

## **MORTGAGE ENDOWMENT COMPLAINTS COURSE 3 half days**

### **Part 1 - Background**

Objectives of the course and good complaint handling  
Key regulatory material, EBs, RU72, Tiner Letter  
Final Notices on misselling and complaints  
FOS Decision Trees and Ombudsman News  
DISP

### **Part 2 Are we liable?**

Negligence  
Section 62 FSA 1986 and section 150  
Know your customer  
Best advice  
Disclosure

### **FOS decision trees and other causes of liability**

#### **Suitability**

Mortgage risk - existing policies and Tiner  
Endowments into retirement  
Low start, roll-up, deferred interest  
Life cover not required  
Forward sales  
Policy not affordable  
Mismatches with the loan  
Short term policies

#### **Disclosure**

Guarantees and risk  
Complainant not made aware of possible alternative arrangements  
Surrender penalties or other charges not explained

#### **Defences**

No causation  
Insistent customers  
Execution-only  
IFA-gifted commission  
Staff sales Page 2 of 2

### **Part 3 - Redress**

DISP App 1 and FSMA rules for endowment compensation  
Reducing damages for dissipated sums - the Bowden problem  
Comparison of outgoings  
Endowments sold into retirement  
Under and over-insurance  
Churning  
“Guarantees”  
Avoiding policies  
Distress and inconvenience  
Professional fees  
Customer negligence

### **Part 4 - Investigating and Resolving Cases**

Scope of DISP - notably pre-A day complaints  
Identification  
Acknowledgment  
Investigation  
Time-limits and reporting  
Relationship between complaint handling and discipline  
Drafting final response letters  
Settlement  
The FOS  
Limitation