

Scottish Building Society

Product name: Professional Residential Mortgages

Information sheet produced: July 2023

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 Professional product range continues to meet the needs, characteristics, and objectives of customers in the identified target market.
- The distribution strategy remains appropriate for the target market.
- Our Professional product range provides fair value to customers in the target market.

2. Product characteristics & benefits

Our Professional products are available for owner occupied residential properties and are designed to meet the needs of the target audience; aged 21 years or over and fully qualified, practising and registered with a recognised UK professional body as undernoted:

- Solicitor – (Law Society of Scotland and/or England and Wales)
- Chartered Accountant – (Institute of Chartered Accountants Scotland, Chartered Association of Certified Accountants, Chartered Institute of Management Accountants, Chartered Institute of Public Finance and Accountancy)
- Medical Doctor – (General Medical Council)
- Dentist – (General Dental Council)
- Vet – (Royal College of Veterinary Surgeons)
- Pharmacist – (General Pharmaceutical Council)
- Optometrist – (General Optical Council)
- Actuaries – (Institute and Faculty of Actuaries)

The product features and criteria are designed to support these needs, including but not limited to:

- Fixed and/or Discount Variable Rate products
- Repayment Options: Capital & Interest and Interest Only (max 75% LTV)
- Available in Scotland & North England
- Fee free overpayment allowance of 10% per annum, where ERCs apply
- Free standard valuation for remortgages
- £250 legal fee contribution for remortgages. Free basic legals in Scotland.
- The maximum age at the end of the mortgage term is normally 85.
- Available on new and existing homes
- Minimum mortgage term is 5 years and maximum term is 40 years
- The Society will cover the cost of MIG for borrowing in excess of 80% LTV
- Guarantor mortgages are available for Professionals, please refer to the Guarantor Template for further information

Professional Mortgages	
Max Loan Amount	Max Loan to Value
£400,000	95%
£600,000	85%
£800,000	75%
£1,000,000	60%

- Interest Only mortgages are available to a maximum of 75% LTV (max £350k)

Professional mortgage product and eligibility criteria can be accessed on our intermediary website [here](#)

3. Target market assessment and distribution strategy

This target market assessment matrix segments the target customers for Professional mortgage products, 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
<p>Professionals looking to purchase or remortgage a residential property in Scotland and North England.</p> <p>Young Professionals with increased salary expectations in the shorter term.</p>	<p>Available through Direct and Intermediary channels.</p> <p>All sales are conducted on an advised basis.</p>	<ul style="list-style-type: none"> • Purchase or remortgage a residential property • Unlock higher loan amount limits versus the residential product range • Unlock 95% LTV limit versus the residential (90% LTV) product range • Remortgage to raise additional funds for home improvements, debt consolidation, divorce settlements or deposits for other properties (LTV restrictions may apply).
<p>*Intermediary distribution through:</p> <ul style="list-style-type: none"> • Networks and their Appointed Representatives. 		

- Mortgage clubs.
- Directly authorised mortgage intermediaries.

All intermediaries must be registered with SBS.

A Professional mortgage product **may not** be designed for customers who:

- Are not employed in one of the specified professions
- The professional will be aged under 21 years at the point of application
- Would benefit from taking a No Fee product from the Society's residential range
- Do not meet our lending or property criteria
- Could face affordability concerns through rising interest rates, or non-sustainability of income
- Would benefit from a product without any Early Repayment Charges
- Would be better suited to another mortgage product from within our range

4. Customers with characteristics of vulnerability

Our Professional products are designed for borrowers aged 21 or over and fully qualified, practising and registered with a recognised UK professional body as stated in section 2.

These customers typically have a lower likelihood of including some vulnerability characteristics however, we have dutifully considered the needs, characteristics, and objectives of Professional customers with characteristics of vulnerability at all stages of the design process.

Our Professional product range is frequently assessed to ensure it continues to meet the identified needs, characteristics, and objectives of the target market and are operating in the way the Society intended.

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 available to support customers either directly or via Broker.
- 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.

If you believe an SBS product is causing harm to those with vulnerabilities or otherwise delivering poor customer outcomes, please notify us via BDM@scotbs.co.uk

Please contact us if you need any further information about how we support the needs of all our customers in relation to our Professional product range. Help and support is available via ScottishIntermediaries@ScotBS.co.uk or directly via your BDM, whose contact details can be found [here](#)

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 our Professional products deliver fair value for customers.

The outcomes of the assessment process have been presented to Operational Risk Committee, allowing for challenge and further investigation before the process was officially agreed.

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 our Professional products deliver fair value for customers for the target market.