



Drive your business down the DA route

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Last week was a bad week for network members. First, we learnt that Network Data had had its permissions removed by the Financial Services Authority and that Bluefin is closing its Thinc network and passing members to Sesame, although it subsequently transpired that some of them would not be accepted.

Readers of this column will already be aware of my passionate support for directly authorised financial advisers, but faced with the recent news I can't see why any firm would want to pin its future to a network.



One of the success factors in running a business is the ability to control one's destiny.

Most network members spend some time before they join one, assessing its culture, management and procedures so that they know they can prosper within the system.

So how does such due diligence fit in with inheriting a new parent overnight, without any say in the choice? It doesn't.

There can be only one solution.

Now is the time when firms should take back control of their business.

So consider being directly authorised – it might not be as difficult as you think.



Act today so you can benefit tomorrow

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While the headlines continue to report tumbling profits and downward sales trends in many industry sectors, is there a glimmer of hope for the property market?

Figures by the Council of Mortgage Lenders and the Royal Institution of Chartered Surveyors show a rise in the number of mortgages handed out by lenders in February and an increase in new inquiries in the housing market.

We're not talking about a full recovery nor are we likely to see any significant momentum until there are more incentives for first-time buyers, but there are signs the market is stabilising.

Perhaps it's time to stop comparing the market with the heady days of the mortgage boom

and look forward instead of back. It's easy to become paralysed by the gloom over the past year, but now is the time to be getting your house in order to surge forward once the market does recover.

Look at your systems and business partners. Are they delivering the results you need not just today, but tomorrow?

Are you making the most of technology platforms and solutions to reduce administration and streamline non-core processes?

Have you got the right management tools to keep on top of your business pipeline and help you manage your revenue streams?

With glimmers of a silver lining above us, failure to act now could allow your competitors to outmanoeuvre you once the blue skies return.



Lenders must rein in profit ambitions

PETER MOUNTY
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Although this week the country's eyes are very much on analysing the government's housing stimulation package and the chancellor's Budget measures, it's worth remembering that it's not only central fiscal policy that can lift the UK from its financial malaise.

We should be demanding more from our banks and building societies to get us back on track – with a return to common sense and prudence.

We could also do with brave product innovation and scrapping excessive administration fees. Although fees are an integral element of the price mix and are used to offset interest rates, their high threshold is a barrier to progress.

Punters can't afford to absorb a

hefty fee, whereas a slightly higher interest rate is tomorrow's problem, so can be worried about then.

We also know that broad government initiatives, while making attractive sound bites, are largely an illusory comfort and do precious little when it comes to bolstering consumer confidence, which holds the key to recovery.

But accessible and affordable mortgages make a huge difference. Property prices are on the increase around the country as are the number of mortgage approvals.

By reining in their profit ambitions until the recovery is in better shape to make them sustainable, lenders will not only be making amends for some of the profligacy that got us into this mess, but will be giving the public and institutions a confidence boost.



A perfect chance to build a relationship

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Is a borrower who wants to speak to you six months before the end of their mortgage tie-in period an opportunity or a waste of time?

Some brokers are frustrated because borrowers are looking for advice long before the end of their current term but others think it's a chance to start building a long-term relationship, as well as handle any immediate life assurance, general insurance and critical illness needs they have.

As industry consultant Alan Dring said in his column last month, rate tarts can be costly if we only focus on the case and not the client.

There seems to be some nervousness that wasn't there last year, reflected in the flood of borrowers looking for advice every time the Monetary Policy

Committee meets and how early they look for advice.

But there are still opportunities. Although the average remortgage borrower reckons their house is worth 11% less than last April – at £228,212 down from £255,346 – the amount they want to borrow has risen from £119,500 to £124,400, potentially a reflection of how hard it is to get credit now.

Despite lower house prices, most home owners have built up equity in their houses, so while the average deposit has dropped by 7% the average remortgage borrower coming through Leadbay is still only looking for 60% LTV.

A prime remortgage enquiry with 60% LTV can still be placed and even if the client is tied in for a couple of months, would you see it as a waste of time or a basis to start talking about their financial needs?