

# Product Name: Retirement Interest Only (Variable Rate)



Information Sheet Produced: 03/05/2024

## 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 Act'.

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 an older borrower with a need to secure finance on a property. The product features and criteria are designed to support these needs:

- Variable rate product.
- Mortgage repaid on trigger of specified life event.
- Available on interest only.
- Option to overpay 5% per annum without early repayment charge.

Full eligibility criteria can be accessed on our intermediary website via [our criteria page](#).

#### FOR INTERMEDIARY USE ONLY

**Principal Office:** 6-20 Russell Street, Nelson, Lancashire BB9 7NJ  
t (01282) 440583\* e intermediaries@themarsden.co.uk w www.marsdenintermediaries.co.uk

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### 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.

<b>Customer circumstances:</b>	Older borrowers looking to purchase, remortgage or raise capital on a property.
<b>Distribution strategy:</b>	Available direct and via intermediaries. Applications can only be accepted on an advised basis.
<b>Customer needs &amp; objectives:</b>	<ul style="list-style-type: none"><li>• Access to 55% LTV lending.</li><li>• To move property, remortgage or raise capital.</li><li>• To pay interest only to maintain the debt.</li><li>• To remain in their own home until a specified life event (surviving spouse) triggers repayment of the mortgage:<ul style="list-style-type: none"><li>○ Death.</li><li>○ Leaving the property with no reasonable prospect of returning (e.g., moving into residential care).</li><li>○ Acquiring another property to use as your main residence.</li><li>○ Selling the property without transferring the loan to a new property.</li></ul></li><li>• To adjust mortgage repayments in line with changes linked to our Standard Variable Rate.</li></ul>

#### The product is not designed for customers who:

- Intend to let the property.
- Are severely credit impaired.
- Are not in receipt of pension income.
- Are below the age of 55.
- Want to fix their mortgage costs for a defined period.
- Want to have a repayment mortgage.
- Want to make more than 5% penalty-free overpayments during the product term.
- Require an equity release mortgage (no monthly repayment).
- Do not meet our lending or property criteria.

#### Intermediary distribution is via:

- Networks and their appointed representatives.
- Mortgage Clubs.
- Directly Authorised mortgage intermediaries.

All intermediaries must be registered with us.

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#### **4. Customers with characteristics of vulnerability**

The product is designed for older borrowers which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

Older borrowers may not have a comprehensive understanding of 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.

Older borrowers are likely to experience health and bereavement problems during the term of the mortgage which may impact on their ability to deal with their affairs or maintain the mortgage payments.

To support this, we have produced a fact sheet that explains the consequences of taking out the mortgage and where support, help and advice is available from.

We also have a contact strategy which means we will contact the borrower(s) at regular intervals to make sure their circumstances have not changed or to offer help and support where they have.

Our colleagues have been provided with the relevant education and training to ensure they have the appropriate skills and experience to recognise and respond to the needs of vulnerable customers and our communications also support the needs of vulnerable customers.

Where we identify a vulnerable customer, we have monitoring in place to ensure we continue to meet and respond to the needs of customers with characteristics of vulnerability.

We have 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.

Intermediaries should continue to comply with their obligations to ensure that they 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 our Operational Regulatory Risk Committee allowing for challenge and further investigation before we sign-off the outcomes and share the summary of our assessment with you.

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Our fair value assessment has considered the following:

<b>Benefits:</b>	The range of features that the product provides, the quality of the product, the level of customer service that is provided and any other features that the product offers.
<b>Price:</b>	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 opening the product.
<b>Costs:</b>	The cost of funding the product and any other reductions in costs to the customer made possible by trading conditions.
<b>Limitations:</b>	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.

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