

1. PURPOSE

This policy sets out the standards and procedures for providing mortgage advice to clients in line with regulatory requirements, including the rules of the Financial Conduct Authority (FCA), particularly under MCOB.

The objective is to ensure:

- Clients receive suitable advice based on their needs and circumstances
- All advice is documented, justified, and auditable
- The firm maintains high standards of compliance and consumer protection

2. SCOPE

This policy applies to:

- All Mortgage Advisers
- Managers and Supervisors
- Compliance / T&C function

Covers:

- Residential mortgages
- Buy-to-let (where advised)
- Product transfers (if advised service is provided)
- Remortgages and purchases

3. ADVICE STANDARD

All mortgage advice must be:

✓ **Suitable**

- Based on a full assessment of client needs and circumstances
- Aligned with affordability, objectives, and risk profile

✓ **Personalised**

- No generic or templated recommendations
- Clear link between fact-find and recommendation

✓ **Justified**

- Adviser must explain why this lender and product
- Alternatives must be considered and documented

4. FACT FIND REQUIREMENTS

A full Fact Find must be completed before any recommendation. Must include:

■ **Personal Details**

- Identity verification (ID&V)
- Residency status
- Dependants

■ **Financial Situation**

- Income (employed / self-employed)
- Expenditure
- Credit commitments
- Assets & savings

■ **Credit Profile**

- Adverse credit (CCJ, defaults, arrears)
- Credit behaviour

■ **Property Details**

- Purchase / remortgage
- Property type

- Value
- Loan required

■ **Client Objectives**

- Monthly budget
- Term preferences
- Risk tolerance
- Fixed vs variable preference

5. AFFORDABILITY & LENDING ASSESSMENT

Advisers must:

- Conduct affordability assessment using sourcing tools
- Verify income and expenditure
- Consider lender criteria and stress testing
- Identify risks (e.g. rate increases)

No recommendation can be made unless:

- Affordability is confirmed
- Case is realistically placeable

6. SOURCING & RECOMMENDATION

Advisers must use an approved sourcing system (e.g. Twenty7Tec, Mortgage Brain).

Each recommendation must include:

- Lender selected
- Product details
- Interest rate and type
- Fees (product, arrangement, broker)
- Term and repayment type

■ **Key requirement:**

Adviser must document:

- Why this lender was chosen
- Why alternatives were not suitable

7. DISCLOSURE REQUIREMENTS

Before proceeding, the client must receive:

- Initial Disclosure Document (IDD)
- Explanation of service (advised / non-advised)
- Fee structure

All disclosures must be:

- Clear
- Fair
- Not misleading

8. RECOMMENDATION DOCUMENTATION

A Suitability Letter must be issued including:

- Summary of client circumstances
- Needs and objectives
- Recommended mortgage
- Key benefits and risks
- Costs and fees
- Consequences of non-payment

9. APPLICATION PROCESS

Before submission:

- All documents must be verified
- Information must match Fact Find

- Client consent must be obtained

Advisers must:

- Submit accurate applications
- Avoid misrepresentation

10. POST-ADVICE RESPONSIBILITIES

Advisers must:

- Keep client informed throughout process
- Support client until completion
- Provide updates on delays/issues

11. RECORD KEEPING

The following must be stored in CRM (Pro System):

- Fact Find
- ID verification
- Sourcing evidence
- Recommendation details
- Suitability Letter
- Client communications

Records must be:

- Complete
- Accurate
- Auditable

12. COMPLIANCE & MONITORING

The firm will:

- Conduct regular file checks
- Monitor adviser performance
- Review suitability of advice
- Track key KPIs

File checks may result in:

- Green / Amber / Red ratings
- Additional training
- Disciplinary action

13. CONFLICTS OF INTEREST

Advisers must:

- Act in the best interest of the client
- Not prioritise commission over suitability
- Disclose any conflicts

14. TRAINING & COMPETENCE (T&C)

All advisers must:

- Complete induction
- Pass role plays
- Be supervised until competent (CAS)
- Participate in ongoing training (Impact Academy)

15. BREACHES & DISCIPLINARY ACTION

Failure to comply with this policy may result in:

- Suspension
- Additional supervision
- Formal disciplinary action

Policy Review and Approval:

This policy will be reviewed annually or more frequently if required by changes in regulations or the needs of the firm. All amendments will be documented and communicated to all staff members.