

Chapter 4

Advising and selling standards



4.1 Application

Who?

4.1.1 **R** This chapter applies to a *firm* in a category listed in column (1) of the table in **MCOB 4.1.2 R** in accordance with column (2) of that table.

4.1.2 **R** This table belongs to **MCOB 4.1.1 R**

(1) Category of firm	(2) Applicable section
<i>mortgage lender</i>	except in relation to <i>lifetime mortgages</i> : MCOB 4.1 to MCOB 4.4A, 4.6A, MCOB 4.8A in accordance with MCOB 4.1.2A R and MCOB 4.9
<i>mortgage adviser</i>	except in relation to <i>lifetime mortgages</i> : whole chapter except MCOB 4.10
<i>mortgage arranger</i>	except in relation to <i>lifetime mortgages</i> : whole chapter except MCOB 4.7A and MCOB 4.10
<i>home purchase provider</i>	MCOB 4.1, MCOB 4.2 and MCOB 4.10 (except MCOB 4.10.5 G to MCOB 4.10.7 G). MCOB 4.4A and MCOB 4.8A in accordance with MCOB 4.1.2B R and MCOB 4.10.
<i>home purchase adviser</i>	MCOB 4.1, MCOB 4.2, MCOB 4.5, MCOB 4.6 and MCOB 4.10. MCOB 4.4A, MCOB 4.7A and MCOB 4.8A in accordance with MCOB 4.10
<i>home purchase arranger</i>	As for a <i>home purchase adviser</i> except MCOB 4.10.5A R to MCOB 4.10.9A R, MCOB 4.10.13 R and MCOB 4.7A do not apply
<i>equity release provider</i> <i>equity release adviser</i> <i>equity release arranger</i>	see MCOB 8.3 for the application of this chapter
<i>SRB adviser</i>	MCOB 4.1, MCOB 4.2, MCOB 4.5, MCOB 4.6 and MCOB 4.11
<i>SRB arranger</i>	MCOB 4.1, MCOB 4.2, MCOB 4.5, MCOB 4.6 and MCOB 4.11
<i>SRB agreement provider</i>	MCOB 4.1, MCOB 4.2 and MCOB 4.11

4.1.2A	R	■ MCOB 4.8A only applies to a <i>mortgage lender</i> in relation to <i>entering into a regulated mortgage contract</i> where there is no <i>firm</i> which is <i>arranging (bringing about) the regulated mortgage contract</i> to which ■ MCOB 4.8A applies.
4.1.2B	R	■ MCOB 4.8A only applies to a <i>home purchase provider</i> (as provided in ■ MCOB 4.10.9B R) in relation to <i>entering into a home purchase plan</i> where there is no <i>firm</i> which is <i>arranging (bringing about) the home purchase plan</i> to which ■ MCOB 4.8A applies (as provided in ■ MCOB 4.10.9B R).
4.1.2C	G	■ MCOB 4.1.2A R and ■ MCOB 4.1.2B R mean that the provisions in ■ MCOB 4.8A on <i>execution-only sales</i> , including the prohibition on entering into them in the circumstances specified in that section, only apply to sales by <i>mortgage lenders</i> or <i>home purchase providers</i> where there is no intermediary <i>firm</i> to which that section applies.
4.1.2D	G	■ MCOB 4.1.2A R and ■ MCOB 4.1.2B R mean that the situations where ■ MCOB 4.8A applies to a <i>mortgage lender</i> or <i>home purchase provider</i> include where a <i>mortgage intermediary</i> or <i>home purchase intermediary</i> has been involved in <i>arranging a regulated mortgage contract</i> or <i>home purchaser plan</i> but is no longer involved in the transaction.
4.1.3	R	<p>What?</p> <p>.....</p> <p>This chapter applies if a <i>firm</i> in the course of carrying on a <i>home finance activity</i>: enters into, advises on or arranges a home finance transaction or a variation of the terms of a <i>home finance transaction</i>.</p>
4.1.4	R	<p>(1) ■ MCOB 4.4A (Initial disclosure requirements) applies only in relation to varying the terms of a <i>regulated mortgage contract</i> entered into by the <i>customer</i> in any of the following ways:</p> <ul style="list-style-type: none"> (a) adding or removing a party; (b) taking out a further advance; or (c) switching all or part of the <i>regulated mortgage contract</i> from one interest rate to another. <p>(2) Otherwise, this chapter, ■ MCOB 4, applies in relation to any form of variation of a <i>regulated mortgage contract</i>.</p>
4.1.5	R	In relation to an <i>equity release transaction</i> , this chapter is modified by ■ MCOB 8 (Equity release: advising and selling standards).
4.1.6	G	[deleted]

- 4
- 4.1.7

G

[deleted]
- 4.1.8

G

The *FCA* would not view the removal of a party to the *regulated mortgage contract* following the death of that party (and where no other variation is proposed) as a variation for the purposes of ■ **MCOB 4.1.4 R(1)**.