

Buy to Let (BTL) mortgages

Information sheet produced: 27/03/2023

Our approach to meeting the Products & Services Outcome and Price & 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'.

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 BTL 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 Products provide 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, to own a property to rent out as a home or raise capital to improve their rental property. The product features and criteria are designed to support these needs.

Key features:

- Fixed interest rates that offer security in monthly payments for an initial period, regardless of whether interest rates rise or fall.
- Discount interest rates offering the flexibility of a variable rate.

Key eligibility criteria

Lending to borrowers who:

- are over the age of 25 and resident in the UK.
- have a property to let as a home.
- are seeking a repayment mortgage to clear the capital by the end of the term or a mortgage with Interest Only borrowing with a suitable repayment vehicle in place to clear at the end of the term.

Full eligibility criteria for BTL mortgages 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 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
New and existing borrowers looking to purchase a new rental property.	Intermediary distribution through: <ul style="list-style-type: none"> • Networks and their Appointed representatives. • Mortgage clubs. • Directly authorised mortgage intermediaries. 	<ul style="list-style-type: none"> • Access to a mortgage to enable the purchase of a rental property to let as a home. • The security of a fixed rate of interest for a period. • The flexibility of a discounted variable rate mortgage intermediaries.
New borrowers wanting to remortgage their existing rental property.	All intermediaries must be registered with us.	<ul style="list-style-type: none"> • Access to a mortgage to enable the borrower to continue to rent out their property as a home. • The security of a fixed rate of interest for a period. • The flexibility of a discounted variable rate mortgage.
Existing customers looking to product transfer or raise additional capital against their property as further lending.	<ul style="list-style-type: none"> • Intermediary distribution as detailed above • Direct through NBS advisors. • We also offer non advised execution only for certain transfers. 	<ul style="list-style-type: none"> • Access to continue to have a mortgage with us to enable the borrower to continue to rent out their property as a home • Access to additional funds to improve their property. • The security of a fixed rate of interest for a period. • The flexibility of a discounted variable rate mortgage.

The Product is not designed for customers who:

- Are going to live in their property.
- Do not meet our lending policies.

4. Customers with characteristics of vulnerability

The Products are designed for BTL market segment, which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

We have in place a framework to achieve good outcomes for vulnerable customers, which includes:

- Understanding the needs of our target market and customer base
- Ensuring staff have the right skills and capabilities to recognise and respond to the needs of vulnerable customers
- Responding to customer needs throughout product design, flexible customer service provision and communications
- Monitoring and assessing whether we are meeting and responding to the needs of customers with characteristics of vulnerability, and making improvements where this is not happening

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 Products.

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 and approved through our Governance process, allowing for challenge and further investigation of the outcomes before we share the summary of our assessment with you.

Our fair value assessment has considered the following:

Benefits	Price	Costs	Limitations
Based on the assessment performed, we have established that the products are compatible with the objectives, interests and characteristics of customers of the intended target market and that the distribution strategy is not detrimentally impacting overall product value.	We assess that the interest rates, fees and charges customers pay are comparable to the market rates and non-financial costs associated with operating the product.	We assess the costs, and fees and charges are appropriate for the products, and these represent fair value for our customers.	Other than criteria outside our lending policy there are no limitations to access these products.

Results of our assessment:

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