



Product name: Retirement Interest Only Mortgage Range

Information sheet produced: 1st April 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'.

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 mortgage 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

Our Retirement Interest Only mortgage products are designed to meet the needs of the target group, being older borrowers looking to secure funds on an interest only basis with a view to making final repayment from the sale proceeds of the house after the death of the last borrower. The product features and criteria are designed to support these needs.

- Maximum LTV 50%
- Minimum age of 55
- Interest only repayments
- Mortgage repaid on specified repayment event.
- Product options vary from time to time to meet demand and may include fixed and discount.

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

[Lending Criteria \(thevernon.co.uk\)](https://thevernon.co.uk)

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
Borrowers over age 55 looking to purchase, remortgage or raise capital on their residential property situated in England or Wales	Available through Vernon mortgage advisors & intermediaries. Applications through advised sale only.	<ul style="list-style-type: none"> • Up to 50% of property value required • To buy, remortgaging or raising capital • To pay interest only from retirement income • To repay within 6 month of a repayment event: <ul style="list-style-type: none"> Property sale Property permanently vacated Death of the final borrower

The Product is not designed for customers who:

- Are under the age of 55.
- Are not retired or intending to retire in the next 2-5 years.
- Cannot demonstrate affordability for entire life.
- Are purchasing a property to let.
- Do not meet our lending criteria.

4. Customers with characteristics of vulnerability

The Product is designed for customers that are over the age of 55 and is expected to last their whole lifetime, which means many customers will have characteristics of vulnerability or will experience vulnerability over time.

Older borrowers may struggle to understand the product and the implications. 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 provide a help sheet which explains the potential risks and implications. It encourages potential borrowers to involve family in their decision and to seek independent legal advice. The benefits of estate planning and Lasting Powers of Attorney are also highlighted.

The Society considers the needs, characteristics, and objectives of customers with vulnerability at all stages of the product design process to ensure that the product meets their needs. A framework is in place to consider the needs of Vulnerable Customers throughout the product lifecycle / customer relationship with the Society.

As a 'Distributor' intermediaries should continue to comply with your obligations to ensure you treat customers with characteristics of vulnerability 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 the Executive Committee, allowing for challenge and further investigation before we sign-off the outcomes and share the summary of our assessment with you.

The Society will only market products where it is concluded that the product offers fair value to customers. Any product identified as not offering fair value to customers will not be approved.

Our fair value assessment has considered the following:

Benefits	Price	Costs	Limitations
The range of features that the mortgage products provide, the quality of the products, the level of customer service that is provided and any other features that the products may offer.	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 operating the product.	The cost of funding the product.	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.

Document Owner	Product Manager
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