CONSUMER DUTY

It is the responsibility of HUB Financial Solutions as a distributor to distribute only products that represent fair value and only to consumers in the target market with needs that the product addresses.

We have reviewed the published fair value assessments of the products HUB Financial Solutions distribute, which include a clear statement of the target market, product benefits and needs relevant to different consumer groups, to ensure HUB Financial Solutions distributes products to the intended target market(s) and to customers with appropriate needs.

SUMMARY OF THE EQUITY RELEASE ADVICE SERVICE

This service helps customers achieve a 'Better Later Life' by advising them whether using the equity in their home to generate either a lump sum or regular drawdown of monies meets their needs and objectives in later life.

The service is based on consideration of the needs and objectives of customers in our defined target market for Equity Release advice.

The key principles of the advice we provide being to help customers:

- **Meet their financial needs:** The borrower should be able to access the funds they need to cover their expenses.
- **Maintain financial security:** The borrower should be able to maintain a comfortable standard of living, without concern about outliving savings or having to sell their home.
- **Be flexible:** The borrower is recommended the type of lifetime mortgage that best suits their needs over time.
- **Keeping control over their home:** The borrower retains home ownership and can live there as long as they wish, without fear of eviction
- **Protect assets:** The borrower can protect the assets they want to pass on to their beneficiaries.

Customer Journey

Customers whether they are referred from our partners or come to us directly will initially be triaged to assess their eligibility for our service. Should a customer be eligible, we will explain how the service works, the steps in the journey and the information that we will require from them.

Eligible customers will have a two-appointment advice journey (minimum)

- 1st appointment – the adviser will undertake a fact find to understand the customers current situation, their needs and objectives to enable the adviser to determine how we can meet their needs. A follow up appointment would be agreed at the end of the first appointment.
- 2nd appointment – this meeting allows the adviser to present back to the customer their recommendations.

Customers will be presented with a final Suitability Report, which will present the recommended solutions and how this will meet the customer's specific needs. Should the customer accept our recommendations we will provide customer support post application until the accepted recommendations are in place for the customer.

Benefits

The customer benefits from receiving this advice are as follows:

- A clear understanding of how they might use their property to generate funds to meet their retirement income needs.
- Access to appropriate solutions to meet their needs ensuring on a case-by-case basis that the customer receives fair value across the whole value chain.
- The ability to secure the most appropriate lifetime mortgage with features that meet their needs.
- A clear recommendation and a detailed report describing the recommended course of action.

By not taking advice the customer could:

- Risk failing to understand some of the complexities associated with Equity Release.
- Fail to achieve some or all their financial goals
- Become temporarily vulnerable or experience a toll on their mental wellbeing through anxiety of dealing with complex financial decisions.

TARGET MARKET

We have a clear set of benefits aimed at a clear target market. We include customer research, both direct and desktop based, in our proposition design procedure to ensure we are developing services to meet demonstrated customer needs.

The proposition is designed and suitable for clients who:

- Have property equity but don't have enough income or capital to meet their needs throughout retirement.
- Are looking to release cash from the equity in their home.
- Have low income/savings, homeowners who haven't made any financial arrangements apart from contributing to state pension and homeowners who rely on their property to form part of their retirement income.
- Individuals interested in the following:
  - Refinancing: Debt consolidation, clearing existing mortgage.
  - Family Financial Support: gifting money to family members.
  - Aspirational: to make later life more comfortable such as holidays, home improvements or other projects.
  - Future planning: leaving a 'living inheritance' to loved ones or estate planning.
- Require advice. Customers cannot purchase a lifetime mortgage without advice.

This proposition is unlikely to be suitable for clients who:

- Do not own their own home.
- Are not UK resident.
- Can meet their income needs in retirement from other sources.
- Have other investments.
- Want to preserve their estate for their family to inherit.
- Have short term lending needs.
- Can meet their needs by cheaper funding alternatives e.g., income can be used to access the residential mortgage market.
- Want to release monies for investment purposes.
- Are an insistent customer or require execution only services
- Having had a review it is determined by the adviser that a Lifetime Mortgage is not suitable to meet their needs

On-going monitoring of the target market will be performed through the Proposition Lifecycle Management process and Conduct and Customer Risk forums

Eligibility criteria

The specific eligibility criteria may vary depending on the lifetime mortgage provider selected. However typically customers would have to:

- Be aged between 55 and 85 (age of youngest applicant if a joint application)
- Be the sole owners of the property (their main residence). For joint applications, must be either joint tenants or tenants in common.
- Own an acceptable property worth £70,000 or over in the UK.
- Lending criteria may vary between different Lifetime Mortgage lenders.

We do not believe any consumer groups within the target market are inappropriately excluded by the limitations of the product. Our staff are trained in recognising the types of customer vulnerability that may exist in our target market and ensuring that limitations of the product as they relate to individual customers (vulnerable or otherwise) are understood and that these consumer groups have access to the full value offering.

DISTRIBUTION STRATEGY

HUB Financial Solutions Equity Release Advice service is available through a number of different distribution channels.

All prospective customers are qualified in terms of their eligibility for the service before being booked to meet an Equity Release Adviser to commence the advice journey.

The service is available via

1. Strategic partner relationships
2. Financial intermediary (FI) referral service, which provides a process for any FI to refer potential Equity Release customers.

3. Direct to Consumer – via the HUB-FS website

The Equity Release Advice service is delivered only through Qualified Financial Advisers providing a personal recommendation on an advised basis. All Advisers, Regional Managers and Training & Competence supervisors must have as a minimum passed the following CII examinations (or their equivalents) prior to engaging with any customers, CF1, CF6, and ER1.

Our advisers gather personal, financial needs and objectives as well as medical information to provide a fully personalised recommendation as to the suitability of the product. This ensures that the solution is relevant and suitable for each customer.

The HUB Financial Solutions distribution strategy combined with the service eligibility criteria provides assurance that only customers within our target markets will receive advice and only customers who will benefit from the product and receive appropriate value will receive a product recommendation.

FAIR VALUE

We believe our service provides fair value to all groups of customers relative to the profits made by HUB Financial Solutions from these services.

HUB Financial Solutions have completed a thorough price, value and profitability review, concluding that the HUB Financial Solutions Equity Release Advice service provide our target markets fair value.

We'll monitor Fair Value as part of our proposition lifecycle management processes. Fair value assessments are undertaken at least annually to ensure that the services HUB Financial Solutions offer, perform as expected and remain fair value.