



Product name: Tracker mortgages - Buy to Let (BTL)

Information sheet produced: November 2024

Our approach to meeting the Products and Services Outcome and Price and Value Outcome – Information for distributors of the Product

While Buy to Let lending is outside the scope of ‘Consumer Duty’ rules, we have taken the voluntary decision to apply the same PRIN principles to our Buy to Let lending, and 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’ rules.

This information is intended for intermediary use only and should not be provided to customers.

1. Summary of our assessment

We have assessed that:

- the 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 range provides fair value to customers in the target market (i.e. the total benefits are proportionate to total costs).

2. 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:

- tracker products follow the Bank of England Base Rate (BBR) which is variable, meaning there is a potential for the rate to increase or decrease throughout the lifetime of the product
- unlimited overpayments without paying an Early Repayment Charge (ERC)
- ability to repay the mortgage early, without paying an ERC
- available on an interest-only, or capital and repayment basis
- one standard valuation included
- portable
- portfolio landlords (i.e. borrowers with 4 or more mortgaged BTL properties) select from a separate range of products and must meet specific lending criteria.

Full eligibility criteria can be accessed on our intermediary website, **here**.

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 and objectives
Existing borrowers looking for a rate switch.	Available through Direct and Intermediary channels. Non-advised online channel option for non regulated BTL.	<ul style="list-style-type: none"> • Ability to repay or switch the mortgage without having to pay an ERC. • Flexibility to make unlimited overpayments without having to pay an ERC. • Understand the possible fluctuation in rate and the impact on mortgage payments. • Available for BTL customers who may want additional borrowing.
Looking for additional borrowing.	Available through Direct and Intermediary channels.	

The product is not designed for customers who:

- are looking for the reassurance of a fixed interest rate over an initial period
- don't meet our lending criteria
- intend to live in the property
- wish to purchase a property.

4. Customers with characteristics of vulnerability

The products are designed for general application for existing Buy to Let customers, which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

We considered the needs, characteristics, and objectives of customers with characteristics of vulnerability at all stages of the design process for these products to ensure the products meet their needs.

We have also tested the products to assess that they will meet the identified needs, characteristics, and objectives of the target market, including customers in the target market who have characteristics of vulnerability.

The target market must be made aware as the base rate is variable, there is potential for the interest rate to increase/decrease over the lifetime of the product.

Intermediaries should continue to comply with their obligations to ensure that they deliver good outcomes for customers in vulnerable circumstances.

Please contact us if you need any further information about how we support the needs of all our customers in **here**.

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 products deliver fair value for customers.

The outcomes of the assessment process are presented to the Product Approval Group, 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 products provide, the quality of the products, the level of customer service that is provided and any other features that the products may offer.	The interest rates, fees and charges customers pay for the products (including ERC's, where applicable), comparable market rates, procurement fees paid to intermediaries and non-financial costs associated with operating the products.	The cost of funding the products.	Any limitations on the scope and service we provide or the features of the products.

Results of our assessment

Our assessment concluded that the products continue to deliver fair value for customers in the target market for the products.

Information correct: November 2024.

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