

First Time Buyer Residential Mortgage Range



Our approach to meeting the Products & Services Outcome and Price & Value Outcome – Information for distributors of the Product

TOMORROW BEGINS TODAY

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 the obligations under 'The Consumer Duty'.

This information is intended for intermediary use only and should not be provided to customers. It is one of four information sheets covering our residential mortgage range. Separate versions exist for Purchasers, Re-mortgaging and Product Switching.

1. Summary of our initial assessment

We have assessed that:

- Our First Time Buyer Residential Mortgage Product range currently meets the identified needs, characteristics, and objectives of customers in the identified target market.
- The intended distribution strategy remains appropriate for the target market.
- The Product currently provides fair value to customers in the identified target market (i.e. the total benefits are proportionate to total costs).

2. Product characteristics & benefits

The product is currently designed to meet the needs of the intended target group; first time buyers looking to buy their first home. The product features and criteria are designed to support these needs:

- Fee and no fee options available
- Maximum 90% Loan to Value (80% for UK mortgages)
- A range of Loan to Value options available
- Capital and Interest repayment mortgages
- Mortgage Term up to 40 years
- Fixed and Tracker rate options
- Green mortgage option depending on EPC rating (currently only available in the UK and Gibraltar)
- Minimum loan size £30k (100k for UK mortgages)
- Support for government & industry-led schemes
- Overpayment options available (including overpayment allowance without ERC on some products)
- Ability to port the product when moving home
- Cashback option may be available (see product range information)

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
First Time Buyers looking to purchase their first residential property.	Available through Direct, Intermediary* & Online channels Applications through non-advised sales	<ul style="list-style-type: none">• Access to high LTV lending• Access to high LTI lending• To fix their costs for a defined period• Option to repay the capital by the end of the mortgage term product without ERC• Become a homeowner for the first time
First Time Buyers looking to purchase their first residential property with an affordable housing scheme.	Available through Direct, Intermediary* & Online channels Applications through non-advised sales	<ul style="list-style-type: none">• Access to government/industry affordable housing schemes to support home ownership aspirations• To fix their costs for a defined period• Option to repay the capital by the end of the mortgage term product without ERC

*Intermediary distribution through:

- Directly authorised mortgage intermediaries

All intermediaries must be registered with us.

Do not meet our lending and affordability criteria which includes, but is not limited to, customers who:

- Are not First Time Buyers
- Are purchasing a property to let
- Are severely credit impaired borrowers
- Want to purchase non-standard constructions or property type outside of policy
- Want to purchase a property outside of the UK, Isle of Man, Jersey, Guernsey or Gibraltar
- Are borrowing beyond their retirement age (max age 75)

4. Customers with characteristics of vulnerability

The Product is designed for the customers looking to purchase their first home, which will include some customers with characteristics of vulnerability or who will experience vulnerability over time.

Customers buying a property for the first time are less likely to understand the mortgage market and the home buying process. They are more likely to benefit from advice and greater levels of support to ensure they are aware of the product benefits and risks, and have a good understanding of the information provided to them.

We have considered the needs and objectives of customers with characteristics of vulnerability in the design process for this product.

We have vulnerability frameworks in place to achieve good outcomes for vulnerable customers, which includes:

- Recognising that all customers may experience periods of temporary or persistent vulnerability
- Ensuring our staff are suitably trained to identify, engage with, and support the needs of our vulnerable customers
- Providing flexibility within our approach to policy, service provision and communications, making reasonable adjustments, where appropriate, to support good outcomes for our vulnerable customers
- Ongoing monitoring to identify and respond to the needs of vulnerable customers

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.

Our fair value assessment considered the following:

Benefits

- The range of features provided
- The level of customer support provided
- The level of customer service provided

Price

- The interest rate charged, including the product fee
- The fees and charges the customer pays for the product
- Comparable products and price in the marketplace
- Procurement fees paid to intermediaries
- Consideration of fees intermediaries charge a customer for advice (market average used)

Costs

- The cost of creating the product (i.e. costs that contribute to running the bank)
- The cost of funding the product
- The cost of processing the application
- The cost of administering the product
- The cost of closing the product

Limitations

- Any limitations on the features of the product
- Any limitations on the service of the product
- Any limitations on the support provided for the product

Results of our assessment

Based on our initial assessment of the above factors the product currently delivers fair value for its intended target market.

Mortgages are offered by The Royal Bank of Scotland International Limited trading as NatWest International (NatWest International). Registered and Head Office: Royal Bank House, 71 Bath Street, St. Helier, Jersey, JE4 8PJ. Authorised and regulated by the Jersey Financial Services Commission.

The Royal Bank of Scotland International Limited, trading as NatWest International, is authorised and regulated by the Financial Conduct Authority. Isle of Man business address: 2 Athol Street, Douglas, Isle of Man, IM99 1AN. Licensed by the Isle of Man Financial Services Authority in respect of Deposit Taking, Investment Business and registered as a General Insurance Intermediary.

Guernsey business address: Royal Bank Place, 1 Glatigny Esplanade, St. Peter Port, Guernsey, GY1 4BQ. Regulated by the Guernsey Financial Services Commission and licensed under the Banking Supervision (Bailiwick of Guernsey) Law, 1994, as amended, the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002, and the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. NatWest International is the registered business name of The Royal Bank of Scotland International Limited under the Business Names Registration Act.

Gibraltar business address: NatWest International House, 57 Line Wall Road, Gibraltar. Regulated and authorised by the Financial Services Commission, Gibraltar to undertake Banking and Investment Business from 55 and 57 Line Wall Road and Gibraltar. Our services are not offered to any person in any jurisdiction where their advertisement, offer or sale is restricted or prohibited by law or regulation or where we are not appropriately licensed.

YOUR HOME OR PROPERTY MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE. YOU SHOULD CHECK THAT FURTHER BORROWING AND INTEREST ONLY MORTGAGES WILL MEET YOUR NEEDS IF YOU WANT TO MOVE OR SELL YOUR HOME OR PROPERTY OR YOU WANT YOUR FAMILY TO INHERIT IT. IF YOU ARE IN ANY DOUBT, SEEK INDEPENDENT ADVICE.

Credit facilities: Over 18's only. Security required. If you are not satisfied with any of our products or services, we have a complaints procedure that you can use. A leaflet, giving details of the procedure, is available from us upon request. Calls may be recorded.