

Chapter 15

P2P home finance activities

15.4 Modifications

General modifications

15.4.1 **R** Where a provision of *MCOB* applies to a *firm* which is a *P2P platform operator* and requires the *firm* to refer to the identity of the *mortgage lender, home purchase provider, reversion provider or SRB agreement provider*, the provision may be satisfied by a statement that the loan, plan or agreement is provided by investors facilitated by the *P2P platform operator*.

15.4.2 **R** Where a provision of *MCOB* applies to a *firm* which is a *P2P platform operator* and refers to the “*lender’s base mortgage rate*”, “*the lender’s standard variable rate*” or a similar phrase, the *firm* must refer to the *firm’s* base mortgage rate or standard variable rate, as the case may be.

15.4.3 **R** Where a provision of *MCOB* applies to a *firm* which is a *P2P platform operator*, that provision applies as if:

- (1) references to a *firm* entering into a *home finance transaction* (or any particular type or types of *home finance transaction*) with a *customer* include the *firm* which is the *P2P platform operator* facilitating a lender or provider entering into such a *home finance transaction* with a *customer*;
- (2) references to a *firm* varying an existing *home finance transaction* (or any particular type or types of *home finance transaction*) include the *firm* which is the *P2P platform operator* varying such an agreement or plan on behalf of a lender or provider; and
- (3) other references to a *mortgage lender, home purchase provider, reversion provider or SRB agreement provider* include the *P2P platform operator*.

15.4.4 **R** (1) Where a *P2P platform operator* facilitates an arrangement under which a number of *persons* provide home finance to a single *customer* under separate *P2P agreements* comprising separate *home finance transactions*, the provisions of *MCOB* listed in the table in (2) apply as though a requirement for the *firm* to make a notification or disclosure in respect of a *home finance transaction* is a requirement for the *firm* to make a single notification or disclosure reflecting the aggregate terms and effects of all the *home finance transactions* taken together.

(2) This table belongs to (1).

MCOB provisions	Description
MCOB 2.6A.5AR	Protecting customer's interests: regulated sale and rent back agreements
MCOB 5.5.1R	Provision of illustrations: timing
MCOB 5.8	Pre-application disclosure: home purchase plans
MCOB 5.9	Pre-sale disclosure for regulated sale and rent back agreements
MCOB 6.4.1R	Mortgages: content of the offer document
MCOB 6.5.1R	Tariff of charges
MCOB 6.5.6R	Distance contracts with retail customers
MCOB 6.8.1R	Home purchase plans: offer document
MCOB 6.8.5R	Home purchase plans: distance contracts with retail customers
MCOB 6.9.3R	Regulated sale and rent back agreements: written pre-offer document: Stage One
MCOB 6.9.10R	Regulated sale and rent back agreements: written pre-offer document: Stage Two
MCOB 7.4.1R	Mortgages: disclosure at the start of the contract: disclosure requirements
MCOB 7.5.1R	Annual statement: requirement
MCOB 7.5.10R	Annual statement: additional content if tariff of charges has changed
MCOB 7.6.1R	Notification of payment changes and other material changes to terms and conditions
MCOB 7.6.2R	Notification where the regulated mortgage contract is sold, assigned or transferred
MCOB 7.6.5R	Notification where additional borrowing taken up
MCOB 7.6.7R	Further advances
MCOB 7.6.17R	
MCOB 7.6.18R	Rate switches
MCOB 7.6.22R	Addition or removal of a party to the contract
MCOB 7.6.28R	Changes to amount of each payment due
MCOB 7.8.1R	Home purchase plans: post-sale disclosure
MCOB 7.8.3R	Home purchase plans: annual statement

MCOB provisions	Description
MCOB 7.8.6R	Home purchase plans: tariff of charges
MCOB 7.9.1R	Post-sale disclosure for regulated sale and rent back agreements
MCOB 9.3.1R	Equity release: pre-application disclosure
MCOB 9.5.1R	Disclosure at the offer stage for equity release transactions
MCOB 9.6.1R	Disclosure at the start of the contract and after sale for equity release transactions
MCOB 9.7.2R	Disclosure at the start of the contract: lifetime mortgages: disclosure requirements where interest payments are required
MCOB 9.7.4R	Disclosure requirements where the regulated lifetime mortgage contract is a drawdown mortgage with fixed payments to the customer
MCOB 9.7.6R	Disclosure requirements where the regulated lifetime mortgage contract is a drawdown mortgage with variable payments to the customer
MCOB 9.7.8R	Disclosure requirements where a lump sum payment is made to the customer and interest is rolled up
MCOB 9.8.1R	Lifetime mortgages: annual statements: content
MCOB 9.8.3R	Lifetime mortgages: event driven information
MCOB 9.8.5R	Lifetime mortgages: further advances
MCOB 9.8.9R	Lifetime mortgages: changes to payments, amounts drawn down and amount owed
MCOB 9.8.10R	
MCOB 9.9.1R	Provision of statements: instalment reversion plans
MCOB 9.9.3R	Annual statement for instalment reversion plans: content
MCOB 9.9.4R	Annual statement for instalment reversion plans: additional content if tariff of charges has changed
MCOB 9.9.5R	Event-driven information for instalment reversion plans: material changes
MCOB 13.3.4AR(2)	Information to understand the implications of any proposed arrangement for dealing with payment difficulties

MCOB provisions	Description
MCOB 13.3.4BR	Information about government schemes to assist borrowers in payment difficulties
MCOB 13.4.1R	Arrears: provision of information to the customer of a regulated mortgage contract
MCOB 13.4.5R	Steps required before action for repossession: provision of updated information
MCOB 13.5.1R	Dealing with a customer in arrears or with a sale shortfall on a regulated mortgage contract: statements of charges
MCOB 13.6.3R	Repossessions: if the proceeds of sale are less than the amount due: notification of intent to pursue shortfall
MCOB 13.6.4R	
MCOB 13.6.6R	If the proceeds of sale are more than the amount due: informing the customer
MCOB 13.8.1R	Home purchase plans: arrears: provision of information to the customer

15.4.5 **R** Where a provision of *MCOB* applies to a *firm* which is a *P2P platform operator* and requires the *firm* to provide an *illustration*, the *firm* may provide a *European Standardised Information Sheet (ESIS)* instead. The *ESIS* may diverge from the requirements of **MCOB 5A** where it is necessary to do so to describe the aggregate terms and effects of all the *home finance transactions* comprising the arrangement with the *customer*, taken together.

Protecting customers’ interests: home finance transactions

15.4.6 **R** **MCOB 2.6A.-1R** (inclusion and reliance on certain interest terms in agreements) applies to a *firm* which is a *P2P platform operator* as if:

- (1) in place of the *firm* not relying on a term mentioned in that *rule* it referred to the *firm* not taking steps to exercise or enforce rights under such a term; and
- (2) in place of referring to a term permitting the *firm* to change the rate of interest, it referred to a term permitting that rate to be changed.

15.4.7 **G** A *firm* which is a *P2P platform operator* may comply with **MCOB 4.4A.1R** (1) and **MCOB 4.4A.2R** by providing a *customer* with an explanation in simple, clear terms that the *firm* only offers loans facilitated on its platform.

15.4.8 **R** The “relevant market” referred to in **MCOB 4.4A.2R** in relation to a *firm* which is a *P2P platform operator* is the market for *regulated mortgage contracts* offered by such platforms.

- 15.4.9 **R** In disclosing remuneration under ■ MCOB 4.4A.8R, a *firm* which is a *P2P platform operator* is not required to disclose any fees paid by a lender.
- 15.4.10 **R** The following *rules* apply subject to the modifications to ■ MCOB 4.4A set out elsewhere in ■ MCOB 15.4:
- (1) ■ MCOB 4.4A.9R (method of providing initial disclosure in all cases);
 - (2) ■ MCOB 4.4A.12R (timing of initial disclosure in all cases);
 - (3) ■ MCOB 4.4A.18R (additional disclosure under distance contracts); and
 - (4) the *rules* in ■ MCOB 4.10 (home purchase plans: sales standards).
- 15.4.11 **G** The *guidance* in ■ MCOB 4.10 (home purchase plans: sales standards) should be read as modified as necessary to take account of the effect of ■ MCOB 15.4.10R on the *rules* in ■ MCOB 4.10.
- 15.4.12 **R** ■ MCOB 4.6A.1R (rolling up of fees etc. into loans) applies to a *firm* which is a *P2P platform operator* facilitating a *regulated mortgage contract* with the modification that, in addition to the *firm* not offering a *regulated mortgage contract* to a *customer*, the *firm* must also not facilitate the entry of a *customer* into a such a contract.
- 15.4.13 **R** ■ MCOB 5.5.1R (timing of provision of mortgage illustration) and ■ MCOB 5.8.1R (financial information statement: timing) apply to a *firm* which is a *P2P platform operator* on the basis that the application for that particular *regulated mortgage contract* or *home purchase plan* is made to the *firm*.
- 15.4.14 **R** Where ■ MCOB 5.6 applies to a *firm* which is a *P2P platform operator* facilitating a *regulated mortgage contract*, and the *illustration* is issued to the *customer* by, or on behalf of, a separate *mortgage intermediary*, references in ■ MCOB 5.6.113R to ■ 5.6.119G to a *mortgage lender* must be treated as referring to the *P2P platform operator*.
- 15.4.15 **R** ■ MCOB 6.4.5G (information about advice provided by mortgage intermediary) applies to a *firm* which is a *P2P platform operator* as if the references to the *mortgage lender* are references to the *P2P platform operator* and references to a *mortgage intermediary* are references to a *person* other than the *P2P platform operator*.
- 15.4.16 **R** Where ■ MCOB 9.4 applies to a *firm* which is a *P2P platform operator* facilitating a *lifetime mortgage*, and the *illustration* is issued to the *customer* by, or on behalf of, a separate *mortgage intermediary*, references in ■ MCOB 9.4.119R to ■ 9.4.125G to a *mortgage lender* must be treated as referring to the *P2P platform operator*.
- 15.4.17 **R** Where ■ MCOB 9.4 applies to a *firm* which is a *P2P platform operator* facilitating a *home reversion plan*, and the *illustration* is issued to the

customer by, or on behalf of, a separate *reversion intermediary*, references in ■ MCOB 9.4.168R to ■ 9.4.174R to a *reversion provider* must be treated as referring to the *P2P platform operator*.

15.4.18 **R** Where ■ MCOB 11.8 (customers unable to change contract, plan or provider) applies in relation to a *regulated mortgage contract* or *home purchase plan* facilitated by a *P2P platform operator*, ■ MCOB 11.8.1E applies as if the reference to a *customer* being unable to enter into a new *regulated mortgage contract* or *home purchase plan* or vary the terms of the existing *regulated mortgage contract* or a *home purchase plan*, with the existing or a new *mortgage lender* or *home purchase provider*, is a reference to a *customer* being unable to enter into a new *regulated mortgage contract* or *home purchase plan* or vary the terms of an existing *regulated mortgage contract* or *home purchase plan*, which is facilitated by the platform.