

Barclays Shared Appreciation Mortgage (SAM) Hardship Scheme

Part 1: Overview

What is the hardship scheme?

A scheme set up by Barclays to assist our customers who currently hold a Barclays SAM and find themselves in situations of substantial hardship that require them to either move house or make adaptations to their existing property. The definition of substantial hardship is provided in more detail below, however in general it relates to poor mobility or quality of life caused by illness, disability, age or other exceptional factors.

What kind of assistance does it provide?

It's important to note that the scheme will not provide either of the following:

- A change in the terms of the SAM (eg. reduced % of equity payable)
- A cash payout/compensation.

Instead the scheme will offer a **choice of one of two bespoke solutions**:

- Assistance to purchase a new, more suitable property through provision of an interest-free loan; or
- The award of a grant to carry out specific required adaptations to the SAM property.

Can any of my remaining equity after my SAM has been redeemed be released for personal use?

No, the scheme is designed so that you use the whole amount of your remaining equity towards the purchase of a new property. The scheme will then provide you with an interest free loan to make up the difference between your remaining equity and the cost of your new property, subject to scheme lending limits.

Who should apply?

By its nature the scheme is designed to assist customers in substantial hardship. Whilst the facts of each case will be considered individually, we have included some examples below that illustrate the kind of situation that would be considered under the scheme (N.B. in all cases the 'individual' is the SAM holder):

- Individual (or couple) with severely limited mobility (caused by age, illness and/or disability) needing to move closer to a family member

- Individual needing to move to a smaller, more manageable property following the death of a spouse/partner
- Individual (or couple) with severely debilitating illness/disability needing to move to a property that is more suitable eg. single-storey property, or adapt current property eg. stair lift, ramps, widened doors
- Individual caring for spouse or immediate family member(s) with severely debilitating illness/disability needing to move to a property that is more suitable eg. single-storey property, or adapt current property eg. stair lift, ramps, widened doors.

Who shouldn't apply?

Not everyone will be eligible to apply for the scheme. Typically they include the following:

- Non-SAM holders eg. beneficiaries of deceased SAM holders
- Customers making a general complaint about the fairness of the product or its features (without demonstrating a resultant situation of substantial hardship)
- Customers seeking purely financial assistance rather than one of the bespoke solutions explained earlier
- Customers alleging mis-selling (without indicating a resultant situation of substantial hardship) – these complaints should be directed through the normal complaints channels:

By Post: to Freepost (UK only) RTLA-CSUE-TCHC, Head Office Customer Relations, Barclays, 1 Churchill Place, London E14 5HP.

By telephone: 0800 282 390 (freephone) or 0044 207116 7488 from abroad.

By email: customer.relations@barclays.com

I think the scheme would help my situation and I believe I might be eligible – what should I do now?

If you have read the above and believe you could be eligible for assistance, please call us on **0800 023 2981** and one of our dedicated managers will be happy to assist you further.

Barclays Shared Appreciation Mortgage (SAM) Hardship Scheme

Part 2: Frequently Asked Questions

How will the decision on my case be made?

- Once we have conducted an initial screening of your case, providing that you meet the criteria for assistance, we will assign you a dedicated case manager and send you a detailed application pack to complete
- You will need to send this back to your case manager, who will review it and may come back to you asking for clarification or more information
- Once this process is complete your case will be referred to two Internal Panels comprising senior Barclays representatives. Your case will be reviewed by both of these panels and a decision will be agreed
- This decision will then be communicated to you by your case manager.

What happens to my SAM if I am accepted under the scheme?

- If you are offered and accept an interest-free loan, you will close your SAM as part of the process. This solution is designed to allow you to buy a new property (overcoming the fact that your SAM is not portable) so you will need to sell your current property, pay off your SAM and then purchase a new property using the interest-free loan (please note that you will be expected to cover the costs of moving, eg. stamp duty, yourself)
- If you are offered and accept a **grant** your SAM will remain intact as you will not be leaving your current property. This means that the terms will be the same and the amount to be paid on redemption will continue to increase or decrease at the same rate in line with property value changes.

What happens if, after I have been made an offer by the Barclays Panels, I wish to apply for the alternative option instead?

- You can change your mind **before** the adaptations works have been carried out (if you have been offered a Grant) or **before** you accept the advance in the Mortgage Offer letter (if we have offered you an IFAL). Please contact your case handler to discuss.

When do I have to pay the interest-free loan back?

- In the majority of cases the interest-free loan will be **repayable in full** on whichever of the following occurs first:
 - the **death of the former SAM customer** (or if in joint names then the death of the last surviving former SAM customer); or

- the **sale of the new property**; or
 - the **permanent departure from the new property of the former SAM customer** (or the last surviving SAM joint customer) eg. moving into a care home; or
 - at an earlier date if the customer wishes
- However, if the requirement to repay the loan as a result of one of these circumstances would cause substantial hardship for a person still living in the new property, then that person may apply in writing to Barclays to be able to defer the repayment of the interest-free loan. If this occurs they will have to include sufficient information to demonstrate the substantial hardship that would result from them having to sell the property. Barclays will consider these applications sympathetically.

If I take the interest-free loan, is it transferable should I need to move again?

- In most cases the loan would not be portable – as indicated above, we would expect you to pay off the loan if you sell the new property
- However, the terms of the loan will allow you to apply to Barclays for consent to transfer it to another property if you need to move again. If this occurred you would need to provide sufficient information about the circumstances that have arisen which require this move. Barclays will consider these applications sympathetically.

If I take the grant, do I have to pay it back at a later date?

- No, the grant is a one-off award against specific adaptations to your property. We will not expect you to pay it back.

How much money will you lend me for the interest-free loan?

- The maximum amount we will lend you will be the amount of equity required to settle the SAM, but will not be for an amount which exceeds 50% of the value of the new property
- Subject to the maximum mentioned above, the amount we will give you will be determined according to your specific needs, and what is fair and reasonable to accommodate them, but not more than is sufficient for you to purchase a new property suitable to meet those needs. To give you an example of how this may work:

Original house value	£80,000
Amount borrowed	£20,000 (25% of value)
Current value	£240,000
Increase in property value	£160,000
Amount of increase needed to pay off SAM	£120,000*

*3x the initial percentage of the property value borrowed eg. 25% x 3 = 75%

Total needed to pay off SAM		
• Original amount borrowed	£20,000	This is the maximum amount we would lend you†
• Plus 75% of increase in property value	<u>£120,000</u>	
TOTAL	£140,000	

†Note – The amount we will lend will not exceed 50% of the value of the new property.

What if I can't afford the associated moving costs?

The scheme will allow you to deduct your associated moving costs (which will be estimated by the SAM Hardship Scheme) from your remaining equity. The net amount after these costs have been deducted will be put towards the purchase of a new property. However, it is important to note that the maximum amount we could lend you will be reduced as a consequence. For example:

Current house value	£240,000	
Total needed to pay off SAM	<u>£140,000</u>	
Remaining equity	£100,000	
Estimated moving costs	£8,500	(not deducted)
	(deducted)	
Net equity	£91,500	£100,000
Maximum amount we will lend	<u>£91,500*</u>	<u>£100,000*</u>
Maximum amount of new property	£183,500	£200,000

*Equates to 50% of the cost of the new property and does not exceed amount of increase needed to pay off SAM.

What kind of adaptations would the grant provide?

- If you are awarded a grant, this will be to cover specific and reasonable adaptations to your property to help alleviate the substantial hardship you are suffering, for example installation of a stairlift
- The amount awarded will never be more than you would have received under the interest-free loan if you had opted for that.

Why aren't you giving out cash or changing the terms of the SAM?

- We have put solutions in place that aim to alleviate situations caused as a result of the terms of the SAM. This generally relates to two key issues – the inability to move the mortgage to another property or the difficulty in releasing further equity to fund necessary adaptations

- Our solutions aim to solve these two problems at minimal additional expense to the customer.

If I accept an offer, can I re-apply at a later date if my circumstances change?

- No, if you accept an offer of assistance it will be in full and final settlement of your case
- Given this, we would strongly advise you to seek both legal advice and advice from family/friends and ensure that the property you purchase, or the adaptations you carry out to your existing property if you decide to stay there, are in either case suitable for your long term needs.

If I am rejected, can I appeal the decision?

- If you are rejected at the first screening stage it will be because you are not eligible under the terms of the scheme (please see scheme overview included in this pack). You will not be able to appeal this decision
- If you are rejected by the Barclays Internal Panels you may appeal if you wish. Details of how to do this will be provided with your decision letter
- It is important to note that you will not be able to appeal the amount of the interest-free loan. If you feel that you have been allocated insufficient funds to enable you to purchase a more suitable property, please contact your case manager to discuss your needs further. However, please note that you will not be able to release extra cash for purposes other than the purchase of your new property.

If I am rejected now, can I re-apply later if my circumstances change?

- Yes, if your circumstances change you may re-apply at a later date, provided you still hold a Barclays SAM
- As with all cases, you will need to clearly demonstrate why you now believe you are eligible.

Is there a time limit to apply?

- No, the Hardship Scheme will run until the last SAM has been redeemed
- Even if you do not think you are eligible now, keep the details of the scheme as you may find that your circumstances change and you become eligible in the future.

Is applying for the hardship scheme my only option?

- No, there are several other options that you may wish to consider. The next section of the pack has details of these, including whom you should contact if you require further information
- Barclays cannot recommend a solution for you – it must be according to your own judgement and advice sought from independent legal advisors, family and/or friends.

Barclays Shared Appreciation Mortgage (SAM) Hardship Scheme

Part 3: Alternative Options

If you want to stay in your home and make adaptations:

- Local Authority Assistance may be available to make repairs or adaptations to your property or provide a Disability Facilities Grant
- Social Services may be able to provide equipment or make adaptations to your home to assist you.

For more information, please contact your Local Authority and Social Services Department

If you want to move house, the means to do so may be available from:

- Other Equity Release products which could be secured against the new property and used to repay the SAM (please note that Barclays will not be able to offer additional equity release products, however other banks/building societies might)
- Family members or friends in the form of a gift or a loan

For advice on Equity Release please contact an Independent Financial Advisor. Alternatively discuss the assistance you require with family and/or friends

If you want to release more cash or generate extra income:

- Other Equity Release products may help you repay to the SAM and leave extra cash available for you or to purchase an annuity to provide additional income
- A partial or full Home Reversion product may help you to repay the SAM and leave extra cash available for you or to purchase an annuity to provide additional income.

For advice on Equity Release and Home Reversion please contact an Independent Financial Advisor

PLEASE NOTE: The Barclays SAM Hardship Scheme does not offer cash or additional income. Only SAM holders wishing to move or make adaptations to their house, and who are experiencing hardship, should apply to the scheme.

We strongly recommend that all SAM holders:

- Obtain **independent legal and financial advice** before repaying your SAM and replacing it with another loan or mortgage to make sure the decision you make is right for you and to find out how an interest free loan from Barclays may impact your **tax liabilities, State Benefits and Estate Planning**
- Involve your family **and/or friends** in any discussion about what actions you are considering taking if you feel it is appropriate to do so.

PLEASE NOTE: If you accept a grant or interest-free loan from Barclays, you will not be eligible to re-apply for an additional grant or loan if your circumstances change in the future.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE

You can request this in Braille, large print or audio. For information about all of our accessibility services or ways to contact us, visit [barclays.co.uk/accessibility](https://www.barclays.co.uk/accessibility)

Call monitoring and charges information

*Calls to 0800 numbers are free if made from a UK landline and international calls are charged at local rate, mobile costs may vary – please check with your telecoms provider. Calls may be recorded so that we can monitor the quality of our service and for security purposes.

Barclays Bank UK PLC. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Financial Services Register No. 759676). Registered in England. Registered No. 9740322. Registered office: 1 Churchill Place, London E14 5HP.

Item Ref: 9908159_UK 09/23