

Product name: Residential Regulated First Charge

Information sheet produced: 25th July 2024

Our approach to Product Governance and Fair Value Assessment – Information for distributors of the Product

Together is committed to conducting its business in a fair, honest and open manner and we ensure that we have appropriate product oversight and governance systems and controls in place to offer products that have been assessed as providing fair value to customers that are within the appropriate target market.

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 Residential Regulated First Charge 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, who require funds to purchase or refinance their main residential property. The product features and criteria are designed to support these needs.

- Fixed, Discounted or Variable products
- Mortgage term up to 40 years
- Accepted on Right to Buy (RTB) and Shared Ownership
- Minimum loan size £50k
- Non-standard properties accepted
- Interest only accepted
- Gifted deposits considered from close family
- Joint borrower sole proprietor
- 100% benefits accepted
- Foster care income accepted

Full eligibility criteria can be accessed on our intermediary website via the link below.

<https://togethermoney.com/intermediaries/our-products>

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
Applicants looking to purchase a residential property to live in.	Available through FCA authorised Intermediaries, Direct and Online channels.	<ul style="list-style-type: none"> • To support first time buyers getting on the property ladder. • To purchase with the intention to live in the property. • To purchase a property that is non-standard in construction. • To purchase a RTB or Shared-Ownership property without a deposit. • To support customers looking for a capital and repayment loan. • To support clients looking to purchase using an interest only loan and use downsizing, endowment policies or stock and shares ISAs as their repayment strategy. • To support customers with income not accepted by the high street (one year self-employed income, benefits, foster care income). • To support customers seeking a fixed rate product that provides surety of payment for an initial period. • To support customers seeking a variable rate product, that allows the repayment of a loan without incurring early repayment charges. • To support customers looking to purchase a second home.
Applicants looking to refinance their main residential property to repay an existing loan, or raise funds for a specific loan purpose.	Available through FCA authorised Intermediaries, Direct and Online channels.	<ul style="list-style-type: none"> • To refinance a property that is non-standard in construction. • To support customers with income not accepted by the high street (one year self-employed income, benefits, foster care income). • To support customers seeking a fixed rate product that provides surety of payment for an initial period. • To support customers looking for a capital and repayment loan. • To support clients looking to remortgage on an interest only loan and use downsizing, endowment policies or stock and shares ISAs as their repayment strategy. • To support customers looking to raise funds for home-improvements. • To support customers looking to raise funds for debt-consolidation. • To support customers seeking a variable rate product, that allows the repayment of a loan without incurring early repayment charges.

		<ul style="list-style-type: none"> To support customers looking to raise funds to purchase a second home.
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The product is not designed for customers who:

- Are Non-UK residents
- Have more than 3 Demerits
- First time buyers with declining unsecured credit
- Require part and part mortgages
- Require a loan amount under £50k

4. Customers with characteristics of vulnerability

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

Together recognises that some customers we come into contact with will be vulnerable in the context of how we interact with them because of their personal circumstances. As a provider of secured lending, we have a duty and obligation to make sure that all of our work is consistent with our purpose and that we make reasonable adjustments and put in place appropriate support mechanisms to ensure our vulnerable customers receive positive outcomes and receive consistently fair treatment.

In order to achieve this, we are committed to:

- Ensuring colleagues have the right skills and capability to recognise and respond to the needs of vulnerable customers.
- Responding to customer needs through product design, flexible customer service provision and communications to deliver good customer outcomes.
- Monitoring and assessing whether we are meeting and responding to the needs of vulnerable customers and making improvements where this is not happening.

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 product governance process requires a full review of all our products at least annually ensuring we consider the target market, distribution strategy, remuneration, marketing, product information, product performance, product design and feedback from distributors and customers.

The outcomes of the assessment process allows 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
<p>The product supports a customer base requiring finance within the specialist lending sector by allowing criteria not accepted by high street mortgage lenders.</p>	<p>Policies in place to ensure products are priced fairly, in comparison to competitors and assessed regularly. The policies ensure the approach when pricing decisions are made are consistent and compliant.</p> <p>When determining price we consider rate, customer risk profile, a reasonable pre-estimate of early redemption and longer term economic and financial assumptions.</p> <p>An overall cost comparison detailing Annual Percentage Rate of Charge is available for customers explaining how pricing affects their payments.</p>	<p>Our policies are designed to ensure customers are charged fees that are a fair reflection of the market and our cost to do business.</p> <p>Our costs include;</p> <p>Cost of funds - reflects our cost to acquire funds to lend.</p> <p>Cost to sell – reflects cost to sell products and includes broker commission and advertising.</p> <p>Cost to process – reflects the cost to process and underwrite applications.</p> <p>Cost to service – reflects cost to maintain and support customers throughout the course of their loan.</p>	<p>This product is not suited to customers who fall outside the target market for this product.</p>

Results of our assessment

Our assessment concluded that the product continues to deliver fair value for customers in the target market for the product.