Fair Value Assessment

Product name: Fleet Mortgages Buy-to-Let Tracker Product Range, incl. Standard, Limited Company and HMO Products

Information sheet produced: April 2025

Next Review Date: July 2025

Our approach to meeting the Products & Services Outcome and Price & Value Outcome – Information for distributors of the Product

While Buy-to-Let lending is outside the scope of Consumer Duty rules, this summary document is being provided 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 Tracker rate mortgage products continue to meet the needs, characteristics, and objectives of customers in our target market.
- The intended distribution strategy remains appropriate for the target market.
- The product range provides fair value and financial choice depending on various circumstances to landlords in the private rental sector.

2. Product characteristics & benefits

Our products are designed to meet the needs of portfolio and non-portfolio landlords /landlords buying or refinancing existing buy-to-let properties. The mortgage products Fleet offer to customers are not regulated by the Financial Conduct Authority (FCA). Neither is Fleet regulated by the FCA or Prudential Regulation Authority (PRA). However, Fleet has voluntary adopted PRA Underwriting Standards for buy-to-let mortgage contracts. The product features of our buy-to-let mortgage contracts include:

- Free valuations on certain type of properties
- Tracker rates that track the Bank of England Base Rate
- Tracker rates that offer flexibility and choice to landlords looking to refinance after 2 years
- Tracker rates that offer flexibility to customer looking to refinance after 6 months
- Available on an Interest Only, Capital Repayment and Part and Part basis

Full eligibility criteria can be accessed on our intermediary website via the Lending Criteria Guide link.

3. Target market assessment and distribution strategy

This target market assessment matrix segments the target customers for our mortgage products, recognising their different needs to enable us to tailor the services we provide when we distribute our products.

Customer Circumstances	Distribution Strategy	Customer Needs & Objectives
An investor looking to purchase their first buy-to-let property in their personal name or a Special Purpose Vehicle (SPV) Limited Company established for the purpose of buying, letting and selling BTL properties	Available through Intermediary channels only. This includes Mortgage Networks and their Appointed Representatives, Mortgage clubs and directly authorised mortgage brokers. All intermediaries must be registered with us.	Our mortgage products allow landlords to: • Use leverage to maximise their returns • Benefit from interest rate decreases • Only repay interest during the term of the mortgage • To repay the capital by the end of the mortgage term
A portfolio or non-portfolio landlord looking to purchase another buy-to-let investment property that might be a House in Multiple Occupation (HMO) or Multi Unit Freehold Block (MUFB). This landlord may purchase this property in their personal name or a SPV Limited Company established for the purpose of buying, letting and selling BTL properties	All intermediaries must be registered with the Financial Conduct Authority. Fleet Mortgages does not give advice.	Our mortgage products allow experienced landlords to: • Refinance and withdrawn equity from existing property portfolios/Expand their property rental business • Use leverage to maximise their returns • Benefit from interest rate decreases • Only repay interest during the term of the mortgage • To repay the capital by the end of the mortgage term • Secure a mortgage against a standard property or HMO/MUFB property
A portfolio or non-portfolio landlord looking to re-finance an existing buy-to-let property that might be an HMO or MUFB. This landlord may refinance this property owned by them or a SPV Limited Company established for the purpose of buying, letting and selling BTL properties		

The Product is not designed for customers who:

- Cannot afford it, or are credit impaired, severely or otherwise
- Are looking to buy their first property or a property to live in
- Cannot evidence their income
- Do not reside in the UK
- Do not meet our lending standards
- Are seeking mortgage advice from us
- Looking for a regulated mortgage contract
- Are risk averse
- Looking to fix their outgoings for a defined period
- Will be classified as a consumer buy-to-let

4. Customers with characteristics of vulnerability

A typical Fleet Mortgages Customer.
Fleet's mortgage products are designed for portfolio and non-portfolio landlords in the Private Rental Sector (PRS). These landlords/customers tend to have a good understanding of the PRS and financial products available in this market. Usually they have a good understanding of mortgages and the mortgage market too. They are not likely to include customers with characteristics of vulnerability.

Mortgage Broker and their responsibility.
If advice or any additional information is sought by customers, their mortgage broker should offer that. It is the responsibility of the mortgage broker to make clear to the customer the implications of the arrangement they are entering into, to reduce the risk of harm occurring. Intermediaries should continue to comply with their obligations to ensure that they treat customers in vulnerable circumstances fairly. Fleet does not offer financial advice.

Aging customers.
Whilst unlikely that we would lend to customers with characteristics of vulnerability, our experience is that portfolio and non-portfolio landlords tend to be older and may become vulnerable during the term of the mortgage. For this reason, we restrict lending beyond a certain age at the end of the mortgage term and have prudent policies in place to deal with vulnerable customers.

Vulnerability considerations.
We considered the needs, characteristics, and objectives of customers with characteristics of vulnerability at all stages of the design process to ensure our mortgage products meet their needs too.

This 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
- Appropriate policies to support vulnerable customers
- Ongoing 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 developed a comprehensive and robust assessment process which evaluates several aspects of our business to determine the value of our mortgage products. This analysis is used to ascertain whether our mortgage products deliver fair value for customers.

Additionally, all new product and pricing changes follow a strict governance process whereby the fair value assessment is considered and forms part of the proposal shared with our parent company

Our fair value assessment has considered the following:

Benefits	Price	Costs	Limitations
1. Free valuations on certain types of properties 2.Tracker Rate Products track the Bank of England Base Rate 3.Tracker Rate Products offer flexibility to landlords that wants to refinance within a year 4.Available on an Interest Only Capital Repayment and Part and Part basis 5.Various communication channels available to customer and mortgage broker 6. Knowledge and comfort that the product has been introduced in a fair way by an unbiased intermediary as the most appropriate product for the customer	1. The interest rate we charge allows us to make a sustainable profit and are similar to those charged by our peers 2. Interest Rate are aligned with the BBR 3. The fees we charge at origination covers our origination cost and are similar to those charge by our peers 4. Ongoing fees and charges are transparent, available on our website and appropriate to the cost associated with servicing mortgages	The cost of funding our mortgage products are determined by: 1.The funding cost of our parent company 2. The cost of valuing a property 3.The procuration cost we pay to intermediaries for introducing mortgage applications to us and 4. The operating cost associated with running a specialist mortgage business	1. Capital and funding constraints by our parent company 2. Regulatory constraints (eg. consumer buy-to-let). 3. Operational constraints 4. Risk Appetite constraints 5.Market volatility

Results of our assessment

Our assessment concluded that our mortgage products continue to deliver fair value for customers in the target market for these products.