

Products & Services and Price & Value Assessment - Information for Distributors

Target Market – Credit Repair

- Assessment date: 14th December 2023
- Effective date: 26th April 2024
- Next review due date: 31st July 2024

Our approach

This document is being provided to you to fulfil our responsibilities to assess that our products provide fair value and have been appropriately communicated with our distributors 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.

Summary of our assessment

We have assessed that:

- This 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).

1. Product characteristics & benefits

The products are designed to meet the needs of the target group, most notably the need to secure finance to purchase or re-mortgage a home, for customers who have experienced recent adverse credit and are now in a more stable financial situation. The product features and criteria are designed to support these needs:

- Inclusive of legal fees for remortgages
- Inclusive of valuation fees
- Fixed or variable product terms
- Mortgage term up to 40 years
- Up to 70% loan to value
- Up to 10% overpayments of the original capital balance allowed each calendar year
- Capital and repayment basis only
- Availability on new and existing homes
- Application fee of £199 to secure the product. No completion fees

The features listed are not exhaustive and full eligibility criteria can be found on our website at mansfieldbs.co.uk/intermediaries/mortgages

Details of individual fees and charges can be found on our website at mansfieldbs.co.uk/intermediaries/mortgages

2. Target market assessment

This product has been designed for customers who:

- are moving home and looking to purchase a new residential property in the UK
- are remortgaging an existing residential property in the UK
- have experienced credit issues that have impacted on their credit rating that prevents them from accessing our prime or versatility mortgage lending
- Fall within the FCA definition of credit impaired - <https://www.handbook.fca.org.uk/handbook/glossary/G2950.html>
- want the choice between fixed or variable costs depending on their circumstances
- are aged at least 18 at the time of application, and 85 before the end of the mortgage term

This product has **not** been designed for mortgage customers who:

- are purchasing or remortgaging a property to let
- are purchasing or remortgaging a property with non-standard construction
- do not meet our credit repair lending or property criteria
- need to port their mortgage during the product term
- want to repay their mortgage in full during the product term without penalty
- want to overpay more than 10% of the outstanding balance per calendar year
- want to repay on an interest only, or part and part basis

3. Distribution requirements and strategy

- Products can be distributed via direct and/or intermediary channels
- Applications must be through advised sale
- Intermediaries can obtain further product information either from intermediary sourcing systems or directly from us <https://www.mansfieldbs.co.uk/intermediaries/mortgages/>
- A distributor must hold appropriate FCA permissions and be authorised to engage in mortgage business
- Intermediaries can be either an appointed representative of a network or a directly authorised mortgage broker
- Distributors must comply with the terms and conditions of any relevant distribution agreement or arrangement with the society
- Distributors are required to inform us if they identify that the product no longer provides fair value by emailing us at products@mansfieldbs.co.uk or calling us on 01623 676339
- Distributors should share information with us on request to enable us to review the Products & Services and Price & Value Assessment
- Where a product could cause harm or no longer provides fair value we will mitigate any actual or potential harm and where necessary communicate this with affected intermediaries and consumers

The above FCA distribution requirements ensure that distributors are appropriately authorised to provide the relevant regulated financial services and will comply with the commercial terms agreed between the distributor and Mansfield Building Society.

4. Reviewing this assessment

Initial Review	Within 12 months of the effective date.
Periodic reviews	At least every 12 months.
Review triggers or events	<ul style="list-style-type: none"> • An event or circumstance arising that would reasonably suggest this assessment is no longer appropriate: <ul style="list-style-type: none"> - a material change to the design or distribution of the product (not including pricing changes related to cost of fund movements) - changes to policy and regulation that relate to how we should identify and assess target markets or fair value

	<ul style="list-style-type: none"> - pricing changes relating to cost of fund changes should not impact our assessments as they are caused by external factors • Significant changes to metrics and MI: <ul style="list-style-type: none"> - increase in the number of complaints relating to a product - increased level of customers entering hardship, such as falling into arrears - an increase in early termination of products - any other information to suggest this assessment is no longer appropriate • A material change(s) is made to this assessment • Any evidence of consumer harm within this target market • Any evidence that the product or distributor conduct are materially different to the intended outcome(s) • Significant changes within the market that may impact the assessment and/or society performance • An instruction from a regulator to withdraw the product(s)
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5. Vulnerable Customers

We define vulnerable customers as 'Any customer who, due to their personal circumstances, whether permanent or temporary, requires additional assistance, care or special considerations by the Society when we engage with them, in order to prevent any customer detriment'.

These could be poor health, such as cognitive impairment, life events such as new caring responsibilities, low resilience to cope with financial or emotional shocks and low capability, such as poor literacy or numeracy skills.

The target market for the product may include some customers with characteristics of vulnerability or who may experience vulnerability over time. Credit repair customers may have experienced financial difficulty in the past few years but are now in a more stable financial position. Therefore, they may require additional advice and support, to ensure that 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 offer customers a fixed rate option to provide certainty of payments, and no completion fees to reduce upfront costs. We accept these applications on a capital and repayment basis to maintain simplicity and mitigate risk around affordability and credit risk. Additionally no affordability overrides will be allowed, income multiples are restricted and all applications will be individually assessed by appropriate underwriters to further reduce the risk of harm occurring.

To help our vulnerable customers we take the following approach:

Tailored products: We may offer flexibility in product features, dependent on product choice, which can help meet the needs of customers.

Support Services: We provide a personalised and empathetic approach to help you and your family through any tough times and support you in regaining and maintaining better control of your finances. This includes the following support services:

- 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.
- the society take care when interacting with vulnerable borrowers by using the TEXAS, IDEA and CARERS protocols
- web content and information is available to customers
here: <https://www.mansfieldbs.co.uk/worried-you-cant-make-your-mortgage-payments/>

Early intervention: We are proactive in identifying potential problems and taking steps to address them before they escalate. Some examples of ways we identify vulnerability include:

- mortgage payments stopping suddenly
- regular late or missed payments

- unusual transactional activity on an account (for example, large lump sum payments/credits)
- avoidance of communication with the Society
- an individual who fails to comprehend the information provided to them, either verbal or written
- provides conflicting answers to questions
- evident signs of agitation
- this may involve contacting vulnerable customers and providing support and advice

We have a Customer Care Policy, that includes more information and a list of characteristics, and this has been considered when completing this assessment. 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.

Vulnerable customer monitoring takes place throughout the customer lifecycle, and this includes regular reporting.

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.

6. 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 Product Committee allowing for challenge and further investigation before we sign-off the outcomes and share the summary of our assessment with you.

Interest rates, fees and charges have been benchmarked both internally and externally.

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

Results of our assessment

Our assessment concluded that the product continues to deliver fair value for customers in the target market for the product. Fees and Charges are under review in line with the regulatory framework of Consumer Duty to ensure that they represent fair value.

You are ultimately responsible for meeting your obligations under Consumer Duty.