

Service: Non-regulated distribution via intermediaries of self build, custom build, renovation and conversion stage payment mortgage products and associated support services

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Our approach to meeting the Products & Services Outcome and Price & Value Outcome

This information is intended for intermediary use only and should not be provided to consumers.

1. Summary of our assessment

We have assessed that:

- our service continues to meet the needs, characteristics, and objectives of consumers in the identified target market.
- the intended distribution strategy remains appropriate for the target market.
- the benefits of the proposition we provide to brokers – distribution of specially designed mortgage products to the intermediary market along with associated support provides fair value to consumers in the target market and the benefits to consumers are proportionate to the charges made by BuildLoan for this service

2. Service characteristics & benefits

Our service is designed to meet the needs of the target group - specifically by distributing mortgage products via intermediaries for those who require finance to support building their own home or renovating/converting a property to be their home. The service we provide to intermediaries and the products we distribute (described below) are designed to support these needs:

- expert guidance via our broker desk on potential mortgage solutions for intermediaries' clients' needs
- preparing and submitting to lenders Decision in Principle requests and Full Mortgage Applications to lender requirements on behalf of intermediaries
- providing specialist support in respect of verifying anticipated build costs
- advance or arrears stage payment products
- funds released at key stages of the build
- interest-only payment option during the build stage to minimise costs
- ability to move onto a standard residential mortgage product with the same lender when the build is complete without paying an Early Repayment Charge

3. Target market assessment and distribution strategy

This target market assessment matrix segments the target customers for the product range, recognising their different needs to enable us to tailor the services we provide.

Customer Circumstances	Distribution Strategy	Customer Needs & Objectives
Clients seeking finance for their self-build, renovation, conversion or custom-build project to live in England, Scotland and Wales.	Via regulated mortgage intermediaries.	<ul style="list-style-type: none"> • want to self or custom build, renovate or convert a property to be their main residence • need a mortgage product to fund the land/property purchase and/or build costs • to receive funds in stages during the build as the security is not suitable security for a “traditional” residential mortgage • to have stage funds released based on EITHER the value of the site at any time or linked purely to the project costs AND/OR to have funds released either in advance or in arrears ie prior to commencement of each stage of work or after completion of each stage of work – this will depend on the following factors: <ul style="list-style-type: none"> ○ the borrowing requirement ○ the build costs ○ the amount of available funds held by the client ○ whether the plot/property is owned or the mortgage is to include funds to assist with purchase costs ○ the type of building project ○ the client’s requirement for guaranteed stage payments irrespective of site value

The service is **not** designed for customers who:

- are not building, renovating or converting a home
- are building, renovating or converting a home to let, use for commercial purposes or sell for profit

4. Customers with characteristics of vulnerability

The product range is designed for the owner-occupied self/custom build and conversion/renovation market segment, which may include some customers with characteristics of vulnerability or who will experience vulnerability over time.

Some clients are less likely to have a comprehensive understanding of mortgages or the mortgage market. 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 have tested the product range 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
- monitoring to ensure we continue to meet and respond to the needs of customers with characteristics of vulnerability

5. Our assessment of value

We have a robust assessment which evaluates our pricing structure to determine the value of our services. This analysis is used to ascertain whether our services deliver fair value for customers.

The outcomes of the assessment are reviewed annually by our Executive Committee allowing for challenge and further investigation before we sign-off the outcomes.

Our fair value assessment has considered the following:

Benefits	Price	Costs	Limitations
The range of features that the product range provides, the quality of the product range, the level of customer service that is provided and any other features that the product range may offer.	The fees and charges our customers pay us for our services and comparable market rates.	The costs of providing the services to the client from advice and application, to completion of the build project and beyond, including where services are outsourced to other entities within the BuildStore Group.	Any limitations on the scope and service we provide.

Results of our assessment

Our assessment concluded that our service continues to deliver fair value for customers in the target market.