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Dear Ms Shah

Mortgage Market Review: Approved Persons Regime

This is the Financial Services Consumer Panel's response to the FSA CP 10/2: the proposed extension of the approved persons regime to mortgage advisers and arrangers.

The Panel has reviewed the proposals in depth but has chosen not to comment on each detailed question. It supports the FSA's proposals to extend the approved person regime to include all mortgage advisers and arrangers; both in the creation of a new customer function (CF31) covering all home finance business and in the application of the compliance oversight function (CF10) to all home finance activities.

The Consumer Panel recognises that the approved person status is designed to make individuals accountable and to reduce mortgage crime; it would not be raising the standards or qualifications of those selling mortgages. Despite this, reducing mortgage fraud will be of great benefit to both consumers and firms alike. Therefore the Panel hopes the mortgage industry welcomes this proposed extension despite the costs created of joining such a scheme. The Panel would also indicate its support for the proposed suggestion of a transitional period for the new regime to come into force.

Yours sincerely

Adam Phillips
Chair, Financial Services Consumer Panel