



Things to consider if you are downsizing or closing your firm

In these difficult times it may seem that the best thing to do is shut up shop, batten down the hatches and wait for things to right themselves. Not necessarily so if you are an intermediary firm. UK customers now more than ever need help and guidance to understand the impact of taking a mortgage holiday or maybe more aptly a deferment of their mortgage payment for a short period. Then there are also the insurance aspects of their life: ensuring that they have adequate home insurance, are not under insured and have considered how they would cope if they are taken ill. Suddenly there is a widespread awareness of the value of benefits provided by the UK to those in need which, whilst generous compared to other countries, for many would be woefully inadequate to maintain basic costs.

There are around 2 million mortgage holders on an SVR and over 1 million will reach the end of their existing incentive period. There are lots of consumers to talk to, including landlords who need advice too.

For some firms we accept that the financial challenges might just be too much and they face the decision of furloughing staff or even closing their businesses. When furloughing staff remember to make sure that those who remain working have proper access to the various suppliers' systems, ensuring that they have themselves registered for administration access to support those cases ongoing to completion. In certain situations, it may be appropriate to re-assign the case from the furloughed adviser to the adviser who will now be handling the case going forward. Don't be tempted to take the short cut and share passwords or access codes – it's against many supplier terms & conditions and could mean access is withdrawn. If you have one adviser within the firm, consider if you should appoint a [locum](#) to help provide a backup plan. If you are an established sole trader and have a locum, when was the last time you checked in with your locum? Are they themselves still active or indeed authorised?

Firms, if you are faced with having no choice but to consider closing your business, even temporarily, then you must consider a number of points as part of the expected 'orderly closure' of your firm. The FCA has recently published a [statement](#) of their expectations of financial resilience for solo regulated firms. In June 2019 the FCA also issued a guidance consultation "assessing adequate financial resources" that firms may find useful, which included a link to the FCA's [Wind-down planning Guide](#); firms must take account of these materials when closing their firm.

AMI is asking all intermediaries to consider how they can support their customers through the difficult days that everyone is facing. So, don't walk away without first ensuring that you have done everything you can to ensure that customers have been updated on who they can talk to about their mortgage or insurance needs now and in the future.

Be proud that customers are at the heart of your business and that you have behaved professionally with good conduct and transparency, which will mean you too can have a future in financial services.