

Firms must omit the notes and square brackets that appear in the following IDD. The IDD must contain the 'key facts' logo, headings and text in the order shown and in accordance with the Notes. **[Note 1]**



about our equity release
services **[Note 2]**



Financial Services

[Note 6]
[123 Any Street
Some Town
ST21 7QB]

[Note 4] **[Note 5]**

1. The Financial Conduct Authority (FCA)

The FCA is the independent watchdog that regulates financial services. It requires us to give you this document. Use this information to decide if our services are right for you.

2. Whose products do we offer? **[Note 3]** **[Note 7]** **[Note 8]**

- We offer [lifetime mortgages] [home reversion plans] [equity release products] from the whole market.
- We [can] **[Note 9]** only offer [lifetime mortgages] [home reversion plans] [equity release products] from a limited number of companies.
- Ask us for a list of the companies we offer products from. **[Note 10]**
- We [can] **[Note 9]** only offer [a limited range of] [lifetime mortgages] [home reversion plans] [equity release products] from [a single lender/company] [name of single company]. **[Note 11]** **[Note 11A]**
- [or]
We only offer our own [lifetime mortgages] [home reversion plans] [equity release products]. **[Note 12]**
- We do not offer [lifetime mortgages] [home reversion plans]. **[Note 8A]**

3. Which service will we provide you with? [Note 3] [Note 7]

We will advise and make a recommendation for you on [lifetime mortgages] [home reversion plans] [equity release products] after we have assessed your needs.

You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of [lifetime mortgages] [home reversion plans] [equity release products] that we will provide details on. You will then need to make your own choice about how to proceed.

4. What will you have to pay us for this service? [Note 3] [Note 7]

No fee. [We will be paid by commission from the company that [lends you money] [buys your home].] [Note 13]

A fee [of £ [] payable at the outset and £ [] payable when you apply for a/an [lifetime mortgage] [home reversion plan][equity release product]]. [We will also be paid commission from the company that [lends you money] [buys your home].] [Note 13] [Note 14]

You will receive a key facts illustration when considering a particular equity release product, which will tell you about any fees relating to it.

5. Refund of fees [Note 15] [Note 16]

If we charge you a fee, and your equity release sale does not go ahead, you will receive:

A full refund [if the lender rejects your application]. [Note 17]

A refund of £ [] [if the purchase falls through]. [Note 17] [Note 18]

No refund [if you decide not to proceed]. [Note 17]

6. Who regulates us? [Note 19]

[XYZ Financial Services] [123 Any Street, Some Town, ST21 7QB] [Note 20] [Note 20A] is authorised [Note 21] and regulated by [] [Note 21]. Our Financial Services Register number is [].

Our permitted business is []. [Note 22]

[or] [Note 20B]

[Name of *appointed representative*] [Notes 4 and 5] is an appointed representative of [name of *firm*] [address of *firm*] [Note 20] [Note 20A] which is authorised and regulated by [] [Note 21]. [Name of *firm's*] Financial Services Register number is [].

[Name of *firm's*] permitted business is [] [Note 22]

You can check this on the Financial Services' Register by visiting the FCA's website www.fca.org.uk/firms/systems-reporting/register or by contacting the FCA on 0800 111 6768.

7. What to do if you have a complaint [Note 19]

If you wish to register a complaint, please contact us:

...in writing Write to [XYZ Financial Services], [Complaints Department, 123 Any Street, Some Town, ST21 7QB]. [Note 23]

... by phone Telephone [0121 100 1234]. [Note 23]

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service. [Note 23A]

8. Are we covered by the Financial Services Compensation Scheme (FSCS)? [Note 19] [Note 24] [Note 25]

We are covered by the FSCS. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

Equity release advising and arranging is covered up to a maximum limit of £50,000.
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Further information about compensation scheme arrangements is available from the FSCS.
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Message from the Financial Conduct Authority

Think carefully about this information before deciding whether you want to go ahead.

If you are at all unsure about which equity release transaction is right for you, you should ask your adviser to make a recommendation.
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The following notes do not form part of the IDD.

Note 1 – subject to this, a *firm* may use its own house style and brand.

Note 2 – the *Financial Conduct Authority* has developed a common 'key facts' logo to be used on significant pieces of information directed to *customers*. The 'key facts' logo and the text "about our equity release services" must be used and positioned as shown in the IDD. The logo may be re-sized, but it must be reasonably prominent and its proportions must not be distorted. When reproducing the logo, *firms* may use colour providing this does not diminish the prominence of the logo. Further requirements regarding the use of the keyfacts logo are set out in *GEN 5.1* and *GEN 5 Annex 1G*.

Note 3 – *firms* must insert the text in square brackets relating to *lifetime mortgages* if their scope of services includes *lifetime mortgages*; the text in square brackets relating to home reversion plans if their scope of service includes *home reversion plans*; and the text in square brackets relating to equity release products if their scope of service includes products from both market sectors. The texts in square brackets are mutually exclusive. This means that *firms* should use only one of the square bracketed texts and must omit those not used.

Note 4 – insert the *firm* or *appointed representative's* name (either the name under which it is *authorised* or the name under which it trades). A corporate logo, or logos, may be included.

Note 5 – if the IDD is provided by an *appointed representative*, insert the name of the *appointed representative*. (If an individual who is employed or engaged by an *appointed representative* provides the information, the individual should not put his or her own name on the IDD.)

Note 6 – insert the head office or if more appropriate the principal place of business from which the *firm* or *appointed representative* expects to conduct business with *customers*. (An *appointed representative* must not include the name and address of the *authorised firm* instead of its own.)

Section 2: Whose mortgages do we offer?

Note 7 – *firms* must describe their scope of service by selecting and ticking, the box or boxes that describe the products and services that the firm expects to provide to the *customer*. *Firms* must not delete the boxes not selected (but see Note 8A). In the text associated with boxes that are not ticked:

- a. in Section 2 a *firm* must delete references to 'home reversions' and 'lifetime mortgages' but leave references to 'equity release products'. This is so that a *customer* can see other possible options, even if not available from the *firm* issuing the IDD, and
- b. in Section 3, a *firm* must use the words in square brackets that reflect the products it is offering in Section 2. If the *firm* advises or gives personalised

information on products from both equity release market sectors, it must use the term 'equity release products'.

Note 8 - if the IDD is provided by an *appointed representative*, the service described must be that offered by the *appointed representative*, in accordance with *MCOB* 4.3.10R.

Note 8A – if the *firm's* scope of service does not include both types of *equity release transactions*, it must use this box to indicate to the *customer* the sector that it does not cover.

Note 9 – insert “can” if the *firm's* range of *equity release transactions* is determined by any contractual obligation.

Note 10 – this sentence is required only where a *firm* selects this service option. It may also be omitted if a *firm* chooses to list all of the lenders it offers mortgages from instead of the text "a limited number of companies", in the previous line, so long as the *firm* offers all of the products generally available from each company.

Note 11 – if the *firm* selects this box, it must insert the name of the company. If the *firm* does not select this box, it must insert the words "a single company" instead. If the *firm* does not offer all of the mortgages generally available from that company, it must insert the words "a limited range of", as shown. If the company only has one product, the *firm* should amend the text to "We can only offer a product from [name of company]."

Note 11A – if the *firm* offers *home reversion plans* from only one *reversion provider*, and *lifetime mortgages* from only one *lender*, which is different from the *reversion provider*, then the *firm* should identify the *lender* and the *reversion provider* and specify the *equity release transaction* to which they relate. For example, "We can only offer lifetime mortgages from ABC Mortgages Ltd and home reversion plans from XYZ Reversions Ltd."

Note 12 – if the *firm* offers only its own products, or is part of a *firm* offering only the products sold under that part's trading name, it may use this alternative text.

Section 4: What will you have to pay us for this service?

Note 13 – if the *firm* receives commission instead of, or in addition to, *fees* from the *customer*, it must insert a plain language explanation of this case (see specimen for a plain language example). If the *firm* will pay over to the *customer* any commission the *firm* receives, it may refer to the fact here.

Note 14 – insert a plain language description of when any *fees* are payable. This description could include, for example, a cash amount, a percentage of the loan amount or the amount per hour, as appropriate. However, where a cash amount is not disclosed, one or more examples of the cash amount must be included. If the *firm* offers more than one pricing option, it should specify the pricing policy for each product. For example, "A fee of £100 payable at the outset and £120 when you apply

for a lifetime mortgage and £80 when you apply for a home reversion plan." If a *firm* does not charge a *fee*, the text for the second box should be abbreviated to 'A fee'.

Section 5: Refund of fees

Note 15 – if, in section 4, it has been indicated that there will be 'No fee' or that any *fee* will be payable only if the mortgage completes, section 5 may be omitted altogether, and the following sections re-numbered accordingly.

Note 16 – *firms* must select as many boxes as are appropriate.

Note 17 – insert a plain language description of the circumstances in which the *fee* is refundable or not refundable as described. If the refund policy is different depending on the *equity release transaction* in question, the *firm* should specify the refund policy for each of them. For example, "A refund of £100 if your lifetime mortgage application falls through and a refund of £120 if your home reversion plan application falls through."

Note 18 – the *firm* may delete this line if it does not offer a partial refund in any circumstances

Section 6: Who regulates us?

Note 19 – these sections may be omitted in accordance with *MCOB* 4.4.1R(3). If this section is omitted, the other sections of the IDD must be renumbered accordingly.

Note 20 – where the *authorised firm* trades under a different name from that under which it is *authorised*, it must include the name under which it is *authorised* and listed on the *Financial Services register*. It may also include its trading name if it wishes.

Note 20A – if the *firm's* address on the *Financial Services register* differs from that given on the IDD under **Note 6**, the address on the *Financial Services register* must be given in this section. If the address is the same as that given under **Note 6**, it should be repeated in this section.

Note 20B – where the information is provided by an *appointed representative*, the *appointed representative* must use this text instead. The *appointed representative* must give details of the authorised *firm(s)* that is its *principal(s)* for each type of service that it is providing to a particular *customer*.

Note 21 – A *UK domestic firm* (or an *overseas firm*) will need to use the appropriate wording to describe its regulator(s) as set out in *GEN 4 Annex 1R* (firms that are not *PRA-authorised persons*) or *GEN 4 Annex 1AR* (*PRA-authorised persons*). An *appointed representative* will also need to use the appropriate wording for appointed representatives as set out in *GEN 4 Annex 1R* (firms that are not *PRA-authorised persons*) or *GEN 4 Annex 1AR* (*PRA-authorised persons*). An *EEA incoming firm* will also need to modify this section if it chooses to use this initial disclosure document (see *GEN 4 Annex 1R*(2) or (3), or *GEN 4 Annex 1AR* (3) or (4)). A *tied*

agent that is regulated in an *EEA State* other than the *United Kingdom* will similarly need to modify this section.

Note 22 – insert a short, plain language description of the business for which the *firm* has *permission* in relation to *equity release transactions*.

Section 7: What to do if you have a complaint

Note 23 - if different to the address in **Note 6**, give the address and telephone number which is to be used by *customers* wishing to complain.

Note 23A – if the IDD is provided by an *authorised professional firm* which is exclusively carrying on *non-mainstream regulated activities*, the *authorised professional firm* should delete this sentence and refer to the alternative complaints handling arrangements. It should also omit the information required under Note 3.

Section 8: Are we covered by the Financial Services Compensation Scheme (FSCS)?

Note 24 – when an *incoming EEA firm* provides the IDD, it must modify this section as appropriate.

Note 25 - when a *firm* which is not a *participant firm* provides the IDD, it must answer this question 'No' and should state the amount of cover provided (if any) and from whom further information about the compensation arrangements may be obtained. It should also omit the information required under Note 3.

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