

Consumer Duty Information Sheet

High LTV mortgage range

May 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's 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've assessed that:

- Our **High LTV 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

The products are designed to meet the needs of the target group, low deposit/equity customers with less than perfect credit looking to purchase, remortgage &/or capital raise and self-employed customers with non-standard income.

The product features and criteria are designed to support these needs.

Product characteristics	Benefits
Various fixed rate product options	Ability to budget outgoings
Variable rate product options	Flexibility with 'Switch to Fix' option
Free standard valuation	Helps to reduce upfront costs
Various product fee options including fee free	
Free standard legal fees for remortgages	
Product fees can be added up to 90% LTV	
10% overpayment allowance	Enables loan to be repaid over a shorter term
Mortgage term up to 40 years	Assists with affordability
Enhanced LTI flexibility (subject to min earnings £60k)	

Full eligibility criteria can be found on our intermediary website at aldermore.co.uk/intermediaries/mortgages

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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.

Customer Circumstances	Distribution Strategy	Customer Needs & Objectives
Customers with less than perfect credit that may have been declined by High street lenders.	Available through Direct & Intermediary* channels. Applications can be through advised sale only. *Intermediary distribution through: <ul style="list-style-type: none">• Networks and their Appointed Representatives• Mortgage Clubs• Directly authorised mortgage intermediaries All intermediaries must be registered with us.	<ul style="list-style-type: none">• To fix their costs for a defined period• To keep costs low initially on a discounted rate with option to fix later without further cost• To repay the capital by the end of the mortgage term• Become a homeowner for the first time• Receive support (gifted deposit) from family• Capital raising• Access to high LTI lending
Low deposit customers (including FTBs) looking to purchase their first residential property in the UK.		
Low deposit customers looking to move home in the UK.		
Customers with low levels of equity looking to remortgage (and capital raise) their residential property in the UK.		
Self-employed or customers with non-standard income looking to purchase their first or subsequent property in the UK.		

The Product is not designed for customers who:

- Have a high deposit
- Are purchasing a property to let
- Are severely credit impaired borrowers
- Require a part & part or interest only mortgage
- Do not meet our lending or property criteria

4. Customers with characteristics of vulnerability

The Product is designed for numerous borrower types including FTBs which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

FTBs are less likely to have a comprehensive understanding of mortgages or 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.

We considered the needs, characteristics, and objectives of customers with characteristics of vulnerability at all stages of the design process for this Product to ensure the Product meets their needs.

We have also 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.

We have in place a framework to achieve good outcomes for vulnerable customers, which includes:

- Education and training for our staff to ensure they have the appropriate skills and experience to recognise and respond to the needs of vulnerable customers.
- Suitable customer service provision and communications.
- Flexible policies, where appropriate, to support vulnerable members

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- Monitoring to ensure we continue to meet and respond to the needs of customers with characteristics of vulnerability.

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.

The outcomes of the assessment process are presented to the Customer & Conduct Committee, allowing 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
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 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 and any other reductions in costs to the customer made possible by economies of scale.	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.

You'll find information sheets on other Aldermore Products on our website [Aldermore.co.uk/consumer-duty](https://www.aldermore.co.uk/consumer-duty).

If you have any questions, please contact your Relationship Manager or call 0333 321 1000.

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