

Product name:
Interest Only
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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 range of Interest Only products meet the needs, characteristics, and objectives of customers in the identified target market.
- The intended distribution strategy for these products remains appropriate for the target market.
- Products deliver fair value for customers in the identified target market where prices, fees, charges and wider terms are reasonable based on the overall benefits customers can expect to receive through the product and the level of service provided.

2. Product characteristics & benefits

Our Interest Only products are designed to meet the needs of customers who are looking to buy or remortgage a home with the support of a residential owner-occupied mortgage on an interest only basis. Customers will have a suitable vehicle for the repayment of any capital balance at end of term as defined by the Society's lending policy.

- Loan to value options available up to 60% for houses
- Fixed and discounted variable interest rate types available across a range of initial terms
- Free first standard valuation
- Cashback or fees assisted legals available on selected remortgage products
- A mortgage term up to 25 years
- Overpayments up to £999.99 per month permitted with no early repayment charge
- Portable to a new property (subject to eligibility)
- Product Transfer options available at end of initial term

Intermediaries should ensure that customers' plans to repay the capital balance remaining at end of term are suitable based on the Society's lending criteria and realistic based on the customers' circumstances which will be determined through the advice provided. Where customers intend to sell their home to pay any capital balance outstanding, intermediaries should ensure customers are aware that sufficient equity in the property will be required to make downsizing a realistic option.

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

3. Target market assessment and distribution strategy

The table below segments the target customers for the product, recognising different needs to enable you to tailor the services you provide when you distribute the product.

Customer Circumstances	Distribution Strategy	Customer Needs & Objectives
<p>Customers looking to buy or remortgage a home with the support of a residential mortgage on an interest only basis who intend to pay any capital balance remaining at term end through:</p> <ul style="list-style-type: none"> • Sale of property to be mortgaged – customers looking to move out of the property at end of term e.g. downsize • Sale of another property • Pension or endowment plans • Savings 	<p>Available through Direct and Intermediary Channels*</p>	<ul style="list-style-type: none"> • To only pay the interest on the capital amount borrowed with the capital balance paid through a suitable repayment vehicle • To downsize at the end of term or move to another property appropriate for their needs • To buy or remortgage a home in England or Wales • To access loan to value lending up to 60% where appropriate • To borrow for a term up to 25 years where appropriate • To fix monthly payments for a set period where appropriate • To pay a lower variable rate of interest linked to the Society's standard variable rate (SVR) for a set period where appropriate
<p>*Intermediary distribution through:</p> <ul style="list-style-type: none"> • Networks and their Appointed Representatives. • Mortgage clubs. • Directly authorised mortgage intermediaries. <p>All intermediaries must be registered with the West Brom to submit business.</p>		

The product is not designed for customers who want to:

- Borrow on a repayment basis
- Purchase or Remortgage a property that will be, or is being, let
- Borrow via an assisted purchase scheme or remortgage a home purchased via an assisted scheme
- Overpay lump sums of over £999.99 per month within any initial product term without incurring an early repayment charge.

Customers will have a good level of credit worthiness and be eligible based on our lending and security policy.

Customers will have a suitable repayment vehicle for the repayment of any capital balance on interest only as defined by the Society's lending policy.

4. Customers with characteristics of vulnerability

Our Interest Only products are designed for customers who are looking to buy or remortgage a home with the support of a residential owner-occupied mortgage on an interest only basis and who have a suitable repayment vehicle to pay the capital balance. This is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time which may include:

- Customers with a repayment vehicle that does not perform as expected and/or when plans regarding how they intend to pay their capital balance change through the mortgage term.

We consider the needs of vulnerable customers when designing and reviewing our products and services to ensure these are identified and addressed appropriately. Our Vulnerable Customer and Financial Abuse Policy sets out our guiding principles in relation to vulnerable customers:

- The Society will have procedures in place to make sure our colleagues understand the needs of vulnerable customers.

- The Society will make sure colleagues have the skills and capability to identify, record and manage customers in vulnerable circumstances.
- The Society will consider customers throughout its design and implementation of products and services.
- The Society puts customers at the heart of the service it provides and will ensure customers in vulnerable circumstances receive services at least as good as customers who aren't.
- The Society will give consideration to communicating with customers in vulnerable circumstances.
- The Society will monitor and evaluate how well it supports customers in vulnerable circumstances.

Intermediaries should ensure that customers are fully aware of the risks regarding an interest only mortgage and that plans to pay any capital balance remaining at end of term are suitable based on the Society's lending criteria and realistic based on the customers circumstances determined through the advice provided.

The Society will notify customers at appropriate intervals through the life of their mortgage of the ongoing importance of any stated repayment vehicle. All interest only customers are encouraged to contact the Society at the earliest possible opportunity regarding any changes to how they intend to pay the capital balance remaining at end of term.

Intermediaries should continue to comply with your obligations to ensure that you treat customers in vulnerable circumstances fairly and record any specific needs related to customer vulnerability as part of the application process.

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

Our Fair Value Assessment Framework sets out the holistic assessment process we use to ensure our products deliver fair value to customers within identified target markets.

The reviews completed in line with this Framework are presented to the Conduct Risk & Customer Review Group, allowing for challenge and further investigation before we share the summary of our assessment with you.

Our fair value assessment has considered the following:

Benefits	Price	Costs	Limitations
<ul style="list-style-type: none"> • The range of features that the products provide, the quality of the products, the level of customer service that is provided and any other features that the products may offer. 	<ul style="list-style-type: none"> • The interest rates, fees and charges customers pay for the products, comparable market rates, advice fees paid to intermediaries and non-financial costs associated with operating the products. 	<ul style="list-style-type: none"> • The cost of funding the products and other costs involved in manufacturing the products. 	<ul style="list-style-type: none"> • Any limitations on the scope and service we provide or the features of the product.

Results of our assessment

Our assessment concluded that our Interest Only products deliver fair value for customers in identified target markets where prices, fees, charges and wider terms are reasonable based on the overall benefits customers can expect to receive through the product and the level of service provided.