

[Danske Bank]

**Product name: Fixed Rate mortgage**

**Information sheet produced: 20<sup>th</sup> April 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 Fixed Rate 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, aimed at customers who want assurance their payments will stay fixed for a period of time. The product features and criteria are designed to support these needs.

- A range of cashback and fee paying products
- 2 or 5 year Fixed Rate terms
- Mortgage term up to 40 years
- Overpay feature
- Carbon Neutral products available
- Free Legals and Professional valuation for Remortgagers
- Available with Shared Ownership and Government schemes
- Portable mortgages supporting customers wanting to move home
- Reverts to Danske Follow-on Rate upon maturity

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

### **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.

| <b>Customer Circumstances</b>   | <b>Distribution Strategy</b>  | <b>Customer Needs &amp; Objectives</b>  |
|---|---|---|
| First Time Buyers (FTB) looking to purchase their first residential property in the UK  | Available through Direct and Intermediary*. Applications through advised sale only.                                     | <ul style="list-style-type: none"> <li>• Access to high LTV lending</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>                                |
| Home Movers looking to move to a new residential property in the UK   | Available through Direct and Intermediary*. Applications through advised sale only.                                     | <ul style="list-style-type: none"> <li>• Access to high LTV lending</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>• To move to a new home</li> </ul>  |
| Customers wanting to Remortgage to us   | Available through Direct and Intermediary*. Applications through advised sale only.                                     | <ul style="list-style-type: none"> <li>• Access to high LTV lending</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>• To Remortgage to another lender and avail of a more appropriate deal</li> </ul> |
| Customers wanting to Remortgage with us   | Available through Direct, Intermediary* & Online channels. Applications can be through advised sale and execution-only. | <ul style="list-style-type: none"> <li>• Access to high LTV lending</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>• To Remortgage with us and avail of a more appropriate deal</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> |   |   |

The Product is not designed for customers who:

- Require the ability to make regular lump sum or overpayments
- May wish to switch to another mortgage provider during the Fixed Rate term (an Early Repayment Charge will apply)
- Have an income, utilised for affordability, in an income other than Sterling/GBP
- Are severely credit impaired borrowers
- Require an interest only or part & part mortgage
- Do not meet our lending or property criteria

#### 4. Customers with characteristics of vulnerability

The Product is designed for FTB, Remortgagers and Home Movers market segments, which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

FTBs 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. Remortgagers and Home Movers are likely to have experience of mortgage products, but we continue to support these customer types regardless of their home owning experience. New mortgages are offered on an advised basis where any characteristics of vulnerability can be considered.

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 the Board, 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 |

### Results of our assessment

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

