



# Product name: Buy to Let Mortgages

## Information sheet produced: February 2025

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

While Buy to Let lending is outside the scope of ‘Consumer Duty’ rules, we have taken the voluntary decision to apply the same PRIN principles to our Buy to Let lending, and 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.**

## 1. Summary of our assessment

We have assessed that:

- The 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 range provides fair value to customers in the target market (i.e. the total benefits are proportionate to total costs).

## 2. Product characteristics and benefits

All of our Buy to Let mortgages include the following features:

- Repayments covering capital and interest or an Interest-only option
- One standard valuation included
- Portable
- Product options for portfolio landlords (i.e. borrowers with four or more mortgaged BTL properties).

The products are designed to meet the needs of the target group. The product features and criteria are designed to support these needs:

Product type	Product specific characteristics	This product is not designed for customers who:
Fixed Product Range	<ul style="list-style-type: none"> <li>• Fixed rate for an initial period, providing stability of monthly payments for an initial period</li> <li>• Annual overpayment allowance up to 10% of capital balance.</li> </ul>	<ul style="list-style-type: none"> <li>• May want to repay their mortgage early without paying an Early Repayment Charge (ERC)</li> <li>• Want to take advantage of the flexibility a variable rate can offer, such as unlimited overpayment.</li> </ul>

Product type	Product specific characteristics	This product is not designed for customers who:
<b>Tracker</b> Product Range	<ul style="list-style-type: none"> <li>• Variable rate which tracks the Bank of England base rate</li> <li>• Potential for the rate to increase or decrease</li> <li>• Ability to overpay or repay at any time without penalty.</li> </ul>	<ul style="list-style-type: none"> <li>• Are looking for reassurance that their interest rate is fixed for an agreed period.</li> </ul>
<b>Standard Variable Rate</b> Reversionary Rate	<ul style="list-style-type: none"> <li>• Potential for the rate to increase or decrease</li> <li>• Ability to overpay or repay at any time without penalty.</li> </ul>	<ul style="list-style-type: none"> <li>• Are looking for reassurance that their interest rate is fixed for an agreed period.</li> </ul>
<b>Green Further Advance</b> Product Range	<ul style="list-style-type: none"> <li>• Ability to take additional borrowing on their existing mortgage in order to fund green home improvements to the mortgaged property up to a maximum of £25,000.</li> </ul>	<ul style="list-style-type: none"> <li>• Are not existing Coventry Building Society or Godiva Mortgages Limited mortgage holders</li> <li>• May want to repay their mortgage early without paying an Early Repayment Charge (ERC)</li> <li>• Want to take advantage of the flexibility a variable rate can offer, such as unlimited overpayments</li> <li>• Wish to further borrow more than £25,000 or do not plan to utilise 50% of the additional borrowing for green home improvements in line with our policy.</li> </ul>

Full eligibility criteria can be accessed on our intermediary website, [here](#).

### 3. Target market assessment and distribution strategy

This target market assessment matrix segments the target customers for the products, recognising their different needs to enable you to tailor the services you provide when you distribute the products. It also highlights product features that may benefit customers.

Customer circumstances	Distribution strategy	Customer needs and objectives	Product Benefits
Purchasing a new property	Available through direct and intermediary channels (advised only)	<ul style="list-style-type: none"> <li>• Purchasing a property for the purpose of letting or adding to their BTL portfolio</li> <li>• Borrowers investing in property for capital growth or income</li> <li>• Access to a range of products to suit their circumstances</li> </ul>	
Remortgaging from another lender	Available through direct and intermediary channels (advised only)	<ul style="list-style-type: none"> <li>• Access to a range of products to suit their circumstances</li> <li>• Ability to complete further borrowing as part of the transaction</li> <li>• Ability to make changes to their loan as part of the transaction, such as term or parties to the mortgage.</li> </ul>	<ul style="list-style-type: none"> <li>• Most remortgage products come with the ability to access remortgage transfer service or a cashback option of £350.</li> </ul>
Existing borrowers looking for a rate switch	<p>Available through direct and intermediary channels (advised only)</p> <p>Direct execution-only online channel option</p>	<ul style="list-style-type: none"> <li>• Access to a range of products to suit their circumstances</li> <li>• Ability to make changes to their loan as part of the transaction, such as term or repayment method.</li> </ul>	<ul style="list-style-type: none"> <li>• Borrowers receive an interest rate in line or lower than new business when choosing from the existing customer range.</li> </ul>

Customer circumstances	Distribution strategy	Customer needs and objectives	Product Benefits
Looking for additional borrowing	Available through direct and intermediary channels (advised only)	<ul style="list-style-type: none"> <li>• Access to a range of products to suit their circumstances</li> <li>• Ability to increase their loan amount to support their financial objectives.</li> </ul>	<ul style="list-style-type: none"> <li>• Borrowers receive an interest rate in line or lower than new business when choosing from the existing customer range</li> <li>• Green Further Advance products are priced at a discount to the standard existing customer range.</li> </ul>

Buy to Let products are not designed for customers who:

- Intend to live in the mortgaged property
- Don't meet our lending criteria.

#### 4. Customers with characteristics of vulnerability

The products are designed for general application across the Buy to Let property market, which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

We considered the needs, characteristics, and objectives of customers with characteristics of vulnerability at all stages of the design process for these products to ensure the products meet their needs.

We have also tested the products to assess that they will meet the identified needs, characteristics, and objectives of the target market, including customers in the target market who have characteristics of vulnerability.

Intermediaries should continue to comply with their obligations to ensure that they deliver good outcomes for customers in vulnerable circumstances.

Please contact us if you need any further information about how we support the needs of all our customers in relation to the products. You can access a guide to supporting clients with vulnerabilities [here](#).

## 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 the products deliver fair value for customers.

The outcomes of the assessment process are presented to the Product Approval 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:

Product and service	Price	Costs	Limitations
The range of features that the products provide, the quality of the products, the level of customer service that is provided and any other features that the products may offer.	The interest rates fees and charges customers pay for the products (including ERCs'), where applicable), comparable market rates, procurement fee paid to intermediaries and non-financial costs associated with operating the products.	The cost of funding the products.	Any limitations on the scope and service we provide or the features of the products.

## Results of our assessment

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

Information correct: February 2025.

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