discounted product;
- Are credit impaired borrowers;
- Are purchasing a property to let;
- Do not meet our lending or property criteria;
- Do not meet our lending policy;
- Require LTV in excess of 80%
- Properties outside England & Wales;

4. Customers with characteristics of vulnerability

The Society categorises Vulnerabilities as shown below: -

Health – health conditions or illnesses that affect ability to carry out day to day tasks;

Life Events – life events such as bereavement, job loss or relationship breakdown;

Resilience – Low ability to withstand financial or emotional shocks;

Capability – low knowledge of financial matters or low confidence in managing money (financial capability). Low capability in other relevant areas such as literacy, or digital skills.

The Product is designed for those customers who require a no ERC product which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

SVR mortgage customers may also include First Time Buyers, who by their nature would also be less likely to have a comprehensive understanding of the implications of the product, and also of entering into the financial commitment of a first mortgage.

SVR mortgage customers may also include borrowers who are retired, who by their nature may also be less likely to have a comprehensive understanding of the product and may have characteristics of vulnerability which could include health, resilience, and capability.

SVR mortgage customers may also include borrowers whose mortgage term will extend past their defined national retirement age, which may lead to characteristics of vulnerability which could include health, resilience, and capability.

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;
- 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 Product Development 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
No Early Redemption Charge (ERC)	Society Standard Variable Rate.	The Society has considered the following as part of our Fair Value Assessment	Regulated residential mortgages only;
Dedicated and Direct Customer Contact through	No Arrangement Fee; No Application Fee;	Cost of funding;	Maximum LTV 80%

<p>our Mortgage Sales Team, Underwriting Team, and Member Services Team, throughout the life cycle of the product.</p> <p>Individual and manual underwriting.</p>	<p>Valuation Fee (as per Society scale);</p> <p>Legal Fees</p> <p>Buildings Insurance is required (to be obtained by the borrower);</p> <p>No ERC</p> <p>The product may require the payment of a procurement fee.</p>	<p>Market Rates and charges for comparable products;</p> <p>Other costs incurred by the Society in manufacturing or distributing the product including credit risk.</p>	<p>Minimum Loan £50,000</p> <p>Maximum Loan £500,000</p> <p>Collar Rate 1.00%</p> <p>England & Wales Only</p>
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Results of our assessment

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