



*Association of Mortgage Intermediaries' response to FCA CP17/38
FCA regulatory fees and levies: policy proposals for 2018/19*

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 you agree with our proposed tariff data for general insurers for us to calculate their FCA periodic fees from 2018/19? If not, why not?

No comment.

Q2. Do you have any comments on the proposed weightings between premiums and liabilities for general insurers? Should alternative weightings be used and, if so, why?

No comment.

Q3. Do you agree with our proposed tariff data for life insurers for us to calculate their FCA periodic fees from 2018/19? If not, why not?

No comment.

Q4. Do you have any comments on the proposed weightings between premiums and liabilities for life insurers? Do you believe alternative weightings should be used and, if so, why?

No comment.

Q5. Should all non-Directive life insurance firms be exempt from FCA periodic fees, apart from the minimum fee?

No comment.

Q6. Do you agree with the proposals on sourcing the revised tariff data for insurers?

No comment.

Q7. Do you agree with our proposed tariff data for insurers and the proposals relating to the sourcing of the revised tariff data for us to calculate the CJ and VJ Financial Ombudsman Service annual levies from 2018/19? If not, why not?

No comment.

Q8. Do you have any comments on the proposed changes to the financial penalty scheme?

We agree.

Q9. Do you think that the definition of income for consumer hire leases should be revised? If you undertake consumer hire agreements, please use representative examples to illustrate how you interpret our current definition of income when reporting to us, and the impact of any suggestions you make for improvement.

No comment.

Q10. Do you have any comments on the various options for defining consumer hire income that we have discussed in Chapter 4?

No comment.

Q11. Can you suggest any other ways of refining the definition of consumer hire income?

No comment.

Q12. Do you have any comments on whether we should in future charge firms which choose not to take advantage of online invoicing?

We agree that firms should be encouraged to take advantage of online invoicing. A charge to cover costs of paper invoicing seems fair. We would expect to see such efficiencies made transparent in future reporting of the FCA's operating costs.

Q13. Do you have any comments on our proposed amendments to the methodology for collecting the Money Advice Service debt advice levy from 2018/2019?

We support the creation of a separate consumer credit category which specifically relates to lending. This ensures that the debt advice levy is apportioned fairly, as it should not capture brokers.

We however remain concerned that regulated mortgage firms will generally have to hold a consumer credit permission to deal with aspects of debt consolidation advice. They will never apportion income to this permission as all income relates to their mortgage intermediation activity. However they continue to incur base fees to comply with a technical rule interpretation by FCA lawyers with which we disagree as it was not the original intention of Parliament or Treasury. Accordingly we consider consumer credit minimum fees should be removed as these should not be applied where there is no declared consumer credit income. These are a particular burden for small firms paying minimum fees, as this equates to almost a third of their total FCA periodic fee.