



**Product name: Residential Mixed-Use Property Product Range**

**Information sheet produced: October 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 Residential Mixed-Use Property 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 Residential Mixed-Use Property product range 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, primarily new and existing customers looking for a residential mortgage with a commercial aspect linked to the land and/or property. The product range features and criteria are designed to support these needs.

- Interest is calculated on a daily basis
- Variable rates have a floor
- The products may offer an initial discount for a period of time, after any initial discount period, the products will revert to our Standard Variable Rate for the remaining term of the mortgage unless an alternative product is selected
- The products may require the payment of a product fee on application or completion, and an Early Repayment Charge if the borrower redeems the mortgage during any initial specified period. The products may allow repayment of a percentage of the capital balance annually without incurring Early Repayment Charges
- Interest Only (Subject to criteria)
- Manual underwriting with applications assessed on a case-by-case basis
- Dedicated underwriting support
- Availability for Residential House Purchase & Remortgage
- Available on new and existing homes subject to LTVs
- Products may be portable
- Higher lending charge (where applicable) is paid by the Society

- 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 Products, recognising their different needs to enable you to tailor the services you provide when you distribute the Products.

Customer Circumstances	Distribution Strategy	Customer Needs & Objectives
<p>Customers looking to purchase, remortgage or capital raise against a residential property in England or Wales, where there is a commercial aspect linked to the Land and/or Property, or more than one outbuilding/annex which could be let.</p> <p>Borrowers who are over the age of 18 and resident in the UK</p> <p>Could be held on a Joint Borrower Sole Proprietor basis</p>	<p>Available through Direct, *Intermediary &amp; *Online Channels.</p> <p>All applications through advised sale only.</p> <p>*Intermediary distribution through;</p> <ul style="list-style-type: none"> <li>• Networks and their Appointed Representatives;</li> <li>• Mortgage Clubs;</li> <li>• Directly authorised mortgage intermediaries</li> </ul> <p>All intermediaries must be registered with us.</p>	<p>Up to 60% of the available floor space/land directly connected to the residential property to be used for a wide variety of commercial purposes, such as DIY Liveries, small scale agricultural/horticultural enterprise, properties with a garage or outbuilding converted as a consulting room, grooming parlour or similar, or more than one outbuilding or annex which is used or which could be for Holiday Let or Buy to let purposes</p> <p>Option for repaying the capital over the term or at the end of the term using an accepted repayment vehicle.</p>

The Products are not designed for customers who:

- Require a shared ownership or self-build mortgage
- Are seeking to finance properties with land subject to a formal lease, farming or business tenancy or properties with buildings on site rented out to 3<sup>rd</sup> parties for business use
- Are seeking to finance commercial garages or properties with storage of goods such as scaffolding or properties which are used for heavy industry
- Wish to make overpayments exceeding the maximum allowance without payment of Early Repayment Charges
- Require a Loan to Value in excess of that which is available in the product range
- Are credit impaired borrowers
- Do not intend to live in the property
- Do not meet our lending or property criteria
- Do not meet our lending policy
- Wish to purchase or remortgage a property outside of England or 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 Mixed Use products range is designed for those customers who wish to secure finance on a discounted or fixed rate basis, which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

Mixed Use products range 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 entering into the financial commitment of a first mortgage.

Mixed Use products range 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.

Mixed Use products range 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 the Mixed Use Product range to ensure the product range meets their needs.

We have also tested the product range 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 range.

#### 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
The range of features that the Product range provides, the quality of the Product range, the level of customer service that is provided and any other features that the Product may offer. Dedicated and Direct Customer Contact through our Mortgage Sales Team, Underwriting Team, and Member Services Team.	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 Society has considered the following as part of our Fair Value Assessment  Cost of funding; Market Rates and charges for comparable products; Other costs incurred by the Society in manufacturing or distributing the product including credit risk.	Any limitations on the scope and service we provide or the features of the Product.  England & Wales Only

#### Results of our assessment

Our assessment concluded that the Product delivers fair value for customers in the target market for the Product.