



Association of Mortgage Intermediaries' response to FCA Extension of Annual Financial Crime Reporting Obligation Consultation Paper

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.

Our comments

We welcome the review of the REP-CRIM reporting obligation and agree with the removal of home finance mediation as an activity from this reporting obligation, given that this activity sits outside Money Laundering Regulations. Also, we note that the increased scope of REP-CRIM does not capture any additional activities undertaken by our member firms. Therefore, we feel we are not able to answer the two specific questions that form part of this consultation but instead wanted to provide more general comments.

Whilst we agree with the removal of home finance mediation from REP-CRIM reporting, the FCA must ensure the correct message to firms on financial crime and their obligations. We feel that the comments made in the consultation paper under section 1.7 should be included in the policy statement and as part of wider FCA communication to re-iterate this important message.

We also agree with the comments made in section 1.6 as we would expect a separate consultation should the FCA intend to extend REP-CRIM to firms that carry on activities considered to have a lower money laundering risk.