



Product name: Retirement Interest Only (RIO)

Information sheet produced: 30/04/2023

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 RIO 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, who need the help of a mortgage to release equity from their home without the cost of interest roll up, want to refinance to reduce monthly payments until they no longer need the property to live in or those who have reached term end on an existing interest only basis and cannot repay the capital.

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

- Offers lifestyle or retirement planning option.
- Ability to release equity, protect remaining equity and leave an inheritance for loved ones.
- Offers an option at mortgage term end for those who do not want to sell their property / have no repayment strategy.
- Further advances are permitted for essential property repairs (subject to lending criteria).
- Sale of property at a life event is the only available repayment strategy.
- Tapered Early Repayment Charges apply during the product term.
- 10% capital repayments are allowed each year without incurring an Early Repayment Charge, unless otherwise stated.
- Product transfer available at the end of product term.

RIO products can be constructed differently in order to provide options to meet the individual needs of customers or groups of customers within the target market. These options (subject to product

availability) may include Fixed Rates, Discounted Rates, Tracker Rates, Cashback, Fee Free and Fee Payable products. Individual customer needs must be considered in the advice provided to customers to ensure the most appropriate product is sold to them.

Full eligibility criteria can be accessed on our intermediary website via link – [Leeds Building Society Intermediary webpage](#).

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 looking to plan for later life.	<ul style="list-style-type: none"> • Intermediaries* (Advice) • Direct Telephone (Advice) (Porting & product transfers only) 	<ul style="list-style-type: none"> • Release equity for a variety of reasons. • Equity protection to mitigate the cost of interest roll up present in other later-life solutions. • Extend borrowing into later life and repay the capital balance in the event of death or moving into care. • Option at mortgage term end for those who do not want to sell their property / have no repayment strategy.
<p>*Intermediary distribution through:</p> <ul style="list-style-type: none"> • Networks and their Appointed Representatives. • Mortgage clubs. • Directly authorised mortgage intermediaries. <p>All intermediaries must be registered on the Society's broker panel.</p>		

The Product is not designed for customers who:

- Have insufficient sustainable income to maintain interest payments for the life of the loan or a satisfactory history of managing credit.
- Have less than a 45% deposit.
- Are younger than 55 or older than 80 at the time of application.
- Want to repay capital on their mortgage.
- Do not meet our lending or property criteria.

4. Customers with characteristics of vulnerability

The Product is designed for RIO customers, which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

The product may attract cohorts of customers who are older borrowers with increased propensity for vulnerability. 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.
- 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 our formal governance 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.

