

10/8

Financial Services Authority

Regulatory reporting for sale and rent back firms

Feedback on CP10/4 and final rules

June 2010

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This Policy Statement reports on the main issues arising from Consultation Paper 10/4: *Sale and rent back (full regime) – Feedback on CP09/22, made rules and consultation on reporting* and publishes final rules.

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Copies of this Consultation Paper are available to download from our website – www.fsa.gov.uk. Alternatively, paper copies can be obtained by calling the FSA order line: 0845 608 2372.

List of acronyms used in this paper

Consumer Financial Education Body	(CFEB)
Dispute Resolution: Complaints Sourcebook	(DISP)
Mortgage Lending and Administration Return	(MLAR)
Office for Fair Trading	(OFT)
Policy Statement	(PS)
Product Sales Data	(PSD)
Retail Mediation Activities Return	(RMAR)
Sale and rent back	(SRB)
Transitional Provision	(TP)

1 Overview

- 1.1 In this Policy Statement (PS), we report on the responses we received to the consultation on regulatory reporting for sale and rent back firms in CP10/4.¹ We also confirm our complaints reporting requirements and set out the final rules and guidance for regulatory reporting, including timescales.

Introduction

- 1.2 Sale and rent back (SRB) is a facility where individuals, often those in financial difficulty, sell their homes, typically at a discount, in return for the right to remain as a tenant for a set period. In 2008, after conducting a market study which raised concerns over how consumers were being treated, the Office for Fair Trading (OFT) recommended that SRB transactions be regulated by us. The Treasury extended our scope in June 2009.
- 1.3 The agreed regulatory approach had two stages. The first involved an interim regime which was implemented on 1 July 2009 and ends on 30 June 2010. For regulatory reporting during the interim regime we adopted a manual approach, where firms emailed the data to us and we processed it manually. This allowed us to start collecting data about this market immediately.
- 1.4 The second stage is to introduce a full regime which begins on 30 June 2010. We will continue with a manual reporting approach until 29 June 2011, to allow firms to make changes to their systems and processes. CP10/4 outlined our reporting approach for SRB firms under the full regime.

The importance of regulatory reporting

- 1.5 All regulated firms are required to report to us about their levels of business, their financial situation and other key information about their business. This information is an important part of our risk based approach to supervising firms. As SRB often

¹ CP10/4: *Sale and rent back (full regime) – Feedback on CP/09/22, made rules and consultation on reporting*, January 2010.

involves vulnerable consumers, it is important we have relevant and timely data about this market to meet our consumer protection objective. Failure to report the information is a breach of our rules.

What does this PS contain?

- 1.6 Chapter 2 contains feedback on the responses we received to CP10/4 and sets out the decisions we have made.
- 1.7 Chapter 3 confirms our complaints reporting requirements, relevant information about the new approved persons regime and changes since the Consumer Financial Education Body (CFEB) was formed in April 2010.
- 1.8 Annex A contains a list of respondents to CP10/4.
- 1.9 Annex B contains a summary of changes to the draft rules for SRB reporting, published in CP10/4.
- 1.10 Appendix 1 contains the final rules for SRB reporting.
- 1.11 Appendix 2 contains the new CFEB consumer factsheet on SRB.

Who should read this paper?

- 1.12 This paper will be of interest to firms already active in, or considering entering, the SRB market, to firms awaiting authorisation under the full regime, to relevant trade bodies and to other interested parties.

Responses to CP10/4

- 1.13 Before the consultation on regulatory reporting was published, we discussed the proposals with a number of SRB firms. We also received comments on reporting during previous consultations on SRB. In general these communications indicated that the firms and other interested parties supported more detailed reporting requirements for SRB firms. We were not therefore anticipating many formal responses, as the proposals already reflected the input from the industry.
- 1.14 We received two written responses to CP10/4, neither of which raised any issues with our proposals. As a result, the reporting requirements for SRB firms have not changed from those proposed in CP10/4. We have made some minor changes to the layout of the Mortgage Lending and Administration Return (MLAR). We have also made a change concerning Product Sales Data (PSD), which we will require firms to collate and retain, but not to submit to us on a regular basis. These changes do not alter the information we require, but will make it easier for firms to report and for us to use the data more effectively.
- 1.15 We have made some technical amendments to the rules to reflect these changes, to make them clearer or to more accurately reflect the policy intention.

Next steps

On 30 June 2010

- 1.16 SRB firms who were authorised under the interim regime **must stop all SRB activity**, including administering existing SRB agreements, unless they have applied for and been given permission by us under the full regime. Continuing with any SRB activity after 30 June 2010 without the appropriate authorisation is a criminal offence.

From 30 June 2010 until 29 June 2011

- 1.17 SRB firms authorised under the full regime **must submit regulatory reports to us by email**. A template for the reports will be supplied with the confirmation of authorisation letter. The template includes:
- balance sheet showing the firm's current assets and liabilities;
 - profit and loss showing the firm's income and expenditure;
 - sales volumes showing the number of SRB agreements entered into or arranged in the preceding six months; and
 - the complaints return.
- 1.18 SRB firms who were authorised under the interim regime and who will continue to be authorised under the full regime must continue to report their balance sheet, profit and loss and sales volumes to us every six months until 29 June 2011.
- 1.19 Firms authorised under the full regime who were not previously authorised under the interim regime must send in their first balance sheet, profit and loss and sales volumes reports within three months of submitting their application for authorisation to us. So, if the application was submitted on 23 April 2010, the report should be sent to us by 22 July 2010. Reports must then be submitted every six months up to and including 29 June 2011.
- 1.20 All SRB firms must send in their complaints return twice a year. Reporting periods are the six months immediately following and the six immediately preceding the firm's accounting reference date. So, if a firm's accounting reference date is 30 March, they must send a complaint return on 30 September and 30 March every year.

From 30 June 2011 onwards

- 1.21 All SRB firms **must submit a complaints return via the secure area of our website**. Further details about the complaints return are in Chapter 3.
- 1.22 SRB advisers and arrangers **must submit a half-yearly report** using the Retail Mediation Activities Return (RMAR), via the secure area of our website. SRB providers and administrators **must submit an MLAR quarterly**, also via the secure area of our website. If a firm has a combination of these permissions it will need to submit both the RMAR and MLAR.
- 1.23 SRB providers must also collect quarterly and keep Product Sales Data (PSD) so that it is available if and when requested by us. We have decided not to include PSD in our automated systems at this time, but we will keep this under review.

2 Summary of responses

Pre-consultation

- 2.1 The proposals set out in CP10/4 had already been discussed with a number of SRB firms before we published them. We also received several comments on SRB reporting in the responses to earlier consultations. SRB firms, consumer bodies and other interested parties were generally in favour of more detailed reporting requirements. We would like to thank all those who contributed to these discussions. Our proposals have been received without any issues being raised.

Responses

- 2.2 The following section sets out the questions from CP10/4 together with any comments from the responses and, where appropriate, our response including any decisions we have taken as a result.

Q1: Do you have any comments on the proposed timetable for implementing these reporting requirements?

- 2.3 No comments were made in the responses.

Our response: We will continue with the manual reporting requirements until 29 June 2011. After that date SRB firms will begin compulsory reporting according to the rules set out in this Policy Statement.

Q2: Do you have any comments on the proposed frequency of reporting?

- 2.4 One respondent commented that it would be prudent for us to gain as much information about this market as possible. They suggest that we collect information from advisers and arrangers on a more regular basis than the proposed half-yearly RMAR.

Our response: The proposed frequency brings SRB firms in line with other home finance firms. We are continuing with the current manual reporting requirements which are already giving us valuable information about the SRB market. We therefore see no reason to change the frequency of reports outside our normal practice.

Q3: Do you have any comments on the reporting requirements for SRB advisers and arrangers?

2.5 No comments were made in the responses.

Our response: We will proceed with our proposal that SRB advisers and arrangers submit the RMAR on a half-yearly basis using a secure area of our website. Full details and instructions about how to use our reporting system will be sent to each firm with confirmation of their authorisation.

Q4: Is there any other information you think we should collect from SRB advisers and arrangers?

2.6 One respondent suggested we collect information on business that has been placed with unauthorised providers and their funding sources, to confirm if funding is from a legitimate SRB source.

Our response: There are two separate issues raised here, both of which we have already dealt with under our rules for the full regime.

The first issue is that of business passed to unauthorised providers. Under the full regime we require SRB advisers and intermediaries to record the contact details of the provider for all SRB agreements, making it clear whether or not the provider is authorised. For full details of this rule, please see the Mortgages and Home Finance: Conduct of Business sourcebook (MCOB) 5.9.8R.²

The second issue concerns funding sources. Under the full regime we require SRB advisers and intermediaries to record the funding source of each SRB agreement, using the codes C for 'commercial', B for 'buy to let', and O for 'other'. Full details of this rule can be found in the Supervision sourcebook (SUP) 16 Annex 21R 2 (d) (iii).

We are therefore confident that our rules adequately address the suggestions put forward, and we do not intend to take any additional action.

Q5: Do you have any comments on the reporting requirements for SRB providers?

2.7 One respondent suggested that we collect additional details of transactions, to include any changes to fees, charges or purchase price during the SRB process.

Our response: We have added one additional field to the PSD report in order to capture the fees charged by the provider to the customer, including any administration and legal fees.

The proposals bring reporting from SRB providers in line with other home finance firms. We still believe that the information reported by providers is sufficient to monitor the relevant markets and identify any risks.

Consumer protection measures being introduced with the full regime on 30 June 2010 include disclosure and valuation requirements and a cooling off period. These give consumers added protection over and above the interim regime, and, on balance, we do not therefore see any value in collecting additional detail about transactions.

² MCOB 5.9 Pre-application disclosure, Regulated sale and rent back agreements.
www.fsahandbook.info/FSA/html/handbook/MCOB/5/9

We will proceed with our proposal that SRB providers submit the RMAR quarterly using the secure area of our website. Full details and instructions about how to use our reporting system will be sent to each firm with confirmation of their authorisation.

We have made one change regarding the submission of PSD. Our original intention was to transfer all reporting from SRB firms into our automated systems. Supervisors use data captured through the MLAR, RMAR and PSD to regularly review the market and identify risks. Due to concerns over the cost of changing our systems to capture PSD from SRB firms compared with the benefit gained, we have decided to restrict the use of PSD to case work with individual firms and thematic projects. We have decided not to include PSD in our automated systems at this time and, as stated, we will keep this under review.

Firms must still collect the data as set out in SUP 16 Annex 21R and retain it for a minimum of five years. Supervisors will request PSD directly from firms when we wish to see it and, where necessary, enforce such a request using our statutory powers. Please refer to Appendix 1 for full details of the new rules surrounding PSD.

Q7: Do you have any comments on the reporting requirements for SRB administrators?

2.8 No comments were made in the responses.

Our response: We will proceed with our proposal that SRB administrators submit the MLAR quarterly. Full details and instructions about how to use our reporting system will be sent to each firm with confirmation of their authorisation.

Q8: Is there any other information you think we should collect from SRB administrators?

2.9 No comments were made in the responses.

Our response: Although no comments were received, we have made some minor changes to the new section K of the MLAR to better reflect our policy intention. For example we are aware that some providers offer fixed term tenancies of more than five years, and we have therefore made changes to section K3 in order to capture more meaningful data on SRB agreements being terminated. The new section K can be seen in Appendix 1.

Q9: Do you have any comments on our cost-benefit analysis (CBA)?

2.10 No comments were made in the responses.

Our response: The change to our requirements for PSD from SRB providers (explained in our response to Q5 above) may reduce their costs as they will not need to submit the report quarterly. However this is a minor potential saving for firms and we remain confident that the CBA still accurately reflects the overall costs and benefits of our proposals.

Q10: Do you agree with the compatibility statement?

2.11 No comments were made in the responses.

Our response: We remain confident that our reporting requirements are compatible with our statutory objectives.

3 Complaints reporting, approved persons and CFEB

Complaints reporting

- 3.1 Our handbook sets out the rules for handling and reporting complaints in the Dispute Resolution: Complaints Sourcebook (DISP).³ These rules have applied to sale and rent back (SRB) firms since the beginning of the interim regime, with the exception of DISP 1.10 relating to complaints reporting. In CP09/22⁴ we proposed to apply all of DISP, including the complaints reporting requirement, to the full regime. This includes a requirement for all SRB firms to report complaints data to us from 30 June 2010.
- 3.2 CP10/4 confirmed that the industry supports the proposal. Here we set out our complaints reporting requirements for SRB firms and the timings which will apply. Full details of our complaints reporting rules can be found in DISP 1.10.
- 3.3 The complaints return will be included in the reporting template sent to all SRB firms with their confirmation of authorisation. The Complaints return can also be found in the Handbook in DISP 1 Annex 1R.
- 3.4 From 30 June 2010 SRB firms must submit a complaints report twice a year. Reporting periods are the six months immediately following and the six immediately preceding the firm's accounting reference date. Complaints returns are to be submitted within 30 business days of the end of the relevant reporting periods.
- 3.5 We are currently undertaking work to integrate SRB firms into all our automated systems, including complaints reporting. This work will be completed before 30 June 2011. Until then, SRB firms cannot submit their complaints return through our systems (as required by DISP 1.10.5). Instead a Transitional Provision (TP) has been included in our rules and can be seen in Appendix 1, Annex B, of this PS. Under the TP, SRB firms will be required to submit their complaints returns manually between 30 June 2010 and 29 June 2011, using the same email address as for other SRB reports.

3 DISP: Dispute Resolution: Complaints Sourcebook www.fsahandbook.info/FSA/html/handbook/DISP

4 CP09/22, *Regulating sale and rent back – the full regime*, September 2009. www.fsa.gov.uk/pages/Library/Policy/CP/2009/09_22.shtml

- 3.6 From 30 June 2011, SRB firms will be required to submit their complaints return via the secure area of our website. Instructions about how to use our automated reporting system will be sent to each firm before 29 June 2011.
- 3.7 With the application of DISP 1.10 from 30 June 2010, SRB firms will also be subject to the complaints data publication rules set out in DISP 1.10A. This means that firms will be obliged to publish a summary of their complaints data if they report 500 or more complaints in any reporting period.

Approved Persons

- 3.8 We are publishing a PS on the extension of our approved persons regime on the same day as this paper. **Our approved persons regime will apply to SRB firms.** It is therefore important that SRB firms familiarise themselves with the requirements set out in PS10/9⁵ and the proposals in CP10/2.⁶
- 3.9 We are extending the CF10 function and creating a new customer function, CF31, which will apply to a range of relevant activities (as set out in CP10/2). These will apply to all individuals who advise on, arrange or provide a regulated SRB agreement.

CFEB

- 3.10 The Consumer Financial Education Body (CFEB) was formed in April 2010. This was after we had published CP10/4 which confirmed the final rules for the full SRB regime. CFEB is now responsible for all MoneyMadeClear materials including the factsheet, *'Just the facts about sale and rent back schemes'*, shown in Appendix 3 of CP10/4.
- 3.11 As a result the factsheet has been updated by CFEB and is now available for SRB firms to order from the MoneyMadeClear website.⁷ The updated version can be found in Appendix 2.

5 PS10/9: *Mortgage Market Review: Arrears and Approved Persons, Including feedback to CP10/2*, June 2010.

6 CP10/2: *Mortgage Market Review: Arrears and Approved Persons*, January 2010.
www.fsa.gov.uk/pubs/cp/cp10_02.pdf

7 www.moneymadeclear.org.uk/tools/publications/firms_online_order_form.html

List of respondents to CP10/4

Quick Purchase Limited

The Law Society

Summary of changes to draft rules

Old rule number	New rule number	Nature of change	Reason for change
N/A	16.11.2 G	New guidance for SRB firms regarding PSD.	SRB firms are required to record but not submit PSD.
N/A	16.11.3 R	New rules setting out the PSD requirements for SRB providers.	PSD will not be included in automated submission. Supervisors may request it.
16.12.4 R	16.12.4 R	Reference to SUP 16.12.28 R in the table has been changed to 16.12.28A.	Error in the existing Handbook text corrected.
16.12.28A R	16.12.18A R	Change in numbering.	Error in the draft text corrected.
Sup 16 Annex 19A	Sup 16 Annex 19A	Revised Section K of the MLAR.	Data captured in section K now reflects our policy intention.
SUP 16 Annex 19B	SUP 16 Annex 19B	Throughout the Annex 'contracts' has been changed to 'agreements'.	This is a more appropriate description as SRB agreements form part, but not all, of the contract between seller and provider.
SUP 16 Annex 19B	SUP 16 Annex 19B	The text which explains Section K has been re-numbered and edited.	This reflects the changes we have made to Section K.
SUP 16 Annex 21 R	SUP 16 Annex 21 R	Additional field added to the PSD: 'Fees charged to the customer'.	This will give us information on fees charged by the SRB provider to the customer.
N/A	DISP TP 1.1 27	Transitional provision for submission of the complaints return between 30 June 2010 and 29 June 2011.	Firms must submit the return manually, until SRB has been integrated into all our systems.

Final rules for sale and rent back reporting

Sale and rent back (regulatory reporting) instrument 2010

SALE AND RENT BACK (REGULATORY REPORTING) INSTRUMENT 2010

Powers exercised

- A. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 138 (General rule-making power);
 - (2) section 156 (General supplementary powers); and
 - (3) section 157(1) (Guidance).
- B. The rule-making powers listed above are specified for the purposes of section 153(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 30 June 2010.

Amendments to the Handbook

- D. The Supervision manual (SUP) is amended in accordance with Annex A to this instrument.
- E. The Dispute Resolution: Complaints sourcebook (DISP) is amended in accordance with Annex B to this instrument.

Citation

- F. This instrument may be cited as the Sale and Rent Back (Regulatory Reporting) Instrument 2010.

By order of the Board
24 June 2010

Annex A

Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

- 16.11.2 G (1) The purpose of this section is to set out the requirements for *firms* in the retail mortgage, investment, and *pure protection contract* markets specified in SUP 16.11.1R to report individual product sales data to the FSA. In the case of *firms* in the sale and rent back market, there is a requirement to record, but not to submit, the data. ~~The requirement applies~~ These requirements apply whether the *regulated activity* has been carried out by the *firm*, or through an intermediary which has dealt directly with the *firm*.

Reporting requirement

- 16.11.3 R (1) A *firm* must submit a report (the ‘data report’) containing the information required by SUP 16.11.5R quarterly, within 20 *business days* of the end of the quarter, unless (3) or (4) applies.

...

- (3) A *firm* need not submit a data report if no relevant sales have occurred in the quarter.

- (4) *A SRB agreement provider* must compile, and keep for at least five years from the end of the relevant quarter, a data report containing the information required by SUP 16.11.5R, but is not subject to the requirement in (1) to submit a data report (or to the requirement in SUP 16.11.9R).

...

Content of the report

- 16.11.5 R The data report must contain sales data in respect of the following products:

...

- (4) *home purchase plans*; ~~and~~
 (5) *home reversion plans*; and
 (6) *regulated sale and rent back agreements*.

...

- 16.12.4 R Table of applicable rules containing *data items*, frequency and submission
-

periods

(1)		(2)	(3)	(4)
RAG number	Regulated Activities	Provisions containing:		
		applicable data items	reporting frequency/ period	Due date
...				
RAG 9	<ul style="list-style-type: none"> • mortgage mediation activity <u>home finance mediation activity</u> • insurance mediation activity (non-investment insurance contracts) 	SUP 16.12.28 <u>AR</u>	SUP 16.12.28 <u>AR</u>	SUP 16.12.28 <u>AR</u>
...				

...

16.12.18A R The applicable *data items*, reporting frequencies and submission deadlines referred to in SUP 16.12.4R are set out in the table below. Reporting frequencies are calculated from a *firm's accounting reference date*, unless indicated otherwise. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period.

Description of data item <u>data item</u>	Data item <u>Data item</u> (note 1)	Frequency	Submission deadline
...			
Fees and levies	Section J MLAR	Annually	30 <i>business days</i>
<u>Sale and rent back</u>	<u>Section K MLAR</u>	<u>Annually</u>	<u>30 business days</u>
Note 1	When submitting the completed <i>data item</i> required, a <i>firm</i> must use the format of the <i>data item</i> set out in SUP 16 Annex 19AR. Guidance notes for the completion of the data items <u>data items</u> is set out in SUP 16 Annex		

	19BG.
...	

...

16 Annex 18BG Notes for Completion of the Retail Mediation Activities Return ('RMAR')

...

NOTES FOR COMPLETION OF THE RMAR

...

Section B: Profit & Loss Account

...

Note: *Home purchase, and reversion and regulated sale and rent back activity* should be included under the existing mortgage headings in this section of the RMAR.

...

Section C: Client Money and assets

Note: *Home purchase, and reversion and regulated sale and rent back activity* should be included under the existing mortgage headings in this section of the RMAR.

...

Section D: Regulatory Capital

Note: *Home purchase, and reversion and regulated sale and rent back activity* should be included under the existing mortgage headings in this section of the RMAR.

...

Section E: Professional Indemnity Insurance

Note: *Home purchase, and reversion and regulated sale and rent back activity* should be included under the existing mortgage headings in this section of the RMAR.

...

Section E: guide for completion of individual fields

...

Part 2

At this point, if the *firm* has PII policy details to report, it should do so by clicking on the ‘add PII policy’ button in the summary screen. This will then prompt you to name the sub-section, e.g. ‘policy1’. You may also add further sub-sections if the *firm* has two or more policies (up to a maximum of ten).

What activities are covered by the policy(ies)?	You should indicate which <i>regulated activities</i> are covered by the <i>firm</i> ’s PII policy or policies.
If your policy excludes all business activities carried on prior to a particular date (i.e. a retroactive start date), then insert the date here, if not please insert ‘n/a’	Required terms of PII are set out for <i>personal investment firms</i> in IPRU(INV) 13.1.5R and for <i>mortgage home finance intermediaries</i> and <i>insurance intermediaries</i> in MIPRU 3.2.4R. ...
...	
Annual income as stated on the most recent proposal form	This should be the income as stated on the <i>firm</i> ’s most recent PII proposal form. For a <i>personal investment firm</i> , this is relevant income arising from all of the <i>firm</i> ’s activities for the last accounting year before the policy began or was renewed (IPRU(INV) 13.1.8R). For <i>insurance intermediaries</i> and <i>mortgage home finance intermediaries</i> this is the annual income given in the <i>firm</i> ’s most recent annual financial statement from the relevant <i>regulated activity</i> or activities (MIPRU 4.3.1R to 4.3.3R).
...	

...

Section F: the *threshold conditions*

...

Sub-heading: ~~approved persons~~

~~The approved persons regime is one of the ways in which the FSA satisfies itself that firms are operating in accordance with *threshold conditions* 4 (adequate resources) and 5 (suitability).~~

~~An “approved person” is a *person* in relation to whom the FSA has given its approval under the Act for the performance of a *controlled function*. In broad terms, the individuals the FSA approves fall into the following categories:~~

- ~~• individuals exerting significant influence over the *firm*’s *regulated activities*;~~
- ~~• individuals dealing directly with *customers*; and~~

~~• individuals dealing with the property of customers.~~

~~For retail investment firms, all individuals undertaking controlled functions in relation to the above categories are subject to the approved persons regime.~~

~~For firms carrying on home finance mediation activity and/or insurance mediation activity relating to non-investment insurance contracts, the ‘significant influence’ category is subject to the approved persons regime, but not the ‘customer functions’.~~

~~See, generally, SUP 10.4 for specification of significant influence functions and customer functions.~~

...

Section G: Training & Competence (‘T&C’)

Note: ~~Home purchase~~, ~~and reversion~~ and regulated sale and rent back activity should be included under the existing mortgage headings in this section of the RMAR.

...

Section G: guide for completion of individual fields

...	
Number of advisers that have passed appropriate examinations	<p>This is a subset of the total in ‘number of staff that give advice’ above.</p> <p>In the case of certain activities, TC 2 imposes requirements on firms in relation to their employees and passing examinations. See, for example, requirements relating to employees engaged in <i>advising a customer on a home finance transaction other than a home finance transaction that the firm has concluded solely for a business purpose (Table TC 2.1.4R (1)(p)) regulated mortgage contract for a non-business purpose (TC Appendix 1.1.1(20)), and requirements relating to employees engaged in advising on investments which are packaged products (Table TC 2.1.4R (1)(f)) (TC Appendix 1.1.1(4)).</i></p> <p>...</p>
...	

...

Section H: Conduct of Business (‘COBS’) Data

Note: ~~Home purchase~~ ~~and reversion activity~~ should be included under the existing mortgage headings in this section of the RMAR.

...

Section I: supplementary product sales data

...

Sub-heading: (iii) ~~Dealing as agent for non-investment insurance contracts~~

This section captures transactions with *retail customers* by *firms* with delegated authority (e.g. where the *firm* can bind risks on behalf of the *insurance undertaking* without further reference to the *insurance undertaking*). *Firms* are required to submit aggregate volumes and value of this business, and to indicate which products they have dealt in.

Firms are also required to indicate whether this business is significant. 'Significant', in this context, is where the premium collected in relation to business where the *firm* dealt as agent amounts to (a) more than 40% of premium collected for all non investment insurance business, or (b) more than 40% of premium collected for all business in a particular product). Again, this enables us to ascertain the importance of this business to the *firm* and to target thematic work in this area.

Sub-heading: (iv) ~~claims handling~~

The activity of '**assisting in the administration and performance of a contract of insurance**' encompasses claims handling on behalf of *customers*, and this section aims to capture information on claims handling that is not collected from product providers as part of PSD.

This enables us to ascertain the importance of this activity to the *firm* and to target thematic work in this area. *Firms* should note that where claims are handled on behalf of an *insurer* only, this does not constitute a *regulated activity*.

Sub-heading: (v) ~~Lloyd's brokers — product sales data~~

This information is required because data on business placed through Lloyd's is not collected as part of product sales data. To fill the gap, this section requires Lloyd's brokers to submit data on the percentage of revenue earned through their *regulated activities* that is derived from retail, commercial and reinsurance business. This information is used alongside the product sales data to inform our thematic supervision work.

...

Section J: data required for calculation of fees

Note: *Home purchase*, ~~and reversion~~ and regulated sale and rent back activity should be included under the existing mortgage headings in this section of the RMAR.

...

After the existing section J, insert the following new section. The text is not underlined.

K SALE & RENT BACK (SRB) BUSINESS		Regulated Number	Amount
K1	Overall business summary (opening & closing stocks with key transactions)		
K1.1	SRB agreements at start of quarter	_____	_____
K1.2	New sales in quarter	_____	_____
K1.3	Disposals in quarter	_____	_____
K1.4	Business transfer: acquisitions	_____	_____
K1.5	Business transfer: sales	_____	_____
K1.6	Other	_____	_____
K1.7	SRB agreements at end of quarter	_____	_____
K1.8	SRB agreements arranged for unauthorised person	_____	_____

K SALE & RENT BACK (SRB) BUSINESS

		Regulated Number	Amount
K2	New business in Quarter		
Sales : analysed by discount on open market value (OMV)			
K2.1	0% – 30%	_____	_____
K2.2	30% – 40%	_____	_____
K2.3	> 40%	_____	_____
K2.4	Weighted average of all sales	<input type="text"/>	<input type="text"/>
Sales : analysed by provider fees charged			
K2.5	Over £1000	_____	_____
K2.6	Under £1000	_____	_____
K2.7	Weighted average fees charged	<input type="text"/>	<input type="text"/>
Sales : analysed by annual rent as % sale value			
K2.8	Average annual rent per month	_____	_____
K2.9	Average rental yield	_____	_____

SALE & RENT BACK (SRB) BUSINESS

K3 SRB agreements terminated or transferred in the quarter:

		Agreements Terminated by Firm	Agreements Terminated by Seller
K3.1	< 12 Months	_____	_____
K3.2	12 - 36 Months	_____	_____
K3.3	36 - 60 Months	_____	_____
K3.4	60 - 72 Months	_____	_____
K3.5	> 72 Months	_____	_____
K3.6	Avg Duration of Agreement	<input type="text"/>	<input type="text"/>

Total Sales (Transfers & Disposals)		Transfers Number	Amount	Disposals	
				Number	Amount
K3.7	Original SRB values	_____	_____	_____	_____
K3.8	Current SRB book values	_____	_____	_____	_____
K3.9	Actual disposal/transfer values	_____	_____	_____	_____

SALE & RENT BACK (SRB) BUSINESS

K4 SRB agreements at end of quarter: cases 10% or more in arrears

		<u>Regulated</u>		
		Cases in arrears at end quarter		
Arrears categorisation		Number	Amount of arrears	Annual rentals
K4.1	10 < 20 %	_____	_____	_____
K4.2	20 < 30 %	_____	_____	_____
K4.3	30 < 40 %	_____	_____	_____
K4.4	40 < 50 %	_____	_____	_____
K4.5	50 < 75 %	_____	_____	_____
K4.6	75% or more	_____	_____	_____
K4.7	All cases	<input type="text"/>	<input type="text"/>	<input type="text"/>

SALE & RENT BACK (SRB) BUSINESS

**SRB
administrators**

K5

K5.1 Regulated SRB agreements administered

K5.2 Number of SRB agreements administered

K5.3 Number of SRB agreements administered for other firms

Number of SRB agreements administered for other firms - top 5 firms

	Firm Ref Number (FRN)	Number of SRB agreements administered
K5.4	1: _____	1: _____
K5.5	2: _____	2: _____
K5.6	3: _____	3: _____
K5.7	4: _____	4: _____
K5.8	5: _____	5: _____

Amend the following as shown.

16 Annex 19BG Notes for Completion of the Mortgage Lending and Administration Return ('MLAR')

NOTES FOR COMPLETION OF THE MORTGAGE LENDING & ADMINISTRATION RETURN ('MLAR')

Contents

...

Section J Fee tariff measures

Section K Sale and rent back business

...

INTRODUCTION: GENERAL NOTES ON THE RETURN

1. Introduction

This section covers a number of points that have relevance across the return generally:

...

- *Home Reversion plans and Home Purchase plans*
- Sale and rent back business

...

2. Overview of reporting requirements

...

Because the *MLAR* is activity based, it sets out the reporting requirements for a number of different *firm* types. We expect *firms* to complete the requirements as follows:

...

- a *firm* carrying on *administering a home finance transaction*, but not also *home finance providing activity*, will need to complete sections A, B, C, G, H and J of the *MLAR*.
- *SRB agreement providers and SRB administrators* should complete sections A, B, C, J and K of the *MLAR*. (See section 4b for more information for *sale and rent back firms*.)

3. Purpose of reporting requirements

...

Table J provides information on fee tariff measures for *home finance providers* and *administrators*.

Table K provides the framework for the *FSA's monitoring of SRB agreement providers* and *SRB administrators*

...

4a. Home reversion and home purchase plans

...

...and hence such information should be excluded from section H.

4b. Sale and rent back business

Definitions

Regulated sale and rent back agreement.

This is defined in the Handbook as follows:

(in accordance with article 63J(3)(a) of the *Regulated Activities Order*) an arrangement comprised in one or more instruments or agreements, in relation to which the following conditions are met at the time it is entered into:

(a) the arrangement is one under which a *person* (an agreement provider) buys all or part of the *qualifying interest in land* in the *United Kingdom* from an individual or trustees (the "agreement seller"); and

(b) the agreement seller (if he is an individual) or an individual who is the beneficiary of the trust (if the agreement seller is a trustee), or a related person, is entitled under the arrangement to occupy at least 40% of the land in question as or in connection with a dwelling, and intends to do so;

but excluding any arrangement that is a regulated *home reversion plan*.

Guidance to sale and rent back (SRB) firms on the completion of the MLAR

This section explains how SRB *firms* should complete the *MLAR*.

SRB providers and administrators should complete the following sections of the *MLAR*:

- Section A (balance sheet);
- Section B (profit and loss account);
- Section C (capital);
- Section J (fees tariff measures); and
- Section K (sale and rent back business).

SRB firms should **not** complete sections D to H in respect of their SRB business.

It is recognised that SRB products are not loans. However, in order to use the MLAR as a vehicle for capturing data on these products, they are to be treated in **some** sections of the MLAR as if they were loan products. Therefore SRB providers should note the following in relation to their reporting of SRB agreements:

In section A

- Do **not** enter any information on SRB agreements in A1.6 ‘Loans to customers’.
- Report SRB assets in A1.11.
- Details of SRB agreements should be entered in A3.5 ‘Other loans’, in the ‘Unsecuritised balances’ section.

In Section B

- Where applicable, information on SRB agreements should be entered in B2.5 ‘Other loans’.

As a consequence the FSA will be able to capture key information on these products.

5. Accounting conventions

...

After SECTION J: FEE TARIFF MEASURES, insert the following new section. The text is not underlined.

SECTION K: SALE AND RENT BACK BUSINESS (SRB)

Introduction

This section must be completed as follows:

- *SRB agreement providers* must complete K1 to K5
- *SRB administrators* must complete K6
- *Firms* that are both *SRB agreement providers* and *SRB administrators* must complete K1 to K6.

K SRB: Residential sales by individuals

It is expected that *firms* will have the following to report:

- regulated SRB agreements: in respect of transactions entered into since SRB became a *regulated activity*, and
- non-regulated SRB agreements: in respect of transactions of a similar nature entered into before SRB became a *regulated activity*; and also any new contract that, while not meeting the precise conditions for a regulated contract, nonetheless has similar characteristics (for example cases where

the *firm* has purchased a property under value and rents an alternative property to the seller).

This approach means that all new and existing sale and rent back agreements – whether regulated or not, and whether transacted before or after SRB became a *regulated activity* – must be reported by the *firm* in section K.

K1 Overall business summary

This section looks at the *firm*'s SRB position at the start of the reporting quarter, at the various movements in the quarter, and at the end quarter position. Details required are:

- K1.1 **SRB agreements at start of quarter:** those agreements that existed at the end of the previous quarter. This line should normally agree with figures reported as at the previous quarter end.
- K1.2 **New sales in quarter:** new SRB agreements transacted in the quarter, where the *firm* has obtained title to the property and monies have been paid to the SRB seller. 'Amount' is the sale value (paid to seller) and should be reported gross, that is, before the deduction of any fees and charges.
- K1.3 **Disposals in quarter:** SRB agreements where the *firm* has sold the actual property. 'Amount' is the SRB value of the contract as used for the same contract reported in K1.1. Transfers or sales of SRB agreements should be reported under 'Business transfers-sales' below.
- K1.4 **Business transfer-acquisitions:** where the *firm* acquires one or more existing SRB agreements from another party or parties.
- K1.5 **Business transfer- sales:** where the *firm* sells one or more existing SRB agreements to another party or parties. Include also transfers of such agreements to any party.
- K1.6 **Other:** include any other amounts which affect the balances reported in K1.1 and K1.7, that is which reflect any change in the book value of any SRB agreements during the quarter.
- K1.7 **SRB agreements at end of quarter:** the number and book value of SRB contracts in existence at the end of the quarter.
- K1.8 **SRB agreements arranged for unauthorised persons:** The number of SRB agreements arranged where an unauthorised person has obtained title to the property and monies have been paid to the SRB seller. 'Amount' is the sale value (paid to seller) and should be reported gross, that is, before the deduction of any fees and charges.

NB: it is expected that figures in K1.7 will reconcile with those in other rows as follows:

- For 'Numbers': $K1.7 = K1.1 + K1.2 - K1.3 + K1.4 - K1.5$
- For 'Amounts': $K1.7 = K1.1 + K1.2 - K1.3 + K1.4 - K1.5 + K1.6$

K2 New business in the quarter

This section looks at various aspects of new business that has been transacted in the quarter: each is described below. For each aspect:

- The '**sale value**' means the gross amount paid to the seller before any fees and charges have been deducted.
- The 'All sales' line should agree with figures reported in K1.2.

K2.1 to 2.4 Sales: analysed by discount on open market value (OMV)

Here SRB transactions are classified into different bands, according to the amount of **discount** expressed as a percentage of the open market value of the property that is subject to the SRB contract. Discount is the open market value minus the sales value.

So for example, for those SRB agreements where the discount is 30% to under 40%, enter the total number of such sales and the total sales values of those agreements in the relevant boxes on the K2.2 line.

K2.5 to 2.7 Sales: analysed by provider fees charged

Here, SRB transactions are classified into two different bands, according to the amount of provider fees charged to the SRB agreement. Enter the total number of such sales and the total sales values of those agreements.

K2.8 to 2.9 Sales: analysed by annual rent as percent of sale value

Here the total number of new SRB agreements and the amount of average monthly rent being charged at the outset of the agreements is recorded. The average rental yield is calculated as the **total** annual rent for all new SRB agreements in the quarter divided by the total sales values.

K3 SRB agreements terminated or transferred in the quarter

This analyses SRB agreements terminated by either the provider or seller, and also those SRB agreements transferred to other parties.

K3.1 to K3.6 Agreements terminated:

By firm

This is where the seller has breached the terms and conditions of the SRB agreement and the provider has exercised the right to terminate the contract. Here, terminations are analysed according to the duration of the contract in

particular time bands. For each time band, enter the total number of such terminations

At the end of the quarter, some or possibly all of these agreements in K3.1 to K3.6 will also be included in end-quarter figures at K1.7. Those not included may already have been disposed of (reported at K1.3), or sold or transferred to third parties (reported at K1.5).

By seller

This is where the seller has exercised the right to buy back the property under the SRB agreement, or where the seller has terminated the tenancy agreement before the end of the fixed term. Here, redemptions are analysed according to the duration of the contract in particular time bands.

For each time band, enter the total number of such transactions and the total original sales values of those agreements.

In the supplementary analysis, provide summary totals for:

- original SRB values: the gross sales value paid to the seller
- current SRB values: the book value of the contract at time of re-sale
- actual resale values (i.e. the price at which either the property was sold back to the seller, or the seller left the property after giving notice) inclusive of any fees or charges levied as part of this resale transaction.

K3.7 to K3.9 **Transfers and Disposals**

Transfers

This covers SRB agreements which are sold or transferred to third parties, but where the contract itself remains in being.

The analysis looks into the status of each SRB agreement when it is sold or transferred, distinguishing between:

- agreements which are fully performing, and
- those where the seller is not currently meeting the terms and conditions of the contract.

For both types of contract, *firms* should report:

- original SRB values: the gross sales value paid to the seller;
- current SRB values: the book value of the contract at time of sale/transfer; and
- actual disposal/transfer values: the value of the contract as recognised in the agreement with the acquiring party.

Disposals

This covers disposals made during the normal course of business, and does not include business transfers. This is a further analysis of ‘disposals’ reported in K1.3.

Firms should report:

- original SRB values: the gross sales value paid to the seller;
- current SRB values: the book value of the contract at time of disposal; and
- actual disposal/transfer values: the price obtained on sale (before deducting any costs of sale).

K4 **SRB agreements at end of quarter: cases 10% or more in arrears**

Firms should report those SRB contacts where the total amount of arrears on rental payments is 10% or more of the annual rental amount. Cases should be allocated to the relevant arrears band according to the percentage in arrears.

For each arrears band, report the number of such cases, and the amount of arrears, and the amount of the expected annual rent on these cases.

K5 **SRB administrators**

Firms holding SRB administration permissions must complete the number of regulated SRB agreements that they administer, as well as the number of regulated SRB agreements that they administer for third parties.

The agreements administered for third parties must be further broken down by the number of SRB agreements administered for the largest five *firms* that they administer regulated SRB agreements for.

...

Amend the following as shown.

16 Annex 20G **Products covered by the reporting requirement in SUP 16.11**

Table 4 – OTHER HOME FINANCE TRANSACTIONS

Relevant products include:

Home reversion plans

Home purchase plans

Regulated sale and rent back agreements

...

Part 2: Supporting product definitions/guidance for product sales data reporting

...

Other home finance transactions

Finance Type	Description
<i>Home reversion plan</i>	Defined in the Handbook <i>Glossary</i>
<i>Home purchase plan</i>	Defined in the Handbook <i>Glossary</i>
<u>Regulated sale and rent back agreement</u>	<u>Defined in the Handbook <i>Glossary</i></u>

SUP 16 Annex 21R

REPORTING FIELDS

...

2 SPECIFIC REPORTING FIELDS

...

d) Other home finance transactions

...

iii) Sale and rent back agreements

The following data reporting fields must be completed, where applicable, for all *regulated sale and rent back agreements*.

<u>Data reporting field</u>	<u>Code (where applicable)</u>	<u>Notes</u>
<u>Unique identifier</u>		<u>Use code that enables the sale and rent back provider to identify the individual sale and rent back agreement.</u>
<u>Date of sale and rent back agreement</u>	<u>DD/MM/YYYY</u>	<u>Date the sale and rent back agreement was entered into.</u>
<u>Market value of the property</u>	<u>Numeric £</u>	<u>Indicate the market value of the property according to the independent valuation carried out in accordance with <i>MCOB 6.9.2R</i>.</u>
<u>Purchase price</u>	<u>Numeric £</u>	<u>Purchase price of the</u>

		<u>property.</u>
<u>Net amount paid to the sale and rent back seller</u>	<u>Numeric £</u>	<u>Net amount paid to the sale and rent back seller, following the deduction of fees and any other expenses.</u>
<u>Monthly rent</u>	<u>Numeric £</u>	<u>Monthly rent as agreed at the outset of the tenancy agreement.</u>
<u>Term of tenancy agreement</u>	<u>Months</u>	<u>Length of the initial fixed term as stated in the tenancy agreement.</u>
<u>Postcode of property</u>	<u>XX45 6XX</u>	
<u>Income basis</u>	<u>S = single, J= joint</u>	<u>Use code to indicate whether the affordability assessment has been made on a single or joint basis.</u>
<u>Main sale and rent back seller employment status</u>	<u>E = employed, S = self employed, B = benefits, R = retired, 0 = other</u>	<u>Applies to main sale and rent back seller only.</u>
<u>Total net disposable income</u>	<u>Numeric £</u>	<u>The total net disposable income for all parties to the sale and rent back agreement used in the affordability assessment.</u>
<u>Date of birth of main sale and rent back seller</u>	<u>DD/MM/YYYY</u>	<u>Report the age of the main sale and rent back seller only.</u>
<u>Product incentives</u>	<u>CB = cash back, BB = buy back option, SA = share of appreciation</u>	<u>Use code to indicate incentives that form part of the sale and rent back agreement, if applicable.</u> <u>Where more than one code applies, report all.</u> <u>‘Cash back’ is the promise of a future payment to the sale and rent back seller, for example a portion of the original discount.</u> <u>‘Buy back’ is where the</u>

		<p><u>sale and rent back seller is offered the option to buy the property back.</u></p> <p><u>'Share of appreciation' is where the sale and rent back seller is promised a share in the appreciation of the property value.</u></p>
<u>Funding source for sale and rent back agreement</u>	<p><u>C = commercial funding,</u></p> <p><u>B = BTL mortgage,</u></p> <p><u>O = other</u></p>	<u>Use code to indicate the source of funding used for the sale and rent back agreement.</u>
<u>Fees charged to customer</u>	<u>Numeric £</u>	<u>This is the fee charged by the provider to the customer. It includes administration and legal fees.</u>

...

Annex B

Amendments to the Dispute Resolution: Complaints sourcebook (DISP)

In this Annex, underlining indicates new text.

TP 1 Transitional provisions

TP 1.1 Transitional Provisions table

(1)	(2) Material provision to which transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
...					
<u>27</u>	<u>DISP 1.10.5R</u>	<u>R</u>	<p><u>In respect of complaints which relate to a <i>firm's</i> activities in respect of <i>regulated sale and rent back agreements</i> DISP 1.10.5R is disapplied and is replaced by the following:</u></p> <p><u>“Reports are to be submitted to the <i>FSA</i> within <i>30 business days</i> of the end of the relevant reporting periods either in hard copy form or by email, to dmt.inbox@fsa.gov.uk.”</u></p>	<u>From 30 June 2010 to 29 June 2011</u>	<u>30 June 2010</u>

CFEB MoneyMadeClear consumer factsheet

Just the facts about sale-and-rent
back schemes (full factsheet over page)

No selling. No jargon. Just the facts about sale-and-rent-back schemes

This factsheet, from the Consumer Financial Education Body (CFEB), tells you what to consider before agreeing to a sale-and-rent-back scheme.

You may be tempted to consider these schemes if you are having problems paying your mortgage. In this kind of scheme, you sell your home at a discounted price and in return you stay living there as a rent-paying tenant for a fixed term. This may allow you to clear your mortgage and other debts, but you will face new risks.

Risks of sale-and-rent-back schemes

- You will no longer own your home.
- You may still have to leave your home after the fixed term of your new tenancy agreement.
- Your rent could go up both during and after the fixed term of your tenancy.
- You could still be evicted during the fixed term if you breach the terms of your tenancy, for example if you fall behind with your new rental payments.
- The amount you get for your home will be much lower than its price if you sold it normally.
- If the person or firm buying your home gets into financial difficulties, the property could still be repossessed and you might have to leave.
- If you sell your home at a discounted price, this may affect your eligibility for bankruptcy or other forms of insolvency.

Consider these schemes only as a last resort.

Make sure you have looked at all other options first.

Before considering sale-and-rent-back schemes

- **Speak to your mortgage lender.** They may be able to help you to make an arrangement to repay your mortgage arrears – read our **Problems paying your mortgage** guide – see *Useful contacts*.
- **Speak to your other creditors.** You may be able to arrange a repayment plan to help you manage your debts and keep your home.
- **Get free and independent debt help** online, by telephone or face to face from a debt adviser – see *Useful contacts*. They may also deal directly with your lenders on your behalf.
- **Check whether you're eligible for Government help**, including benefits, a loan or Homeowner Mortgage Support. Or you may qualify for a Mortgage Rescue Scheme, where your council or a social landlord buys your home and rents it back to you. Speak to a housing or debt adviser for help – see *Useful contacts*. For more information about State benefits you can also go online at www.direct.gov.uk/benefitsadviser.
- **Consider selling your home on the open market.** Use a local estate agent or go online to check property sale prices in your area.
- **Check whether equity release is a suitable option** (if you're 55 or over). It's a way of raising money from your home that allows you to stay there. Read our **Equity release** guide – see *Useful contacts*.

If a sale-and-rent-back scheme is your only option, make sure you can afford it and that you understand the agreement, so you get the right deal for you.

Remember, this is general information and isn't the same as getting financial or other professional advice. For advice based on your own circumstances, talk to a professional adviser.

 **Money made clear**TM
from the Consumer Financial Education Body (CFEB)

When choosing a sale-and-rent-back scheme

- **Make sure you deal with a regulated firm** as they must assess whether it's right for you, and you will have access to complaints and compensation procedures if things go wrong. Contact the Financial Services Authority (FSA), the UK's financial services regulator, to check if a firm is regulated – see *Useful contacts*.
- **Check the **keyfacts**® document** the firm will give you for important details of the scheme – see **Get the key facts**.
- **Shop around** using firms' **keyfacts**® documents to compare schemes.
- **Check how these schemes affect your right to State benefits including Housing Benefit** – speak to your local council or Citizens Advice Bureau – see *Useful contacts*.
- **Check you can afford the rent.** A free and independent advice service can help you work out your budget – see *Useful contacts*.
- **Read the terms of your tenancy carefully**, so you know what you must do to avoid being evicted.

Get the key facts

Firms must tell you in a **keyfacts**® document important information about the scheme, including:

- the market value of the property (normally in the form of a valuation report);
- the price the firm will pay for the property;
- the fixed term of your tenancy agreement, which must be at least 5 years;
- the rent due under the agreement;
- the circumstances when the rent can be increased; and
- what happens if you fall behind with your rent.

When you get a written offer to buy your home, you will have 14 days to consider this before the firm can contact you again.

If things go wrong

Complaints about the sale of the scheme – if you deal with a regulated firm, they must have complaints procedures. Complain to the firm first. If your complaint is not resolved to your satisfaction, you can take it to the Financial Ombudsman Service. Get our **Making a complaint** guide – see *Useful contacts*.

Complaints about how you are treated as a tenant – contact Shelter or your local Citizens Advice Bureau for advice on your rights – see *Useful contacts*.

How you can help

Report to the FSA any unregulated firm you may find or any advertising of these schemes that you think may be unfair, unclear or misleading – see *Useful contacts*.



Useful contacts

Consumer Financial Education Body (CFEB)

To order other **Moneymadeclear** guides, or for general information or guidance

Helpline: 0300 500 5000

Typetalk: 1800 1 0300 500 5000

(Calls should cost no more than 01 or 02 UK-wide calls, and are included in inclusive mobile and landline minutes.)

To help us maintain and improve our service, we may record or monitor calls.

If you would like this factsheet in Braille, large print or audio format, please call our Consumer Helpline.

Other **Moneymadeclear** guides

- Equity release schemes – raising money from your home
- Making a complaint
- Problems paying your mortgage

For more titles, call us or go online
www.moneymadeclear.org.uk

Other organisations that can help

Call rates may vary – check with your provider

Financial Services Authority (FSA)

Consumer helpline: 0845 606 1234

Minicom/Textphone: 08457 300 104

www.fsa.gov.uk

To check the FSA Register, or to report unregulated firms or misleading adverts.

Consumer Credit Counselling Service (CCCS)

Mortgage arrears helpline: 0800 975 9558

www.cccs.co.uk

For free and independent advice on budgeting and all types of debt.

Citizens Advice Bureau (CAB)

www.adviceguide.org.uk

For free and independent advice on budgeting, debt, State benefits, understanding schemes and their consequences, and your rights as a tenant. Look in the Phone Book or on the website for your local bureau.

Shelter (England and Scotland)

Homeowner helpline: 0300 3300 515

Housing advice helpline: 0808 800 4444

www.shelter.org.uk

For free and independent advice on mortgage debt, understanding schemes and their consequences, and your rights as a tenant. They have online information about the effect of these schemes on Housing Benefit claims.

Local council

For information on whether they offer a 'mortgage rescue' scheme or whether you qualify for Housing Benefit if you plan to enter into a sale-and-rent-back scheme. Look on www.direct.gov.uk or in your phone book for contact details.

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