



CPD JUNE 2020

ID AND PROOF OF RESIDENCY CHECKS FOR CLIENTS YOU HAVE NEVER MET.

An ongoing reminder here that if you have never met a new mortgage client, so that will be most of your new client referrals and introducer leads, then you will require an AML check, which we can do via Equifax. These reports can once again be requested by emailing Lynn.

Second and subsequent sales in The Key (Compliance News 11/20)

A reminder that when you create another sale in The Key by opening a “new sale” that you must thoroughly check the information which is carried over. Whilst it is really handy to have a big chunk of the fact find pre-populated for you, please remember this was accurate probably two or more years ago and so much of it will need changing. In particular, please remember to click on each “more tab” and delete or update this visually-hidden information too, such as any debts hidden behind the “more tab” under “financial commitments”.

Updated Protection Advice Standards (Compliance News 12/20)

We have updated and re-issued the Protection Advice Standards (PAS). Please re-familiarise yourself with this document, and in particular the changes highlighted in yellow. You are then required to complete the Test to demonstrate your understanding – links to the new PAS and the Test are contained within the Compliance News communication.

Lead Providers (Compliance News 13/20)

All lead providers, whether they are estate agency introducers or marketer lead providers must be registered and formally approved by us. As part of this approval process we undertake due diligence on that firm. If you have any new lead providers, or perhaps you have stopped receiving leads from an existing lead source, then you must inform Pete – thank you.

CURA specialist protection referrals (Compliance News 14/20)

CURA are often able to place protection cases, where ordinarily we cannot – perhaps because of an individual’s complex medical history. When we make a referral, CURA then take responsibility for any advice (and provide us with a split of their commission). It’s important that we distance ourselves from their advice by sending the client a letter to inform them of the referral, in much the same way as we do for 2nd charge mortgage advice.

A template referral letter can be found in The Key (at the bottom of the Documents section).

FCA REVIEW INTO EQUITY RELEASE SALES

The FCA have published their findings following a review of Equity Release sales and it isn't great reading. The Regulator reviewed the advice on a sample of cases, and these are some of the poor outcomes they identified:

- Younger borrowers not being told about alternative borrowing options, such as traditional mortgages
- Short-term benefits such as debt consolidation being wiped out by the long term cost of equity release
- Customers paying substantial ERCs, often many thousands of pounds, because their circumstances had changed shortly after taking out the loan
- Customers limiting their ability to release further cash, or downsize, in the future without repaying their equity release in full

Whilst we are obviously now undertaking our own review of our later life process, to ensure they are sufficiently robust given the FCA's findings, we are confident that the advice we have provided to clients in this sector has always been appropriate. Our ER Advisers go to great lengths to ensure that a lifetime mortgage is the right outcome, by discounting every other means of capital raising first; everything from a traditional mortgage, to borrowing from family, to RIOs, to down-sizing, etc. Indeed, many of you without the ER qualification, who have referred cases over to one of our ER Advisers, would have experienced a situation where a lifetime mortgage has not been recommended because it is not considered most suitable.

FCA UPDATES TO MCOB – “CHEAPEST RULES”

Following the fairly critical FCA Mortgage Market Study from a couple of years back, now comes the latest change to the MCOB rules around mortgage advice and selling standards.

From 31st July the “cheapest rule” applies where there is more than one product available to meet the customer needs. If the cheapest of these products is not recommended, then we must ensure that the reasons for this have been explained to the customer and a record of this must be retained on file.

Hopefully this will feel very familiar to you all, as we have always required you to do this, under a banner of “justification of lender”. This has always formed part of our record keeping checking processes, and it will obviously continue to do so. However, whereas the 15 instances where our own “justification of lender” rules were not fully adhered to in our checks from January to June of this year, from next month these will potentially be reportable breaches to the Regulator. It is now more important than ever to ensure you have discounted all [cheaper] lenders where the cheapest deal has not been recommended.

PROTECTION AGAINST FRAUD & SCAMS

The following advice to help us all stay safe from fraudsters comes from Kat at Santander.

We want to reassure you that Santander are here to help you. Fraud is not going away, and criminals will always use current situations to try and trick people out of their money. We're aware of some different scam tactics that are being used to target people so it's important that you remain alert, keep up to date with the current trends and be on the lookout for anything suspicious.

Here are some hints and tips that could help you and your customers during this challenging time.

THE SCAMS

'Face mask for sale' – criminals will post fake adverts online selling coronavirus-related protective equipment and health products, including face masks and hand sanitiser. They may even claim there's a test kit you can purchase. Once you've paid, the goods never arrive.

An act of kindness? – offers of help and support with day-to-day activities, such as getting your shopping in. Many people are genuinely doing this for free, but criminals will ask for the money up front or say you need to hand over your card and share your PIN.

Impersonation emails – criminals impersonate genuine organisations, such as the World Health Organisation (WHO) or HMRC. They send emails asking you to click on a link to receive more information, to claim a refund or to donate money to help others. But these links go to fake sites where you're asked to enter your details, or they'll install malicious software on to your computer or device.

Helping someone in difficulty – requests from someone who claims to be stuck abroad or needing financial support because of the coronavirus outbreak. They'll convince you to send them money, which ends up in the hands of the criminal.

'We've got a vaccine' – calls or emails offering to reserve a COVID-19 vaccine, or to secure other health products. They'll claim to be from a legitimate organisation and ask for your personal and card details to secure the transaction. You pay the money, but the items never arrive.

'Your money's at risk' – criminals may call you pretending to be from your bank or another legitimate organisation. They tell you that your money's at risk and it needs to be transferred immediately to a new account. The story is not real, and the money is actually transferred to the criminal's account.

'Validating security details' – texts and emails are being sent that appear to come from your bank. They'll ask you to click a link to validate your security details, checking they're working correctly so you can continue accessing your account. The link takes you to a fake site to steal your details.

Offers of financial support – callers offering to reduce interest payments or give payment holidays on your credit cards, loans and mortgages. They could also offer to apply for Government initiated financial support packages on your behalf. These calls won't be genuine, but they'll request your card or bank details to check your eligibility or to progress the application.

PROTECT YOURSELF

Knowing our key fraud advice will help you protect yourself, your clients and those you care about.

Always Take Five and verify that any contact is genuine – use trusted sources and publicly available telephone numbers.

Never rely on a caller's phone number to verify their identity. Fraudsters can 'spoof' a phone number to make you believe it's a genuine call.

Remember, a genuine organisation will never rush you in to taking action. If you're ever unsure of what you're being asked to do, take your time and don't be rushed.

Avoid paying by money transfer when buying online. Pay with secure payment methods, such as PayPal or your credit/debit card.

Never transfer or withdraw money out of your account if you're instructed to do so for security reasons. Your bank or the police will never ask you to do this.

Never click on links or attachments in emails received out of the blue and never enter your online banking details after following an email link.

Always be honest with your bank regarding the reason for the payment and why you're making it. Read/listen to all fraud and scam warnings given to you.

Never send money to someone you've recently met, or someone who's told you they urgently need you to send money, this could be a scam.

CANADA LIFE – EX-SMOKER CLARIFICATION

Canada Life has been much talked about recently, concerning the way in which they treat ex-smokers, or those vaping, or using nicotine. So, here's the clarification – hopefully! Canada Life class e-cig users/vapers as an ex-smoker, but they have two price sets depending on the product required:

Life only = there is a discount off the full smoker premium which averages between 30-50% off the smoker premium depending on when the client last used tobacco

Life+CIC = non-smoker premiums are given so long as the client hasn't used tobacco for 1 year.

It doesn't matter if the e-cig contains nicotine or not.

Yes, you have read that correctly, for Life+CIC Canada Life are more lenient when CIC is added to the product!

LV= - PROTECTION PROGRESS HUB LIVE

The new LV= Protection Progress Hub is now live and provides an easy way to track your applications, together with providing a dashboard giving an overview of all your LV= protection cases.

L&G – WEBINARS

L&G have an array of webinars and training tools to help Advisers. [Please Click Here to access details.](#)

L&G – PROTECTION TOOLS

L&G are promoting two handy tools to help calculate the benefits of protection; a 'deadline to the breadline calculator' and a 'maximum and stepped benefit calculator'.

ROYAL LONDON – CLAIMS

Royal London are the latest insurer to provide a breakdown, and details, of their claims pay-outs in 2019, together with Adviser guides to help prevent claims from being rejected. Full information can be found on their website.

PAYMENTSHIELD – 22% DISCOUNT!

Paymentshield are slashing their B&C rates by an average of 22% for all new re-mortgage, product transfer and equity release clients. This offer only applies to individuals who have not held a Paymentshield B&C product in the past three months. It is envisaged that this offer will be in place for the remainder of 2020 to help consumers through the financial pain of the coronavirus. Please speak to Danielle Goodwin (01704 518588) for further details.

IPTF – INCOME PROTECTION TASK FORCE

Last month we suggested you take a look at the Protection Guru website. This month we are recommending the Income Protection Task Force website <https://iptf.co.uk/> This website is packed with useful information, facts, guides, videos and much much more concerning... Income Protection!

PROTECTION CPD

All insurers are providing webinars on their products and services. Please refer to your emails or our weekly listing of forthcoming live or pre-recorded webinars for more details. Most webinars last just 30 minutes and so please ensure you maintain or refresh your knowledge by attending an array of these online training sessions. The IPTF and Protection Guru websites are great for topping up your CPD too.

With a daily flurry of changing interest rates, withdrawn and introduced lending bands, and ever changing lender criteria, here are just a few more general mortgage market updates for you.

COVID-19. MORTGAGE PAYMENT HOLIDAYS

The FCA have announced additional guidance on payment holidays designed to help customers whose income continues to be impacted by the coronavirus pandemic. This will mean that:

Customers can continue to apply for a payment holiday until 31st October 2020.

Customers who have already arranged a payment holiday can request an additional three months payment holiday - providing a maximum break of 6 months.

Customers wishing to extend their payment holiday must wait until the initial holiday has come to an end before arranging an extension.

Customers who can afford to pay their mortgage in full shouldn't consider a payment holiday - due to the long term impact on the amount they will pay.

Customers on a payment holiday should think about making reduced payments towards their mortgage, to minimise the long term impact on the amount they will pay – if they can afford to do so.

Once a payment holiday has finished, the lender will write to the customer explaining their options in full.

Clients should be referred to their lender for further information.

HELP TO BUY: EQUITY LOANS

A reminder that the current Help To Buy scheme is coming to an end. And, despite calls in industry press to extend the present scheme, there are currently no plans from Homes England to do so, and so we are facing the closure of the current Help To Buy: Equity Loan scheme, with all properties needing building completion (habitable) by 31st December 2020, and then for the purchaser to legally complete by 31st March 2021.

But, a new Help To Buy: Equity Loan scheme will then run from 1st April 2021, for two further years. This final scheme will be more targeted at those who need help onto property ladder, meaning some of those individuals currently eligible, won't be next year, for instance home movers:

It will be restricted to first time buyers, defined in line with stamp duty land tax exemption, as someone who has never owned a property before.

It will include regional property price caps based on average first time buyer prices in each region. The published caps take average first time buyer prices for the region (inflated to account for property price growth) and add a further 50% to ensure there is good availability of the scheme.

For more information please visit this site

<https://www.helptobuy.gov.uk/equity-loan/eligibility/>

FAMILY ASSISTED MORTGAGES

With the short supply of high loan to value mortgages, something to consider for those clients who are unable to raise a 15% deposit might be to consider a family assisted mortgage.

Lenders such as Barclays, Mansfield, Family BS and Buckingham BS are currently marketing these products with just 10% deposit. If you're not already familiar with this type of scheme, then we recommend you speak with these lenders to find out more.

MORTGAGE CPD

And like with protection, we require you to also record your mortgage learning and development. Please therefore ensure that you remember to include on your CPD Log any lender learning, such as lender webinars, BDM conversations, and of course any industry updates – whether they be webinars, meetings, reading or even discussions with colleagues.

MORTGAGE – ADVISER LEAGUE TABLE FOR JUNE

A huge well done to the 21 Advisers who have all made it into this month's league table by submitting 10 or more applications, but in particular to Dan Fletcher, who once again leads the way with an incredible 36 cases!

Dan Fletcher	36
Cathy Rafferty	21
Daniel Walsh	20
Peter Stickley	16
Scott Sutton	16
Paul Gent	15
Philip Smith	15
Rob Chart	15
Chris Williams	14
Marion Hunnisett	14
Paul Ripley	14
Phil James	14
Matt Stephens	13
Dave Jacob	12
Andy Poustie	11
Eddie Rozario	11
Graham Morris	11
Karen Looker	11
Carl Thorne	10
Tim Dock	10
Trevor Farley	10

PROTECTION – ADVISER LEAGUE TABLE FOR JUNE

And with that huge post-lockdown rush on new mortgage enquiries, it's no surprise that we've taken a hit on protection applications this month. Well done though, to the following Advisers for making this month's protection league table, but in particular to Scott Sutton & Paul Gent for taking the top spot. (These figures include both protection and B&C).

Scott Sutton	13
Paul Gent	13
Giulia Riccato	11
Jane Hutchinson	10
Matt Stephens	10
Rob Chart	8
Philip Smith	7

FPG HEAD OFFICE – IMPORTANT UPDATE

From July 6th the office will be open to FPG staff and advisers but closed to everyone else.

The Government guidelines are still to work from home where possible so most of us will be continuing to do this. The office opening times will be flexible and Lynn will be there from 9am. If you would like to use the office can you please call Lynn on the office number or lynn.strange@financeplanning.co.uk

In terms of client visits, we recommend that you continue to do these remotely. However, where you have a client who insists on seeing you, and you are happy to meet up, then we have provided some guidance to help keep you safe. Please familiarise yourself with this guidance (Compliance News 09/20) and please keep abreast of any changes to Government rules on social distancing.

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. You can then record any learning using our CPD Register on the Knowledge Hub website.

The Finance Planning Management Team.