



Supporting intermediaries in treating customers fairly

Q1 Do you think the FSA is taking Mortgage Brokers' views into account when developing their MMR proposals?

| | | |
|-----|-----|--------|
| Yes | 27 | 26.47% |
| No | 75 | 73.53% |
| | 102 | |

Q2 Have you provided any feedback to the FSA on the proposed MMR changes?

| | | |
|-----|-----|--------|
| Yes | 22 | 21.36% |
| No | 81 | 78.64% |
| | 103 | |

Q2a If yes, who to?

| | | |
|------------------|----|--------|
| Direct to FSA | 15 | 68.18% |
| To my trade body | 3 | 13.64% |
| Via my network | 4 | 18.18% |
| | 22 | |

Q2b If no, why not?

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| FSA don't listen to individuals | 14 | 17.95% |
| Haven't had time | 10 | 12.82% |
| They'll make the changes regardless what I say | 44 | 56.41% |
| My network has responded | 10 | 12.82% |
| | 78 | |

Q3 Which (if any) of the following is causing you most concern over the proposed MMR changes?

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|---|-----|--------|
| Lack of understanding on what proposals mean | 41 | 25.63% |
| Timeframes of proposed changes are too soon | 17 | 10.63% |
| Timeframes of proposed changes are not soon enough | 3 | 1.88% |
| The negative impact of regulatory change on your business | 48 | 30.00% |
| Cost of new regulation | 51 | |
| | 160 | |

Q4 How do you think that MMR will affect the mortgage market?

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|----------------------------------|----|--------|
| Improve the market | 1 | 1.05% |
| Make no difference to the market | 36 | 37.89% |
| Cause a detriment to the market | 58 | 61.05% |
| | 95 | |

Q5 What are your top 3 concerns with the mortgage market today?

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|----------------------------|-----|--------|
| Affordability | 39 | 13.68% |
| lack of funding | 65 | 22.81% |
| Restricted credit criteria | 74 | 25.96% |
| Dual pricing | 54 | 18.95% |
| Lead generation | 11 | 3.86% |
| MMR Regulatory Changes | 38 | 13.33% |
| Consumer fraud | 4 | 1.40% |
| | 285 | |

Are you?

| | | |
|-----------------------|-----|--------|
| IFA | 23 | 21.90% |
| AR | 16 | 15.24% |
| DA | 44 | 41.90% |
| Mortgage Lender | 2 | 1.90% |
| Trade Body | 0 | 0.00% |
| Management Consultant | 2 | 1.90% |
| Compliance Consultant | 8 | 7.62% |
| Journalist | 0 | 0.00% |
| Insurance Broker | 3 | 2.86% |
| Other | 7 | 6.67% |
| | 105 | |

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| Q3 | Which (if any) of the following is causing you most concern over the proposed MMR changes? |
| | My concerns are not self interest because I am considering retirement anyway. Like many in the market, I am a beaten man; I still enjoy helping my clients and am highly regarded by them as I put them first; however, I see no future in this industry or indeed this country. I just think that it is ludicrous that the word advice will be used by bank advisors unless they are forced to sell a range of company products. As one example, bank advisors just push MPPI and poor critical illness even when income protection is better bet. |
| | Negative Media coverage, which will surround the change and give advisers an even worse reputation. |
| | The disproportionate affect on IFA's compared with mortgage advisors in banks and building societies. |
| | They do nothing to aid the consumer in terms of choice and access to mortgages and little to increase avoidance of consumer detriment. They have sufficient powers now they just need to improve their supervision skills and use those powers properly. Self cert is a good example, proper supervision of responsible lending by lenders would have prevented the abuses and meant it was still available for that small niche of consumers that need it. |
| | They will Guide more potential mortgagees into banks where the Financial Services Authority will ignore breeches until it is too late, as we have seen with the recent PPI fiasco. |
| | It just seems to me that the FSA are spending more time thinking up other ways to curb the market |
| | I advised FSA that my email had changed 6 months ago via the relevant ONA, tried to complete RMAR, and was told I was using the wrong email address, the one I had changed, through their system 6 months ago. If they cannot get that right, I have no faith in their abilities to get anything right. |
| | I have been an IFA for over 10 years, I still class myself as one of the new breed - Every mortgage I have recommended has been attached with a full Reason Why Letter etc at the same standard or above of Investment sales. I believe every mortgage sales person should adhere to this standard - I never once sold a Self Cert without full accounts or payslips - where income did not meet I sold the affordability option from TMB rather than self lie..... Both the FSA and Mortgage Brokers have a lot to answer to, I will continue to provide the level of advice that I have done in the past regardless of the Pansy regulations that the FSA and MOST networks want.... Chuck out the crap which I believe would be 50% of the mortgage industry and then I will respect the FSA and Networks etc.... |
| | Lack of understanding by the FSA of the issues facing customers - which mean many of their proposals are ill-considered and will positively harm the prospects of many individuals that already have mortgages - not to mention the access to mortgages for new borrowers. |
| | feedback on CP10-28 was the intermediaries opportunity to engage with the FSA on MMR, however what's happening now? CP10-28 seemed to define what will happen, where's the debate? |
| | The final recommendations will be watered down - The FSA has no backbone and Mortgage Intermediaries on the whole are not qualified enough..... |
| | Whilst trying to ensure a more stable market with fewer problems in maintaining their mortgage payments, The result is it is far more difficult for 1st time buyers. Some are saying its the end of the property owning society. If so the future problems caused by this policy are dire. People with mortgages usually complete them at or before retiring. From then on they have a home without mortgage payments or rents to cope with. Those that never got a mortgage because of the very high deposits now proposed will face retirement still paying rents on a lower income and this will be as a result of current policies. and it will be a disaster made by you. FIND a way to encourage youngsters to buy their homes not discourage them you are penalising the population in your fanatical desire to eliminate risk. |

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| Q4 | How do you think that MMR will affect the mortgage market? |
| | Cause a detriment to the market - Create other unnecessary jobs that will need to be paid for and who by!!! |
| | Cause a detriment to the market - Is likley to put more business towards Banks & single providers |
| | Cause a detriment to the market - They will Guide more potential mortgagees into banks where the Financial Services Authority will ignore breeches until it is too late, as we have seen with the recent PPI fiasco. |
| | Cause a detriment to the market - I think that a great many mortgage brokers will leave, as they are caused yet more problems |
| | Cause a detriment to the market - very concerned that existing borrowers will be stuck with their existing deals, costing more money and unable to move. massive impact on property liquidity and repossessions |
| | Improve the market - It will improve the market in some ways, but still allowing non-advised routes for vunerable customers, or not strongly defining an advised route will leave customers believing they've been given advice. |
| | Make no difference to the market - The FSA need to base regulation on customer focus, for example why does it cost a customer more to receive advice than to go direct? this is not treating customers fairly as those without sufficient money to cover cost have no choice. Wht is a customer charged an '\arrangement fee\' by a mortgage compnay when the broker '\arranged\' the mortgage? why are customers offered lower rates when they go direct and encouraged to forfeight advice? how is any of this treating customers fairly? |
| | Make no difference to the market - Will the public understand or even care. All people want is honest and professional advice. |
| | Make no difference to the market - Because the requirements will be watered down..... |
| | Make no difference to the market - just to those managing the paperwork doe the market! |
| | |
| Q5 | What are your top 3 concerns with the mortgage market today? |
| | Lenders\' lack of flexibility towards Self-Employed |
| | a lot of first time buyers used to have interest only mortgages to get themselves set up and also those on lower incomes such as trainee doctors etc and those with very young children planning to go back to work. these people will no longer be able to afford a mortgage and will join the rental market instead |
| | Adviser Fraud Competition |
| | Robotic underwriting. The building societies are much the better bet. The need for obscene profits has driven underwriting knowledge out of the industry because of costs. |
| | As above, as i broker i believe there should be no '\procuration fee\' any more, the client should be offered the exact same deal, with the same fees either direct or via a broker, if the client goes direct they pay the arrangement fee to the lender, if the client goes via a broker they pay the arrangement fee to the broker. Client then has true '\choice\' and a fair choice and is not financially disadvantaged. |
| | Dual pricing is not a problem as I charge clients a fee for whole of market, but lenders preventing clients using a third party broker is an issue. |
| | |
| | Are there other issues regarding regulation that you are concerned about, if so please specify: |

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| | As above many of the regulatory proposals are not actually there to protect the customer, the banks will always look for profit over service and MMR still fails to address this. How a customer can end up being charged a higher rate of interest or 2 lots of fees just because they sought advice is simply NOT treating customers fairly. Nor is it providing a good 'image' of the industry or assisting advisers to stay employed. |
| | Exorbitant regulatory costs |
| | The regulator should be taking steps to restore confidence in the securitised funding of the mortgage market which in turn would enable the return of specialised lenders that would broaden the choice for consumers. Encouragement of insurers to provide MIG products for consumers would also enable higher LTV lending and restore the first buyer market that both the housing industry and consumers desperately need |
| | The big boys will get away with murder again because FSA will walk away from the fight and the little guy gets stuffed again. Lenders not lending because they have to have capital adequacy, when will they lend again. Reserves are good but they are LENDERS |
| | Personally, I prefer prescriptive regulation so I know where I stand. |
| | Thankfully I am getting out of the market and retiring. |
| | Replacement of FSA - boundaries of new regulators may overlap and it will be difficult to avoid dual reporting of similar issues, thus increasing the burden of regulation even more. |
| | 1. All face-to-face sales should be on an advised basis - customers perception is that they have received advice so advisers (primarily lenders) should not be able to hide behind a non-advised service 2. The rules in respect of Advised/Non-advised sales need to be overhauled - presently a sale can only be one or the other but there are so many issues where a client has to take responsibility for their decisions (possibly against the advice of the broker) 3. The MMR is a claims management company's goldmine 4. The proposed rules for the roll-up of fees is inappropriate and unworkable. The KFI needs to be redesigned and this process could impose new requirements that would satisfy this issue 5. The 'lender direct' issue is a total nonsense and brokers should be allowed to ignore those deals completely 6. The FSA has already discredited Interest-only mortgages with its ill-thought comments. Why do they keep on doing these things?? Time and space do not allow me to set out all of my thoughts here |
| | Don Not Water things down.... |
| | Why complicate everything with reams of paperwork. Blame culture gone mad. Keep it simple. |
| | The FSA do not seem interested in taking the banks to task over lack of TCF - for example, I came across a mortgage last year where clients were charged £50 for every overpayment. This kind of thing is rife amongst the big lenders but the FSA are more intent on closing down small brokers. |
| | Too strict credit criteria imposed by lenders supposedly on the advice of the FSA ! |
| | FSA wrongly place equity release within the scope of MMR. It belongs under RDR as a retirement solution & advice should be wholly fee based & advisers subject to level 4 qualification. |
| | It seems that whenever changes occur - and I have been on FS for 20 years - the admin burden gets heavier. I cannot afford to employ anyone, so have to carry out all admin myself, and there is far too much - much of it totally unnecessary. |
| | The ability of the FSA to change rules retrospectively which could make an action that was legal, honest and within the rules at the time subject to different future criteria and open to enforcement action. |

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| | The lenders are pushing through the things they want, at the expense of the broker. The lenders and FSA want to see the end of the broker and push all business through the banks doors. |
| | The FSA has demonstrated since it took over the regulation of General Insurance that it clearly has no understanding or grasp of the market. Equally its credentials of utter incompetence have eroded any potential for confidence. All against a wall, no blind folds please... |
| | I think that the markets worked enough under the old MCCB code. The FSA is a drain on resources in terms of time and financially. I spend more time on making sure that I keep up with FSA directives and procedures, than I do advising. I have been advising as an IFA for 19 years and have never had a complaint. It feels like the regulator is using a sledgehammer to crack a very small nut. As a \"one man band\" the amount of time that I spend on regulation adversely affects my profitability. |