

Summary of feedback received

July 2012

Consultation title	Sale and Rent Back Review 2011
Date of consultation	3 February 2012 to 29 March 2012
Summary of feedback received	<p>We received one response to this consultation. This came from the Financial Services Consumer Panel. The Panel raised three points:</p> <ul style="list-style-type: none"> • No new guidance – The Panel commented that the consultation only outlines the findings of our thematic review and does not include any new guidance for firms. • The market has not been halted – The Panel expressed concern that firms appear to still be active in the Sale and Rent Back (SRB) market and are advertising for new business. The market had not been halted, as the review suggested. • Unauthorised business – The Panel also expressed concern that there is an active unauthorised SRB market, given the OFT had reported a high numbers of firms (upwards of 1000) and now only 22 were authorised by us.
Response to feedback received	<p>We would like to thank the Panel for taking the time to reply to the consultation.</p> <p>No new guidance</p> <p>The review sets out both good and poor practices of firms in meeting, or failing to meet, their requirements under our rules. This guidance gives firms clear examples of compliant and non-compliant behaviour in a consolidated form for ease of reference.</p> <p>We appreciate that the text in the review did not make it clear which specific rules the guidance relates to.</p> <p>The market has not been halted</p> <p>The review explains that five active SRB firms voluntarily ceased to conduct SRB business while their transactions were reviewed. These five firms were responsible for all of the regulated sales at the time of the review. Therefore with no providers active in the market we</p>

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reported that it had been temporarily halted.

However, we also pointed out in the review that three firms are authorised to enter into SRB but had not done so. Firms with the relevant permissions can still advertise for and enter new business if they wish.

Unauthorised business

We have looked into a number of cases where members of the public or other firms have reported SRB activity by firms who are not authorised. Our investigations have led to several actions being taken and we are continuing to monitor the perimeter for unauthorised SRB transactions.

Changes made to the guidance as a result of feedback received

We have added specific rule references from our Mortgages and Home Finance: Conduct of Business sourcebook (MCOB) to the overall assessment, which forms part of the introduction to the report. We have also added MCOB rule references to the detailed findings section of the Annex. These make it clear which rules are being breached by the behaviours observed in the review.

[You can access the full text of the guidance consulted on here](#)
