



*Association of Mortgage Intermediaries' response to
HM Treasury public financial guidance review*

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.

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

Q1. Do people with protected characteristics under the Equalities Act 2010, or any consumers in vulnerable circumstances, have particular needs for public financial guidance or difficulty finding and obtaining that guidance?

No comment.

Q2. Do you agree that these areas capture what the broad role of the Single Financial Guidance Body (SFGB) should cover?

Yes.

Q3. Do you agree that the SFGB's financial capability initiatives should focus on 'the squeezed' and 'struggling'?

Yes. Its principal purpose must be to deal with people who need the most help, such as those who struggle to make ends meet or who have no savings or insurance products that protect them if a life event occurs. The SFGB should therefore focus on individuals at the lower end of the capability spectrum, and this should be funded by banks and insurers as well as other product providers. Recent work carried out by MAS seems to be distracted in trying to improve capability for those in the 'middle' and even 'capable' sectors, e.g. those who have pensions or investments. This support is already provided by the advice community. Work on improving financial capability must be directed at those with the lowest scores to raise them to threshold, not on driving those above the threshold further up the scoring system.

Q4. Do you agree that the SFGB should have a strategic role, working with the financial services and pensions industry and third sector organisations of the guidance sector?

Yes. Enabling people to make better decisions about their finances includes the ability to find financial advice. We would like to see the focused cross-industry work that was being led by MAS in delivering an adviser search engine for consumers to be continued and extended to more product and advice areas by the SFGB.

Q5. How might the SFGB develop its understanding of what works and usefully contribute to sector wide research?

No comment.

Q6. In what ways could the SFGB co-ordinate and add value to the provision of financial education?

No comment.

Q7. Are there other delivery channels that the SFGB should consider that would be effective for delivering to consumers?

No comment.

Q8. How should the SFGB ensure that it engages consumers at the right time for them?

No comment.

Q9. Do you agree that the SFGB should be able to exercise some flexibility in the way funding is directed?

The paper sets out that the SFGB should have the ability to decide how to use funding to best meet consumer need and respond to emerging needs, but it does not provide detail on how greater flexibility in funding will achieve this. It is not possible to answer this question without further clarification of what this flexibility means in practice. However this flexibility should not extend to operating in the areas of those who already are engaged and invested in advice and products.

Q10. Would these proposals have any impact on the delivery of public financial guidance in Scotland, Wales or Northern Ireland?

No comment.

Q11. Do you have any other comments about the proposed delivery model and consumer offer?

No comment.