

# **PRODUCT NAME: PRECISE MORTGAGES TIER 0, 1 & 2 (DMP 1 & 2)**

**Information sheet produced: [25/06/2024]**

## **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 Tier 0, 1 & 2 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, including those who have adverse credit and those who have been turned down by the high street. The product features and criteria are designed to support these needs.

- Defaults and CCJs older than 2 years allowable
- Available for purchase and re-mortgage
- Up to 95% LTV

- Up to 35 year mortgage term
- 1, 2 & 5 year fixed options available to give customers a choice and ability to fix their monthly payment
- Where available a refund of valuation up to £630 up to £500k property value. Above £500k property value the cost of the valuation is discounted by £630.
- Cashbacks of £300 are available on some products.
- Available for Purchase and Re-mortgage
- DMPs allowable if conducted for minimum of 12 months

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

<b>Customer Circumstances</b>	<b>Distribution Strategy</b>	<b>Customer Needs &amp; Objectives</b>
Customer has a CCJ/default from three years ago	Available through Intermediaries only. Applications are only accepted on an advised basis.	<ul style="list-style-type: none"> <li>• Home Ownership may be a FTB</li> <li>• Ability to borrow with an historic adverse</li> <li>• To fix the monthly payments so they understand how much it will cost them each month</li> <li>• Turned down by the high street</li> <li>• Want to repair their credit profile to be more appealing to high street lenders</li> </ul>
Customer has a missed mortgage payment 2 years ago	Available through Intermediaries only. Applications are only accepted on an advised basis.	<ul style="list-style-type: none"> <li>• Home Ownership may be a FTB</li> <li>• Ability to borrow with an historic adverse</li> <li>• To fix the monthly payments so they understand how</li> </ul>

Customer Circumstances	Distribution Strategy	Customer Needs & Objectives
		<p>much it will cost them each month</p> <ul style="list-style-type: none"> <li>• Turned down by the high street</li> <li>• Want to repair their credit profile to be more appealing to high street lenders</li> </ul>
Customer has been in a DMP for 14 months – paying on time	Available through Intermediaries only. Applications are only accepted on an advised basis.	<ul style="list-style-type: none"> <li>• Home Ownership may be a FTB</li> <li>• Ability to borrow with an historic adverse</li> <li>• To fix the monthly payments so they understand how much it will cost them each month</li> <li>• Turned down by the high street</li> <li>• Might have some historic adverse still showing on credit file</li> <li>• Want to repay the DMP and improve their overall credit</li> </ul>

Intermediary distribution allowable through:

- Directly authorised mortgage intermediaries
- Networks and their Appointed Representatives
- Mortgage Clubs
- Specialist distributors

All intermediary must be FCA registered and must registered with the lenders to make an application.

The Product is not designed for customers who:

- Has an adverse credit history which is outside the levels advertised as appropriate for the product
- Has no adverse credit history

- Has a Debt Management Plan in place for less than 12 months
- Are purchasing to let
- Do not meet lending criteria

#### **4. Customers with characteristics of vulnerability**

The Product is designed for those who do have some historic adverse, which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

As the customers will have historic adverse they may potentially have low financial resilience, even though they may have improved their position since the historic adverse. The historical adverse could also indicate lower capability.

All applications must be on an advised basis from a registered intermediary/mortgage advisor. This provides a degree of assurance the customer understands the product especially for those who have little financial services knowledge.

We consider the needs, characteristics and objectives of the customer who may be vulnerable within the design process along with understanding that any customer can become vulnerable at any point during the customer journey.

We have a Vulnerable Customer Policy in place to ensure that where a vulnerability is identified we can ensure appropriate steps are taken and customers are treated individually. The strategies include:

- Training for all necessary staff so that they can recognise and respond to the needs of vulnerable customers
- Processes in place to ensure vulnerable customers are serviced appropriately (including specialist staff members)
- Suitable communications can be put in place when required

Intermediaries should continue to comply with your obligations to ensure that you treat customers in vulnerable circumstances fairly and deliver good outcomes.

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 both the Senior Management and the Compliance Functions, 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	Cost	Limitations
<p>The range of features that the Product provides, the quality of the Product, the level of customer service that is provided and any other features that the Product may offer.</p> <p>How the product helps a customer achieve their financial goals.</p>	<p>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.</p>	<p>The cost of funding the Product and any other reductions in costs to the customer made possible by economies of scale.</p>	<p>Any limitations on the scope and service we provide or the features of the Product.</p> <p>How the product, while broad in terms of its features, is not suitable for everyone.</p>

Results of our assessment

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

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