



### INTRODUCTION

Welcome to our latest round-up of communications and messages for the month of October 2019. As a reminder, the signing of these documents each month is important because it goes some way to evidencing your CPD

### PROTECTION UPDATES

**Incentive** – Well done to everyone who has embraced our B&C incentive. The incentive is based on applications confirmed on The Key and it runs until 31st December, so there's still plenty of time to get those applications in to improve your chances of winning one of our prizes. And to help, L&G are running training workshops and PaymentShield have webinar style videos that are well worth watching.

**Q3 Top Performers** – Well done to Rob Chart who just pipped Paul Gent to top spot for Q3 protection applications, and well done to Scott Sutton who claims first place for GI above Matt Stephens in the same period.

**PaymentShield** – When you record a PaymentShield product sale on The Key, please ensure you state the insurer as PaymentShield, rather than the actual insurer in the background – thank you.

**And in other news, we bring you the following protection provider updates:**

**Zurich** – Their products are priced by quarter birthdays when quoting.

**L&G** – Have launched their new Renters Protection and they have marketing materials and a webinar to help you understand the need which requires protection.

**Vitality** – They are re-introducing their discounted Apple Watch (series 5) promotion for clients paying more than £60 per month (base cost) on their Vitality product.

**LV** – A Reminder that Fracture Cover (up to £2,200 per payout) comes free of charge with all of their products.

**Royal London** – Their Diabetes Cover is a life product specifically for those with diabetes. There are fewer medical questions than on a normal life application, and they don't go for medical reports, meaning they offer immediate terms.

**Vitality** – New terms on their Income Protection product range means that you can recommend a 52 week deferred period for a client working in any public sector role, and they will pay out a claim sooner if benefits reduce before this point. Also, any income protection policyholder can provide evidence of income within 6 months of the policy start date to lock in (guarantee) their income protection benefit pay-out amount in the future.

**Zurich** – Their term assurance product can be selected to include a conversion option meaning that it can be converted to whole of life in the future. They also offer a whole of life plan which is competitively priced. Please talk to your Sales Manager before recommending these products though.

**Royal London** – A reminder that their 'helping hand' scheme provides benefits for the client and their immediate family and comes with all their protection products.

## LENDER UPDATES

Here's a snippet of some lender news from the past few weeks...

**West Brom** – When you next go to their site, click on New Portal and register for it, to enjoy the benefits of this new system, including soft foot print DIPs and the ability to add notes to a DIP if you want to. Also, West Brom do 5 x income at 95% LTV for sole applicants, and for joint applicants their systems say its 4.5% income, although somehow the calculator often is more generous than this. Check out their affordability calculator.

**Aldermore** – If your BTL doesn't fit a mainstream lender, try Aldermore as their affordability calculator gives big uplifts for higher rate tax payers. Also, for portfolio landlords, Aldermore assess the portfolio as a whole, rather than individual properties and so if one property is very highly geared it often wont affect their ability to lend. On the residential side, Aldermore can often go to 5.5 x income where the household income is over £50k.

**TSB** – Their maximum lending is 4.75 x income to 90% LTV and 4.49% to 95% LTV. They also ignore most salary deductions including season tickets and pensions. TSB also allow debt consolidation to 85% LTV, higher than most lenders.

**TMW** – Have updated their online portal and they have created some videos to help Advisers navigate the new system.

**Accord** – Now lend to age 80 where the clients are contributing to a pension scheme.

**Atom Bank** – They have launched a commercial arm and so please consider giving Tim Gunning a call to discuss your next commercial deal.

## GOVERNMENT SCHEMES

**Help To Buy** – The equity loan sustainability calculator has been updated so Advisers can now input the applicable lending rates after the fixed rate has expired, rather than the assumed SVR of 4.8%. This should result in more people fitting affordability.

**Shared Ownership** – The Government has confirmed measures to help people on lower incomes get on to the property ladder. One initiative is for tenants in new housing association properties to have a right to buy a share of their home starting at just 10%. Another is for existing shared ownership clients to start buying more of the share in 1% increments.

## FCA GENERAL INSURANCE PRICING PRACTICES

The FCA interim report on General Insurance pricing practises initially focussed on household and motor markets. The results of this thematic review are not good reading and the regulator has concluded that these markets are not working well for consumers. Aside from the fall out of this review in these two markets, the FCA is expected to announce its next area of thematic review in the next few months. It is widely expected that this will include the pricing of protection products (Life, CIC, IP, etc.). In this respect we are happy that our multi tie Advisers are offering market leading rates which achieve good customer outcomes.

## FCA RESPONSIBLE LENDING RULES

The intention from the FCA is to remove any barriers in their rules to consumers who are up-to-date with payments being offered a more affordable mortgage. This is aimed at mortgage prisoners. Mortgage lenders will be able to offer a modified affordability assessment where the borrower:

- Has a current mortgage
- Is up-to-date with mortgage payments
- Does not want to borrow more money
- Is looking to switch to a new deal on their current property

Essentially lenders wont have to conduct income and expenditure assessments where the borrower is moving to a more affordable mortgage.

Whilst lenders are not obliged to adopt these new rules, it is expected that some will. Therefore, if you are aware of clients who are stuck on expensive deals and who you are not currently able to re-mortgage, then there might soon be an opportunity to help them.

## AMI'S QUARTERLY ECONOMIC BULLETIN

This latest bulletin sets out AMI's current views on the economy, housing and mortgage markets. You can go online to get more in-depth views on issues affecting both Advisers and consumers.

- The UK is caught in an uncertainty curve as the latest slew of economic data proves.
- Employment is rising steadily, with an increasing focus on self employment, part time and contract work filling any gaps left by shifting work patterns.
- The ratio of planning applications applied for against granted has tightened.
- The logjam in the delivery of new homes now sits squarely with developers rather than local authorities.
- There remains a severe and widening wealth gap between North and South, evidenced by the value of equity held in property. This will be exacerbated over time as this wealth is passed down a generation.

- A move to execution-only could create a reason for mortgage product manufacturers to design up front offers that look attractive to customers, but may include penalty clauses that bite all at the tail end of the deal period, raising the possibility of accusations of unfair contracts.
- Brokers continue to write new business on Libor-linked products, without being able to advise clients on how the move to Sonia will impact them should their term extend beyond 2021 - lenders must communicate their plans to intermediaries as relates to the switch as soon as possible.

## RISK REALITY CALCULATOR

Are you still using this excellent tool to help with your Protection Sales? You should be! It can be accessed from The Key and all that is required is the answer to 4 questions to generate a bespoke report for your clients. You can either use this in the client appointment, or you can send out the link beforehand for the client to complete themselves as preparation for their protection meeting.

## WINDOWS 7 REMINDER

Just to remind you that Windows 7 will no longer be supported from January, which means those computers will become more susceptible to viruses, and your applications and operating system will slowly stop working properly. If you have a computer with a Windows 7 operating system, you must either replace the computer or upgrade to Windows 10 professional. Please let Dave Riley know asap if you are still clinging on to Windows 7 – thank you.

## SAVE THE DATE

Friday 17th January 2020..... Conference time! [Please Click Here to RSVP](#) if you haven't already – thank you.

## WELCOME

We'd like to give a warm welcome to Lindsey Quirke and Giulia Riccato who have both joined Elysian Finance, as a Mortgage Adviser and Protection Adviser, respectively.

And also a warm welcome to Petru Balan who joins Finance Planning as a new Adviser. In his first few months though, Petru will be helping Richard in a head office role.

Good luck to all three of you with your new careers!

## WELL DONE

Well done to Phil Smith who has achieved a black belt in American karate kick boxing – so it's probably best not to mess with him!

Also, well done to Lewis Jones of Elysian Finance who has passed his CeMAP paper 1.

## MORTGAGES – ADVISER LEAGUE TABLE FOR OCTOBER

**Wow – Wow – Wow. We're not sure what's most incredible?**

The ridiculous volume of applications once again submitted by Dan Fletcher – 32 this month! That Rob Chart and Jon Butler do 28 and 25 mortgages, respectively, and don't come out on top! Or, that there are over 20 Advisers featuring in this month's league table.

Pos.	Adviser	Mortgages
1 <sup>ST</sup>	DAN FLETCHER	32
2 <sup>ND</sup>	ROB CHART	28
3 <sup>RD</sup>	JOHN BUTLER	25
	PAUL GENT	22
	PAUL RIPLEY	21
	KAREN LOOKER	18
	ANDY POUSTIE	17
	PHILIP SMITH	17
	CATHY RAFFETY	15
	SCOTT SUTTON	15
	COLIN MACKAY	14

Adviser	Mortgages
JIM MAYE	12
MATT STEPHENS	12
CARL THORNE	11
DAVE JACOB	11
CHRIS WILLIAMS	10
DANIEL WALSH	10
DANIEL GRANT	10
KAREN MILLS	10
MARION HUNNISETT	10
PETER STICKLEY	10

### CPD

As with previous months, please can you now electronically sign this document to confirm that you have read and understood these important messages – thank you.

This "Monthly CPD" document can be downloaded and saved to your computer by accessing the separate email which you have been sent.

And don't forget to be noting down any CPD you undertake as 15 hours of insurance CPD is required by the end of the year.

The Finance Planning Management Team.

