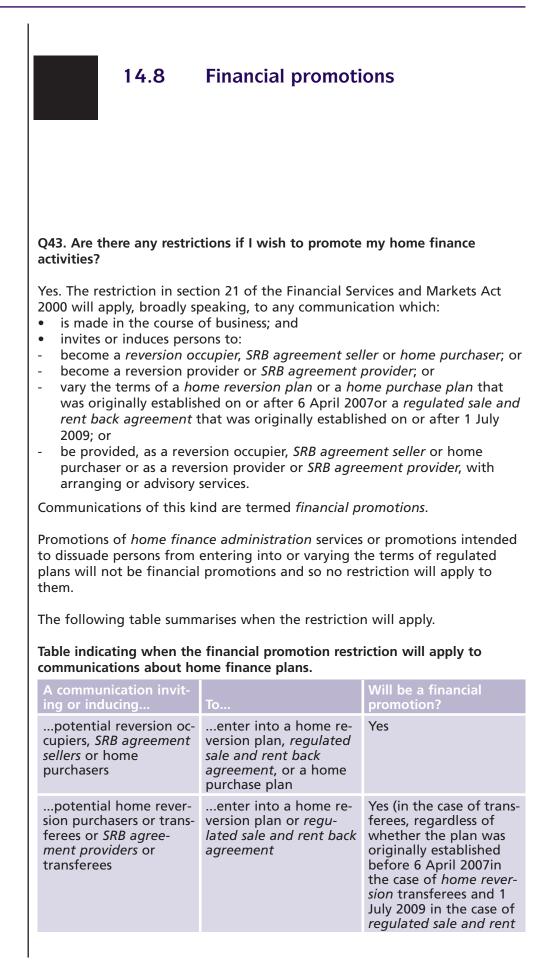
The Perimeter Guidance Manual

Chapter 14

Guidance on home reversion and home purchase activities



A communication invit- ing or inducing	То	Will be a financial promotion?
		back agreement transferees)
potential home pur- chase providers	enter into a home pur- chase plan	Yes
potential or existing: • reversion occupiers, SRB agreement sellers or home purchasers; or • reversion or home purchase providers or SRB agreement providers	be provided with ad- ministration services	No
potential or existing: • reversion occupiers, <i>SRB agreement sellers</i> or home purchasers; or • reversion purchasers or transferees or <i>SRB</i> <i>agreement providers</i> or transferees	be provided with ar- ranging or advisory services	Yes (but where the pro- motion relates to such a person varying the terms of a plan or agreement, this is only where the plan or agreement was origin- ally established on or after 6 April 2007 in the case of home reversion plans or home purchase plan and 1 July 2009 in the case of regulated sale and rent back agreements)
potential or existing home purchase providers	be provided with ar- ranging or advisory services	No in relation to advis- ory services Yes in relation to arran- ging services
potential or existing: • reversion occupiers, SRB agreement sellers or home purchasers; or • reversion or home purchase providers or SRB agreement providers	decline from entering into or varying the terms of a plan or agreement	No
potential or existing: • reversion occupiers, SRB agreement sellers or home purchasers; or • reversion or home purchase providers or SRB agreement providers	dispose of rights, ob- ligations or interests in land that they have un- der a plan or agreement	No

Q44. What are the restrictions that apply if I am making a financial promotion about home finance plans or activities?

The *financial promotion* will need either to be communicated or approved by an *authorised person* or to be exempt under the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the *Financial Promotion Order*). If you are an authorised person who is communicating or approving the financial promotion and it is not exempt, you will need to comply with the provisions of the Mortgages and Home Finance: Conduct of Business Sourcebook I MCOB 3A for financial promotions of qualifying credit, a home reversion plan, a home purchase plan or a regulated sale and rent back agreement).

Q45. What exemptions may be likely to be available to me when I communicate financial promotions about home finance plans or activities?

A number of exemptions may be available. Those most likely to apply are summarised below.

- (1) Introductions (article 15 of the *Financial Promotion Order*). This applies, broadly speaking, where you introduce clients to an *authorised person* or an *exempt person* in the circumstances covered by the exclusion in article 29 of the *Regulated Activities Order* (see Q17). But this is provided the person to whom you make the introduction is not your close relative or a member of your *group*. In addition, there is an exemption for promotions concerning introductions relating specifically to home finance plans see (5).
- (2) Exempt persons (article 16 of the Financial Promotion Order). This applies, subject to certain conditions, if you are an exempt person such as a registered social landlord or an *appointed representative*.
- (3) Generic promotions (article 17 of the Financial Promotion Order). This applies to a general promotion that does not identify any particular persons as being either providers of, or as offering arranging or advisory services relating to, home finance plans.
- (4) One-off promotions (articles 28 and 28A of the Financial Promotion Order). These apply to promotions that are intended for a particular recipient (or group of connected recipients).
- (5) Introductions relating to home finance plans (article 28B of the Financial Promotion Order). This applies to real time financial promotions relating to home finance plans for the purpose of making introductions. This exemption is subject to the same conditions as apply to the exclusion in article 33A of the Regulated Activities Order (see Q18 and Q34); and
- (6) Advice centres (article 73 of the Financial Promotion Order). This applies to bodies such as citizens' advice bureaux when they make promotions about home finance plans in the course of their business of providing free advice about debt matters.

Further guidance on these and other exemptions from the financial promotion restriction is in Chapter 8 of PERG (
PERG 8).