

CPD APRIL 2021

COMPLIANCE NEWS 08/21 – RECORDING CPD

In this Compliance News we informed you of our about-turn with re-setting your CPD to zero each quarter. Instead, your entries will stay on the system of the calendar year, enabling you to easily look back on any lender or insurer information you might have recorded in your learning. You are still required to complete at least 4 hours of insurance CPD plus 4 hours of mortgage CPD in each quarter though.

NATIONAL CYBER SECURITY CENTRE (NCSC) UPDATE

We know we have talked about this many times before, but it really is important and so we are now repeating ourselves.

The NCSC has recently released a report to encourage people to use three random words for passwords, following research that 15% of British people use their pets name as a password for their online accounts. Other popular passwords are kid's names and sports clubs you follow – basically a word that can be connected to you, which kind of misses the point!

Action – please review your passwords and amend them where necessary. Also, please ensure that your email account password is unlike any other password that you have and that you have 2-factor authentication enabled. If you are unsure of this on your @financeplanning.co.uk email account, then please speak to Weald.

HMRC SCAMS

The taxman wants us to know that fraudsters are frequently impersonating HMRC to scam people, so please use only their Gateway, or a phone number from their website, to communicate with them. Do not respond to any texts, emails or phone calls.

WHISTLEBLOWING AND THE FCA'S 'IN CONFIDENCE, WITH CONFIDENCE' CAMPAIGN

Whilst we do already have a whistleblowing policy which can be found on our Knowledge Hub website, the FCA are currently looking to raise the awareness of whistleblowing. The FCA wants us to know they listen to calls from whistleblowers and, if they shine a light on serious misconduct, then the Regulator will act responsibly to keep everyone safe, as that is their aim.

FCA'S CRIMINAL PROCEEDINGS AGAINST A FAKE ADVISER

You might recall us speaking of 'fake Advisers' or 'phantom Advisers' in the past – individuals who portray themselves as Mortgage Advisers, when they are not. One such individual has recently been caught and now faces prosecution, with an accountant too, for creating and presenting fake documents to lenders to secure his clients a mortgage. It is reported that at least £3.8 million has been fraudulently obtained on cases involving this individual (Larry Barreto) who now faces up to 10 years in prison if found guilty of fraud. As a reminder, please do not take leads from any random Mortgage Adviser or Accountant without Finance Planning first being able to carry out some due diligence on them – thank you.

MORTGAGE BRAIN – ADVERSE CASES

There is currently a known error in Mortgage Brain when sourcing on 'adverse cases'. When adverse is ticked in the 'purchase type' section of Mortgage Brain your sourcing results will simply return an "error" with no results. The work-around to fix this if it happens is as follows:

- Untick Adverse
- Progress to sourcing results
- Generate an illustration
- Then click Start again
- Input the Adverse credit
- Generate an illustration and it works this time

When Mortgage Brain is next updated, this issue will be permanently fixed.

THE KEY – LOGGING OUT

This is a simple reminder for you to ensure that you log out of The Key regularly, i.e. close it down properly when you are not using it, or definitely at the end of each day. Failure to do this could result in you losing data entered in The Key fact find.

MORTGAGE SUBMISSIONS – LENDEX (PART OF THE KEY & MORTGAGE BRAIN)

Technology is finally catching up with us and The Key and Mortgage Brain have developed a system called Lendex. The purpose of Lendex is to reduce the duplication of keying client information. The idea is that you type a fact find on The Key, and then that information can be used to pre-populate a lender application, saving you time in not having to re-type all of that information again. The lenders currently fully active in Lendex are: Nationwide, Coventry, Platform and Virgin. More lenders will be joining later in the year.

Some points to note about Lendex usability are that you'll firstly find a link for Lendex within the Products section of The Key. The first time you access the system you will need to log in using your Nationwide login code and password. The lender applications in Lendex will look identical to those on that lender's portal and you can also upload supporting documents and then 'case track' in Lendex too.

For more information you can watch the recorded Lendex webinar which is on our Knowledge Hub website.

GIFTS & HOSPITALITY

Given the state of the nation in the past year I doubt very much anyone has enjoyed any lender or insurer hospitality, but where you have received a gift of any sort from a client or organisation, then please do report this Pete Burgess for logging on our Gifts & Hospitality Log, as required by the Regulator. Only items exceeding £20 in value need reporting – thank you.

COMPLAINTS WITH RE-MORTGAGE DELAYS.

In recent months we have seen more instances of re-mortgage clients missing their 'due date' to switch from their previous lender to the new one, meaning they sit on their existing lender's SVR for a period of time. Whilst these delays are rarely the fault of the Adviser, unfortunately it is often the Adviser with whom the client takes issue. I'm sure you have all encountered these situations, and we have even seen a couple of these instances turn into formal complaints. Because of conveyancer backlogs currently, and the pending changes to stamp duty at the end of next month, we don't expect this situation to change – in fact, if anything, it will probably worsen for re-mortgages as purchases get prioritised, especially at the end of June.

Action. We therefore encourage you to manage your client's expectations in this respect as the present norm is probably to sit on SVR for a week or so, even if the client does return all the necessary paperwork in ample time. These client discussions are recommended for pipeline clients as well as those you are currently advising.

HELPFUL ORGANISATIONS – PROTECTION GURU AND IPTF (INCOME PROTECTION TASK FORCE)

It might be that you receive emails through from these two different firms. If you do, then please do pause and read them because they both provide lots of useful protection information to help us improve our knowledge and sales results. Whilst the IPTF is income protection focused, Protection Guru covers all aspects of protection and because of this their website is well worth looking at too.

AMI – HOW ADVISERS SHOULD POSITION PROTECTION

Protection should be central to every conversation with a client, whether it be with a new customer or an existing one. Any time a client takes on debt, Advisers should consider how we can protect the client from default, in case the worst should happen.

When it comes to new clients, we should make it clear that protection will form a key part of the advice we provide to a client and discuss this from the very start of the advice process to ensure that borrowers realise the importance of having cover in place. Introducing protection at the end of the advice journey might make clients think it is an unnecessary ‘add-on’ and not worth having when, in reality, it may end up being the most important product they hold. Making the problem bigger than the premium can help further here, as it can enable clients to realise the array of benefits that come with protection policies should they be faced with financial hardship.

It is also crucial that Advisers keep protection conversations going throughout a client’s lifetime. We need to consider how protection will support our clients and their families at every point of their financial lifecycle, whether this be when they purchase their second home, start a family, or something different. Keeping in touch with customers and confirming when their circumstances change is a good way of achieving this.

Having regular, in-depth, and honest discussions about protection will help us support our customers in the best way possible, during the current crisis and beyond. Ultimately, doing so in a memorable way will ensure that more families have vital cover in place and that they are shielded from significant financial hardship later down the line.

2020 CLAIMS DATA

Claims Data for 2020 has now been published by the following insurers: Zurich, LV, Aviva, L&G and The Exeter. Claims numbers and pay-outs are up across the board, probably due to the Covid pandemic (with The Exeter citing Covid as being responsible for 31% of all their claims!), and so this data further validates the reason we should be discussing protection to all clients at every opportunity. A client who did not want protection in the past, may well want it now!

L&G

L&G have recently published the second of their ‘The Link’ e-newsletters which features lots of interesting protection articles. The second edition includes a summary of the 2020 headline data and how we might want to think about replacing lost mortgage PT income with more protection sales, plus lots more. It is worth a read.

GUARDIAN – SALES AID

This insurer has produced a sales aid to highlight just some of the key benefits of their protection products, including faster pay-outs, better cover for couples and always updating existing policies with improvements to terms offered on new policies, to name but a few.

AIG – UNDERWRITING CHANGES

Their 'virtual screenings' have been broadened meaning more virtual underwriting exams rather than in-person exams have been undertaken on larger sum assured cases, or where cover is needed for older applicants.

Also, they will now automatically apply a 25% rating where an ex-smoker has given up within the last five years.

LV – PROTECTION HUB

Their new Protection Progress Hub is an easy and convenient way to track the progress of your LV applications. You can access the new Hub via Fastway on their website.

SCOTTISH WIDOWS – SPECIALIST HEALTH & WELLBEING SUPPORT

This insurer would like to remind us of the array of benefits that they offer all policyholders as part of their protection policies.

Also, the Scottish Widows Protection BDM, Sara Tuscher, joined us on one of our Monday zoom meetings. The recording can be watched on our Knowledge Hub website, but some highlights are acceptable alcohol units (55 for a male and 44 for a female) being much higher than most insurers, good for Type 2 diabetes and Mental Health, 'clinic in a pocket' gives the policyholder and family unlimited access to online doctors. Smokers are interesting as Sara suggested that if someone gave up smoking within the last 12 months they will be given smoker rates now but they can switch to non-smoker rates when 12 months clear, with no clawback of commission! Finally, we might want to avoid this insurer with applicants who ride a motorbike or who are in the Armed Forces.

THE 95% MORTGAGE GUARANTEE (MIG) SCHEME – THE RULES.

HM Treasury has issued the scheme rules for the Mortgage Guarantee scheme which was announced earlier in the year in the Chancellor's budget. The scheme is intended to reinvigorate the high LTV mortgage market. The government hopes that as the scheme is based on the previous version launched in 2013, that lenders will be able to quickly offer new 91-95% mortgage products.

The scheme will mean that lenders can purchase a guarantee on the top slice of the mortgage. The government will compensate the mortgage lender for a proportion of the net losses suffered in the event of repossession. The guarantee will apply down to 80% of the purchase value of the guaranteed property. The scheme is designed to allow creditworthy households struggling to save for the higher mortgage deposits required by lenders in the current environment.

Mortgages eligible for the scheme will need to:

- Be a residential mortgage and not buy-to-let
- Be taken out by an individual or individuals
- Be on a UK property with a purchase value of £600,000 or less
- Have a loan-to-value of between 91% and 95%
- Be originated between the dates specified by the scheme
- Be a repayment mortgage and not interest-only
- Meet the standard requirements in terms of the assessment of the borrower's ability to pay the mortgage, for example a loan-to-income and credit score test

Please note though, that some lenders have restricted these 95% MIG deals to employed applicants only.

NON-MIG 95% DEALS

There are now a number of lenders in this space through natural 95% LTV risk-based lending, i.e. not using the Government mortgage guarantee. Please take care when sourcing to ensure you select the correct type of deal for your client.

EWS1 UPDATE

Whilst we still lack anything positive from the politicians on the subject of cladding, RICS have at least produced a 'decision tree' on their website to help surveyors understand when an EWS1 form will be needed. Advisers can access this tool too to help highlight a potential need for this document, prior to submitting an application.

HOLIDAY LET MORTGAGES

These mortgages seem to be growing in popularity, at the expense of traditional BTLs. There are now 21 lenders with a proposition in this space and deals are up 45% in the past few months.

Also, L&G have recently aired a Holiday Let webinar on their Sparks series of live webinars. The recording can still be watched via the L&G Mortgage Club website.

LIBOR MORTGAGES

Where we have customers whose mortgages might be linked to LIBOR, then we need to be aware that these customers must be moved to an alternative product by lenders by the end of 2021. The FCA have suggested the use of SONIA (Sterling Overnight Index Average) as a suitable alternative, and so it is expected that most lender will opt to switch customers to this new index. Whilst our clients advised in the past few years should be unaffected by this, it is anticipated that most affected individuals will be either historical BTL investors or possibly those individuals now classed as mortgage prisoners.

FOREIGN NATIONAL MORTGAGES

With Clydesdale, Virgin, Halifax & BMS being the latest in a long line of lenders who now require evidence of Settled or Pre-Settled Status, we suggest you always speak to the lender before applying, to ensure that your client is eligible with your recommended lender.

L&G MORTGAGE CLUB – UPDATES

Our Mortgage Club continues to bring us a selection of webinars and debates – pretty much every week – to help with our knowledge on placing cases. These are all recorded and can be viewed at your leisure on the L&G Mortgage Club website.

And below is an array of lender news to provide you with an overview, with more details being found on the lenders' websites.

HALIFAX

A reminder was published from this lender on how to correctly key a self-employed application.

SANTANDER

This lender has launched a Self Employed Mortgage Calculator to assist with these applications. They have also again changed how they assess the self-employed. If you really do need to use Santander for self-employed cases then please do use the calculator and/or discuss the case with Kat or Faye before submitting.

NATWEST

Firstly, NatWest now have a soft footprint AIP, and secondly, our BDM, Rachel is once again Rachel.plane@natwest.com Or, Sarah can still be contacted on sarah.hollywood@natwest.com

SKIPTON

Some highlights from this lender's pitch at our 4pm Monday zoom meeting were: 95% LTV on purchases including self-employed applicants, JBSP to 85% and can live at the same property, Interest Only is up to 70% LTV but 80% LTV on part and part cases, SIPP (4%) can be used for annual income for the over 55s, and whilst an applicant's additional income used is generally at 50%, up to 100% can be used on stronger cases.

BESPOKE

This lender will take most complex incomes, including pay from various income streams and a director's pay from multiple Ltd Co's.

VIDA

They are back in play with some improved underwriting processes and service.

HARPENDEN BUILDING SOCIETY

This lender would like us to know they have a flexible approach to underwriting where they are keen to chat a case through, rather than using underwriting algorithms. Graeme Aitken is on 07483 310334 or gaitken@harpendenbs.co.uk

L&G HOME FINANCE

LGHF have provided us with an exclusive product-fee-free RIO offering 3.39% fixed for the lifetime of the mortgage. As always however, we would suggest you pass any later life leads to our specialist Advisers who can weigh up a traditional mortgage v RIO v Equity Release, etc.

IPSWICH BUILDING SOCIETY

With aspirations to take over the world, but only in small steps, in a bold move The Ipswich would like us to know they intend to change their name to The Suffolk later this year.

LEEDS

Their head office is on the move, but still in Leeds, so no need for a change of name here, especially as Yorkshire is already taken! The new head office address for The Leeds is 26 Sovereign Street, Leeds, West Yorkshire, LS1 4BJ.

COVENTRY BUILDING SOCIETY

A reminder of the Coventry's interest only criteria. No minimum income is the positive bit, but they need a minimum of £300k equity and a maximum 50% LTV (thus ironically ruling out most Coventry residents I suspect!).

CLYDESDALE

You can now add the product fee to 85% and 90% deals without affecting the LTV.

VIRGIN

It is being cleverly marketed as '3 for the price of 2' – meaning some of their three year fixed rates, are now priced the same as their two year products.

FPG MONDAY WEBINARS

During April we recorded sessions with Metro & Skipton and both of these can now be viewed via the Knowledge Hub website. These lenders both offer something unique and so these recorded webinars are all well worth watching if you missed either of them.

Mortgage Apps

Dan Fletcher	28
Rob Chart	27
Daniel Walsh	20
Paul Ripley	18
Scott Sutton	18
Peter Stickley	18
Paul Gent	18
Karen Looker	17
Carl Thorne	14
Colin Mackay	14
Joanne Pope	14
Philip Smith	14
Joe Maskell	13
Phoebe Shepherd	13
Trevor Farley	13
Jack Savory	12
Martin Ecroyd	12
Karen O'Brien	11
Lindsey Quirke	11
Marion Hunnisett	11
Phil James	11
Cathy Rafferty	10
Claire Lipscomb	10

Paul Goodey	10
Tor Worthington	10
Jim Maye	10

Protection Apps

Paul Gent	46
Scott Sutton	22
Rob Chart	21
Jane Hutchinson	17
Richard Lucy	14
Simon Maskell	13
Graham Morris	11
Jack Savory	10
Trevor Farley	10

Well done to Paul Gent with a staggering 46 protection policies submitted in April. Wow!

Well done to Dan Fletcher for leading the way with mortgages in April.

The Millionaire Club

Mortgage Apps

Colin Mackay	£2,500,000
Jim Cox	£2,063,495
Lindsey Quirke	£1,875,000
Lindsey Quirke	£1,440,000
Paul Goodey	£1,390,222
Paul Goodey	£1,290,999
Carrie Millin	£1,115,000

Karen Looker £1,050,000

Nigel Urban £1,000,000

Joe Maskell £1,000,000

Protection Apps

Phil Thomas	£2,151,800
Richard Lucy	£1,760,100
Phil Thomas	£1,427,883

Investment Apps

Sarah Hope £3,600,000

Sarah Hope £2,200,000

And, congratulations to everyone who has featured in either of the league tables for April. As a reminder, please do ensure that you get your cases loaded on to The Key as soon as possible – thank you.

And for something different, well done to Rob Chart for his insurer spread in using 6 different providers, and to Dan Fletcher and Dan Walsh for leading the way on mortgages with 12 different lenders used in April.

THE MILLION POUND CLUB!

And well done to the Advisers who have added four more cases to the Millionaire Club, these being Jim Cox, Lindsey Quire and Paul Goodey with two cases.

Jim Cox	£2,063,495
Lindsey Quirke	£1,440,000
Paul Goodey	£1,390,222
Paul Goodey	£1,290,999

MAY FPG ZOOM MEETINGS

Just to confirm that we are continuing our weekly zoom meetings at 4pm every Monday afternoon. Each week we will be joined by a guest speaker, generally either an insurer or a lender. And, if you are unable to attend one of these sessions then the good news is that they are all now recorded and can be watched at a time convenient to you. Simply go to our knowledge hub website, then click 'hangouts' and then hangout recordings. You can also watch our Conferences from the 'our events' heading on the knowledge hub website.

Monday 10th May 4pm. Kat from Santander and Pete regarding Risk.

Wednesday 12th May 10am - My Homemove (see below).

Monday 17th May 4pm. Tom from HSBC.

Monday 24th May 4pm. TBC

CONVEYANCING PPL

We have quite a few advisers who get frustrated with free legal firms for remortgage's and also those who like to offer an alternative for traditional solicitors who are quite expensive for conveyancing. In addition a referral means a referrer fee for you too.

So we have asked Daniel May from My Homemove (also known as Simplify and Premier Property Lawyers) to share with us the benefits of their offering and also how to get an illustration and importantly what you need to do if things go wrong.

We have been partnered with My Homemove for over 5 years so the partnership is quite strong. The session will last for about an hour & I promise you will learn something.

Key Points:

Opening Hours – 8-8 Monday-Thursday, 8-7 Friday and open at weekends as well.

No move, no fee

Search Guarantee – If the property being purchased falls through, through no fault of your client (Vendor pulls out or property gets downvalued). We cover the next lot of searches free of charge.

Online case tracking for both Broker and Client through our eWay and leWay platforms.

Online Quoting via leWay.

Your client is given a dedicated conveyancer to look after their case from start to finish.

We offer clients access to a call booking system, to directly book a time to speak to their conveyancer when they are free.

We have dedicated Remo & New Build Teams, all home mover cases are dealt with by our Premier Broker Team.

We are the largest conveyancer in the UK, completing more cases every year than 2nd,3rd & 4th combined.

PLUS, there are many webinars being arranged by insurers, lenders and the L&G Mortgage Club which you can attend to maintain your knowledge.

WELCOME

Please join us in welcoming our latest new Adviser, Tracey Copeland, to Finance Planning. Tracey will be working with Syd Martin.

THE KEY – ADVISER PORTAL

Did you know that The Key can be accessed as a read only version on any device via the web, i.e. smart phones and tablets. Here is the weblink that you can save to your phone if you feel this might be of interest to you – <https://thekeyv1.mbl.co.uk/FinancePlanningGroup/> You then log in as normal, i.e. your name and password for The Key. Please feel free to have a play.

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 also access it from the Knowledge Hub.

And you can now login to our new online CPD system to record **15 minutes mortgage** and **15 minutes protection** CPD.

Thank you.

The Finance Planning Management Team.