

Chapter 6

Disclosure at the offer stage



6.1 Application

Who?

6.1.1 **R** Subject to **■** MCOB 6.1.2A R, this chapter applies to a *firm* in a category listed in column (1) of the table in **■** MCOB 6.1.2 R in accordance with column (2) of that table.

6.1.2 **R** This table belongs to MCOB 6.1.1 R

(1) Category of firm	(2) Applicable section
<i>mortgage lender</i>	whole chapter except MCOB 6.8
<i>home purchase provider</i>	MCOB 6.1 (except MCOB 6.1.6 G), MCOB 6.2 and MCOB 6.8
<i>reversion provider</i>	see MCOB 9.5 for the application of this chapter
<i>SRB agreement provider</i>	MCOB 6.1.1 R to MCOB 6.1.3 R, MCOB 6.1.5 R, MCOB 6.2, MCOB 6.3 and MCOB 6.9

6.1.2A **R** This chapter does not apply to a *firm* that is an *MCD mortgage lender*.

What?

6.1.3 **R** This chapter applies with respect to an offer made by a *firm* to a *customer* with a view to the *firm*:

- (1) *entering into a home finance transaction*;
- (2) varying the terms of a *home finance transaction* entered into by the *customer* in any of the following ways:
 - (a) adding or removing a party;
 - (b) making a further advance; or
 - (c) switching all or part of the *regulated mortgage contract* from one interest rate to another;

(whether or not the *customer* agrees to enter into the *home finance transaction* or variation).

6.1.4 **R** In relation to a *lifetime mortgage*, this chapter, **■** MCOB 6, is modified by **■** MCOB 9 (Equity release: product disclosure).

6.1.5 **R** In **■ MCOB 6**, a reference to an offer to enter into a *home finance transaction* is to be read as including a reference to an offer to vary an existing *home finance transaction* in a manner specified in this section if the context so requires.

6.1.6 **G** *Firms* may diverge from the requirements in **■ MCOB 5.6** (Content of *illustrations*) where necessary to reflect the fact that they are providing an illustration for a variation as part of an *offer document*.



6.2 Purpose

6.2.1

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- (1) ■ MCOB 6 amplifies *Principle 6* and *Principle 7*. The purpose of ■ MCOB 6 is to ensure that a *customer* receives a clear *offer document* to enable him to check the features and price of the *home finance transaction* before he enters into it. The *offer document* should include an updated and suitably adapted *illustration* (for a *regulated mortgage contract*) or financial information statement (for a *home purchase plan*) so that the *customer* can compare it with the one he received before he applied for the *home finance transaction*.
- (2) [deleted]



6.3 General

6.3.1 **G**

6.3.2 **R** Any communication required by **MCOB 6** to be provided to a customer by a firm must be in a durable medium.

6.4 Mortgages: content of the offer document

- 6.4.1** R (1) If a *firm* offers to entering into a regulated mortgage contract with a *customer*, it must provide the *customer* with an *offer document* containing an *illustration*.
- (2) The *firm's* offer in the *offer document* must be on the basis of the information set out in the *illustration* provided in accordance with (1).

6.4.2 G

Records

- 6.4.3** R (1) A *firm* must make an adequate record of each *offer document* which it issues to a *customer* in accordance with ■ MCOB 6.
- (2) The record required by (1) must be retained for a year from the date that the *offer document* is issued to the *customer*.
- (3) If, in accordance with ■ MCOB 6.5 (Information to be provided in the offer document or separately), information is included in a separate document that is sent with the *offer document*, that information must also be retained as part of the record required by (1).

Modifications to the illustration

- 6.4.4** R The *illustration* provided as part of the *offer document* in accordance with ■ MCOB 6.4.1 R (1) must meet the requirements of ■ MCOB 5.6 (Content of illustrations) with the following modifications:
- (1) the *illustration* must be suitably adapted and revised to reflect the fact that the *firm* is making an offer to a *customer* and updated to reflect changes to, for example, the interest rate, charges, the exchange rate or the APR required by ■ MCOB 10 (Annual Percentage Rate), at the date the *illustration* is issued;
- (2) ■ MCOB 5.6.2 R (2) (a) does not apply;

- (3) ■ MCOB 5.6.15 R (Information to be included at the head of the illustration) does not apply;
- (4) ■ MCOB 5.6.16 R (Section 1: 'About this illustration') is replaced by the following: "Section 1: 'About this offer document': Under the section heading 'About this offer document', the following text must be included:
- (a) 'You are not bound by the terms of this offer document until [insert relevant circumstances, including the names of any documents that must be signed. For example "you have signed the legal charge and the funds are released for your mortgage"]. We are required by the Financial Conduct Authority (FCA) - the independent watchdog that regulates financial services - to provide you with this offer document.'; and
 - (b) (unless ■ MCOB 6.6.1 R applies) "You should compare this offer document with the key facts illustration given to you before you applied for this mortgage, to see how the details may have changed.";
- (5) Unless (b) applies, ■ MCOB 5.6.17 R (Section 2: 'Which service are we providing you with?') is replaced with the following: "Section 2: 'Which service did we provide you with?'
- (a) Under the section heading 'Which service did we provide you with?' the following text should be presented as two options each with a 'check box', one of which must be marked prominently to indicate the level of service provided to the *customer*: 'We have recommended, having assessed your needs, that you take out this mortgage. We have not recommended a particular mortgage for you. You must make your own choice whether to accept this mortgage offer.';
 - (b) If the service described in ■ MCOB 5.6.17 R (Section 2: 'Which service are we providing you with?') was provided by another *firm*, ■ MCOB 5.6.17 R is replaced by the following: "Section 2: 'Which service were you provided with?' Under the section heading 'Which service were you provided with?' the following text should be presented as two options each with a 'check box' one of which must be marked prominently to indicate the level of service provided to the *customer*: '[name of firm] recommended that you take out this mortgage. [name of firm] did not recommend a particular mortgage for you. You must make your own choice whether to accept this mortgage offer.';
- (6) ■ MCOB 5.6.29 R (2) does not apply;
- (7) ■ MCOB 5.6.52 R to ■ MCOB 5.6.53 G is replaced by the following: Where all or part of the *regulated mortgage contract* is an *interest-only mortgage*, the *illustration* in the *offer document* must:
- (a) clearly state that the payments on the *regulated mortgage contract* cover only interest, and not the capital borrowed; and
 - (b) [deleted]
 - (c) include a statement reminding the *customer* to check regularly the performance of any *investment* used as a *repayment strategy*, to see whether it is likely to be adequate to repay the capital

and, where applicable, pay the interest accrued at the end of the term of the *regulated mortgage contract*;

- (7A) The *illustration* may state the *repayment strategy* the *customer* intends to use.
- (8) the fees recorded in the *illustration* that is part of the *offer document* in accordance with ■ MCOB 5.6.66 R (1) must include any fees paid or payable by the *customer*;
- (9) ■ MCOB 5.6.69 R (5) is replaced by the following: '(where the fee is payable or has been paid to the *mortgage lender*), whether or not the fee is refundable, and if so, the extent to which it is refundable;'
- (10) [deleted]
- (11) where additional features are included in accordance with ■ MCOB 5.6.92 R and these are credit facilities that meet the definition of a *regulated credit agreement* regulated by the Consumer Credit Act 1974 and the *Act*, the relevant parts of Section 12 of the *illustration* that is part of the *offer document* must include the following text: "This credit facility is regulated under the Consumer Credit Act 1974 and the Financial Services and Markets Act 2000. Please refer to the separate credit agreement which describes the facility and the terms on which the credit is available";
- (12) The text required by ■ MCOB 5.6.102 R (2) (a) or (b) should be adapted to include, or tell the *customer* where they can find, the information required by ■ MCOB 6.5.4 R; and
- (13) ■ MCOB 5.6.113 R applies to the *illustration* that is part of the *offer document* if the *illustration* given out in accordance with ■ MCOB 5 (Pre-application disclosure) was issued by, or on behalf of, a *mortgage intermediary*.

6.4.5

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- (1) One consequence of ■ MCOB 6.4.4 R(5)(b) is that the *mortgage lender* will need to know, for each individual transaction *arranged* by a *mortgage intermediary*, whether or not the *customer* has received advice from that *mortgage intermediary*.
- (2) When complying with ■ MCOB 6.4.4 R(5)(b), *mortgage lenders* may wish to include a statement after the level of service in Section 2 confirming that the level of service described was given by another *firm*, and explaining that they, as the *mortgage lender*, are not responsible for the level of service given, and that the *customer* should contact the other *firm* if they have any queries about the level of service provided. For example: "If you have any queries about this service, you should contact [Name of firm]. [Name of lender] is not responsible for the advice or information you received."

6.4.6

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In adapting and revising the *illustration* that is part of the *offer document* in accordance with ■ MCOB 6.4.4 R(1) a *firm* must:

- (1) avoid amending the format of the information required by ■ MCOB 5.6 (Content of illustrations) where possible, since this could result in the *illustration* in the *offer document* being difficult to

compare with the *illustration* originally provided to the *customer* in accordance with ■ MCOB 5.5.1 R;

- (2) use, where possible, the same headings, ordering of information, and language that appeared in the *illustration* provided in accordance with ■ MCOB 5.6 (Content of illustrations); and
- (3) only change section headings where necessary (for example 'What you have told us' could be renamed 'Your mortgage requirements').

6.4.7 **R** In adapting and revising the *illustration* in accordance with ■ MCOB 6.4.4 R(1), a *firm* may:

- (1) add extra information at the beginning and end of the *illustration*, such as conditions which are not covered by the *illustration*;
- (2) include greater detail within each of the specified sections than that included in an *illustration* provided in accordance with ■ MCOB 5 (Pre-application disclosure); and
- (3) leave blank, except for the text 'not applicable', sections that are irrelevant, such as:
 - (a) the section on insurance (see ■ MCOB 5.6.73 R to ■ MCOB 5.6.83 G), where the *customer* is not buying insurance from the *firm* and the *firm* does not require insurance to be in place; and
 - (b) the section and sub-sections on additional features (see ■ MCOB 5.6.92 R to ■ MCOB 5.6.112 G) if there are no additional features available.

6.4.8 **G** Examples of the additional information that should be included in the *offer document* in accordance with ■ MCOB 6.4.7 R (1) or ■ MCOB 6.4.7 R (2) is information about any retentions or reinspections that will be required by the *firm*.

6.4.9 **R** A *firm* must ensure that the *illustration* forms the main, and an integral, part of the *offer document*.

6.4.10 **G** ■ MCOB 6.4.9 R prevents a *firm* from preparing a separate *illustration* and simply adding it to the existing material provided to the *customer* at the offer stage.

Other information contained in the offer

6.4.11 **R** A *firm* must ensure that the *offer document* contains a prominent statement:

- (1) of the period for which the offer is valid;
- (2) explaining, where the *regulated mortgage contract* contains features, such as additional unsecured borrowing facilities, which could result in the *customer* borrowing more money, that where such features are used, the amount of the *customer's* debt will increase;

- (3) explaining when any interest rate change on the *regulated mortgage contract* takes effect. This statement must be used, for example, to explain cases where an annual review system is used;
- (4) explaining the consequences that might arise from the *customer* not entering into the *regulated mortgage contract*, including any fees that the *customer* has paid which will not be reimbursed;
- (5) explaining that once the *regulated mortgage contract* is concluded there will be no right of withdrawal; and
- (6) explaining that although no right of withdrawal exists the *customer* will have a right to repay the *regulated mortgage contract* in accordance with the terms of the *regulated mortgage contract*.

6.4.11A **R** If the *illustration* provided by the *firm* to the *customer* does not state the *repayment strategy* the *customer* intends to use, as permitted by **■ MCOB 6.4.4 R (7A)**, that information must be included in the *offer document*.

6.4.12 **G** In complying with **■ MCOB 6.4.11 R (6)** the *firm* is not required to repeat in this section of the *offer document* the cash amounts of the *early repayment charges* set out in the *illustration* provided as part of the *offer document*. The *firm* may instead insert a reference to the relevant section of that *illustration*.

6.4.13 **R** A *firm* must ensure that the contact details section of the *offer document* (as required by **■ MCOB 5.6.122 R**) also includes information on how to complain to the *firm* about the services provided by the *firm* in relation to the *regulated mortgage contract* and whether or not complaints may subsequently be referred to the *Financial Ombudsman Service*.

6.4.14 **G** **■ DISP 1** requires a *firm* to deal promptly and fairly with *complaints*, including referring to another *firm* *complaints* about that other *firm's* services.

6.4.15 **G** In addition to the information required by **■ MCOB 6.4.13 R**, a *firm* may include information about how to complain to any other *firm* about the services that *firm* provided to the *customer* in relation to the *regulated mortgage contract*. For example, where the *customer* received advice from another *firm*, a *mortgage lender* may include contact details for the *firm* that provided the advice.

6.4.16 **R** If the *firm* knows at the point that the offer is made to the *customer* that its interest in the *regulated mortgage contract* will be assigned (by sale or transfer) and the *firm* will no longer be responsible for setting interest rates and charges, the *offer document* must:

- (1) state this; and
- (2) state, where known, who will be responsible for setting interest rates and charges after the sale or transfer.

- 6.4.17** **R** Where **■** MCOB 6.4.16 R applies, if the name of the party who will be responsible for setting interest rates and charges after the sale or transfer is not known at the point the offer is made, the *firm* must notify the *customer* of this as soon as it becomes known.
- 6.4.18** **G** **■** MCOB 6.4.16 R and **■** MCOB 6.4.17 R could apply where the ownership of a *regulated mortgage contract* is transferred to a third party through *securitisation*.



6.5 Mortgages: information to be provided in the offer document or separately

Tariff of charges

- 6.5.1 **R** If a *firm* makes an offer to a *customer* with a view to entering into a regulated mortgage contract, it must provide the *customer*, along with the offer document, with a *tariff of charges* that could be incurred on the regulated mortgage contract.
- 6.5.2 **R** If the regulated mortgage contract has any linked borrowing or linked deposits, details of the charges on these linked facilities, for example charges payable on a linked current account, must be included in the *firm's tariff of charges*.
- 6.5.3 **G** A *firm* may include the *tariff of charges* as an integral part of the offer document, or provide it separately along with the offer document.

Mortgage credit cards

- 6.5.4 **R** If a *firm* makes an offer to a *customer* with a view to entering into a regulated mortgage contract that includes a mortgage credit card, it must provide the *customer* with information explaining that the card will not give the *customer* the statutory rights associated with traditional credit cards.
- 6.5.5 **G** A *firm* may include the information described in **MCOB 6.5.4 R** as an integral part of the offer document, or provide it separately along with the offer document.

Distance contracts with retail customers

- 6.5.6 **R** If a *firm* makes an offer to a *consumer* with a view to entering into a regulated mortgage contract which is a distance contract, it must provide the *consumer* with the following information with the offer document:
 - (1) [deleted]
 - (2) any contractual clause on law applicable to the regulated mortgage contract or on competent court, or both;

- (3) the language in which the contract is supplied and in which the *firm* will communicate during the course of the *regulated mortgage contract*; and
- (4) if not provided previously:
 - (a) all of the contractual terms and conditions of the *regulated mortgage contract* to which the *offer document* relates; and
 - (b) (i) an appropriate status disclosure statement (compliant with ■ GEN 4) for the *mortgage lender*;
 - (ii) the *mortgage lender's* Firm Reference Number; and
 - (iii) confirmation that the *customer* can check the *Financial Services Register* on the *FCA's* website www.fca.org.uk/firms/financial-services-register or by contacting the *FCA* on 0800 111 6768.



6.6 Mortgages: offer documents in place of illustrations

6.6.1

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If a *firm* provides a *customer* with an *offer document* in place of an *illustration* in accordance with ■ MCOB 5.5.1 R (3), it must take reasonable steps to ensure that it provides the *offer document* in accordance with the requirements for providing an *illustration* in ■ MCOB 5.4 (Illustrations: general) and ■ MCOB 5.5 (Provision of illustrations).



6.7 Business loans and loans to high net worth mortgage customers: tailored provisions

- 6.7.1** R (1) Where the *regulated mortgage contract* is for a business purpose or a *high net worth mortgage customer*, a *firm* may choose to provide a *customer* with a *business offer document* or *high net worth offer document* (as applicable) instead of the *offer document* referred to in ■ MCOB 6.4.1 R.

(2) If a *firm* provides a *customer* with a *business offer document* or *high net worth offer document* in accordance with (1), it must ensure that:

 - (a) an updated *business illustration* or *high net worth illustration* (as applicable), as required by ■ MCOB 5.7 (Business loans and loans to high net worth mortgage customers: tailored provisions), forms part of the *business offer document* or *high net worth offer document*; and
 - (b) subject to the tailoring required by ■ MCOB 5.7 (Business loans and loans to high net worth mortgage customers: tailored provisions), the *business offer document* or *high net worth offer document* complies with ■ MCOB 6.4 (Mortgages: content of the offer document).

- 6.7.1A** G *Firms* are reminded that in accordance with ■ MCOB 1.2.3 R, they should comply in full with *MCOB*, but in doing so may opt to take account of all tailored provisions in *MCOB* that relate to business loans or loans to *high net worth mortgage customers* (as applicable). Therefore, a *firm* may only follow the tailored provisions in ■ MCOB 6.7 in relation to one of these sectors if it also follows all other tailored provisions in *MCOB* that relate to that sector. In either case, the rest of *MCOB* applies in full.

- 6.7.2** G ■ MCOB 6.7.1 R (2) means, for example, that the required text in ■ MCOB 6.4.4 R (7) should be replaced by text that satisfies the requirements for *business illustrations* or *high net worth illustrations* in ■ MCOB 5.7.5 R

- 6.7.3** G A *firm* may supplement the first paragraph of text prescribed in ■ MCOB 6.4.4 R (5)(a) to clarify that, while the *regulated mortgage contract* is not binding until the relevant mortgage document has been signed and funds have been released, the *business offer document* or *high net worth offer document* may form part of a wider set of negotiated facilities and that the *customer* is separately bound by these.

6.8 Home purchase plans

Offer document

6.8.1

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- (1) If a *firm* offers to *enter into a home purchase plan* with a *customer*, it must ensure that the *customer* is, or has been provided with an appropriate *offer document* in a *durable medium* which includes:
- (a) the period for which the offer is valid;
 - (b) an explanation of the consequences that might arise from the *customer* not entering into the *home purchase plan* including details of any *fees* that the *customer* has paid which will not be refunded;
 - (c) an explanation of when the *customer* will become bound by the offer and the implications of this;
 - (d) the charges that a *customer* may incur under the plan, including the reason for, and amount of, each charge, when they are payable, whether they will be refunded and, if so, when;
 - (e) a financial information statement;
 - (f) the *firm's* contact details, including its name and address; and
 - (g) how to complain to the *firm* and whether or not complaints may subsequently be referred to the *Financial Ombudsman Service*.
- (2) A *firm* may omit details of the charges that a customer may incur under a *home purchase plan* from the *offer document* if they are included in a separate *tariff of charges* provided to the customer at the same time.

6.8.2

Although an *offer document* may not match information given in a financial information statement before an offer is made, an *offer document* should be an accurate reflection of the actual costs of the *home purchase plan*.

6.8.3

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A *firm* should bear in mind its obligations under *Principle 6*. For example, if a *firm* knows that its interest in a *home purchase plan* will be assigned and the *firm* will no longer be responsible for setting rental payments and charges, the *offer document* should state this fact and who will become responsible after the assignment (if this is not known at the offer stage the *customer* should be notified as soon as it becomes known).

6.8.4

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A *firm* must ensure that the financial information statement forms the main, and an integral, part of the *offer document*.

Distance contracts with retail customers

6.8.5

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- (1) A firm must communicate to a consumer the distance marketing information in a durable medium available and accessible to the consumer in good time before the consumer is bound by any distance contract or offer to enter into a home purchase plan.
- (2) If the distance contract or offer has been concluded at the consumer's request using a means of distance communication which does not enable providing the information in accordance with (1) then it must be communicated no later than immediately after the conclusion of the home purchase plan.

6.8.5A

[Note: article 5 Distance Marketing Directive]

6.8.6

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Distance contract information may be included in an offer document provided that it does not significantly increase its length.



6.9 Regulated sale and rent back agreements

Process for concluding regulated sale and rent back agreements

6.9.1 **R** A *SRB agreement provider* must not enter into a *regulated sale and rent back agreement* unless it follows the process outlined in this section.

Valuation of the property

- 6.9.2 **R**
- (1) A *SRB agreement provider* intending to enter into a specific *regulated sale and rent back agreement* with a *SRB agreement seller* and before it complies with the other requirements in this section, must ensure that the property is properly valued by a valuer:
 - (a) that meets the competence and independence requirements (see **■** MCOB 2.6A.12 R, **■** MCOB 2.6A.12A R and **■** MCOB 2.6A.13 E); and
 - (b) using the definition of "market value" set out in the Valuation Standard of the Royal Institution of Chartered Surveyors from time to time.
 - (2) Where the *SRB agreement provider* has applied to a *mortgage lender* for financing for a proposed *regulated sale and rent back agreement* and the relevant lender in accordance with its standard lending practices requires its own valuation of the property to be carried out, the valuation will only satisfy the requirements of (1) if the property is properly valued by a valuer that meets the competence and independence requirements (see **■** MCOB 2.6A.12 R and **■** MCOB 2.6A.13 E).
 - (3) The *firm* must ensure that a copy of the valuation report accompanies the written pre-offer document at Stage One (see **■** MCOB 6.9.3 R).
 - (4) This *rule* does not apply if the *SRB agreement seller* has already obtained his own recent valuation of the property from a valuer that meets the competence and independence requirements (see **■** MCOB 2.6A.12 R and **■** MCOB 2.6A.13 E).

Written pre-offer document: Stage One

6.9.3 **R** (1) As soon as a *SRB agreement provider* agrees the key terms of a proposed *regulated sale and rent back agreement* with a *SRB agreement seller* and before he becomes contractually committed to enter into the agreement, the *SRB agreement provider* must provide

the seller with a written pre-offer document summarising its key terms (Stage One).

- (2) The written pre-offer document must be in the form prescribed by ■ MCOB 6 Annex 2 R and must be adapted by the *firm*, as appropriate, to the extent specified.
- (3) The written pre-offer document must be accompanied by the Money Advice Service consumer factsheet on sale and rent back (even if the *firm* has already provided this) which the *firm* must provide to the *customer* in a *durable medium* and which may be accessed through www.moneyadvice.service.org.uk .
- (4) On providing the Money Advice Service consumer factsheet to the *SRB agreement seller*, the *firm* must give him an oral explanation of what it contains, so as to ensure that he understands its contents, unless the *firm* has already done so.
- (5) The *firm* must ensure that the written pre-offer document is accompanied by all associated legal documents in draft form that the seller will need to sign at Stage Two (■ MCOB 6.9.10 R) to give effect to the proposed *regulated sale and rent back agreement*.

Cooling-off: No contact between SRB agreement provider and SRB agreement seller

6.9.4 **R** The *SRB agreement provider* must not instigate any contact or otherwise seek to communicate with the *SRB agreement seller* or a member of his family for a period of 14 days from the time that he has been supplied with the written pre-offer document at Stage One, together with the associated legal documentation in draft form.

6.9.5 **R** If the *SRB agreement seller* or a member of his family makes contact with the *SRB agreement provider* during the 14 day cooling-off period, for example because he wants to query a term of the written pre-offer document, the provider must endeavour to answer the query in as factual a manner as the circumstances permit but avoid any language or conduct which could be interpreted as amounting to an attempt to exert pressure on the *SRB agreement seller* to enter into the proposed agreement.

Exercise of cooling-off rights: costs and expenses

6.9.6 **R** The *SRB agreement provider* must not charge or seek to charge a potential *SRB agreement seller* for any fee, cost, or expense unless and until the seller has entered into the *regulated sale and rent back agreement* following the 14 day cooling-off period.

Responsibility of SRB agreement provider during cooling-off period

6.9.7 **R** The *SRB agreement provider* must not offer to or enter into a *regulated sale and rent back agreement* with the seller until the 14 day cooling off period has elapsed and must not allow the seller to become contractually committed to enter into any such agreement by signing any associated legal documentation to give effect to it within that period.

Requirement to notify the mortgage lender or home purchase provider where the seller is in arrears

6.9.8 **R** As soon as a *SRB agreement provider* has provided the written pre-offer document at Stage One to a *SRB agreement seller* who is in *arrears* under his *regulated mortgage contract* or *home purchase plan* on the property to which the proposed *regulated sale and rent back agreement* relates, it must, in a *durable medium*, immediately notify the *mortgage lender*, *home purchase provider* or the providers of other loans that may be secured on the property:

- (1) explaining that the *firm* is proposing to enter into a *regulated sale and rent back agreement* with the seller and that, as required by the *FCA*, he will be given a cooling-off period of 14 days before deciding whether he wishes to enter into the proposed agreement;
- (2) summarising the key terms of the proposed agreement;
- (3) advising the lender or provider that the proposed agreement is likely to be relevant to any repossession action or other forbearance option the lender or provider may already be, or may be contemplating, taking with respect to the property; and
- (4) giving the *firm's* contact details should the lender or provider wish for any further information.

Data protection

6.9.9 **G** *Firms* will need to consider the implications of *data protection legislation* under which personal data that a *firm*, as data controller, holds about its *customer* cannot be disclosed to a third party without their consent. In practice the *firm* is likely to need the *SRB agreement seller's* consent to disclosing the matters covered by **MCOB 6.9.8 R** to the relevant *mortgage lender* or *home purchase provider*.

Written offer document for signing: Stage Two

6.9.10 **R**

- (1) No sooner than 14 *days* after the *SRB agreement provider* has supplied the *SRB agreement seller* with the written pre-offer at Stage One, the provider must provide him with a written offer document for signing (Stage Two), accompanied by any formal legal documentation that the parties will need to sign to give effect to the proposed *regulated sale and rent back agreement*.
- (2) The written offer document for signing (Stage Two) must be in the form prescribed by **MCOB 6 Annex 3 R** and must be adapted by the *firm*, as appropriate, to the extent specified.

Records of written pre-offer documents and written offer documents for signing

6.9.11 **R** The *SRB agreement provider* must keep a record of the written pre-offer document at Stage One and the written offer document for signing at Stage Two for a period of:

- (1) one year after the end of the fixed term of the tenancy under the *regulated sale and rent back agreement*; or

-
- (2) five years from the date of the disclosures and warnings, written offer documents and cooling-off period notices;
whichever is the longer.

Distance home purchase plans: information to be provided to retail customers.

This table belongs to MCOB 6.8.5 R.

1.1	R	Distance home purchase plans: information to be provided to retail customers
		(1) the identity and the main business of the <i>home purchase provider</i> , the geographical address at which the <i>home purchase provider</i> is established and any other geographical address relevant for the <i>consumer's</i> relations with the <i>home purchase provider</i> ;
		(2) the identity of the representative of the <i>home purchase provider</i> established in the <i>UK</i> and the geographical address relevant for the customer's relations with the representative, if such a representative exists;
		(3) when the <i>consumer's</i> dealings are with any professional other than the <i>home purchase provider</i> , the identity of this professional, the capacity in which he is acting vis-a-vis the <i>consumer</i> , and the geographical address relevant for the <i>consumer's</i> relations with this professional;
		(4) Details of the <i>Financial Services Register</i> and any other trade register in which the <i>home purchase provider</i> is entered and his registration number or an equivalent means of identification in that register;
		(5) confirmation that the <i>home purchase provider</i> is authorised and regulated by the <i>FCA</i> ;
		(6) the total price to be paid by the <i>consumer</i> to the <i>home purchase provider</i> for the financial service, including all related fees, charges and expenses, and all taxes paid via the <i>home purchase provider</i> or, when an exact price cannot be indicated, the basis for the calculation of the price enabling the <i>consumer</i> to verify it;
		(7) notice of the possibility that other taxes and/or costs may exist that are not paid via the <i>home purchase provider</i> or imposed by him;
		(8) any specific additional cost for the <i>consumer</i> of using the means of distance communication, if such additional cost is charged;
		(9) the absence of a right of withdrawal;
		(10) information on any rights the parties may have to terminate the contract early or unilaterally by virtue of the terms of the <i>distance contract</i> , including any penalties imposed by the contract in such cases;
		(11) [deleted]
		(12) any contractual clause on law applicable to the <i>distance contract</i> and/or on competent court;
		(13) in which language, or languages, the contractual terms and conditions, and the prior information referred to in this table are supplied, and furthermore in which language, or languages, the <i>home purchase provider</i> , with the agreement of the <i>consumer</i> , undertakes to communicate during the duration of this <i>distance contract</i> ; and
		(14) whether or not there is an out-of-court complaint and redress mechanism for the <i>consumer</i> that is party to the <i>distance contract</i> and, if so, the methods for having access to it;

- (15) whether or not compensation may be available from the *compensation scheme* should the *firm* be unable to meet its liabilities, and information about any other applicable named compensation scheme; and, for each applicable scheme, the extent and level of cover and how further information can be obtained; and
- (16) all the contractual terms and conditions of the *home purchase plan* to which the *offer document* relates.

[Note: articles 3 and 5 *Distance Marketing Directive*]

1.2 G A *firm* is not required to provide this information if it has already done so, for example in an initial disclosure document, and that information remains accurate.

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- **Written Pre-offer Document of a regulated sale and rent back agreement.**

MCOB 6 Annex 2R - Written Pre-offer Document of a regulated sale and rent back agreement.

- Cooling-Off Document of a regulated sale and rent back agreement.

MCOB 6 Annex 3R - Cooling-Off Document of a regulated sale and rent back agreement.

