

## **Consumer Duty Product Information Sheet**

### **Products & Services Outcome and Price & Value Outcome – Information for distributors of the Product**

#### **Product: Tandem Motor Finance**

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.

#### **1. Summary of our assessment**

We have assessed that:

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

This assessment does not include charges, but there is an ‘option to purchase’ fee if a customer decides to own the car at the end of the term. You are responsible under the Consumer Duty for assessing these products or services. If you believe that the customer is not receiving fair value in respect of these products or services, you must inform us.

#### **2. General product information**

Customers can borrow between £2,500 and £125,000 with APR’s ranging from 8.9% to 33.3% , varying between intermediaries, and repayment terms from 24 to 60 months.

#### **3. Product characteristics & benefits**

The Tandem Motor Finance Hire Purchase product is designed to meet the needs of the target group, helping customers embrace greener motoring and create a sustainable future. The product features and criteria are designed to support these needs.

The Product:

Amount	Loans available for sums between £2,500 and £125,000
Term	Between 2 and 5 years (Maximum age of the car at the end of the term is 15 years)
Loan Purpose	Unique approach to Hire Purchase lending through pre-approved credit limits and pricing. The loans benefit from fixed interest rates and fixed monthly repayments.
Eligibility Criteria	Minimum age 18 years, with no maximum age. Borrowers must meet Tandem affordability tests and requirements. Sole applications only. Employed / Self-employed / Retired applicants. UK Residents for tax purposes.
Rates	Customer rates are based on risk represented by the customers credit score. Current APR rates range from 8.9% to 33.3%.
Fees	There is no Customer Acceptance Fee payable. £10 'Option to Purchase' charge at the end of the agreement if customer wants to own the vehicle.
Overpayments	Customers retain the ability to make overpayments without penalty unless repayment exceeds £8,000 (see below).
Early Repayment	Under the Consumer Credit Act 1974 - a repayment in full or in part the outstanding balance can be made at any time. Early repayments of more than £8,000 (either in a single sum or through multiple payments within a 12-month period), customer will need to pay compensation to Tandem.
Restrictions	Tandem do not accommodate new vehicles, Light Commercial Vehicles or motorcycles. Loans are available for used cars up to 15 years old at the end of the term.

#### 4. Target market assessment and distribution strategy

This target market assessment matrix segments the target customers for the Motor Finance product, recognising their different needs to enable you to tailor the services you provide when you distribute the product.

This demographic can be summarised as follows: *Prime Customers looking to use Hire Purchase on a newer used car, to become greener and reduce their carbon footprint, but not ready to fully switch to electric.*

Customer Circumstances	Distribution Strategy	Customer Needs & Objectives
<p>The product has been designed specifically to provide convenience to customers at the point of sale.</p> <p>18 years of age or older for cars that are up to 15 years old.</p> <p>Borrowers who are able to meet Tandem affordability tests and requirements.</p> <p>Customers will receive an APR and credit limit dependant on Tandem’s unique approach to providing consumers pre-approved figures; whilst utilising soft searches to do so.</p>	<p>Tandem operates a product distribution strategy through independent used vehicle retailers and brokers acting as intermediaries.</p> <p>Intermediary dealers and brokers distribute the Hire Purchase product to customers both in person and via digital channels.</p> <p>Due diligence is undertaken on new Intermediaries prior to appointment.</p>	<p>This product is suitable for customers looking for Hire Purchase to purchase a used car, with the option to own the car at the end of the loan (for a fee).</p> <p>Tandem aims to support customers transition to ever-greener cars, with the objective of helping customers who aren’t ready to switch to fully electric vehicles, but want a newer used car, with lower emissions and potentially better fuel efficiency.</p>

#### 5. Customers with characteristics of vulnerability

The Motor Finance product is designed for a wide target market, and not to meet any inherent characteristics of vulnerability in the target market. However, it is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

The Motor Finance product is aligned with our vulnerable customer framework and aims to achieve fair value and good outcomes for all customers, including those who are exhibiting signs of vulnerability or potential vulnerabilities.



We have a Group Vulnerable Consumers Policy in place, which satisfies the regulatory requirements surrounding vulnerability and ensures these customers are supported where relevant and continue to receive good outcomes from Tandem.

Intermediaries should continue to comply with their obligations to ensure that they 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.

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

The outcomes of the assessment process are presented to Executive Risk Committee and Consumer Duty Board Champion, 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:

Benefits	Price	Costs	Limitations
<p>The range of features and benefits that are available to customers.</p> <p>The level of customer service that is provided.</p>	<p>Internal assessment and peer comparison and analysis of the following areas:</p> <ul style="list-style-type: none"><li>• Interest rates</li><li>• Fees</li><li>• Charges</li><li>• Potential fees paid to intermediaries</li></ul>	<p>The internal costs associated with the administration of the Motor Finance product.</p> <p>The ancillary post-sale costs associated with:</p> <ul style="list-style-type: none"><li>• Servicing</li><li>• Customer Queries</li><li>• Complaints</li></ul> <p>Dealing with customers in financial difficulty</p>	<p>Any limitations on the scope and service we provide or the features of the Product.</p>



Results of our assessment

Our assessment concluded that the Tandem Motor Finance product continues to deliver fair value for customers in the target market for the product.