

Chapter 8

Equity release: advising and selling standard

8.2 Purpose

8.2.1 G [deleted]

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- (1) This chapter amplifies *Principle 6* (Customers' interests), *Principle 7* (Communications with clients) and *Principle 9* (Customers: relationships of trust).
- (2) The purpose of this chapter is to ensure that:
 - (a) *customers* are adequately informed about the nature of the service they may receive from a *firm* in relation to *equity release transactions*. In particular *firms* need to make clear to *customers* the range of *equity release transactions* available from them and the basis of the *firm's* remuneration;
 - (b) where advice is given, it is suitable for the *customer*;
 - (c) *customers* for *equity release transactions* receive advice in all cases;
 - (d) subject to certain limited exceptions (which are set out in ■ MCOB 8.6A), *execution-only sales* are only provided where the *customer* has rejected advice which has been given, has been warned about the implications of proceeding and has specifically instructed the *firm* that he wishes to do so.
- (3) This chapter also implemented certain requirements of the *Distance Marketing Directive* in relation to *distance mortgage mediation contracts*.