

# Product name: Lifetime Mortgage Broking

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

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 business-to-business use only and should not be provided to customers.

## 1. Summary of our assessment

We have assessed that:

- Our Lifetime Mortgage broking product 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

Fluent Lifetime is a lifetime mortgage broker, not a lender. We offer lifetime mortgages from a comprehensive range of products across the market from a carefully selected panel of lenders.

A lifetime mortgage is a loan secured against the customer's home which does not need to be repaid until they die or go into long-term care. It releases some of the equity in the property and allows the customer to continue to live there and retain ownership.

Fluent Lifetime is a member of the Equity Release Council, and only works with lenders who are also members of the Council.

Fluent Lifetime also provides a post-application service. Each customer will benefit from the following:

- Dedicated case managers are assigned to progress each application through to completion and liaise with the lender and connected third parties on behalf of the customer.
- The above tasks are carried out daily. Connected third parties include solicitors, valuers, quantity surveyors, lenders, agents, mortgage companies, etc.
- Customers are also able to access and use the MyFluent app, which allows:
  - o Instant messaging between customer and case manager.
  - o Secure upload of requested documents.
  - o Application process tracking and push notification updates.
  - o Display of key mortgage product data.
- Customers use biometric identification verification software to prevent application fraud.
- Electronic customer address verification to prevent fraud.
- Politically Exposed Persons (PEPs) and Sanctions screening via TransUnion, against recognised international databases.

### 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
<ul style="list-style-type: none"> <li>• <b>Must be 55 or over.</b></li> <li>• <b>Must have sufficient equity to support their borrowing needs.</b></li> <li>• <b>All charges must be cleared first and foremost with any funds released.</b></li> <li>• <b>Minimum property value of £70,000.</b></li> <li>• <b>Must express an immediate need for the release of equity.</b></li> <li>• <b>Cater for customers with adverse credit.</b></li> <li>• <b>We can help customers with low income, no income, or no provable income.</b></li> </ul>	<p><b>Our distribution strategy includes the following sources:</b></p> <ul style="list-style-type: none"> <li>• <b>Websites and aggregators platforms.</b></li> <li>• <b>Broker referrals.</b></li> <li>• <b>Database marketing.</b></li> <li>• <b>Fluent websites.</b></li> <li>• <b>Search engine optimisation (SEO).</b></li> <li>• <b>PPC (pay per click) using key words pertinent to our target market.</b></li> <li>• <b>Staff referrals.</b></li> </ul>	<p><b>The reasons customers typically apply for lifetime mortgages can vary massively; however, their typical objectives are:</b></p> <ul style="list-style-type: none"> <li>• <b>Needs-based</b> - These customers will typically be looking to clear a mortgage, or require additional funds to supplement their income, reduce their debts, pay for care costs or a combination of some/all the above.</li> <li>• <b>Aspirational</b> - These customers will typically be looking to enhance their lifestyle or are looking to make life more comfortable. This may include releasing equity for travel, a new car or home improvements.</li> <li>• <b>Financial Planning</b> - These customers will typically be looking to maximise the benefits of their assets by releasing equity to gift. This forms part of their overall IHT planning strategy.</li> </ul>

The Product is not designed for customers who:

- Do not have an immediate need for the funds.
- Customers looking for Home Reversion, or Retirement Interest Only products. We do not provide advice on these.
- Have a property which isn't habitable or is in a poor state of repair.
- Are looking for a short-term borrowing solution.
- Are looking to use the loan for investment purposes.
- Wish to borrow less than £10,000.
- Have sufficient income to support a conventional mortgage, or unsecured borrowing where applicable.

- May be able to achieve the same outcome via:
  - Applying for additional benefits.
  - Apply for home improvement grants.
  - Receiving financial help from family/friends.
  - Downsizing, where the customer is willing and able.
  - Has the ability to utilise other assets first.
- Are younger than 55.
- Are non-UK residents.
- Intend to leave their property to someone in their will, as the property must be sold for the lender to be repaid.

## 4. Customers with characteristics of vulnerability

Our broking product is designed to cater for a wide target market, and not targeted specifically to meet any inherent characteristics of vulnerability in the target market. However, it is likely to be utilised by some customers with characteristics of vulnerability or who will experience vulnerability over time.

The product aligns with our vulnerable customer framework and aims to achieve fair value and good outcomes for customers who are vulnerable.

Full detail of our commitment to treating vulnerable customers fairly and appropriately can be found in our Vulnerable Customer Policy (FMG106).

## 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 broking 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 operating board on an ongoing basis, allowing for challenge and further investigation.

Our fair value assessment has considered the following:

Benefits	Price	Costs	Limitations
<ul style="list-style-type: none"> <li>• The services and features that the product provides.</li> <li>• The quality of the customer service within the product.</li> <li>• The means with which we safeguard our customers.</li> <li>• Any other features that the product may offer.</li> </ul>	<ul style="list-style-type: none"> <li>• The fees and charges customers pay for our product.</li> <li>• Comparable market rates.</li> <li>• Non-financial costs associated with operating the product.</li> </ul>	<ul style="list-style-type: none"> <li>• The cost of providing the product to our customers.</li> <li>• Any other reductions in costs to the customer made possible by economies of scale.</li> </ul>	<p>Any limitations on:</p> <ul style="list-style-type: none"> <li>• The scope and service we provide.</li> <li>• The features of the product.</li> </ul>

### Results of our assessment

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