











**mortgage ASSESS** is an online system designed to help the mortgage industry improve its commercial performance, enhance levels of customer care and importantly, meet the Training and Competence requirements of the Financial Services Authority (FSA) that come into force in October 2004. Modular in structure, it covers all aspects of mortgages and the mortgage processes, including regulation, the buying process, repayment vehicles, protection and general household insurances.
















**mortgage ASSESS** compliments existing training and CPD programmes and is suitable for all types of organisation involved with residential mortgage provision: IFA's, estate agents, high street brokers, mortgage packagers and lenders.























## Guide to Content






















Course	Module / Subject	Topic	Duration (mins)	Format	Level
Regulatory Essentials - Mortgage - Suite A	Mortgage Advice Environment	Dignity at work	90		1
		Important statutes			
		Consumer Credit Act 1974			
		Council of Mortgage Lenders and Bankers Code			
		Regulated mortgage products			
	Financial Services Authority (FSA)	Introduction to FSA regulation	100		1
		High level standards			
		Mortgage: Conduct of Business rules			
		Complaints, FOS and FSCS			
	Data Protection	Data Protection Laws	80		1
		Important terms			
		Eight data protection principles			
		Fair and lawful processing			
		Individuals' rights			
		Practical guidance			
	Information Security	Why information security is important	90		1
		How to mitigate information security risks			
		Your responsibilities for information security in your job			
	Financial Crime (FS)	What is money laundering?	80		1
		Laws, offences and penalties			
		Joint Money Laundering Steering Group			
		Know Your Customer			
		Reporting			
		Fraud			
Treating Customers Fairly (Financial Services)	Introduction	60		1	
	TCF principles and outcomes				
	TCF and you				
	TCF within corporate culture				
























<b>Regulatory Essentials - Mortgage - Suite B</b>	<b>Approved Persons</b>	Authorisation of approved persons	115		1
		Code of Conduct of Approved Persons (Principles 1–4)			
		Code of Conduct of Approved Persons (Significant influence functions)			
	<b>Conflicts of Interest</b>	Defining conflicts of interest	90		1
		Recognising and managing conflicts of interest			
		FSA rules and conflicts of interest			
	<b>Professional Obligations</b>	Sources of professional obligations	105		1
		Professional obligations and the FSA			
		CII code, business ethics and ISO standards			
	<b>Treating Customers Fairly (Supervisory)</b>	FSA 'treating customers fairly' initiative	90		2
		Your firm's TCF strategy			
		TCF operational reviews			
























# Technical Learning Modules Library

















Module	Subject	Topic	Format
A. Residential Property & the Economic Environment	Introduction	<ul style="list-style-type: none"> <li>Residential property and the UK economy</li> <li>The government and residential property</li> </ul>	
	A:1 The structure of UK property ownership	Trends in residential property ownership structure: <ul style="list-style-type: none"> <li>The growth of owner occupation</li> <li>A changing and declining social rented sector</li> <li>A small increase in the private rented sector</li> <li>Sale and rentback</li> </ul>	
		Comparison with Europe	
	A:2 Commercial and residential property markets compared	Misunderstandings about the property market	
		The commercial property market: <ul style="list-style-type: none"> <li>Ownership</li> <li>Investment returns</li> <li>Commercial property investment in practice</li> </ul>	
	A:3 The economic impact of residential property	Interest rates: <ul style="list-style-type: none"> <li>Setting Official Bank Rate</li> <li>Fixed rates and variable rates</li> <li>Consumer spending and equity release</li> </ul>	
		The government's role in the housing and mortgage Markets: <ul style="list-style-type: none"> <li>Tax and economic policy</li> <li>Social and economic policy</li> </ul>	
		The residential property cycle: <ul style="list-style-type: none"> <li>The role of interest rates</li> <li>Affordability</li> </ul>	
		House price indices: <ul style="list-style-type: none"> <li>Nationwide and Halifax</li> <li>Land Registry</li> <li>DCLG</li> <li>Rightmove</li> <li>Hometrack</li> <li>FT</li> </ul>	
		Future issues: <ul style="list-style-type: none"> <li>Council Tax reform</li> <li>Demand and supply of housing</li> <li>UK membership of the Euro</li> <li>The fallout from the US sub-prime mortgage market crisis</li> </ul>	
	A:4 Homebuyer attitudes	Getting on the ladder	
		Maximising borrowing	
		Inflationary illusions	
		My home is my pension	
		True cost of property ownership	


















	<b>A:5 Buy to Let</b>	Gross and net yields	
		Diversification	
		Buy to let models	
		Property clubs	
		Let to buy	
		Capital appreciation	
	<b>A:6 Taxation of property</b>	Council tax	
		Capital gains tax: <ul style="list-style-type: none"> <li>• Capital gains tax on buy to let and other properties</li> <li>• Calculating CGT payable</li> </ul>	
		Tax relief on interest to buy and improve let property	
		Stamp duty land tax	
<b>B. The home buying and finance raising process</b>	<b>B:1 The purchase timetable</b>	The order of events	
		The length of the home buying process	
	<b>B:2 Assessing the borrower</b>	Assessing income: <ul style="list-style-type: none"> <li>• Employees</li> <li>• Self-employed and business owners</li> <li>• Self-certification</li> <li>• Maximum lending limits</li> </ul>	
		Credit assessment: <ul style="list-style-type: none"> <li>• Credit history</li> <li>• The points system of credit assessment</li> </ul>	
		Mortgage fraud	
	<b>B:3 Assessing the property</b>	Main types of residential property: <ul style="list-style-type: none"> <li>• Ownership in England, Wales and Northern Ireland</li> <li>• Ownership in Scotland</li> </ul>	
		Factors that can affect a property's value	
		The condition of the property – surveys: <ul style="list-style-type: none"> <li>• Valuation survey</li> <li>• Full structural survey</li> <li>• Homebuyer's survey and valuation</li> <li>• Other surveys</li> </ul>	
		NHBC and other insurance schemes	
		Local authorities: <ul style="list-style-type: none"> <li>• Local authority searches</li> <li>• Other searches</li> <li>• Planning permission and building regulations</li> </ul>	
		Ownership: <ul style="list-style-type: none"> <li>• Registering land</li> <li>• Restrictive covenants and easements</li> </ul>	
		Home Information Packs: <ul style="list-style-type: none"> <li>• Problems with the buying process</li> <li>• Introduction of the Home Information Pack</li> </ul>	




















	<b>B:4 Arranging the mortgage</b>	Advisers' terms of business	
		Fact finding: <ul style="list-style-type: none"> <li>• Hard and soft facts</li> </ul>	
		Key Fact illustrations: <ul style="list-style-type: none"> <li>• Third party mortgage software</li> </ul>	
		The mortgage application form	
		Lenders' additional requirements: <ul style="list-style-type: none"> <li>• Additional security</li> <li>• Personal guarantor</li> <li>• High percentage lending – higher lending charge</li> </ul>	
		The offer of advance: <ul style="list-style-type: none"> <li>• Exchange of contracts and completion</li> </ul>	
		The Conveyance and Property Deed	
		The Legal Charge or Mortgage Deed	
		Release of funds	
		Bridging finance	
	Completion advice and paying the mortgage		
	<b>B:5 Other legal aspects</b>	Conveyancing: <ul style="list-style-type: none"> <li>• Solicitors</li> <li>• Conveyancers</li> </ul>	
		Land registration and title insurance	
Property ownership: <ul style="list-style-type: none"> <li>• Joint tenants and tenants in common</li> <li>• Unmarried couples and other joint purchasers</li> </ul>			
<b>B:6 Non-mortgage financial aspects</b>	Making an offer to buy: <ul style="list-style-type: none"> <li>• Deposits and reservations</li> </ul>		
	Stamp Duty Land Tax: <ul style="list-style-type: none"> <li>• Tax planning</li> </ul>		
	Purchase costs: <ul style="list-style-type: none"> <li>• Disposal costs</li> </ul>		
<b>C. Mortgage products</b>	<b>C:1 Basic mortgage structures</b>	Capital and interest: <ul style="list-style-type: none"> <li>• Annual and daily interest rests</li> </ul>	
		Interest only mortgages	
		Interest roll up: <ul style="list-style-type: none"> <li>• Deferred interest loans</li> <li>• Lifetime mortgages</li> </ul>	
		Term of mortgage	



















	<b>C:2 Interest rates</b>	Fixed rate	
		Variable rate mortgages: <ul style="list-style-type: none"> <li>• Standard variable rate</li> <li>• Base rate-linked mortgages</li> <li>• LIBOR-linked</li> <li>• Other tracker mortgages</li> <li>• Capped mortgages</li> <li>• Cap and collar mortgages</li> <li>• Droplock</li> </ul>	
		Fixed or variable rates – making the choice	
		<b>C:3 Mortgage features</b>	
	Flexible mortgages		
	Offset flexible mortgages and current account mortgages		
	Annual payment review mortgages		
	Mortgages with initial discounts: <ul style="list-style-type: none"> <li>• Discounted mortgages</li> <li>• Stepped rate mortgages</li> <li>• Cashback mortgages</li> </ul>		
	CAT standard mortgages		
	<b>C:4 Specialist lending</b>		
	100% mortgages		
	Over 100% mortgages		
	First time buyers		
	Right to buy: <ul style="list-style-type: none"> <li>• Mortgage issues</li> </ul>		
	Shared ownership schemes		
	Shared appreciation mortgages		
	Islamic mortgages		
	Buying a property at auction		
	Self-build		
	Buy to let mortgages <ul style="list-style-type: none"> <li>• Let to buy</li> </ul>		
Second and holiday homes			
Overseas properties			
Foreign currency mortgages			
Non-status and self-certified mortgages: <ul style="list-style-type: none"> <li>• Non-status mortgages</li> <li>• Self-certified mortgages</li> </ul>			
Impaired credit lending – the sub-prime market			





















	<b>C:5 Mortgage fees and charges</b>	Valuation fees	
		Arrangement/administration fees	
		Reservation fees	
		Fee descriptions	
		Mortgage legal fees	
		Other direct and indirect charges	
	<b>C:6 Equity release schemes</b>	Lifetime mortgages: <ul style="list-style-type: none"> <li>• Mortgage/investment combinations</li> <li>• Potential risks</li> <li>• Annual lending facility (drawdown) products</li> </ul>	
		Home reversion schemes	
		Impact on state and other benefit entitlements	
		Estate planning and IHT implications	
		Going into care	
		Family involvement	
		Alternatives to equity release	
		SHIP	
<b>D. Mortgage payment methods &amp; repayment vehicles</b>	<b>D:1 The requirement to repay</b>	Capital and interest	
		Interest only option	
		Lenders' requirements	
		Pre and post retirement repayment	
		Mix and match mortgage types	
		Repaying a mortgage on a sale	
	<b>D:2 Investment links</b>	Endowments: <ul style="list-style-type: none"> <li>• Arranging the endowment</li> <li>• Endowment policy funds</li> <li>• Types of endowment policy</li> <li>• Additional protection from an endowment policy</li> <li>• Endowment mortgages – recent history</li> <li>• Current position</li> <li>• FSA action</li> <li>• Endowments no longer used for mortgages</li> </ul>	
		Individual savings accounts (ISAs) and personal equity plans (PEPs): <ul style="list-style-type: none"> <li>• ISAs</li> <li>• PEPs</li> <li>• The main advantages and drawbacks of PEP and ISA mortgages</li> <li>• ISAs and PEPs, investment risk and repaying the mortgage</li> </ul>	
		Other investment options: <ul style="list-style-type: none"> <li>• Unit trusts and OEICs</li> <li>• Investment trusts</li> <li>• Real estate investment trusts (REITs)</li> </ul>	



















		<p>Investments and risk:</p> <ul style="list-style-type: none"> <li>• Underlying assets</li> <li>• How collective investments can reduce risk</li> <li>• Investment return vs interest rate</li> <li>• Projections and assumptions</li> <li>• Regular performance monitoring</li> </ul>	
	<b>D:3 Pension mortgages</b>	<p>Tax position of pension schemes:</p> <ul style="list-style-type: none"> <li>• The tax advantages of pensions</li> <li>• Pensions simplification</li> </ul>	
		<p>Types of pension scheme:</p> <ul style="list-style-type: none"> <li>• Defined contribution schemes</li> <li>• Defined benefit schemes</li> </ul>	
		<p>Pensions as mortgage repayment vehicles:</p> <ul style="list-style-type: none"> <li>• Risks of pension mortgages</li> <li>• Advantages of pension mortgages – for borrowers</li> <li>• Advantages of pension mortgages – for lenders</li> </ul>	
		Investment and risk considerations	
		<b>D:4 Comparison of options</b>	Relative cost
	<p>Choice of providers:</p> <ul style="list-style-type: none"> <li>• Investment plans and money purchase pensions</li> <li>• Employer sponsored pension schemes</li> </ul>		
	Flexibility of the investment plan		
	Tax efficiency		
<b>E: Associated insurances and protection</b>	<b>E:1 Introduction to life and health cover</b>	<p>Basic insurance principles:</p> <ul style="list-style-type: none"> <li>• The component parts of insurance policies</li> <li>• How policies should be written</li> <li>• Insurable interest</li> <li>• Utmost good faith</li> </ul>	
		Regulated and unregulated products	
		<p>Underwriting:</p> <ul style="list-style-type: none"> <li>• Underwriting process</li> <li>• Other underwriting evidence</li> <li>• Offering terms</li> </ul>	
		<p>Legal context:</p> <ul style="list-style-type: none"> <li>• Contract law</li> <li>• Tort and negligence</li> </ul>	
	<b>E:2 Life insurance</b>	<p>Term assurance:</p> <ul style="list-style-type: none"> <li>• Level term assurance</li> <li>• Mortgage protection assurance</li> <li>• Pension term assurance (PTA)</li> <li>• Other term assurances</li> </ul>	
		<p>Endowments:</p> <ul style="list-style-type: none"> <li>• Endowments – saving with built-in protection</li> <li>• Should a mortgage endowment be used?</li> </ul>	
		Whole life	
		<p>Other benefits that may not be included:</p> <ul style="list-style-type: none"> <li>• Assignment policies</li> <li>• Policies in trust</li> </ul>	




















		Trusts and life assurance: <ul style="list-style-type: none"> <li>• Advantages of using trusts for life policies</li> <li>• MWPA and other absolute trusts</li> <li>• Flexible interest in possession trusts</li> <li>• Discretionary trusts</li> <li>• Choosing trustees</li> <li>• Trust wordings</li> <li>• What policies can be written in trust?</li> </ul>	
		Assignment	
	<b>E:3 Health insurance</b>	Income protection (IP) <ul style="list-style-type: none"> <li>• Need for income protection insurance</li> <li>• Product features</li> <li>• Underwriting</li> <li>• State benefits on illness and incapacity</li> </ul>	
		Waiver of premium	
		Critical illness cover: <ul style="list-style-type: none"> <li>• The need for CIC</li> <li>• Trusts and critical illness cover</li> </ul>	
		Comparing critical illness and income protection: <ul style="list-style-type: none"> <li>• The advantages of CI over IP</li> <li>• Potential drawbacks of CI compared to IP</li> </ul>	
		Multiplans	
		Long-term care insurance: <ul style="list-style-type: none"> <li>• Long-term care insurance features</li> <li>• Meeting the need for income to fund long-term care</li> <li>• State help for long-term care</li> <li>• Pre-funded long-term care insurance</li> <li>• Lasting power of attorney</li> <li>• Quantifying the need for LTC benefit</li> <li>• Taxation of long-term care products</li> </ul>	
		Medical insurance: <ul style="list-style-type: none"> <li>• Private medical insurance</li> <li>• Advantages of private health care</li> <li>• Arranging PMI</li> <li>• Individual and group cover</li> <li>• Underwriting PMI</li> <li>• Other health cost cover</li> </ul>	
	<b>E:4 Selecting life and health insurance cover</b>	How much cover is needed?	
		Suitability of different types of life assurance	
	<b>E:5 Mortgage payment protection insurance (MPPI)</b>	MPPI cover components: <ul style="list-style-type: none"> <li>• Need for MPPI</li> <li>• Typical terms and conditions</li> </ul>	
		DWP Income Support rules for mortgage payment: <ul style="list-style-type: none"> <li>• Current and pre 2 October 1995 position</li> </ul>	
		Accident, sickness and unemployment (ASU) cover	
		Redundancy cover	
		Self-employed – cover needed and available	
		The self-insurance option	





















		<p>Comparing MPPI with income protection insurance:</p> <ul style="list-style-type: none"> <li>• Advantages of MPPI over IP</li> <li>• Advantages of IP over MPPI</li> <li>• Limitations of both MPPI and IP</li> <li>• Limitation of unemployment insurance</li> <li>• Long-term MPPI</li> </ul>	
	<b>E:6 Property insurance</b>	Property insurability and climate change	
		<p>Buildings insurance:</p> <ul style="list-style-type: none"> <li>• Coverage of insurance</li> <li>• Reinstatement cost</li> <li>• Part or shared ownership</li> <li>• Buildings insurance – typical perils and terms and conditions</li> </ul>	
		<p>Contents insurance:</p> <ul style="list-style-type: none"> <li>• Coverage of contents insurance</li> <li>• Contents insurance exclusions</li> <li>• Optional extensions of cover</li> <li>• Indemnity or reinstatement insurance</li> <li>• How much contents insurance is needed and the concept of 'average'</li> </ul>	
		Combined policies	
		<p>Block insurances and potential extra charges:</p> <ul style="list-style-type: none"> <li>• Features of block insurances</li> <li>• Costs of cover</li> </ul>	
		Working from home – the insurance implications	
		Holiday homes	
		Insurance of blocks of flats	
		High net worth home insurance	
		<p>The scope of legal liabilities covered under a household policy:</p> <ul style="list-style-type: none"> <li>• Legal liability cover under the buildings insurance</li> <li>• Legal liability cover under the contents insurance</li> <li>• Relevant legislation</li> </ul>	
		<p>Rating factors – contents insurance:</p> <ul style="list-style-type: none"> <li>• Costs of contents insurance</li> <li>• Rating factors – buildings insurance</li> <li>• Lifestyle rating</li> </ul>	
		<p>Claims procedures:</p> <ul style="list-style-type: none"> <li>• The responsibility of the insured</li> <li>• What the insurer should do after a claim</li> <li>• Treating customers fairly</li> <li>• The Financial Ombudsman Service (FOS)</li> </ul>	
		New build property insurance schemes	
		Buy to let	
	<b>E:7 Estate planning</b>	Creating a cash sum outside the estate	
		Paying an IHT liability on death	
		Planning for couples	
		Long-term care	








	<b>E:8 Protecting a business</b>	Types of business: <ul style="list-style-type: none"> <li>• Sole trader</li> <li>• Partnership</li> <li>• Limited company</li> <li>• Limited liability partnerships</li> </ul>		
		Other business issues		
		Key person protection: <ul style="list-style-type: none"> <li>• Key person income protection insurance</li> </ul>		
	<b>E:9 Group risks and employee benefits</b>	Main types of protection employee benefits		
		Paying for the costs of group protection policies		
		Underwriting and group schemes		
		Continuation option		
		Flexible options (flex)		
	<b>F: Post completion issues</b>	<b>F:1 Mortgages – interest rates and other changes</b>	Interest rate changes – lenders' actions: <ul style="list-style-type: none"> <li>• Variable interest mortgages</li> <li>• Annual payment reviews under variable rate and deferred interest mortgages</li> <li>• Fixed rate mortgages</li> </ul>	
			Property price movements: <ul style="list-style-type: none"> <li>• Positive equity</li> <li>• Negative equity</li> <li>• Calculating equity</li> <li>• Dealing with negative equity</li> </ul>	
Arrears: <ul style="list-style-type: none"> <li>• Keeping the lender informed</li> <li>• The FSA's approach to arrears</li> <li>• Recovery of arrears</li> <li>• Mortgage rescue schemes</li> <li>• The Financial Services Authority (FSA) approach to arrears</li> <li>• State benefits available to help borrowers in arrears with their mortgage</li> <li>• Charges on arrears and recovery</li> <li>• Implications for credit ratings with credit agencies</li> </ul>				
Default: <ul style="list-style-type: none"> <li>• Legal remedies where borrowers are in arrears</li> <li>• Possession</li> <li>• CML possessions register</li> <li>• Costs and charges</li> <li>• Borrower's bankruptcy</li> </ul>				
Lender administration				
Complaints handling				
<b>F:2 Changing the mortgage</b>			Further advances	
			Capital raising and debt consolidation: <ul style="list-style-type: none"> <li>• Purpose of the loan</li> </ul>	
			Second and third charges	
			Remortgages: <ul style="list-style-type: none"> <li>• Purpose of remortgaging</li> <li>• Costs of remortgaging</li> <li>• Reducing the costs of existing borrowings</li> <li>• Raising additional funds</li> <li>• Costs v benefits</li> <li>• Switching types of mortgage</li> </ul>	

		Mortgage redemption: <ul style="list-style-type: none"> <li>Redemption procedure</li> <li>Partial redemption</li> <li>Early repayment charges</li> </ul>	
		Release of additional security on redemption	
		Moving home – portability of mortgages	
	<b>F:3 Other events that could affect a mortgage</b>	Homeowner going abroad or moving temporarily: <ul style="list-style-type: none"> <li>Lenders' requirements on letting of mortgaged property</li> <li>Tax implications of letting property</li> </ul>	
		Subletting all or part of the mortgaged property for business use	
		Repayment vehicle shortfalls: <ul style="list-style-type: none"> <li>Endowment re-projections</li> <li>Pension plan shortfalls</li> </ul>	
		Marriage, new relationships, divorce and relationship breakdown: <ul style="list-style-type: none"> <li>Removing a party from the mortgage deed</li> <li>Stamp Duty Land Tax</li> <li>New relationships and marriage</li> </ul>	
		Sale of property: <ul style="list-style-type: none"> <li>Overview of process</li> <li>Capital gains tax rules</li> </ul>	
		Death of borrower: <ul style="list-style-type: none"> <li>Administration</li> <li>Inheritance tax</li> </ul>	
		Implications for borrowers of securitisation and sale of mortgage book	
	<b>F:4 Home owning costs</b>	Council tax: <ul style="list-style-type: none"> <li>Basis of calculation</li> </ul>	
		Utilities costs	
		Maintenance costs	
		Updating and refurbishment	
<b>G. Advice and sales process</b>	<b>G:1 Introduction and sales process</b>	Initial disclosure	
		The fact finding process: <ul style="list-style-type: none"> <li>Hard facts</li> <li>Soft facts</li> <li>The key questions</li> </ul>	
		Analysis of the information gathered: <ul style="list-style-type: none"> <li>Assessing different circumstances and needs</li> </ul>	
		Attitude to risk	
		Face to face and remote sales	
		Non-advised sales and information	
		<b>G:2 Affordability and risk</b>	Explaining the total cost of purchase – key facts illustrations: <ul style="list-style-type: none"> <li>Risks associated with buying a home with a mortgage</li> <li>Risks from rising interest rates</li> <li>The Miles Report – interest risk and fixed interest mortgages</li> <li>Risks associated with repayment vehicles</li> <li>Risks associated with non-payment of the mortgage</li> <li>Non-mortgage ownership costs</li> <li>Deciding on the maximum appropriate loan</li> <li>Use of key facts illustrations</li> </ul>


		Rent or buy? <ul style="list-style-type: none"> <li>Advantages and disadvantages of renting and buying</li> </ul>	
		Buy to let mortgages	
		Equity release – lifetime mortgages and home reversion schemes	
		Sale and rentback	
	<b>G:3 Product selection</b>	The mortgage: <ul style="list-style-type: none"> <li>Matching interest rate risk to client</li> <li>Selecting the mortgage provider</li> <li>Choosing the mortgage term</li> </ul>	
		Choosing the repayment vehicle: <ul style="list-style-type: none"> <li>Matching the borrower to a suitable repayment investment plan</li> </ul>	
		Selecting the investment or insurance product provider	
		Life, health and redundancy cover: <ul style="list-style-type: none"> <li>Assessment of the appropriate level of cover</li> <li>Selecting the MPPI product provider</li> </ul>	
		Buildings and contents insurance: <ul style="list-style-type: none"> <li>Assessment of appropriate level of cover</li> <li>Choosing insurance product providers</li> </ul>	
		Higher lending charge and other insurances	
		Documentation: <ul style="list-style-type: none"> <li>Handling the application process</li> </ul>	
	<b>G:4 Communication</b>	Record keeping of advice: <ul style="list-style-type: none"> <li>Communicating the advice to the client</li> <li>Procurator fee disclosure</li> </ul>	
		Regular reviews: <ul style="list-style-type: none"> <li>Remortgage options</li> <li>Monitoring the repayment vehicle</li> <li>Re-broking insurances</li> </ul>	
	<b>H. Regulation</b>	<b>H:1 The main aims and activities of the Financial Services Authority (FSA)</b>	The FSA's key objectives
The FSA's main role and activities: <ul style="list-style-type: none"> <li>Direct authorisation and regulation of the UK financial services system</li> <li>Monitoring the activities of the various recognised bodies</li> <li>Policing the financial services system</li> </ul>			
The FSA's principles			
Approved persons and controlled functions: <ul style="list-style-type: none"> <li>Individual approval</li> <li>Controlled functions</li> <li>Importance of the approved persons regime</li> </ul>			
The FSA principles for approved persons			
Senior management arrangements, systems and controls: <ul style="list-style-type: none"> <li>Individual responsibilities</li> <li>Systems and controls</li> <li>Whistle blowing</li> </ul>			

	<b>H:2 The FSA's main structure and approach to regulation</b>	Authorisation: <ul style="list-style-type: none"> <li>Exempt persons</li> <li>Regulated activities</li> <li>Firms' permissions</li> </ul>	
		Supervision: <ul style="list-style-type: none"> <li>The risk based approach</li> <li>Research</li> <li>Supervisory operations</li> <li>Rule waivers</li> </ul>	
		Financial resources	
		Discipline and enforcement: <ul style="list-style-type: none"> <li>Enforcement</li> <li>Disciplinary action</li> </ul>	
		Notifications and returns by firms: <ul style="list-style-type: none"> <li>Reporting requirements</li> <li>Notification requirements</li> </ul>	
		Treating customers fairly	
	<b>H:3 The FSA's conduct of business rules and the firm</b>	Regulated mortgage activities: <ul style="list-style-type: none"> <li>Authorised firms</li> <li>Introducers</li> </ul>	
		A regulated mortgage contract	
		Providing information and providing advice – the distinction	
		General standards and communications: <ul style="list-style-type: none"> <li>Prescribed terms</li> <li>High pressure sales</li> <li>Information</li> <li>Liability</li> <li>Electronic communication with customers</li> </ul>	
		Promotion and advertising rules: <ul style="list-style-type: none"> <li>Qualifying credit promotions</li> <li>Real time and non-real time credit promotions – the distinction</li> <li>Real time financial promotions – requirements</li> <li>Non-real time promotions – requirements</li> </ul>	
		Record keeping: <ul style="list-style-type: none"> <li>Records that firms should retain</li> <li>Time limits</li> <li>Access</li> </ul>	
		Training and competence: <ul style="list-style-type: none"> <li>Recruitment</li> <li>Attaining competence</li> <li>Maintaining competence</li> </ul>	
	<b>H:4 The FSA's conduct of business rules and customer advice</b>	Application of the advice rules	
		Main principles	
		Initial disclosure requirements	
		The Initial Disclosure Document (IDD)	
		Range of products: <ul style="list-style-type: none"> <li>Range of products from the whole market</li> <li>Independence</li> </ul>	
Suitability			

		Deciding on suitability	
		Rejected recommendations	
		Suitability – record keeping	
		Arranging – without giving advice	
		Business mortgages	
		Pre-application disclosure	
		Disclosure at the offer stage	
		Disclosure at the start of the contract and after sale	
		Lifetime mortgages and home reversion plans: <ul style="list-style-type: none"> <li>• Basis for the recommendation</li> <li>• The customer's circumstances</li> <li>• Limitations on advice</li> </ul>	
		Responsible lending policies	
		Charges	
		Arrears and repossessions	
		Rules that apply specifically to intermediary firms: <ul style="list-style-type: none"> <li>• Professional indemnity</li> <li>• Client money rules</li> </ul>	
	<b>H:5 Complaints and compensation</b>	Complaints procedure: <ul style="list-style-type: none"> <li>• Complaints</li> <li>• Publicising the complaints procedure – before the complaint</li> <li>• Handling the complaint</li> </ul>	
		The Financial Ombudsman Service (FOS): <ul style="list-style-type: none"> <li>• Jurisdiction of the FOS</li> <li>• Time limits for references to the FOS</li> <li>• FOS procedures</li> <li>• Compensation awards</li> </ul>	
		The Financial Services Compensation Scheme (FSCS)	
	<b>H:6 The impact of other legislation and regulations</b>	The Data Protection Act 1998 (DPA): <ul style="list-style-type: none"> <li>• DPA definitions</li> <li>• The data protection principles</li> <li>• Penalties for non-compliance with the DPA</li> </ul>	
		Safe Home Income Plans (SHIP): <ul style="list-style-type: none"> <li>• The Code of Practice</li> <li>• Complaints procedure</li> </ul>	
		Consumer Credit Act: <ul style="list-style-type: none"> <li>• Licences</li> <li>• Regulations</li> </ul>	
		The Banking Code: <ul style="list-style-type: none"> <li>• Key commitments</li> <li>• Information provided to customers</li> <li>• Account operations</li> <li>• Protection</li> <li>• Difficulties</li> </ul>	

<b>H:7 Anti-money laundering rules</b>	What are the proceeds of crime?	
	The main money laundering offences: <ul style="list-style-type: none"> <li>• Money laundering the proceeds of crime</li> <li>• Failure to disclose knowledge of money laundering</li> <li>• Tipping off</li> <li>• Penalties</li> </ul>	
	Identification procedures	
	Record keeping	
	Internal reporting procedures	
	Training	
	Conclusion	

**Key:**

Format	Symbol
Interactive e-learning	
Printable PDF file	