



*Association of Mortgage Intermediaries' response to FCA CP19/16:
FCA regulated fees and levies 2019/20*

This response is submitted on behalf of the Association of Mortgage Intermediaries (AMI) and the Association of Finance Brokers (AFB). AMI is the trade association representing over 80% of UK mortgage intermediaries. AFB sits within AMI and represents second charge (formerly secured loan) brokers.

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. AMI members also provide access to associated protection products. AFB members also provide access to unsecured products.

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

Questions

Q1. Do you have any comments on the proposed FCA 2019/20 minimum fees and variable periodic fee rates for authorised firms?

AMI continues to be concerned about the annual escalation in mortgage related fees for a mature market which is not considered to require significant supervisory work and is stated to be working well for the vast majority of consumers. The 4% increase in costs is the highest across the fee-blocks and this is not adequately explained. The £35.5m combined costs of A2 and A18 out of a total fees payable of £510m is disproportionate. AMI still does not recognise why the regulated mortgage market absorbs such a large proportion of FCA costs. We are particularly concerned about the continuing increase in regulation of distribution, when the issues mostly emanate from lenders.

Q2. Do you have any comments on the proposed FCA 2019/20 minimum fees and periodic fee rates for fee payers other than authorised firms?

No comment.

Q3. Do you have any comments on our proposed clarification of the tariff base definition for Recognised Benchmark Administrators?

No comment.

Q4. Do you have any comments on the proposed method of calculating the tariff rates for firms in each fee-block towards the CJ levy and our proposals for how the overall CJ levy should be apportioned?

No comment.

Q5. Do you have any comments on the proposed 2019/20 rates for the MAPS money guidance levy?

We support this proposal.

Q6. Do you have any comments on the proposed 2019/20 rates for the MAPS debt advice levy?

No comment.

Q7. Do you have any comments on the proposed 2019/20 rates for the MAPS pensions guidance levy?

No comment.

Q8. Do you have any comments on the proposed 2019/20 rates for the Devolved Authorities' debt advice levy?

No comment.

Q9. Do you have any comments on the proposed 2019/20 illegal money lending (IML) levy rates?

No comment.