

## Fair Value Assessment Form

**Product name: Everyday Consumer & Regulated BTL**

**Information sheet produced: 23<sup>rd</sup> April 2025 Effective date 30<sup>th</sup> April 2025 Next review date 30<sup>th</sup> April 2026**

### **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 Everyday Consumer & Regulated BTL products 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, The product features and criteria are designed to support these needs.

- Available to Individuals based in the UK.
- Mortgage term up to 40 years.
- Up to 80% LTV standard and limited company
- Up to 75% LTV for expat BTL
- Interest Only or Capital Repayment
- New build or resale
- Assessed on full affordability.
- Available for purchase or re-mortgage
- All products allow repayment of up to 10% of the capital balance annually without incurring Early Repayment Charges
- Day 1 re-mortgage available (can use increased value for light refurbishment)
- Fixed and discount products.
- No age restriction
- To help support applicants who have a light adverse credit issue

Full eligibility criteria can be accessed on our intermediary website via [Buckinghamshire Building Society \(bucksbs.co.uk\)](https://bucksbs.co.uk)

#### **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
Individual looking to purchase or re-mortgage a property in which they previously resided to be let out on an AST	Available through Intermediary	<ul style="list-style-type: none"> <li>• 80% LTV mortgage or under</li> <li>• Term up to 40 years</li> <li>• Add previous residence to small let portfolio or to be a first-time landlord.</li> <li>• To retain ownership of previous home but see it generate an income for them.</li> <li>• Light adverse credit that fits in to the standard category, visible on the Everyday BTL credit matrix.</li> </ul>
Individual looking to purchase/re-mortgage a rental property in which direct family will reside and pay rent.	Available through Intermediary and Direct  ( Regulated only via Direct )	<ul style="list-style-type: none"> <li>• 80% LTV mortgage or under</li> <li>• Term up to 40 years</li> <li>• Own and let a property on an AST basis to direct family.</li> <li>• To provide a home to a family member who may not be able to get on the ladder themselves.</li> <li>• To retain ownership of a property that is possibly already in the family.</li> <li>• Light adverse credit that fits into the standard category, visible on the Everyday BTL credit matrix.</li> </ul>
Intermediary distribution through: <ul style="list-style-type: none"> <li>• Networks and their Appointed Representatives.</li> <li>• Mortgage clubs. Directly authorised mortgage intermediaries. Direct to the society via our Direct Adviser</li> </ul>		

The Product is not designed for customers who:

- Already have 3 or more mortgaged let properties in their portfolio.
- Are severely credit impaired borrowers.
- Do not meet our lending or property criteria.
- Need borrowing based on AST value.
- Do not reside in the UK.
- Need portability as an option.
- Applicants who need to add fees to loan that exceed maximum LTV

#### 4. Customers with characteristics of vulnerability

The Product is designed for Consumer and Regulated BTL owners which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

BTL owners are likely to have an existing experience of mortgages or the mortgage market even if only for their current residential mortgage. However, they may require additional advice and support to ensure they understand the information being presented to them and the implications of the arrangement they are entering into to reduce the risk of harm occurring. 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 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.
- Accessible tools on the website to help – Recite me
- Conduct risk monitoring.
- Review of product launches to ensure the product is appropriate and matches the approval brief.
- The society take care when interacting with vulnerable borrowers by using the TEXAS protocol.

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 mortgage pricing model takes into account the following inputs; proposed product price and fee, product tranche size, cost of funds, direct origination costs (adjusted by niche based on its operational complexity), Origination fees (PROC and MIG as applicable), wider operating costs, expected credit risk cost and risk-adjusted capital require (adjusted by lending category), plus assumptions around loan sizes and expected LTV distributions based on recent lending benchmarks.

The assessment follows a detailed and robust product approval process which determines the outcome including market analysis, products been checked via the pricing model and intermediary feedback. Smart Money Feedback is also reviewed to help determine the correct outcome.

The outcomes of the assessment process are presented to Mortgage Product Committee and Management Assets & Liabilities Committees for approval 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 provides, the quality of the product, the level of customer service that is provided and any other features that the product may offer.	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 cost of funding the Product and any other reductions in costs to the customer made possible by economies of scale.	Any limitations on the scope and service we provide or the features of the product.

Below is an example of the information reviewed and taken into consideration when completing the assessment:

- Product performance
- Operational performance
- Product governance
- Fees and charges (Product) subject to annual review and governance
- Customer experience insight and data
- Customer outcomes testing
- Customer complaints
- Product risk assessments
- Colleague education and training
- Customer in Vulnerable Circumstances Policy

#### Results of our assessment

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

You are responsible for meeting your obligations under Consumer Duty

