

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

This summary document is designed to support you in fulfilling our responsibilities under PRIN 2A.4.15R and PRIN 2A.3.12 R (2).

Its purpose is 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 responsible for meeting your obligations under 'The Consumer Duty'.

This information is for intermediary use only and should not be provided to customers.

1. Summary of our Assessment

We have assessed that:

- Our Hire Purchase (HP) 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 any fees, charges, or other costs you require the customer to pay to you for any products or services you provide that are separate or in addition to the product or services we provide.

You are responsible under the Consumer Duty for assessing those 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

Target Customer	<ul style="list-style-type: none">• Customers with slightly impaired credit status/histories but currently financially stable• Customer age profile - 21 to 70 years old (No older than 75 at the end of the agreement)• Employed by a company or self-employed.• Tenant/Renting/Mortgage Owner/Living with parents• UK Resident with UK driving licence• Customers looking for a vehicle to fulfil their normal mobility needs – personal transportation for domestic needs, commuting or other daily needs
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Vehicle Condition	Cars	Motorbike	Light Commercial Vehicle (LCV)	
	Use	Normal mobility needs for personal transportation	Normal mobility needs for personal transportation	For private customers who need an LCV to support their self-employed light industrial /tradesman, or hobby activities
	Mileage	With 119,999 miles or less	With 79,999 miles or less	With 99,999 miles or less
	Age	Less than 14 years old at the end of the agreement.	Less than 12 years old at the end of the agreement	Less than 8 years old at the end of the agreement
Vehicle Maintenance	The customer is responsible for the vehicle maintenance during the loan			
Option to Purchase	The vehicle is not owned by the customer until the last payment and option to purchase fee is paid			

3. Product Characteristics & Benefits

The product is designed to meet the needs of the target group to purchase motor vehicles by allowing the cost of the loan to be spread over time, with the view of owning the vehicle at the end of the agreement. The product features and criteria are designed to support these needs:

Loan Term	12 months to 84 months depending on vehicle type and credit risk
Loan Value	£1,500 to £60,000 (£2,500 Minimum on Motorbike)
Loan Interest	Finance is provided at a fixed rate of interest for the duration of the loan agreement
Loan Payments	Fixed monthly payments by direct debit

4. Target Market Assessment and Distribution Strategy

This target market assessment matrix segments the target customers for the Product, recognising their unique needs to enable you to tailor the services you provide when you distribute the Product.

Customer Circumstances	Distribution Strategy	Customer Needs & Objectives
<ul style="list-style-type: none"> • Customers with slightly impaired credit status/histories but currently financially stable • Customer age profile - 21 to 70 years old (No older than 75 at the end of the agreement) • Employed by a company or self-employed • Tenant/Renting/Mortgage Owner/Living with parents • UK Resident with UK driving licence • Customers looking for a vehicle to fulfil their normal mobility needs – personal transportation for domestic needs, commuting or other daily needs 	<p>Blue’s Distribution Strategy:</p> <ul style="list-style-type: none"> • Direct to Consumer via two channels: <ul style="list-style-type: none"> ○ Retention ○ Lead Gen ○ Both channels present customers to trusted introducers in our network, for vehicle supply • To serve customers via Brokers and Motor Dealers that are trading within the UK Motor Industry, which have FCA permissions • All introducers must have been assessed as trusted partners by Blue’s introducer on-boarding process • All introducers must meet the requirements of internal annual review 	<ul style="list-style-type: none"> • Customers looking for regular monthly repayments by Direct Debit • Customers looking to own the vehicle at the end of the agreement

The Product is not designed for customers:

- who wish to hand the vehicle back to a dealer at the end of the term
- who wish to lease a vehicle.
- with current financial difficulties
- who need a vehicle for hire and reward, or motorsports use or significant modification
- requiring financing negative equity.
- requiring financing additional products or services – e.g., MBI, GAP
- Employees of Introducers

5. Customers with characteristics of vulnerability

The Product is designed for customers with slightly impaired credit status/histories but currently financially stable which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

<p>Types of vulnerability that may be relevant to the target market</p>	<p>Health - Physical disability, severe/long-term disability, hearing/visual impairments, poor mental health, old age</p> <p>Life Events - Caring responsibilities, income shock, relationship breakdown, bereavement</p> <p>Resilience - Low income that could become erratic, over indebtedness, low savings, low emotional resilience, lack of support</p> <p>Capability - Low knowledge/confidence in financial matters, poor literacy/numeracy skills, poor digital skill</p>
<p>Frameworks/strategies in place to ensure good outcomes for customers with vulnerability</p>	<p>Currently we have an internal welfare team that look after vulnerable customers where their situation is deemed as needing 121 account management. Vulnerabilities that are not considered to be requiring 121 account management are managed in line with the vulnerable policy</p>

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.

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 the Risk and Compliance Committee, 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
<ul style="list-style-type: none"> • Hire Purchase agreement provides certainty of monthly payments, term, and total amount payable • Customers can withdraw from their agreement for any reason within the first 14 days • Customers can partially or fully settle their agreement at any time • The agreement provides for uninterrupted use of the vehicle provided the terms of the agreement are adhered to • The customer becomes the owner of the vehicle once all instalments and the Option to Purchase fee have been paid • Customers benefit from the speed of service offered by Blue including the use of eSign at execution stage • Blue provides a quality service to its customers from proposal through the entire customer journey 	<p>The price paid by Blue customers is based upon:</p> <ul style="list-style-type: none"> • an assessment of everyone’s credit worthiness • the individuals risk score; and • the amount borrowed compared to the value of the vehicle (Loan to Value) 	<p>Costs incurred by Blue to provide its HP product include:</p> <ul style="list-style-type: none"> • design of the product and systems used to manage the customer and the loan throughout the term, including third party data • cost of funds • distribution including the costs of managing introducer relationships • servicing loans and introducers; and • performance of loans and losses associated with arrears, fraud, and non-payment 	<ul style="list-style-type: none"> • Blue will only provide finance to customers as detailed in our target market assessment and will only finance vehicles as have been detailed in our general product information • The customers use of the vehicle and their rights are as determined in the Hire Purchase agreement

Results of our assessment

Our assessment concluded that the product meets the needs, characteristics, and objectives of customers within our identified target market and continues to deliver fair value.