



**Product name: Buy to Let (BTL) Range: (inclusive of House Purchase, Remortgage, Additional Borrowing and Product Transfers).**

## **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:

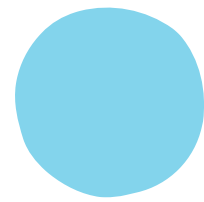
- Our Buy to Let product range continues to meet the needs, characteristics, and objectives of customers in our defined target market which we have detailed below.
- Our chosen distribution strategy remains appropriate for the target market.
- The Product continues to provide fair value to customers 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 Buy to Let target group, most notably the need to secure finance to purchase or choose a new rate on their Buy to Let Property. The product characteristics and benefits are designed to support these needs for both Business Buy to Let and Consumer Buy to Let.

#### **Product characteristics:**

- Loan size from £25,005 up to £1 million for purchases and remortgages.
- Minimum mortgage term of 5yrs up to a maximum of 40 years.
- Repayment or Interest Only - Maximum LTV on Interest Only is 80%.
- Availability on new and existing homes (subject to criteria).
- Fixed or Tracker Products, reverting to the product specific reversionary rate.
- LTV up to 80% (75% for New Build Flats and Maisonettes and Additional Borrowing).
- Can hold up to three non-residential mortgages with TSB with a total value of up to £2 million.
- Can have a maximum of 3 mortgaged Buy-to-Let properties, either with TSB or other lenders.
- Self-Financing calculations are subject to affordability criteria.
- Minimum personal income is £25,000 (combined amount for joint applications) for purchases and remortgages.



**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.
- Product Fees can be either paid up front or added to the mortgage.
- Ability to port existing TSB mortgage products from an existing BTL to a new BTL purchase.
- Fee-Free standard valuation for Buy-to-Let purchases and remortgages.
- Fee assisted legals or £300 cashback when using own conveyancers for Buy-to-Let remortgages.
- Overpayment allowance (typically 10% of the yearly mortgage balance for products subject to early repayment charges).

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

### 3. Target Market Assessment and Distribution Strategy

We have assessed our Buy to Let Products as suitable for customers looking to purchase, remortgage, raise additional finance, or secure a new rate on a property to rent out 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 25 or over at the time of application (the mortgage term must end before age 80).
- Meet our lending and eligibility criteria.
- Are purchasing, remortgaging, or raising additional finance on a property which is within our property criteria.

The Product is not designed for customers who:

- Are severely credit impaired borrowers - House Purchase, Remortgage and Additional Borrowing only.
- 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
Landlord looking to purchase a property in the UK for rental purposes.	TSB BTL Mortgages are available through: <ul style="list-style-type: none"> <li>• Our branch network via face to face, telephone and video appointments.</li> <li>• Intermediary* channels.</li> </ul>	<ul style="list-style-type: none"> <li>• Access to higher LTV lending.</li> <li>• Access to high ICR lending.</li> <li>• To purchase their first BTL property or expand their property portfolio.</li> <li>• Flexibility to fix their costs for a defined period or benefit from possible rate reductions and/or no early repayment charges.</li> <li>• To have Interest Only and repay the capital at the end of the mortgage term by selling the BTL property.</li> </ul>

Continued overleaf

Landlord looking to remortgage an existing BTL property in the UK.	TSB BTL Mortgages are available through: <ul style="list-style-type: none"> <li>• Our branch network via face to face, telephone and video appointments.</li> <li>• Intermediary* channels.</li> </ul>	<ul style="list-style-type: none"> <li>• Access to higher LTV lending.</li> <li>• Access to high ICR lending.</li> <li>• Ability to secure a new rate before their existing product matures.</li> <li>• To raise additional borrowing to consolidate their secured and unsecured debts and/or to fund improvements to the property or personal requirement.</li> <li>• Flexibility to fix their costs for a defined period or benefit from possible rate reductions and/or no early repayment charges.</li> <li>• To have Interest Only and repay the capital at the end of the mortgage term by selling the BTL property.</li> <li>• Ability to add or remove someone named on the mortgage.</li> </ul>
Existing TSB mortgage customer looking to raise additional finance on their BTL property in the UK.	TSB BTL Mortgages are available through: <ul style="list-style-type: none"> <li>• Our branch network via face to face, telephone and video appointments.</li> <li>• Intermediary* channels.</li> </ul>	<ul style="list-style-type: none"> <li>• Access to higher LTV lending.</li> <li>• Access to high ICR lending.</li> <li>• To raise additional borrowing to consolidate their secured and unsecured debts and/or to fund improvements to the property or personal requirements.</li> <li>• Flexibility to fix their costs for a defined period or benefit from possible rate reductions and/or no early repayment charges.</li> <li>• To have Interest Only and repay the capital at the end of the mortgage term by selling the BTL property.</li> <li>• To raise additional finance without the need for a conveyancer.</li> </ul>
Existing TSB customer looking to secure a new rate on their TSB mortgage on a BTL property in the UK.	TSB BTL Mortgages are available through: <ul style="list-style-type: none"> <li>• Our branch network via face to face, telephone and video appointments.</li> <li>• Online.</li> <li>• Intermediary* channels.</li> </ul>	<ul style="list-style-type: none"> <li>• To secure a new rate without a credit check or affordability assessment.</li> <li>• Ability to pre-book in advance and secure a new rate before their existing product matures.</li> <li>• Flexibility to fix their costs for a defined period or benefit from possible rate reductions and/or no early repayment charges.</li> </ul>

\*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 new or existing Buy to Let landlords, which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

BTL landlords, especially first-time landlords may not have a comprehensive understanding of mortgages or the mortgage market, therefore they may require additional 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 customer 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 and customer 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.

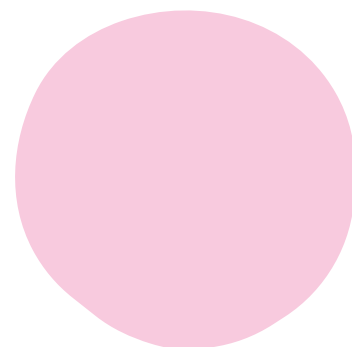
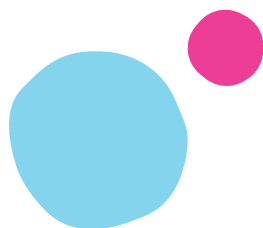
The outcome of this review has been assessed by key stakeholders within TSB and has received overall approval from our Executive Product and Sales Process Governance Committee.

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.



FOR THE USE OF MORTGAGE INTERMEDIARIES AND OTHER PROFESSIONALS ONLY.