

Overview of our Approach to new Consumer Duty Rules

Assessment Date: 8 May 2025

Next Review Date: 8 May 2026

Our approach to meeting the Products & Services Outcome and Price & Value Outcome – Information for distributors of the Product.

Our Approach

As part of our obligations under the new Consumer Duty rules we have devised a robust assessment process to measure the value of our products to ensure we are providing fair value and meet the following defined good customer outcomes for our members:

Our borrowing members:

- *Are able to access mortgage products that support them to purchase or refinancing their existing home whilst ensuring fair value and individual needs/circumstances are met throughout the term of their mortgage.*
- *Have a good understanding of their financial responsibility when applying for a mortgage.*

Our Joint Borrower Sole proprietor (JBSP) non-proprietors and Guarantors:

- *Are able to assist a close family member/relationship to purchase/refinance their home by supporting their affordability, and either becoming a joint borrower to the mortgage or being a guarantor.*
- *Have a good understanding of their financial responsibility and their legal position in the ownership of the home when supporting a mortgage application, evidenced by receiving formal Independent & Legal Advice as part of the application process.*

Poor customer outcomes

- *Borrowers (including JBSP & Guarantors) do not have a good understanding of their financial responsibility and/or legal position in the ownership of the home when applying or supporting an application for a mortgage.*

This process is then monitored on an ongoing basis to identify where we can make changes and improvements.

Summary of Our Assessment

We have assessed that:

- Our products continue 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 products provide fair value to customers in the target market (i.e. the total benefits are proportionate to total costs).

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.

Customers with characteristics of vulnerability

Due to the longevity of mortgage term it is likely our products may attract customers with characteristics of vulnerability or who may experience vulnerability over time. 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.

Our Expectations of our Intermediaries

As part of our obligations under Consumer Duty we expect intermediaries to provide us with information required to undertake our Fair Value Assessments. As Intermediaries we expect you to continue to comply with your obligations to ensure that you treat all customers, including those with characteristics

of vulnerability, fairly and make us aware of any potential/foreseeable harm with either our target market or products.

Whilst you are responsible for meeting your Consumer Duty obligations we are committed to work with you to ensure we deliver fair value and good outcomes for our mutual customers.