

Niche Article for July 2007

Towards a more professional secured loans industry?

The reputation of the secured loans industry is undoubtedly an improving one. There are clear signs of increasing professionalism across many firms. More mortgage brokers, who would historically have seen this as not an area they would want to recommend on, are accepting that the product is an essential part of the advice armoury.

With the arrival of specialist secured loan sourcing systems from mortgage specialists such as Trigold and Mortgage Brain, we are seeing evidence of a more structured approach to the secured loans business. Additionally as a number of master brokers develop their own decisioning and sourcing systems for use by brokers, we are reaching a point where the future secured loans employee requires a more developed set of skills.

It has long been a requirement that investment and mortgage advisers need to hold relevant qualifications. The question I have for our industry is should we be taking the step to begin such a journey ourselves, on a voluntary basis. If we do, have we got any ideas of the kind of areas that we would want to assess and monitor?

Do we need to start putting staff and their managers through basic knowledge tests on Mortgages, Loans and Insurance? Should we set up simple Training and Competence schemes that assess how well staff do their jobs and set them development targets both in terms of sales targets and quality standards? Should these be established to allow staff to monitor their own progress, or be more prescriptive?

The more enlightened out there already have some of these structures. But do we want to develop some industry standards using bodies such as the CII to support a move to a more professional industry?

Have we the appetite to set ourselves such challenges? Basic benchmark qualifications to sell loans and insurance. More advanced appraisals of skills for managers and supervisors.

This is not a “need to have” from a regulator, but something that we should want to do to improve the standards in business and ensure that customers are sold the right product at the right price with the right warnings. It is a process to make us a more professional team.

Are we in the market for this – or am I living in my own ideal world? Is this an area that the AFB should operate in? Your thoughts are welcome.

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