

**Product name:**  
**First Time Buyer  
Residential  
Mortgage Range**

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TOMORROW BEGINS TODAY



NatWest

## **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 distributor use only and should not be provided to customers. It is one of four information sheets covering our residential mortgage range. Separate versions exist for Purchasers, Re-mortgaging and Product Switching.

### **1. Summary of our assessment**

We have assessed that:

- Our First Time Buyer Residential 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, first time buyers looking to buy their first home. The product features and criteria are designed to support these needs.

- Fee free standard valuation (up to £3m)
- Fee and no fee options available
- A range of Loan to Value options available
- Capital and Interest repayment option only (FTB can select products from Purchase Range where Interest Only option would be available – subject to eligibility)
- Mortgage Term up to 40 years
- Fixed Interest rate
- Green mortgage option depending on EPC rating
- Min loan size £25k
- Support for government & industry-led schemes
- Overpayment options available (including overpayment allowance without ERC on some products)
- Ability to port the product when moving home
- Cashback option may be available (see product range information)

Full eligibility criteria can be accessed on our intermediary website via this link [Lending Criteria](#)

### 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
First Time Buyers looking to purchase their first residential property in the UK.	Available through Direct, Intermediary* & Online channels Applications can be through advised sale and execution-only	<ul style="list-style-type: none"> <li>To fix their costs for a defined period.</li> <li>To repay the capital by the end of the mortgage term.</li> <li>Become a homeowner for the first time</li> </ul>
First Time Buyers looking to purchase their first residential property in the UK with an affordable housing scheme.	Available through Direct, and Intermediary* channels Only available through advised sale	<ul style="list-style-type: none"> <li>Access to government/industry affordable housing schemes to support home ownership aspirations</li> <li>To fix their costs for a defined period.</li> <li>To repay the capital by the end of the mortgage term.</li> <li>Become a homeowner for the first time</li> </ul>
<p>*Intermediary distribution through:</p> <ul style="list-style-type: none"> <li>Networks and their Appointed Representatives</li> <li>Mortgage clubs</li> <li>Directly authorised mortgage intermediaries</li> </ul> <p>All intermediaries must be registered with us</p>		

First time buyers can also select products from the purchase residential mortgage range.

The Product is not designed for customers who:

- Do not meet our [Lending and Affordability Criteria](#), which includes but is not limited to customers who:-
  - Are purchasing a property to let
  - Are severely credit impaired borrowers
  - Want to purchase a property outside of the UK
  - Are borrowing beyond their retirement age (max age 75 or 70 for Interest Only)

### 4. Customers with characteristics of vulnerability

The Product is designed for the customers looking to purchase their first home, which will include some customers with characteristics of vulnerability or who will experience vulnerability over time.

Customers buying a property for the first time could be less likely to understand the mortgage market and the home buying process. For some customers it's possible they may benefit from advice and greater levels of support to ensure they are aware of the product benefits and risks and have a good understanding of the information provided to them.

We have considered the needs and objectives of customers with characteristics of vulnerability in the design process for this product.

We have vulnerability frameworks in place to achieve good outcomes for vulnerable customers, which include:

- Recognising that all customers may experience periods of temporary or persistent vulnerability
- Ensuring our staff are suitably trained to identify, engage with, and support the needs of our vulnerable customers
- Providing flexibility within our approach to policy, service provision and communications, making reasonable adjustments, where appropriate, to support good outcomes for our vulnerable customers
- Ongoing monitoring to identify and respond to the needs of vulnerable customers

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 review and 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.

Our fair value assessment has considered the following:

### Benefits

- The range of features provided
- The level of customer support provided
- The level of customer service provided

### Price

- The interest rate charged, including the product fee
- The fees and charges the customer pays for the product
- Comparable products and price in the marketplace
- Procuration fees paid to distributors

### Costs

- The cost of creating the product (i.e. costs that contribute to running the bank)
- The cost of funding the product
- The cost of processing the application
- The cost of administering the product
- The cost of closing the product
- Consideration of fees intermediaries charge a customer for advice (market average used)

### Limitations

- Any limitations on the features of the product
- Any limitations on the service of the product
- Any limitations on the support provided for the product

### **Results of our assessment**

Based on the above factors the product currently delivers fair value for its intended target market.

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