
FINAL NOTICE

To: **Mortgage and Property Services Limited**

Of: Shildon Business Centre
Dabble Duck Industrial Estate
Shildon
County Durham
DL4 2RF

Firm reference: **304706**

Dated: **3 July 2008**

TAKE NOTICE: The Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS (“the FSA”) gives Mortgage and Property Services Limited final notice about a decision to cancel the permission granted to it to carry on regulated activities

1. ACTION

1.1. The FSA gave Mortgage and Property Services Limited (“MPSL/the Firm”) a Decision Notice on 3 July 2008 (the “Decision Notice”) which notified it that, for the reasons listed below, and pursuant to section 45 of the Financial Services and Markets Act 2000 (“the Act”), the FSA had decided to cancel the permission granted to MPSL pursuant to Part IV of the Act (“MPSL’s Part IV permission”).

1.2. MPSL agreed that it would not be referring the matter to the Financial Services and Markets Tribunal. Accordingly, the FSA has today cancelled MPSL's Part IV permission.

2. REASONS FOR THE ACTION

2.1. By a First Supervisory Notice dated 13 December 2007, MPSL's Part IV permission was varied by removing all regulated activities with immediate effect because it was failing to satisfy Threshold Condition 4 (Adequate resources). MPSL made representations to the RDC on 16 January and 13 February 2008. The FSA decided not to rescind the variation and, accordingly, gave MPSL a Second Supervisory Notice on 13 March 2008. MPSL did not refer the matter to the Financial Services and Markets Tribunal.

2.2. Section 45(3) of the Act requires that if, as a result of a variation of a Part IV permission, there are no longer any regulated activities for which the authorised person concerned has permission, the FSA must, once it is satisfied that it is no longer necessary to keep the permission in force, cancel it.

2.3. The FSA is so satisfied and accordingly has a duty to cancel MPSL's Part IV permission.

2.4. The FSA also concluded that MPSL was failing to satisfy the Threshold Conditions set out in Schedule 6 to the Act ("the Threshold Conditions") for the additional reasons set out below.

2.5. In the opinion of the FSA:

(1) MPSL's business did not have adequate human resources in relation to the regulated activities that MPSL carried on (Threshold Condition 4 – adequate resources); and

(2) MPSL was not a fit and proper person having regard to all the circumstances including the nature of the regulated activities that MPSL carried on, and its failure to ensure that its affairs were conducted soundly and prudently (Threshold Condition 5 – Suitability).

- 2.6. By a Final Notice dated 3 July 2008, having concluded that Mr Robin David Knox (“Mr Knox”), as the Managing Director of MPSL and the person responsible for the day to day running of the business, was not a fit and proper person to perform any function in relation to regulated activity, pursuant to section 56 of the Act, the FSA made an order prohibiting Mr Knox from performing any controlled function in relation to any regulated activities..
- 2.7. By prohibiting Mr Knox from performing any controlled function in relation to any regulated activity, there was no one at the Firm to enable it to carry on regulated activities.
- 2.8. The FSA concluded that MPSL was failing to satisfy Threshold Condition 5 (Suitability) because MPSL had failed to ensure that there were effective systems in place in relation to the training, supervision and ongoing assessment of its advisers and the management and operation of its sales processes. MPSL had also failed to ensure it had appropriate systems and controls in place for the nature of its business. In particular, it failed to take reasonable steps to ensure that in recommending mortgage contracts it complied with the relevant requirements and standards of the regulatory system.
- 2.9. The FSA concluded that MPSL was failing and would continue to fail to satisfy Threshold Condition 4 (Adequate resources) and Threshold Condition 5 (Suitability) because MPSL did not have adequate human resources, had failed to comply with the FSA’s Rules and Principles for Businesses, and because it lacked the necessary financial resources to address the failures identified by the FSA or to fund any remedial action.

3. RELEVANT STATUTORY PROVISIONS, REGULATORY REQUIREMENTS AND GUIDANCE

Statutory provisions

- 3.1. The FSA's statutory objectives, set out in section 2(2) of the Act are: market confidence; public awareness; the protection of consumers; and the reduction of financial crime.
- 3.2. Section 41 and Schedule 6 to the Act set out the Threshold Conditions which are conditions that the FSA must ensure a firm will satisfy in relation to regulated activities for which it has permission.
- 3.3. The FSA is authorised pursuant to section 45(2) of the Act to cancel an authorised firm's Part IV permission where it appears that any of the reasons set out in section 45(1) are satisfied which include failing, or being likely to fail, to satisfy the Threshold Conditions.

FSA's policy for exercising its power to cancel a Part IV permission

- 3.4. The FSA's policy in relation to the decision to cancel a firm's Part IV permission is set out in Chapter 8 of the FSA's Enforcement Guide ("EG").
- 3.5. In particular, EG8.5 sets out the circumstances in which the FSA will consider varying a firm's Part IV permission, which include those where it has serious concerns about a firm or about the way its business is being or has been conducted, for example where it appears to the FSA that the firm appears to be failing, or appears likely to fail, to satisfy the Threshold Conditions in relation to one or more, or all, of the regulated activities for which the firm concerned has Part IV permission.
- 3.6. EG8.13 states that the FSA will consider cancelling a firm's Part IV permission in two main circumstances: where the FSA has very serious concerns about a firm, or the way its business is or has been conducted or where the firm's regulated activities have come to an end and it has not applied for cancellation of its Part IV permission.

Guidance concerning Threshold Condition 4: Adequate resources (paragraph 4, Schedule 6 to the Act) - COND2.4

- 3.7. COND gives guidance on the Threshold Conditions set out in Schedule 6 of the Act.
- 3.8. COND2.4.1D(1) reproduces the relevant statutory provision that the resources of the person concerned must, in the opinion of the FSA, be adequate in relation to the regulated activities that he seeks to carry on, or carries on.
- 3.9. COND2.4.2G(2), in giving guidance on the interpretation of “adequate resources”, says the term “adequate” means sufficient in terms of quantity, quality and availability, and defines “resources” as including all non-financial resources such as human resources and effective means by which to manage risks.
- 3.10. COND2.4.4G(2)(d) says that relevant matters, when assessing whether a firm has adequacy of resources, will include whether the firm has taken reasonable steps to identify and measure any risks of regulatory concern that it may encounter in conducting its business and has installed appropriate systems and controls to measure them prudently at all times.

Guidance concerning Threshold Condition 5: Suitability (paragraph 5, Schedule 6 to the Act) – COND2.5

- 3.11. COND2.5D(1) reproduces the relevant statutory provision that the person concerned must satisfy the FSA that it is a fit and proper person having regard to all the circumstances including the nature of any regulated activity that it carries on or seeks to carry on and the need to ensure that its affairs are conducted soundly and prudently.
- 3.12. COND2.5.2G: Threshold Condition 5 (Suitability) requires the firm to satisfy the FSA that it is “fit and proper” to have Part IV permission having regard to all the circumstances, including its connections with other persons, the range and nature of its proposed (or current) regulated activities and the overall need to be satisfied that its affairs are and will be conducted soundly and prudently (see also PRIN and SYSC).
- 3.13. COND2.5.4G in giving guidance on the determination of whether a firm will satisfy and continue to satisfy Threshold Condition 5, provides that the FSA will consider the circumstances of each firm on a case-by-case basis, having regard to all relevant matters (to the extent that they are significant) including whether the firm conducts its

business with integrity and in compliance with proper standards, whether it has a competent and prudent management and can demonstrate that it conducts its affairs with the exercise of due skill, care and diligence.

3.14. COND2.5.6G, in giving guidance on the interpretation of whether a firm will satisfy and continue to satisfy Threshold Condition 5 in respect of conducting its business with integrity and in compliance with proper standards gives examples of relevant matters which include:

- (1) whether the firm has been open and co-operative in all its dealings with the FSA, and is ready willing and organised to comply with the requirements under the regulatory system and other legal regulatory and professional obligations (COND2.5.6G(1));
- (2) whether the firm has contravened any provisions of the Act, regulatory system, or any statements of principles (COND2.5.6G(4));
- (3) whether the firm has taken reasonable care to establish and maintain effective systems and controls for compliance with applicable requirements and standards under the regulatory system applicable to it (COND2.5.6G(6)); and
- (4) whether the firm has put in place procedures which are reasonably designed to:
 - (a) ensure that it has made its employees aware of and compliant with those requirements and standards under the regulatory system that are applicable to it; and
 - (b) determine that its employees are acting in a way compatible with the firm adhering to those requirements and standards (COND2.5.6G(7)).

3.15. COND2.5.7G provides guidance on the determination of whether a firm satisfies Threshold Condition 5 in respect of having competent and prudent management and exercising due skill, care and diligence. Relevant matters include whether the firm's governing body is made up of individuals with an appropriate range of skills and experience to understand, operate and manage the firm's regulated activities and whether the firm has made arrangements to put in place an adequate system of

internal control to comply with the requirements and standards under the regulatory system.

The FSA's Principles for Businesses

- 3.16. Section 138 of the Act provides that the FSA may make such rules applying to authorised persons as appear to it to be necessary or expedient for the purpose of protecting the interests of consumers.
- 3.17. Pursuant to section 138, the FSA has published the Principles for Businesses (“the Principles”) which apply either in whole or in part to all authorised persons.
- 3.18. The Principles are a general statement of the fundamental obligations of firms under the regulatory system and reflect the FSA’s regulatory objectives. In substance, the Principles express the main dimensions of the “fit and proper” standard set for firms in Threshold Condition 5, although they do not derive their authority from that standard or exhaust its implications.
- 3.19. Being ready, willing and organised to abide by the Principles is therefore a critical factor in an application for Part IV permission and breaching the Principles may call into question whether a firm with Part IV permission is still fit and proper (PRIN1.1.4G).
- 3.20. Principle 3 requires a firm to conduct its business with due skill, care and diligence.
- 3.21. Principle 7 requires a firm to pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading.
- 3.22. Principle 9 requires a firm to take reasonable care to ensure the suitability of its advice and discretionary decisions for any customer who is entitled to rely upon its judgment.
- 3.23. Other relevant regulatory rules and requirements are set out at Annex A.

4. FACTS AND MATTERS RELIED ON

Background

- 4.1. MPSL was a mortgage broker which was incorporated in 2000 and became authorised on 31 October 2004 to carry on the following regulated activities in relation to regulated mortgage contracts:
 - (1) advising on regulated mortgage contracts;
 - (2) agreeing to carry on a regulated activity;
 - (3) arranging (bringing about) regulated mortgage contracts; and
 - (4) making arrangements with a view to regulated mortgage contracts.
- 4.2. On 14 January 2005, MPSL was granted permission to carry on the following additional regulated activities in relation to non-investment insurance contracts:
 - (1) advising on investments (except on Pension Transfers and Pension Opt Outs);
 - (2) arranging (bringing about) deals in investments; and
 - (3) making arrangements with a view to transactions in investments.
- 4.3. MPSL advised principally on re-mortgages. The Firm's customer base for re-mortgages was typically sub-prime. Sub-prime mortgages are generally sold to customers with low or impaired credit ratings who may find it difficult to obtain finance from regular sources.
- 4.4. During the relevant period, the Firm retained seven mortgage advisers and made a total of 500 recommendations to enter into regulated mortgage contracts. At the date of this Notice, Mr Knox was the only adviser employed by the Firm.
- 4.5. The Firm has not been the subject of any previous disciplinary action by the FSA.
- 4.6. The Firm was one of 65 mortgage brokers (78 firms on total) to be visited by the FSA in 2006 as part of its "mortgages quality of advice process" project. It was one of six firms referred to the FSA's Enforcement Division ("Enforcement") from this project.

- 4.7. Given its serious concerns about the quality of advice given by MPSL, the FSA engaged an independent expert to review MPSL's client files. The findings, based on an initial review of 50 client files, are summarised below.
- (1) In 54 % of files (27 cases), the FSA identified concerns about the suitability of advice.
 - (2) In 12% of files (6 cases), the FSA considered there to be evidence that unsuitable recommendations had been made. A summary of the findings in these six cases is attached at Annex B to this Notice.
 - (3) In 42% (21 cases) the FSA considered that there was some evidence that unsuitable advice may have been given. As the quality of records retained on files were poor it was not possible to confirm whether or not the advice was suitable.
- 4.8. The failings resulted from significant weaknesses in MPSL's management and controls, such that approximately 500 customers were exposed to the risk of being recommended products that were not suitable. Moreover, the FSA found that some customers received unsuitable advice.
- 4.9. MPSL failed to:
- (1) conduct its business in compliance with proper standards;
 - (2) demonstrate to the FSA's satisfaction that it had a competent and prudent management on an ongoing basis; and
 - (3) demonstrate to the FSA's satisfaction that it conducted or would conduct its affairs with the exercise of due skill, care and diligence.
- 4.10. In summary, MPSL's failings amount to breaches of Principles 3, 7 and 9 of the FSA's Principles for Businesses. MPSL has also failed to comply with the following Mortgages and Home Finance: Conduct of Business ("MCOB") rules (which are set out in full in an annex to this Notice) 4.7.2R, 4.7.4R and 4.7.6R.

Threshold Condition 4 (Adequate resources)

- 4.11. Mr Knox was an approved person at the Firm. He was approved to perform the controlled functions of Director (CF1) and Apportionment and Oversight (CF8), and at the date of this Notice he was the only qualified adviser at the Firm. He holds 50% of its share capital.
- 4.12. By prohibiting Mr Knox (on the basis that he lacks competence and capability and is not therefore fit and proper) there was no one at the Firm to enable it to carry on regulated activities.
- 4.13. In these circumstances, the Firm failed to satisfy the threshold conditions set out in Schedule 6 to the Act (the “Threshold Conditions”) in that, in the opinion of the FSA, it did not have adequate resources in relation to the regulated activities it seeks to carry on. Specifically, the Firm did not have adequate human resources (Threshold Condition 4). Also, MPSL did not have adequate financial resources to meet the cost of remedial action, including resources to fund a review of past business.

Threshold Condition 5 (Suitability)

- 4.14. The independent expert's findings, and MPSL's failure to take any steps to address the deficiencies identified by the independent expert, led the FSA to conclude that MPSL is not a fit and proper person having regard to all the circumstances including the nature of the regulated activities that it carries on, and its failure to ensure that its affairs are conducted soundly and prudently.
- 4.15. The FSA found that MPSL failed to organise and oversee the training and competence of its advisers or to monitor advice given by its advisers, in breach of Principle 3.
- 4.16. MPSL had no effective management arrangements in place to ensure that all of its advisers were suitably qualified to give advice on regulated mortgage contracts to its clients. The Firm's systems and controls failed to prevent two trainee advisers from providing advice to clients before the trainee advisers completed the regulatory module of an approved mortgage advice examination. The Firm also failed to adequately supervise the trainee advisers. This also represents a breach of Principle 3.

- 4.17. MPSL charged clients an application fee. However, MPSL did not disclose that this fee would attract interest throughout the period of the loan if it was added to the loan rather than being paid at the point of application. Additionally, the application fee was not always disclosed in the KFI and offer letter. This is a breach of Principle 7.
- 4.18. MPSL was not able to demonstrate that it had gathered sufficient information about clients' personal and financial circumstances, or that it had adequately assessed affordability and suitability prior to recommending mortgage contracts to its clients, in breach of Principle 9.
- 4.19. MPSL did not have in place a formal system in place to assess affordability of recommended mortgage contracts, MPSL relied on its advisers' informal and undocumented knowledge of clients' circumstances. As such, MPSL could not demonstrate whether its clients could afford to enter into the regulated mortgage contracts or that the recommended mortgage contracts were suitable in terms of affordability, in breach of Principle 9.
- 4.20. In almost all cases where the purpose of the re-mortgage was debt consolidation, MPSL failed to explain to customers clearly, the costs and risks associated with consolidating debts by means of their mortgage. Also, FSA found no evidence that MPSL had discussed with its customers, other means of debt consolidation. This represents a breach of Principle 9.
- 4.21. MPSL failed to ensure that it made and retained records as to why it considered the recommended mortgage contract to be suitable, in breach of Principle 9.
- 4.22. MPSL and an associated unregulated sister company ran a series of advertisements in a local newspaper to the range of services offered by both companies. The two companies advertised using the same logo. The advertisement for associated company referred to MPSL's website and MPSL's FSA reference number, which could have misled potential customers about the status of the unauthorised business.
- 4.23. The FSA considers that the failings revealed serious systemic weaknesses in MPSL's management and control arrangements.
- 4.24. MPSL's management failed to demonstrate a sufficient understanding of MPSL's

obligations under the regulatory system. It failed to recognise the failings of the firm until they were identified by the FSA.

4.25. The deficiencies in MPSL's sales processes and systems and controls led to clients being exposed to the risk of being given unsuitable advice in relation to mortgage contracts and, in some cases, the FSA found evidence of unsuitable advice. As noted above, MPSL provided advice in relation to the sale of approximately 500 regulated mortgage contracts between 30 October 2004 and 13 December 2007.

4.26. In the circumstances, MPSL has agreed to notify all customers to alert them to the possibility that they may have received unsuitable advice from MPSL.

5. CONCLUSIONS

5.1. The facts and matters described above led the FSA to the following conclusions:

- (1) MPSL failed to operate effective systems for, supervision, assessment and monitoring of advisers;
- (2) MPSL was unable to demonstrate the suitability of some of the mortgages it had recommended;
- (3) MPSL failed not adequately disclose to customers the amount of fees payable;
- (4) MPSL failed to ensure that it communicated clearly to potential customers the distinction between the services provided by MPSL and services provided by a sister unregulated company;
- (5) MPSL failed to pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading and has therefore failed to comply with Principle 7;
- (6) MPSL inability to appropriately supervise its employees meant that it failed take reasonable care to ensure the suitability of its advice, which is a breach of Principle 9;
- (7) MPSL failed to run its business with due skill, care and diligence and as such failed to comply with Principle 3;

- (8) MPSL failed to conduct its business soundly and prudently and in compliance with proper standards. The FSA considers that the firm is not fit and proper having regard to all circumstances and therefore cannot satisfy the FSA that MPSL is willing and organised to comply with the requirements and standards under the regulatory system and its legal obligations;
- 5.2. The combined effect of these failures was significant in the context of MPSL's ability to satisfy Threshold Condition 5. MPSL therefore failed to satisfy the Threshold Conditions.
- 5.3. MPSL could not satisfy Threshold Condition 4 because the Prohibition Order made against Mr Knox meant that there was no one at the Firm to enable it to carry on regulated activities.

6. DECISION MAKER

- 6.1. The decision which gave rise to the obligation to give this Final Notice was made by the Settlement Decision Makers on behalf of the FSA.

7. IMPORTANT

- 7.1. This Final Notice is given to the Firm in accordance with section 390 of the Act.

Publicity

- 7.2. Sections 391(4), 391(6) and 391(7) of the Act apply to the publication of information about the matter to which this notice relates. Under those provisions, the FSA must publish such information about the matter to which this notice relates as the FSA considers appropriate. The information may be published in such manner as the FSA considers appropriate. However, the FSA may not publish information if such publication would, in the opinion of the FSA, be unfair to you or prejudicial to the interests of consumers.
- 7.3. The FSA intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

FSA contacts

7.4. For more information concerning this matter generally, you should contact Chris Walmsley (direct line: 020 7066 5894/0207 066 5895) of the Enforcement Division of the FSA.

Jonathan Phelan
Head of Department
FSA Enforcement Division

ANNEX A

Excerpts from the part of the FSA Handbook entitled *Mortgages and Home Finance: Conduct of Business* (“MCOB”) and the part of the FSA Handbook entitled *Insurance: Conduct of Business*, referred to in paragraph 3.22 of this Notice

MCOB 4.7.2R

A firm must take reasonable steps to ensure that it does not make a personal recommendation to a customer to enter into a regulated mortgage contract, or to vary an existing regulated mortgage contract, unless the regulated mortgage contract is, or after the variation will be, suitable for that customer (see MCOB 4.3.4 R (2), MCOB 4.3.5 G and MCOB 4.3.6 G).

MCOB 4.7.4R

For the purposes of MCOB 4.7.2 R:

- (1) a regulated mortgage contract will be suitable if, having regard to the facts disclosed by the customer and other relevant facts about the customer of which the firm is or should reasonably be aware, the firm has reasonable grounds to conclude that:
 - (a) the customer can afford to enter into the regulated mortgage contract;
 - (b) the regulated mortgage contract is appropriate to the needs and circumstances of the customer; and
 - (c) the regulated mortgage contract is the most suitable of those that the firm has available to it within the scope of the service provided to the customer;
- (2) no recommendation must be made if there is no regulated mortgage contract from within the scope of the service provided to the customer which is appropriate to his needs and circumstances; and
- (3) if a firm is dealing with an existing customer in arrears and has concluded that there is no suitable regulated mortgage contract for the purposes of MCOB 4.7.2 R, the firm must nonetheless have regard to MCOB 13.3.2 E(1)(a), (e) and (f) (see also MCOB 13.3.4 G(1)(a) and (b)).

MCOB 4.7.6R

In relation to MCOB 4.7.4 R(1)(a) and (b), where a firm makes a personal recommendation to a customer to enter into a regulated mortgage contract where a main purpose is to consolidate existing debts it must also take account of the following, where relevant, in assessing whether the regulated mortgage contract is suitable for the customer:

- (1) the costs associated with increasing the period over which a debt is to be repaid;
- (2) whether it is appropriate for the customer to secure a previously unsecured

loan; and

- (3) where the customer is known to have payment difficulties, whether it would be more appropriate for the customer to negotiate an arrangement with his creditors than to take out a regulated mortgage contract.

MCOB 5.5.8R

Where a firm has already provided an illustration in accordance with MCOB 5.5.1 R and the terms for the proposed regulated mortgage contract are subsequently materially altered, the firm must ensure that the customer is provided with a revised illustration, before acting on the amendment, when the change occurs at the point at which a customer submits an application for the regulated mortgage contract.

ICOB 5.5.14R

A statement of price must include the following information:

- (1) the total amount of the premium for the non-investment insurance contract or, if the premium cannot be indicated, the basis for the calculation of the premium enabling the retail customer to verify it;
- (2) for non-investment insurance contracts of more than one year, details of the period for which the premium is valid, whether it will be reviewed at a certain time or at set periods and, if so, when it will be reviewed;
- (3) fees, administrative charges and taxes payable by the retail customer via the insurance intermediary in addition to the premium. Fees and administrative charges include any interest payable on the premium, including where the premium is paid by way of a credit agreement taken out either for payment of the premium only or for the purpose of purchasing goods or services as well;
- (4) a statement identifying separately the possibility of any taxes not payable via the insurance intermediary;
- (5) where the non-investment insurance contract is purchased in connection with other goods or services:
 - (a) the premium for the non-investment insurance contract, separately from all other prices in relation to the other goods or services, if an additional price is charged; and
 - (b) whether purchase of the non-investment insurance contract is a requirement of purchasing the other goods or services or not; and
- (6) the total price to be paid by the retail customer for the non-investment insurance contract.

ANNEX B: Client files in which the FSA has identified unsuitable advice

- 1.** Mr and Mrs C – a remortgage case where the mortgage term extended into Mr C's retirement (Mr C would be 67 at the end of the mortgage term) with no explanation as to how the mortgage would continue to be paid post retirement. A sub-prime product was selected even though the file records no adverse credit history and there was no explanation on the file regarding the cost of repaying previously unsecured debts over the 25 year term of the mortgage.
- 2.** Mr and Mrs B – re-mortgage failed to meet clients' stated need to raise enough capital to repay £12,000 of unsecured debt. The mortgage term extended into retirement (Mr B would be 73 at the end of the term and Mrs B would be 67) with no explanation on file as to how the mortgage would continue to be paid post retirement.
- 3.** Mr and Mrs K - re-mortgage which extended into retirement, both Mr and Mrs K would be 74 at the end of the term. Mr K was already retired and in receipt of a small pension. No explanation on file as to how the mortgage would continue to be paid once Mrs K retired. The loan was on an interest only basis with no repayment vehicle in place. The clients had re-mortgaged to repay existing debts however there was no analysis on file of whether it would be cheaper to continue to maintain loan repayments rather than add the debt to a mortgage.
- 4.** Mr and Mrs T – existing loan was a capital and repayment mortgage being replaced by an interest only self-certified mortgage with a sub-prime lender and a longer term. Due to re-mortgage the clients were paying an ERC of £3000 and the long term payments were set to increase from £283 to £489 (variable). No evidence that the clients' income had been verified and there were discrepancies between the fact find and mortgage application regarding the clients' credit history.
- 5.** Miss B – a RTB case where no evidence that the implications of postponing the local authority discount charge had been explained to the client.

6. Mr and Mrs Y – re-mortgage which extended into retirement, Mr Y would be 93 at the end of the term and Mrs Y would be 74 at the end of the term. No evidence obtained of Mrs Y's retirement income. Unclear why clients required re-mortgage.