



about our services



11 Halifax Court, Fernwood Business Park, Cross Lane, Newark, NG24 3JP

1. The Financial Services Authority (FSA)

The FSA is the independent watchdog that regulates financial services. It requires us to give you this document. Use this information to decide if our services are right for you.

2. Whose products do we offer?

Insurance

- We offer products from a range of insurers
- We only offer products from Pru Protect & Bright Grey for Life Assurance, Critical Illness Benefit, Income Protection Benefit, and Unemployment insurance.
- We offer products from Assurant & Berkley Alexander for Accident, Sickness & Unemployment insurance (ASU) and Buildings & Contents Insurance.

Mortgages

- We offer mortgages from the whole market.
- We only offer mortgages from a limited number of lenders.
- We only offer mortgages from a single lender.

3. Which service will we provide you with?

Insurance

- We will advise and make a recommendation for you after we have assessed your needs for Life Assurance, Critical Illness Protection, Income Protection Benefit, Accident Sickness & Unemployment Insurance and Buildings & Contents Insurance.
- You will not receive advice or recommendation from us. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.

Mortgages

- We will advise and make recommendation for you after we have assessed your needs.
- You will not receive advice or recommendation from us. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.

4. What you will have to pay us for our services?

Insurance

- A fee

- No fee.

You will receive a quotation, which will tell you about any other fees relating to any particular insurance policy.

Mortgages

- No fee. We will be paid commission from the lender.
- A fee of 2.95% of the mortgage amount, up to a maximum of £3995 payable at completion. For Example, on a mortgage of £80000 we would charge a maximum fee of £2360, and on a mortgage of £400000 we would charge a maximum fee of £3995. We will also retain any commissions we receive from the lender.

You will receive a key facts illustration when considering a particular mortgage, which will tell you about any fees relating to it.

5. Refund of Fees

If we charge you a fee and your mortgage does not go ahead you will receive:

- A full refund.
- A partial refund.
- No refund.

6. Who regulates us?

LWF Mortgages, 11 Halifax Court, Fernwood Business Park, Cross Lane, Newark, NG24 3JP, is authorised and regulated by the Financial Services Authority. Our FSA Register number is 304057

Our permitted business is advising on and arranging mortgages and non-investment linked insurances.

You can check this on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

7. What to do if you have a complaint

If you wish to register a complaint please contact us:

...in writing **Complaints, LWF, 11 Halifax Court, Fernwood Business Park, Cross Lane, Newark, NG24 3JP**
...by phone 01636 700 624

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

8. Are we covered by the Financial Services Compensation Scheme (FSCS)?

We are covered by the FSCS. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

Insurance

Insurance advising and arranging is covered for 90% of the claim, without any upper limit.

Mortgages

Mortgage advising and arranging is covered for 100% of the first £50,000.

Further information about the compensation scheme arrangements is available from the FSCS.

TCF Objectives Statement



We are committed to ensuring that the FSA principle of Treating Customers Fairly (TCF) is applied in all areas of our day-to-day business activities.

In adopting the TCF principle we recognise that fair treatment of our customers is about adding value to the service we offer by aiming to:

- **Provide a Client Focused Service.** We fully appreciate that the client's mortgage is likely to be their largest financial commitment undertaken
- **To help the client understand how a mortgage works and how control of their repayments is essential for money management.** Throughout our association with our clients we are committed to giving the highest standard of service and customer care both, before, during, and after their mortgage commences
- **If a client proposes to do non- investment Insurance business, we will provide Advice based on a panel of products that we have available.**
- **Meet, as best we can, the unique needs of each client** by offering a transparent, efficient and professional service, and constantly reviewing our service to identify areas for improvement

In practical terms for the different areas of our business this means:

- Ensuring that promotional material is clear, compliant, jargon free and appropriately targeted
- Ensuring that sales staff have thorough training on all products they advise on, understand who they are suitable for, and are encouraged to challenge product providers where they spot inconsistencies, ambiguities or potential unfairness in the product literature or product features
- Ensuring that 3rd parties who we deal with adopt the FSA principles.
- Operating sales remuneration systems which assure fairness to the customer as well as customer satisfaction, rather than only rewarding sales volumes
- Finding ways to encourage non sales staff to implement TCF in their day to day business activities
- Keeping detailed records of customer instructions and profile/attitude to risk, and of the advice and options given before, during and after a sale – to help ensure we treat customers fairly and can deal with any complaints that may arise swiftly and fairly

- Encouraging after sales contact with the client where appropriate to correct or improve on the service already offered
- Ensuring that customer complaints are assessed fairly, promptly and impartially, and in line with FSA deadlines and rules
- Encouraging staff to recommend improvements to service following customer complaints/recommendations/comments – and monitoring the outcome
- Ensuring that staff are kept up to date with relevant training in relation to competence, data protection and other matters directly affecting the quality of service offered to customers
- Offering regular training in the principle of TCF at all levels of the business
- Regularly monitoring and reporting on all of the above TCF activities as part of the company's monthly statistics/Management Information (MI), in order to assess TCF performance across the business and recommend changes where appropriate
- Ensuring that TCF values, which are set and communicated by Senior Management, are supported by all staff and understood in the same way

Jargon buster – Our guide to confusing terms



Advice - A recommendation about the most suitable mortgage/protection product for you made by an adviser who is regulated by the FSA.

Annual statement -A statement from your mortgage lender, sent every year, showing among other things what you've paid and what you still owe.

Approval in principle (AIP) - A certificate which some lenders will give you that shows the amount they will probably be prepared to lend you. This is not a guarantee, but can be helpful when signing up with estate agents. Sometimes also known as Decision In Principal (DIP).

APR -Annual Percentage Rate. This shows the overall cost of a loan, taking into account the term, interest rate and other costs, and assumes you keep the mortgage product for the full term of the mortgage, not just the initial special rate term.

Authorised firm -A firm that has permission from the FSA to carry out regulated activities.

Bank of England Base Rate- The rate of interest set by the Bank of England which affects all interest rates

Capital -The amount you borrow.

Capped mortgage -A mortgage that has a maximum limit on the interest rate you'll have to pay during a special deal period.

Cashback mortgage - A mortgage that comes with a cash sum (often a percentage of the amount you're borrowing).

Debt Consolidation – Where debts such as credit cards & personal loans are added to a mortgage in order to reduce outgoings. But normally will increase the overall amount paid, as well as the term they are repaid over.

Discounted mortgage - This has a discounted variable rate of interest for a set period, after which the rate will increase.

Early repayment charge (ERC's) - A charge you may have to pay if you break off a mortgage deal - by paying it back early and/or moving to another lender.

Equity- The value of a property minus any outstanding mortgage and loans secured against it.

Fees- Professional fees paid to advisers for locating/advising and lenders product fees. Can be paid upfront or added to the mortgage.

Fixed rate - An interest rate that is fixed (i.e. it doesn't move up or down) for a set period of time.

FSA -The Financial Services Authority - the UK's financial watchdog.

Income multiples -The factor by which your earnings are multiplied to find out how much you can borrow.

Interest rate - The figure that determines the cost of borrowing the money, and can move up or down if it is variable.

Interest-only mortgage - As the name suggests, your monthly payment only pays the interest charges on your loan - you're not actually reducing the loan itself. This is why it's very important you regularly review your circumstances.

- **The pros:** Because you're only paying off the interest, and not the loan itself, your monthly payments will be lower.

- **The cons:** That debt is not going to go away. Throughout the life of the mortgage, you will need to ensure your plans to repay the debt are on track to repay your loan at the end of the term. If you can't repay it at the end of the term you could lose your home.



Keyfacts documents (KFI) -Standard documents that all authorised lenders and brokers must give you to explain their services and details about the mortgage you're interested in.

LIBOR- London Inter Bank Offered Rate- The rate of exchange at which banks lend money to each other. Some lenders use this rate to set their rates.

Loan-to-value (LTV) -The percentage of money you want to borrow compared to the cost/value of the property. (If you borrowed £90000 against a house valued at £100000, the LTV would be 90%)

Mortgage - A loan which is secured against your property.

Mortgage broker -A mortgage broker helps you understand the various mortgage types and deals available to you.

Remortgaging -The process of changing your current mortgage for a different one, without moving home.

Repayment mortgage -A mortgage that pays off both the home loan and the interest at the same time. Make all the payments and the mortgage will be fully repaid at the end of the term. Every month, your payments to the lender go towards reducing the amount you owe as well as paying the interest they charge. So each month you're paying off a small part of your mortgage.

- **The pros:** It's a simple, clear approach - you can see your loan getting smaller. Guarantees to pay off your mortgage if you follow the payment schedule precisely
- **The cons:** In the early years your payments will be mainly interest, so if you want to repay the mortgage or move house in the early years, you'll find that the amount you owe won't have gone down by very much.

Secured -A mortgage is a secured loan on your home; this means that if you fail to repay it, your lender may be able to repossess and sell your home to get its money back.

Stamp duty -A tax which home buyers must pay on properties above a government set figure.

Standard variable rate mortgage (SVR) -A loan at the lender's **normal** mortgage rate - i.e. without any discounts or special deals.

Sub Prime Mortgages - An event, or series of events, may have impaired your credit rating and it will be necessary to apply for a Sub Prime mortgage. These normally have a higher interest rate than Prime mortgages and may carry heavier charges.

Survey -A report on the condition of the property you are planning to buy. More in-depth than a normal mortgage valuation report, and is ordered by the buyer.

Tracker mortgage -A mortgage with an interest rate that is usually linked to a particular rate that is set independently from the lender and moves up or down with it. (Usually tracks the Bank of England base rate by a set differential, but can track other indexes).

Term -The length of your mortgage.

Valuation - A brief inspection, for the benefit of your lender, of the home you hope to buy or remortgage. This is to make sure they are not lending more than the property is worth and that the property is suitable security for the mortgage. It will not tell you if it is a good or bad buy. For your own peace of mind, you may want to order your own survey.