



Product name: Additional Borrowing (AB) Range.

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 Additional Borrowing product range continues to meet the needs, characteristics, and objectives of customers in our defined target market which we have detailed below.
- Our chosen distribution strategy remains appropriate for the target market.
- The Product continues to provide fair value to customers in the target market. (i.e. the total price the customer pays upfront and throughout the lifecycle is reasonable in comparison to the benefits they receive.)

2. Product characteristics and benefits

Our products are designed to meet the needs of this Additional Borrowing target group, most notably the need to secure additional finance on their home. The product characteristics and benefits are designed to support these needs.

Product characteristics:

- Loan size from £10,000 to £2 million.
- Mortgage term up to 40 years (subject to criteria).
- Repayment or Interest Only (subject to Interest Only criteria).
- Fixed or Tracker Products, reverting to the product specific reversionary rate.
- Can apply six months from the applicant's first monthly mortgage payment.
- Debt consolidation acceptable but must be on a repayment basis only.
- Maximum LTV 80% (75% on Interest Only, 2nd Home and BTL).

Fixed rate – for customers who are looking for stability and certainty in their mortgage payment for a defined period.

Tracker – for customers who want flexibility on overpayments and redemption of their mortgage without charges, or who wish to take advantage of potential changes in the Bank of England (BoE) Base Rate.

Reversionary rate – Homeowner Variable Rate (HVR) – this is a lender variable rate that customers move onto following the end of their product period if no action is taken. This is not available to new customers, but certain amendments can be made to existing mortgages (term and/or repayment type only) if the customer does not wish to complete a Product Transfer at the end of their product term. This reversionary rate is not portable.

Product benefits:

- Tracker Products without Early Repayment Charges.
- Fee-free revaluation subject to criteria.
- Overpayment allowance (typically 10% of the yearly mortgage balance for products subject to early repayment charges).
- Payment holidays are available, subject to eligibility.

All applications are subject to our lending policy, eligibility, and property criteria. Full criteria can be accessed on our intermediary website via this link – **Additional Borrowing Criteria**

3. Target Market Assessment and Distribution Strategy

We have assessed our Additional Borrowing Products as suitable for customers looking to raise additional finance on a property they use as their main residence by securing finance against that property. Different variations of how they chose to borrow that funding from TSB are based on their specific needs and/or circumstances as detailed above in the Product Characteristics section.

The Product is designed for customers who:

- Are aged 18 or over at the time of application (the mortgage term must end before age 75).
- Meet our lending and eligibility criteria.
- Are raising additional finance on a property which is within our property criteria.

The Product is not designed for customers who:

- Are raising additional finance on a property already let, including consent to lease.
- Are severely credit impaired borrowers.
- Are living overseas.

The target market assessment matrix below 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	Principal Customer Needs and Objectives
Existing TSB mortgage customer looking to raise additional finance on their residential property in the UK.	TSB Mortgages are available through: • Our branch network via face to face, telephone and video appointments. • Intermediary* channels.	• Access to higher LTV lending. • Access to high LTI lending. • To raise additional borrowing to consolidate their secured and unsecured debts and/or to fund improvements to their home or personal requirements. • Flexibility to fix their costs for a defined period or benefit from possible rate reductions and/or no early repayment charges. • To repay the capital by the end of the mortgage term and/or use a repayment plan for interest only lending. • Option to have a term past anticipated retirement age, supported by retirement income. • To raise additional finance without the need for a conveyancer.

*Intermediary Distribution through:

- Networks and their Appointed Representatives.
- Mortgage Clubs.
- Directly Authorised Mortgage intermediaries.

All intermediaries must be registered with TSB.

4. Customers with characteristics of vulnerability

The Product is designed for existing TSB mortgage customers looking to raise additional borrowing which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

Existing TSB mortgage customers looking to raise additional borrowing may not 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.

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 our customers’ needs throughout its lifecycle.

Further support can be accessed on our website via this link – **Supporting you if you’re in a vulnerable situation**

We have also reviewed the product to assess whether it will meet the identified needs, characteristics, and objectives of the target market, including customers who have characteristics of vulnerability.

We have in place a framework to achieve good outcomes for all customers including those with characteristics of vulnerability 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 provisions and communications.
- Flexible policies where appropriate to support vulnerable customers, including those in financial difficulty.
- Monitoring to ensure we continue to meet and respond to the needs of customers with characteristics of vulnerability.

Intermediaries should continue to comply with their own obligations to ensure that they are treating 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 reviewed all of our Mortgage Products in TSB to ensure they provide our customers with Fair Value; to ensure the total price our customer pays upfront and throughout the lifecycle is reasonable in comparison to the benefits they receive.

The outcome of this review has been assessed by key stakeholders within TSB and has received overall approval from our Executive Product and Sales Process Governance Committee.

Our Fair Value assessment has considered the following:

Benefits	Price	Costs	Limitations
The range of features that the product provides the customer, the quality of the product, the level of customer service that is provided and any other features 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 other reductions in costs to the customer made possible in 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, the total price the customer pays upfront and throughout the lifecycle is reasonable in comparison to the benefits they receive.

