



# Family Springboard Mortgage

April 2023

## Our approach to meeting the Products & Services Outcome and Price & Value Outcome – information for distributors of the product

This summary document is 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.

You are ultimately responsible for meeting your obligations under The Consumer Duty.

This is a confidential business-to-business document and should not be provided to customers.

### 1. Summary of our assessment

#### We have assessed that:

- The **Family Springboard Mortgage** 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 and benefits

The product is designed to meet the needs of the target group who require and have access to financial support to secure a sufficient deposit for home purchase. The product features and criteria are designed to support these needs.

- Customers can borrow up to 100% of the value of a property when a Helper provides a 10% deposit which is held in a savings account for a 5-year term. The Helper's funds are returned to them at the end of the term, with interest, subject to the satisfactory repayment of the mortgage throughout the term
- Applications can be submitted up to a maximum of 100% LTV with a minimum of 90.01% LTV (including any product fees)
- A minimum loan size of £5,000
- A maximum loan size of £500,000
- A maximum term of mortgage of 35 years
- Available to purchases only, but is not restricted to first-time buyers
- Repayment type must be Capital and Interest
- Applicants can only be party to one Family Springboard Mortgage; however, there is no restriction to the number of Family Springboard Mortgages that Helpers can support
- A Family Springboard Mortgage product must be taken for the entire mortgage amount – it cannot be used to top-up where another mortgage product is being ported
- If a customer misses three or more payments the 5-year term will be extended, and the Helper will need to wait longer for the return of their money. Or, if the customer defaults the money the Helper provided is used to cover it

- A Legal Charge must be obtained over the Helpful Start account deposit monies before any mortgage monies are released and the deposit account must be frozen for the period required to support the mortgage. Whilst the charge is in place the funds in the Helpful Start account are protected by the Financial Services Compensation Scheme
- The Helpful Start account holders must obtain Independent Legal Advice, to be evidenced prior to the release of any mortgage monies
- The borrower and the Helper may have the same solicitor (though this is dependent on the discretion of the solicitors firm)
- No additional borrowing is allowed whilst the security deposit funds are being relied on to support
- Flexible options are available that allow customers to overpay their mortgage balance. Subject to individual mortgage product policy

Full eligibility criteria can be accessed on our intermediary website via [this link](#).

### 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 and objectives
<p>Homebuyers who do not have a sufficient deposit for a standard mortgage product but have a relationship with a Helper who can provide a deposit of not less than 10% of the purchase price and is willing to forgo access to that money for up to 5 years</p> <p>Homebuyers who wish to buy their first or a follow-on residential property</p> <p>Helpers who wish to support a friend or family member with a home purchase, have the means to do so, but want their capital returned with interest</p>	<p>Available through Direct and Intermediary channels*</p> <p>Applications through an advised sale only</p>	<ul style="list-style-type: none"> <li>• Customers wanting to purchase a home and access to mortgage finance without sufficient deposit</li> <li>• Customers looking to receive support from a Helper</li> <li>• Customers who want certainty over their monthly repayments and that their mortgage will be repaid in full at the end of the term</li> </ul>

\*Intermediary distribution through:

- Networks and their Appointed Representatives
- Mortgage clubs
- Directly authorised mortgage intermediaries

All intermediaries must be registered with us.

The product is not designed for customers who:

- Do not meet our lending, credit or property criteria
- Do not have a permanent right to reside in the UK
- Do not meet the eligibility criteria or pass our affordability assessment at the point of application
- Have sufficient deposit in their own right to purchase a property
- May want to port their mortgage during the fixed term period
- Are purchasing a buy to let (BTL) property
- Are purchasing a new build property

- Require an Interest Only or Part & Part mortgage (for Interest Only and Part and Part mortgage products, please refer to the Barclays Residential Mortgage – Interest Only Product Information Sheet)
- Want a tracker product which follows the movements of the Bank of England Base Rate (BEBR)
- The Family Springboard Mortgage is not available under the Family Affordability Plan (Joint Borrower/Sole Proprietor policy)
- The Family Springboard Mortgage is not available for Shared Equity or Shared Ownership propositions
- An applicant cannot apply for a Family Springboard mortgage if they already own a BTL property or have a second residential property, even if it is on a Permission to Let basis

#### 4. Customers with characteristics of vulnerability

Barclays recognises that all customers and clients could, at any time, face personal circumstances which may result in them being susceptible to detriment.

Our definition of a customer in a vulnerable circumstance is any existing or potential customers who, due to their personal circumstances e.g. financial difficulty, long term medical conditions, or other personal circumstances, are especially susceptible to detriment. The overall treatment of these customers is guided by relevant sections within the Barclays Customer Engagement Standard.

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

- All colleagues in Barclays UK are required to complete annually refreshed mandatory vulnerability training as part of an annual training programme
- Barclays UK has a common framework of vulnerability indicators to enable customers to disclose vulnerabilities and notify us of their support needs, enabling colleagues to support customers in circumstances of vulnerability and make appropriate adjustments
- Suitable customer service provision and communications
- Flexible policies, where appropriate, to support vulnerable customers
- If clients experience short or long term financial difficulty they can access support and advice through our dedicated and specialist teams.
- Performance monitoring to ensure we are meeting the needs of customers with characteristics of vulnerability

You 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 or need further support regarding an individual customer circumstance.

## 5. Our assessment of value

We have completed a comprehensive and robust assessment of Family Springboard Mortgage to assess whether it provides fair value to customers.

Our fair value assessment has considered the following:

Benefits	Price	Costs	Limitations
See Section 2 for product characteristics and benefits	<p>The interest rate, fees and charges that customers pay and Helpers receive; and non-financial costs associated with operating the products</p> <p>Family Springboard is a unique proposition and there are limited comparable propositions in the market</p> <p>The product pricing, which is in line with other Barclays mortgage products but carries a small interest rate premium because as the loan-to-value (LTV) increases so does the level of capital consumed and impairment</p> <p>The Helper receives a competitive rate of interest on the funds made available for the deposit</p> <p>Price, determined based on a minimum level of profitability as set out in the Barclays internal pricing standard</p> <p>In assessing the fair value of this product Barclays has considered procurement fees paid by Barclays to mortgage intermediaries, and an average of the fees that customers are charged by mortgage intermediaries for advising and arranging the mortgage, based on information passed to Barclays by intermediaries in the last</p>	<p>The fixed costs of providing the mortgage and savings account, including the cost of providing an in-house advised service to customers, and the administrative costs of underwriting and administering the product including the broker procurement fees</p> <p>The cost of customers exiting the mortgage product earlier in the term than expected</p> <p>Any additional variable funding costs (swaps) arising from external factors</p> <p>Additional costs such as CHAPs fee and Final Repayment Charges are assessed regularly and passed onto customers at cost</p> <p>The level of capital consumed, and impairment increases as the LTV increases</p> <p>Our internal fair pricing principles</p>	<p>Family Springboard is only available for 90-100% LTV</p> <p>Springboard customers have fewer options for their initial product term than standard purchase customers do, there are also more limited options in terms of LTV and fee/fee free combinations</p>

12 months.  
Intermediaries that do charge such fees will need to separately assess whether these represent fair value, including whether they could affect the overall fair value of the product to the customer, and continue to comply with Barclays Terms and Conditions for Mortgage Intermediaries in relation to intermediary fees

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