



# Mortgages – first time buyer

## Product information 12 March 2025

### Our approach to meeting the products and services outcome and price and 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.3.12R (2).

It's designed to support you to comply with your responsibilities under PRIN 2A.3.16R and PRIN 2A.4.16R. Please note that you're ultimately responsible for meeting your obligations under 'The Consumer Duty'.

This information is intended for intermediary use only and shouldn't be provided to customers.

### 1. Summary of our assessment

We've assessed that:

- Our first time buyer house purchase 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 and benefits

The products are designed to meet the needs of the target group e.g. people who have not owned a property before and who are seeking to purchase their own home. This includes customers buying their first home through a Shared Ownership scheme. The product features are designed to support these needs.

- Fixed or tracker products:
  - Fixed rate products allow customers to fix their mortgage payments for a set period, providing certainty and supporting budgeting over the fixed rate period. All fixed rate products allow customers to overpay up to 10% of any fixed rate loan each calendar year, without incurring an early repayment charge.
  - Tracker rate products are variable and track all changes (upwards or downwards) to the Bank of England base rate for a set period. Tracker rate products have no early repayment charge and therefore offer greater flexibility to make overpayments and may be suitable to support plans customers may have to repay their mortgage early.
- Range of rates dependent upon loan to value (LTV).
- Available to purchase new and existing homes.
- Fee-free standard valuation for mortgage purposes.
- Option of no product fee on some first time buyer mortgage products.
- Cashback on completion on some first time buyer mortgage products.

- Option to adjust the mortgage loan term when making a capital repayment and opting to maintain the monthly payment.

Full eligibility criteria can be accessed on our intermediary website via [Santander for Intermediaries | Mortgage lending criteria](#) link.

### 3. Target market assessment and distribution strategy

The table below segments the target customers for first time buyer products, recognising their different needs to enable you to tailor the services you provide when you distribute the product.

Customer circumstances	Distribution strategy	Customer needs and objectives
First time buyers, customers who haven't owned a property before.	Available through intermediary*, online and bank telephony channels.	<ul style="list-style-type: none"> <li>○ Access to various product interest rates depending on LTV, including higher LTV options.</li> <li>○ Access to a range of product options enabling customers to: <ul style="list-style-type: none"> <li>○ Fix their payments for a defined period.</li> <li>○ Track the Bank of England base rate, where payments may vary for a defined period.</li> </ul> </li> <li>○ Compatible with Shared Ownership schemes (if required).</li> <li>○ Option to explore amending terms of their mortgage subject to full application (direct channels only).</li> <li>○ Make regular or single overpayments.</li> </ul>

\*Intermediary distribution through:

- Networks and their Appointed Representatives.
- Mortgage clubs.
- Directly Authorised mortgage intermediaries.

The product is designed for first time buyers, which may include customers using a minimal deposit leaving them with an LTV of 90% or more. If customers borrow more than 90% LTV, there's more chance of them going into negative equity if property prices go down. There's guidance available on our website to inform customers on the implications and considerations of negative equity.

All intermediaries must be registered with us.

The product isn't designed for customers who:

- are seeking to refinance their existing mortgage for an alternative rate,
- currently own or have previously owned a property in the UK or abroad,
- are purchasing a property to let,
- are severely credit impaired borrowers, or
- don't meet our lending or property criteria.

#### 4. Customers with characteristics of vulnerability

The product is designed for the first time buyer market segment, which is likely to include some customers with characteristics of vulnerability or who'll experience vulnerability over time.

We consider the needs, characteristics, and objectives of customers with characteristics of vulnerability when designing, assessing, and amending our mortgage products.

We've also tested the product to assess whether it'll meet the identified needs, characteristics, and objectives of the target market, including customers in the target market who have characteristics of vulnerability.

We've got a framework in place to achieve good outcomes for vulnerable customers, which includes:

- Education and training to ensure our staff 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 customers.
- Monitoring to ensure we continue to meet and respond to the needs of customers with characteristics of vulnerability.

Intermediaries should continue to comply with their obligations to ensure that they 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've 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 internally, allowing for challenge and further investigation before we approve 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 of the product.

#### Results of our assessment

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

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