

## 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> : <b>whole chapter except</b> MCOB 4.10
<i>mortgage arranger</i>	except in relation to <i>lifetime mortgages</i> : <b>whole chapter except</b> 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 *mortgage lender* in relation to *entering into a regulated mortgage contract* where there is no *firm* which is *arranging (bringing about) the regulated mortgage contract* to which ■ MCOB 4.8A applies.
- 4.1.2B** **R** ■ MCOB 4.8A only applies to a *home purchase provider* (as provided in ■ MCOB 4.10.9B R) in relation to *entering into a home purchase plan* where there is no *firm* which is *arranging (bringing about) the home purchase plan* 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 *execution-only sales*, including the prohibition on entering into them in the circumstances specified in that section, only apply to sales by *mortgage lenders* or *home purchase providers* where there is no intermediary *firm* 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 *mortgage lender* or *home purchase provider* include where a *mortgage intermediary* or *home purchase intermediary* has been involved in *arranging a regulated mortgage contract* or *home purchaser plan* but is no longer involved in the transaction.
- What?**  
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- 4.1.3** **R** This chapter applies if a *firm* in the course of carrying on a *home finance activity*: enters into, advises on or arranges a *home finance transaction* or a variation of the terms of a *home finance transaction*.
- 4.1.4** **R** (1) ■ MCOB 4.4 (Initial disclosure requirements) applies only in relation to varying the terms of a *regulated mortgage contract* entered into by the *customer* in any of the following ways:
- (a) adding or removing a party;
  - (b) taking out a further advance; or
  - (c) switching all or part of the *regulated mortgage contract* from one interest rate to another.
- (2) Otherwise, this chapter, ■ MCOB 4, applies in relation to any form of variation of a *regulated mortgage contract*.
- 4.1.5** **R** In relation to an *equity release transaction*, this chapter is modified by ■ MCOB 8 (Equity release: advising and selling standards).
- 4.1.6** **G** [deleted]
- 4.1.7** **G** If a *firm* is an *authorised professional firm*, when the *firm* conducts *non-mainstream regulated activities* with a *customer*, the only initial disclosure

requirements that apply are those relating to the *Financial Ombudsman Service* and the *FSCS* (see ■ MCOB 1.2.10 R(3)).

**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).