Bath Building Society
We're different because you are

Product name: Rent a Room

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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 Rent a Room 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 increase borrowing via renting a room in the property they occupy. The product features and criteria are designed to support these needs:

- Unique affordability assessment, theoretically allowing an income multiple up to 8x
- Discount or fixed products
- Mortgage term up to 40 years
- Consider up to 100% LTV with collateral

Full eligibility criteria 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 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
Single applicant looking to purchase a new property in the UK.	Available through Direct & Intermediary* channels via advised sales only.	• Access to high LTI lending. • To fix their costs for a defined period. • To repay the capital by the end of the mortgage term. • Become a homeowner. • Obtain surplus income from renting a room. • Access lending with no upfront deposit.
Single applicant looking to remortgage in the UK.	Available through Direct & Intermediary* channels via advised sales only.	• Access to high LTI lending. • To fix their costs for a defined period. • To repay the capital by the end of the mortgage term. • Raise additional capital. • Transfer of equity. • Obtain surplus income from renting a room.
*Intermediary distribution through: • Networks and their Appointed Representatives. • Mortgage clubs. • Directly authorized mortgage intermediaries. All intermediaries must be registered with Bath Building Society.		

The Product is not designed for customers who:

- Are purchasing property to let in its entirety.
- Are severely credit impaired borrowers.
- Do not meet our lending or property criteria.

4. **Customers with characteristics of vulnerability**

The Product is designed for (but not restricted to) the First Time Buyer (FTB) market segment which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

FTBs are less likely to have a comprehensive understanding of mortgages or the mortgage market. Therefore, 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. In addition, they will be unlikely to have experience private letting, and must be aware that in case of rental voids, they are still obliged to meet their mortgage payments.

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.