

# Regulated Consumer Buy to Let.

Fair Value Assessment  
28<sup>th</sup> March 2025

together.<sup>®</sup>

## 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. Purpose of the Assessment

This Fair Value Assessment (FVA) is conducted in line with the FCA's Consumer Duty (PRIN 2A) to ensure that Residential Regulated Consumer Buy to Let (First and Second Charge) product delivers fair value to its target customers. The assessment evaluates:

- Whether the costs and charges are proportionate to the benefits.
- If the product is suitable for its intended target market.
- Whether it meets customer needs and delivers good outcomes.
- How it compares to alternatives in the market.
- Whether distribution and intermediary remuneration create any conflicts of interest.

This assessment uses a combination of internal data, competitor benchmarking, customer feedback, and arrears/default analysis to ensure continued fair value for consumers.

### 2. Product Summary and Target Market

#### Product Features and Benefits

Feature	Details
Loan Type	Fixed and Variable Rate
Term	Mortgage Term up to 30 Years
Loan-To-Value (LTV) Range	Up to 75%
Repayment Type	Capital Repayment and Interest Only
Product Features	Non-Standard Properties Accepted Minimum Loan Size £50K Interest Only Accepted (Not for Debt Consolidation on CBTL 2 <sup>nd</sup> Charge) Up to Four Applicants Accepted Property Must Be Self-Funding Based on Rent Received Projected Rent Accepted No Maximum Age Ex-Pats Considered
Product Limitations	This product is not suited to customers who fall outside the target market.

Full eligibility criteria can be accessed on our intermediary website via the link below:  
<https://togethermoney.com/intermediaries/our-products>

## Target Market

This product is designed for **individuals who have unintentionally become landlords** specifically:

### **Applicants looking to rent a property that used to be their main residence and will be their only rental property and raise funds against this security -**

- To support customers who do not want to sell their property, preferring to rent to tenants.
- To support customers who do not want to sell their property, preferring to rent to tenants and move into rented accommodation.
- To support customers who require funds to aid an onward purchase but rent their existing residence out (Let to Buy).
- To support applicants looking to refinance an existing Consumer Buy to Let mortgage which has come to the end of its fixed rate period.
- To support customers whose rental agreements cover the mortgage payments.
- To support customers who intend to raise funds for home improvements.
- To support customers intending to consolidate debt.
- To support customer wanting to raise funds against a non-standard construction property.
- To support customers looking for a capital and repayment loan.
- To support clients looking to raise funds using an interest only loan and use sale, endowment policies or stock and shares ISAs as their repayment strategy.

### **Applicants looking to rent a property that has been inherited and will be their only rental property and raise funds against this security -**

- To support customers who have inherited a property from family and want to rent it out and turn the property into their first buy to let.
- To support customers whose rental agreements cover the mortgage payments
- To support customers who intend to raise funds for home improvements.
- To support customers intending to consolidate debt.
- To support customer wanting to raise funds against a non-standard construction property.
- To support customers looking for a capital and repayment loan.
- To support clients looking to raise funds using an interest only loan and use sale, endowment policies or stock and shares ISAs as their repayment strategy.

### **Applicants looking to secure a second charge against a property classed as a CBTL –**

- To support customers who already have a CBTL first charge but want to raise funds as a second charge.
- To support customer wanting to raise funds against a non-standard construction property.
- Raising funds as a second charge as to not incur ERCs on their first charge loan.
- To support customers whose rental agreements cover the mortgage payments
- To raise funds via a CBTL second charge loan as opposed to an unsecured loan due to rate and overall cost.
- To support customers who intend to raise funds for home improvements.
- To support customers intending to consolidate debt.
- To support customers looking for a capital and repayment loan.
- To support clients looking to raise funds using an interest only loan and use sale, endowment policies or stock and shares ISAs as their repayment strategy.

## Customers for Whom This Product is Not Suitable

- Have more than 3 Demerits
- Looking to Purchase a Property
- First Time Buyers with Declining Unsecured Credit
- Require Part and Part Mortgages
- Require a Loan Amount under £50K
- Require an LTV of above 75%

## Vulnerable Customer Considerations

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.

## 3. Distribution Strategy & Fair Treatment of Customers

### Distribution Channels

- Direct Sales
- Online Channels
- FCA Authorised Intermediaries
- FCA and Non FCA Authorised Introducers

### Remuneration & Conflicts of Interest

- Broker commissions are reviewed to ensure they do not incentivise unsuitable sales.
- Fair remuneration structures in place for internal sales teams and third-party brokers.

### Ensuring Good Customer Outcomes

- Clear and accessible information provided pre-sale and post-sale.
- Suitability checks conducted to ensure customers are offered the right mortgage product.
- Support for vulnerable customers with extra guidance and financial difficulty assistance.

**Conclusion:** The product is distributed responsibly, ensuring fairness, transparency, and no conflicts of interest.

## 4. Ongoing Monitoring & Fair Value Review

### Data Sources for Continuous Review

- Customer complaints analysis to identify potential fairness issues.
- Monitoring arrears/default rates to assess product suitability over time.
- Regular competitor benchmarking to ensure continued fair pricing.
- Customer feedback and market research to validate perceived value.

### Triggers for Review

- Annual reviews to ensure the product remains competitive and provides fair value.
- Regulatory or market changes requiring pricing or feature adjustments.
- Increase in complaints related to fees, affordability, or customer experience.

### Potential Adjustments Based on Findings

- Adjusting fees or interest rates to remain competitive and fair.
- Enhancing transparency in documentation to improve customer understanding.
- Strengthening affordability criteria to prevent potential consumer harm.

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>Our Pricing Principles ensure that the different products within our Regulated Second Charge product set are priced relative to the benefits that they provide to customers.</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> <ul style="list-style-type: none"> <li>• Cost of funds - reflects our cost to acquire funds to lend.</li> <li>• Cost to sell – reflects cost to sell products and includes broker commission and advertising.</li> <li>• Cost to process – reflects the cost to process and underwrite applications.</li> <li>• Cost to service – reflects cost to maintain and support customers throughout the course of their loan.</li> </ul>	<p>This product is not suited to customers who fall outside the target market for this product.</p>

## 5. Conclusion

### Overall Fair Value Conclusion

**The Regulated Consumer Buy to Let (First and Second Charge) product provides fair value** to its target market. The pricing, benefits, and distribution model are appropriate, and no evidence suggests the product leads to **poor consumer outcomes**.