



PRODUCT SWITCHING PROPOSITION FOR WEALTH MORTGAGE

Information sheet updated: 21 July 2025.

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. It is one of four information sheets covering our residential mortgage range which includes, standard mortgage proposition, flexible mortgage proposition and secured loan proposition.

1. Summary of our assessment

We have assessed that:

- Our Product Switching 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 provides fair value to customers in the target market (i.e., the total benefits are proportionate to total costs).

2. Product characteristics & benefits

Coutts mortgage products are split between multiple propositions to meet the bespoke lending needs of Coutts clients. Each proposition has distinctive features and benefits that cover a range of borrowing characteristics.

Each proposition is designed to support differing client needs, with the ability to recommend multiple propositions per application. This allows for bespoke tailoring to meet the clients individual borrowing needs.

It is recommended that you view this information sheet in conjunction with the information sheets for our other Coutts Mortgage Propositions.

Our Product Switching Proposition covers Standard Mortgages such as **Base Rate Trackers**, and **Fixed Rate Products**.

It excludes the **Short-term Tracker**, all **Flexible Mortgage Products** and all **Property Secured Loan** products.

Product Switching may be considered for clients within the below target group:

- Existing Coutts Mortgage Clients looking to change their existing mortgage product only.

Products available for product switching have the below features and characteristics:

- | | |
|--|--|
| <ul style="list-style-type: none">• Clients will need to maintain their existing Coutts Banking Relationship which potentially requires paying a Relationship Tariff or alternatively use a Servicing Account for collection of mortgage related fees and over-payments.• A range of Loan to Value Options available.• 2-year, 5-year, and 10-year Fixed Rate options.• 2-year and 5-year Tracker Rate options.• Existing Term and Repayment method will continue unchanged.• Monthly Repayments. | <ul style="list-style-type: none">• At the end of the Fixed or Tracker rate, the mortgage will revert to the House Mortgage Rate.• Ability to Product Switch at the end of the rate term.• No minimum borrowing requirement.• Minimum mortgage term must exceed the product term.• Overpayment options available (Including overpayment allowance without an Early Repayment Charge on some products).• Ability to port the product when moving home.• Available to Individuals, trusts and non-trading SPVs and Offshore Companies. |
|--|--|

3. Target market assessment and distribution strategy

The below Target Market Assessment Matrix links the proposition to the needs and objectives of the target market. Recognising the differing client needs enables you to tailor the services you provide when you distribute the product.

Wealth clients may display needs for multiple propositions; therefore, it is important to fully understand the needs and circumstances of the client in order to ensure the correct mix of product propositions is considered.

Customer Circumstances	Distribution Strategy	Customer Needs & Objectives
Existing Coutts Mortgage Clients looking to change their existing mortgage product.	Available through Direct channels (Including Online) and Intermediary* channels. Direct applications can be through Advised and Execution only. Intermediary channels via advised sale channel only.	<ul style="list-style-type: none">Existing clients coming to the end of their existing deal or looking to change their product.To fix their costs for a defined period.To benefit from the flexibility of a variable rate.To avoid reverting to the House Mortgage Rate.

*Intermediary distribution through:

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

Intermediaries must be registered with us, or apply to be registered via this link

[Mortgage Intermediary Registration](#).

4. Customers with characteristics of vulnerability

Our product switch proposition is designed for clients looking to change their existing Coutts mortgage product to a different Coutts mortgage product. This will include some clients with characteristics of vulnerability, or who will experience vulnerability over time.

It is possible that the income and assets associated with wealth clients can mitigate some forms of vulnerability, and some clients who have experience with mortgage products may have a good understanding of the benefits and risks.

However, there is still likely to be customers who may require greater levels of support to ensure they are aware of the product benefits and risks and have a good understanding of the information provided to them.

We have considered the needs and objectives of customers with characteristics of vulnerability in the design process for this product.

We have vulnerability frameworks in place to achieve good outcomes for vulnerable customers, which include:

- Recognising that all customers may experience periods of temporary or persistent vulnerability.
- Ensuring our staff are suitably trained to identify, engage with, and support the needs of our vulnerable customers.
- Providing flexibility within our approach to policy, service provision and communications, making reasonable adjustments, where appropriate, to support good outcomes for our vulnerable customers.
- Ongoing monitoring to identify and respond to the needs of vulnerable customers.
- We recognise that there is further work being undertaken in Wealth and Group wide to meet the changing standards.

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.

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 product. This analysis is used to ascertain whether the Product delivers fair value for customers.

It is the responsibility for all Distributors to ensure their own charges for distributing the product or service represents fair value for the customer.

Our fair value assessment has considered the following:

Benefits

- The range of features provided.
- The level of customer support provided.
- The level of customer service provided.

Price

- The interest rate charged, including the arrangement fee.
- The fees and charges the customer pays for the product.
- Comparable products and price in the marketplace.
- Procurement fees paid to intermediaries.
- Consideration of fees intermediaries charge a customer for advice (Market average used).

Costs

- The cost of creating the product (i.e., costs that contribute to running the bank).
- The cost of funding the product.
- The cost of processing the application.
- The cost of administering the product.
- The cost of closing the product.

Limitations

- Any limitations on the features of the product.
- Any limitations on the service of the product.
- Any limitations on the support provided for the product.
- Any limitations with the approach of agreeing and applying exceptions on consistent basis.

Results of our assessment

Based on the above factors the product currently delivers fair value for its intended target market.