

Fair Value Assessment Form

Product name: Retirement Interest Only (RIO)

Information sheet produced: 22nd April 2026 Effective date 30th April 2026 Next review date 30th April 2027

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 RIO 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

The products are designed for owner-occupier customers in later life, including those who are retired or expect to retire during the mortgage term. Product features and criteria are designed to support sustainable interest-only borrowing

- Available to Individuals
- Reduced product fee to help support older applicants with reduced income
- Lifetime mortgage term
- Up to 60% LTV
- Retirement income used for affordability, no earned income acceptable.
- Assessed on sole affordability for joint applications (lower earner, can include transfer of income on higher earner death)
- Interest Only
- Available on new build and established homes
- Available for purchase or re-mortgage
- Reduced product fee
- All products allow repayment of up to 10% of the capital balance annually without incurring Early Repayment Charges
- Minimum age 55
- Based on credit search not score
- Repayment vehicle for Interest Only limited to just sale of property/downsizing.
- No minimum equity for Interest Only.

Full eligibility criteria, product information, and details of our individual fees and charges can be found on our intermediary website at Buckinghamshire Building Society www.bucksbs.co.uk



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
Individual who has a need to have a lifetime mortgage that starts after the age of 55	Available through Intermediary and Direct	<ul style="list-style-type: none"> • Not looking to raise anymore than the maximum of 60% LTV • To purchase or re-mortgage a property with a mortgage that is interest only and have a lifetime term. • With repayment to be met solely through sale of the property or future downsizing. • Looking for capital raising • Are aged at least 55 years at the time of application • Would like the protections that a RIO mortgage offers
<ul style="list-style-type: none"> • Intermediary distribution through: • Networks and their Appointed Representatives. • Mortgage clubs. Directly authorised mortgage intermediaries. • Direct to the society via our society Direct Adviser <p>A distributor must hold the appropriate FCA permission and be engaged in a mortgage business Distributors must comply with the terms and conditions of any relevant distribution agreement or arrangement with the society</p>		

The Product is not designed for customers who:

- After age 75, will only receive state pension income.
- Need to be assessed on joint affordability after state retirement age.
- Need more than 60% LTV.
- Do not meet the society's lending or acceptable property criteria.
- Intend to let the property in any capacity.
- Need to add fees to mortgage that exceed the product's maximum LTV.
- Applicants who are looking for short term lending with no ERC's

4. Reviewing this assessment

- Initial review – within 12 months of the effective date
- Periodic reviews – at least every 12 months

This assessment will be reviewed on an ad-hoc basis where triggers indicate a risk to Consumer Duty outcomes, including fair value, customer understanding, customer support or foreseeable harm.

Triggers may include Management Information (MI) trends, complaints, indicators of customers financial hardship, early product termination, distribution issues, or regulatory change, guidance or instruction.



5. Customers with characteristics of vulnerability

The Retirement Interest Only (RIO) product is designed for owner-occupier customers and, as such, is likely to include customers who have characteristics of vulnerability or who may experience vulnerability over time.

RIO customers are likely to have a previous experience of mortgages or the mortgage market as they will likely have had a mortgage at some point in their life. However, this may not be the case for everyone. 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. We also need to ensure the customer is satisfied with the affordability of the mortgage when going into retirement. Quite often retirement income is less than employed and the customer needs to be fully aware of this. With a RIO, it needs to be highlighted on the limited repayment options available. All RIO's assessed on sole affordability for joint applications (lower earner, can include transfer of income on higher earner death. Both our mortgage options have ERCs.

We consider 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.

Our manual underwriting approach allows the DIP and underwriting team satisfy any concerns that they have around the applicants understanding of what they are agreeing to as part of the process. Independent Legal Advice may be a condition of the offer, and although we don't insist on Power of Attorney it may be a requirement to be considered.

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.
- Accessible tools on the website to help – Recite me
- Conduct risk monitoring.
- Review of product launches to ensure the product is appropriate and matches the approval brief.
- The society take care when interacting with vulnerable borrowers by using the TEXAS protocol.

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.

6. 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.

This analysis is used to ascertain whether the Product delivers fair value for customers. The mortgage pricing model takes into account the following inputs; proposed product price and fee, product tranche size, cost of funds, direct origination costs (adjusted by niche based on its operational complexity), Origination fees (PROC and MIG as applicable), wider operating costs, expected credit risk cost and risk-adjusted capital require (adjusted by lending category), plus



assumptions around loan sizes and expected LTV distributions based on recent lending benchmarks.

Not all fees are included within the fair value assessment, as certain charges are not directly associated with the mortgage loan and are applied consistently across all products. As such, these fees are not considered a cost specific to the mortgage. Full details of applicable fees can be found in the Society's Tariff of Charges. [Mortgage Tariffs and Fees \(82\).pdf](#)

The assessment follows a detailed and robust product approval process which determines the outcome including market analysis, products been checked via the pricing model and intermediary feedback. Smart Money Feedback is also reviewed to help determine the correct outcome.

The outcomes of the assessment process are presented to Mortgage Product Committee and Management Assets & Liabilities Committees for approval 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 of the product.

Below is an example of the information reviewed and taken into consideration when completing the assessment:

- Product performance
- Operational performance
- Product governance
- Fees and charges (Product) subject to annual review and governance
- Customer experience insight and data
- Customer outcomes testing
- Customer complaints
- Product risk assessments
- Colleague education and training
- Customer in Vulnerable Circumstances Policy

Results of our assessment

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

You are responsible for meeting your obligations under Consumer Duty

