

**Product name: Retirement Interest Only (RIO) Range**

**Information sheet produced: 30/04/2024**

## **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 Retirement Interest Only 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, most notably to borrow into retirement. The product features and criteria are designed to support these needs:

- Up to 50% LTV.
- Lifetime discounted products.
- No mortgage term.
- No Early Redemption Charges (ERCs) and unlimited overpayments.
- Free standard valuation included

### **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
<p>Customer(s) over 55 looking to purchase a property in the UK to live in.</p> <p>Customer(s) over 55 looking to remortgage an existing property they occupy to repay and a mortgage.</p> <p>Customer(s) over 55 looking to remortgage an existing property they occupy to capital raise.</p>	Available through Direct & Intermediary introduced* channels via advised sales only.	<ul style="list-style-type: none"> <li>• Flexible repayment periods</li> <li>• Ability to borrow interest only to minimise monthly costs.</li> <li>• To repay a mortgage coming to the end of the term.</li> <li>• To raise capital for any legal purpose.</li> </ul>
<p>*Intermediary introductions accepted from:</p> <ul style="list-style-type: none"> <li>• Networks and their Appointed Representatives.</li> <li>• Mortgage clubs.</li> <li>• Directly authorized mortgage intermediaries.</li> </ul> <p>All intermediaries must be registered with Bath Building Society, and hold qualifications and permissions to advise on Equity Release mortgages.</p>		

The Product is not designed for customers who:

- Are not over 55.
- Are purchasing a property for investment.
- Are severely credit impaired borrowers.
- Do not meet our lending or property criteria.

#### 4. Customers with characteristics of vulnerability

The Product is designed for the retired market segment which are 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 this Product to ensure the Product meets their needs.

We have also tested the Product 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.

## 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 Conduct & Operations 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 provides, the quality of the Product, the level of customer service that provided and any features that the product may offer.	The interest rate the 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.

### Results of our assessment

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