

Residential Lending Team Consumer Duty Product Pack for Distributors

Buy To Let Mortgage
July 2023

octopusinvestments
A brighter way


How Octopus is positioned to prioritise good outcomes for customers

Octopus is a group of innovative entrepreneurial businesses investing in the people, ideas and industries that will help change the world


AUM: £12.9bn
Employees: 700+
Investors: 60,000




Supporting more than **11,000 advisers** through **55 technical specialists** and a **dedicated intergenerational planning team**





150 dedicated investment professionals across sector specific teams



Award winning:



Five star rating in the **Financial Adviser Service Awards** for 9 years running


Strong balance sheet:




WWW.AKG.CO.UK
OCTOPUS INVESTMENTS LTD


ISSUED: 06/03/2023

Certified



Corporation

- Meeting the highest standards of verified social and environmental performance, public transparency and legal accountability.
- Working to redefine success in business by measuring success by more than just profit.
- The interests of employees, customers, communities, environment and shareholders are treated equally.



Octopus Real Estate

A leading specialist UK real estate investor and lender

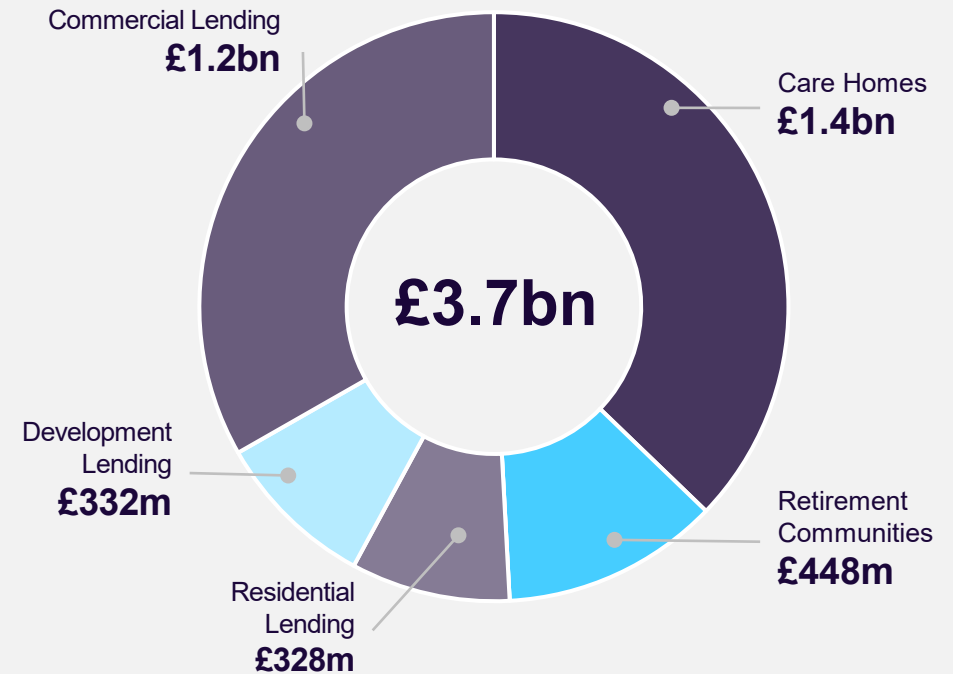
Real Estate Investment

- Award-winning healthcare, later living and affordable housing investor¹
- 15-year track record with over £1.9 billion of AUM across these sectors
- Team of 30+ including in-house clinical assurance team

Real Estate Lending

- Leading UK non-bank property lender
- Lending across commercial, residential, bridging, development and re-purposing
- Over £6.2 billion / 4,568 loans completed since inception
- Partner with Homes England on £175 million Greener Homes Alliance
- Team of 50+

ORE manages £3.7 billion in real estate assets and secured lending



Source: Octopus Real Estate, as at 31 March 2023. (1) Octopus Healthcare Fund (UK care home strategy) named MSCI 2020 Best Performing UK Unlisted Specialist Fund. Octopus Real Estate awarded HealthInvestor 'Property Investor of the Year' 2021, and HealthInvestor 'Seniors Housing Investor of the Year' 2021.

Consumer Duty at Octopus Real Estate

Information for Intermediaries

- 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' rules. This information is intended for intermediary use only and should not be provided to customers.

Non-Regulated Buy To Let Mortgages

- Whilst there is no requirement to undertake consumer duty assessments for non-regulated products, we have done so in the same format as our regulated product. This pack provides the outcome

Products and services

We undertake a complete review of this product every year to ensure it continues to deliver good outcomes for customers

Target for a good outcome	Outcome achieved
A range of loan to value tiers to provide appropriate value	Yes
We believe the product continues to meet the needs, characteristics and objectives of the target audience	Yes
Product sold only via the defined distribution channels	Yes
A variety of loan terms available to suit customer profile	Yes
Availability for making capital repayments and early repayment	Yes

The product is not designed for borrowers who are purchasing a property with the intention of either themselves or a direct family member inhabiting

A good outcome for customers had been achieved over the review period Yes

Price and value

A good outcome for customers is every borrower having been provided with the core product features and appropriate servicing during the lifetime of the loan at a fair price in absolute terms and considered in terms relative to the wider marketplace (speed and efficiency)

Target for a good outcome	Major relevant factors	Achieved in the period
Every borrower is provided with the core product services	Buy to let proposition reflects the current market pricing	Yes
Important product outcomes are achieved for every borrower	Product is suitable for the target audience in allowing finance for the purchase of a rental property, for a business carried on	Yes
	Accuracy of documentation	Yes
Sold through broker network with clearly defined fee structure	Consistency and fairness across the product range	Yes

Date of last price and value review: April 2023

A good outcome for customers had been achieved over the review period

Consumer understanding

A good outcome for our customers is being able to understand all of our communications and collateral to make informed borrowing decisions

What is a good outcome?	How do we assess it?	Most recent outcome
All customer communications and financial promotions have gone through the defined production process	We have a system in place which ensures no material leaves the building without the relevant sign-offs	All material went through the correct production process
The benefits and risks of the loan are clear and not misleading in collateral	Readability assessment and direct customer feedback	Our brochures and Terms & Conditions have a 'plain English' readability outcome
Our core collateral provides enough information to allow customers to decide whether the loan is right for them	Readability assessment	Yes

Consumer support

A good outcome for customers is when they have been supported throughout their journey with us

Category	A good outcome is where?	Outcome achieved
Customer service resource	We have accessible and appropriate customer service (Customer Team) resource (email, phone) and we are within our SLAs	Yes
Customer communication touchpoints	All customers receive timely communications at identified touchpoints	Yes
Avenues for feedback	Customers continue to use various methods to tell us where things could work better	Yes
Feedback received	Customer Feedback is reviewed and acted on where appropriate	Yes
Complaints	All complaints are responded to within SLA and concluded within regulatory guidelines	Yes
Provisions for vulnerable clients	Vulnerable customers are identified, MI is reviewed, and actions taken to accommodate them	Yes

Our assessment of value

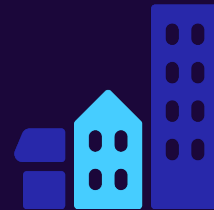
We have developed a comprehensive assessment process which evaluates several aspects of our business to determine the value of our mortgage products. This analysis is used to ascertain whether the products deliver fair value for customers. The outcomes of the assessment process are presented to the Octopus Real Estate Product Governance Group, 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:** We review both the financial and nonfinancial features and benefits of the product in relation to customer need, for example, interest, time/effort to access, buy, amend or cancel a product.
- **Price:** We assess the way in which the price of the product and associated features / services affects its value to customers.
- **Costs:** We review the costs incurred in manufacturing and distributing the product to ensure they are understood and governed and are fairly reflected.
- **Limitations:** We also account for non-financial costs to the customer, such as the time & effort involved in managing the product, the 'cost' of providing their data, etc. We consider the limits of the product's benefits and features, and how these may impact the fair value. Where limitations exist (e.g. an overpayment feature for a mortgage product) we ensure these are clearly defined and can articulate the reasons for such limitations.



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