

Value Assessment

Name of product / service	Residential Second Charge Mortgage Packaged/Advised Service
Assessment reason	Annual Review

Service description
▪ An initial meeting/discussion with Broker or client depending on Channel (Packaged, Referred or Direct). ▪ Fact-finding and information gathering. ▪ Research using a sourcing system or manual sourcing using lender product/criteria guides and industry knowledge. ▪ Advice and Recommendation/Solution presentation to Broker based on individual circumstances. ▪ Application/documentation checking and support. Lender case submission and updates. ▪ Post offer support – liaising with Lender, Valuer or Solicitor.

Target Market
▪ New or existing customers who are aged 18 yrs or over, at the time of application, looking to raise further capital against their existing residential property whilst retaining their current first charge mortgage. ▪ Clients who have high early repayment charges or may be disadvantaged by arranging a remortgage earlier than the expiry of a fixed rate term. ▪ Clients who may have a history of defaults or poor credit, a low credit score, unusual income types, or non-standard property construction which rule them out of accessing mainstream lenders. ▪ Clients who are looking to borrow money, whilst leaving the existing mortgage in place, for example where they don't meet lending criteria for a further advance or are looking to reduce indebtedness or increase disposable income.

Limitations
▪ Clients who have other options for raising finance, such as a re-mortgage or low-cost personal loan. ▪ Clients who do not meet the lending criteria of any of our panel of lenders. ▪ Clients who are unable to demonstrate they have the means to repay the proposed loan. ▪ Clients who have been convicted or suspected of fraud or fail AML verification checks ▪ Clients who fall below the expected minimum equity amount, e.g. with an LTV of 100% or higher may be excluded from lender. ▪ Where affordability may be an issue due to additional borrowing. ▪ Clients who have properties overseas. ▪ Not a homeowner. ▪ Clients who hold a Power of Attorney which has not been sealed by the Courts.

Remuneration
▪ Crystal Specialist Finance charge no upfront fees. ▪ Broker Fee of £1,995, which is a flat fee only payable on completion. ▪ Procuration fee - commission paid to Crystal Specialist Finance from lender. Our assessment of our Service charge within the Distribution Chain has been determined to offer Fair Value for the service and benefits we can provide.

Market research when designing service
Our service is not priced significantly higher or lower than other comparative services offered in our market. On some occasions we are able to attract exclusive and semi-exclusive products and access lenders and products unavailable if access to them is attempted directly. We have assessed our competitors and sought feedback from our introducers and lenders across all lending disciplines that are captured by the Duty and are satisfied our service is fit for purpose.

Value/Benefits
▪ Knowledgeable staff who have the ability to assess and apply lender criteria effectively. ▪ Specialist staff who understand lender criteria and the implication of poor credit on assessments. ▪ Experienced staff with wide mortgage market exposure. ▪ High quality and accessible customer service which ensures applications are processed efficiently. (including direct telephone lines and online services). ▪ Explanation of the effect and impact of adding mortgage fees to the loan. ▪ Explanation of the effect and impact of paying a product fee. ▪ Access to sourcing systems which allow comparison of a wide range of mortgage products. ▪ Access to third party professional support, e.g. surveyor and solicitors. ▪ Enhanced relationships with lenders from senior management through to underwriters so that applications can be considered on a case-by-case basis. ▪ Semi-exclusive product offerings from specialist lenders. ▪ Access to third party referral around ancillary services (signposting), GI, protection to support mortgage obligation.

Behavioural biases present
None exist which may lead to harm in relation to the Service we offer within the Target Market. We do not inappropriately manipulate or exploit retail customers, through behavioural biases to mis-lead or create a demand for a product. Where debt consolidation is discussed the best interest of the customer are considered and disadvantages regarding additional interest and/or equity erosion etc. are explained. Similarly, where fees are added to a loan, additional interest costs are clarified. We will assess each individual's circumstances on their own merits and base our advice on those findings (where appropriate). Where a client may ask to add our fee to their mortgage, we will explain the benefits and disadvantages including associated additional costs.

Characteristics of vulnerability
Our Second Charge advice/broking service is designed to cater for a wide Target Market. It is not targeted specifically to meet any inherent characteristics of vulnerability in the Target Market. It is, however, likely to be utilised by some customers with characteristics of vulnerability or those who will experience vulnerability over time. Situations where we a vulnerability may compromise the value of the service we offer may be: ▪ Lack of knowledge and experience (low level of financial sophistication). ▪ Clients may have defaulted in the past and/or still have evidence of credit issues. ▪ Customers may have historic adverse and potentially low financial resilience, even though they may have improved their position since the historic adverse. The historical adverse could also indicate lower capability.

- Debt consolidation, may not be suitable for customers known to have payment difficulties, where it would be more appropriate for a customer to negotiate an arrangement with their creditors or form relationships with support services such as Stepchange/Citizens Advice Bureau

Total cost a client might pay

When assessing our Service to ensure it provides Fair Value, we considered the total charge the customer may pay across the Distribution Chain. This can vary quite significantly depending on the rate options offered by the specific lender, product fees and other third-party fees. Through knowledge of lender value assessments, we look to understand how the products we recommend deliver value and the cumulative impact of costs across the chain.

Summary of our assessment

We have assessed that:

- Our Second Charge mortgage advice/broking 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).

We have developed an assessment process which evaluates several aspects of our business to determine the value. This analysis is used to ascertain whether the Service delivers Fair Value for customers. The outcomes of the assessment process are presented to the Executive Committee on an ongoing basis, allowing for challenge and further investigation.

Our assessment concluded that the Product continues to deliver Fair Value for customers in the Target Market for the Product.

Actions required	No
Next review date	28/03/2026 or earlier if external factors support this