



Association of Mortgage Intermediaries' response to FCA CP16/17 Quarterly Consultation No.13

This response is submitted on behalf of the Association of Mortgage Intermediaries (AMI). AMI is the trade association representing over 80% of UK mortgage intermediaries.

Intermediaries active in this market act on behalf of the consumer in selecting an appropriate lender and product to meet the individual consumer's mortgage requirements. Our members also provide access to associated protection products. Approximately 70% of all UK mortgage transactions are advised by intermediaries.

Our members are authorised and regulated by the Financial Conduct Authority (FCA) to carry out mortgage and insurance mediation activities. Firms range from sole traders through to national firms and networks, with thousands of advisers.

Questions

Q3.1 Do you agree with our proposed changes to the Glossary, SUP, COMP and FEES?

We agree the FCA should clarify that all consumer buy to let activity is outside of the scope of the FSCS.

Q3.2 Do you agree with our proposed changes to the forms in SUP?

No comment.

Q3.3 Do you agree with our proposed change to the definition of a 'residential renovation agreement'?

No comment.

Q3.4 Do you agree with our proposed changes to PERG?

No comment.

Q3.5 Do you agree with our proposed changes to MCOB and CONC?

We continue to be surprised that the FCA relies on its review of gold-plating of MCD rules to justify such back-tracking, yet it only recognises areas which benefits lenders at the detriment of consumers. We are disappointed that the FCA have seen it necessary to again reduce the disclosure requirements for lenders, this time by amending their provision of adequate explanations.

During the MMR and its subsequent implementation, the concept of a level playing field for firms and the principle of a consistent consumer journey and protection lay at the heart of the new rules. Whilst we agree that there is a small element of adding bureaucracy to the process, in the original consultations we believed that this was appropriate and balanced.

The consultation now removes these protections for a limited facet, which we consider to be detrimental to the wider market. We cannot see how a lack of transparency over product range and availability of alternative finance options is in the best interests of consumers. It is concerning that the FCA appears to be allowing lenders to change how they give advice in order to further their commercial interests.