



Honest advertising will appeal to clients

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The Advertising Standards Authority recently banned an advertisement from a sale-and-rent-back company which made claims such as “the simplest way to avoid repossession is to sell your home” and “one telephone call is all that’s needed to solve your problems”.

It’s good to see the ASA using its powers to ban adverts which make spurious claims, not only because it will encourage other rent-back firms to review their advertising, but because such adverts do no-one any favours, neither potential clients and advertisers nor the sector in which they operate.

If the credit crunch has taught consumers anything, it is to be wary of financial promotions which sound too good to be true. Consumers are more cautious than

ever and are less likely to be taken in by advertising which promises financial salvation in one easy step.

What they want is honesty, clarity and a deal which is competitive and makes sense.

In a slow market it’s easy to fall prey to the temptation to run promotions which promise the earth. But this usually leaves clients underwhelmed when they receive the product or service on offer, which is not the best way to start any customer relationship.

Such claims can damage the long-term reputation of your business and can result in fines and even bans.

Being clear and honest in your advertising not only keeps your business out of trouble, it’s also more appealing to prospective clients.



Ensure you hang up on cold calling

GRANT STEVENS
MANAGING DIRECTOR
LEADBAY

I met the Financial Services Authority last week and the topic of express consent came up in our discussions.

Express consent was a key part of regulation when it was introduced to stop cold calling. With the FSA’s renewed focus on the whole customer journey it sounds like it’s again going to be under the spotlight, but this time with the new angle of the role of the internet in the advice process.

So what exactly is express consent where lead generation is concerned and how do you know you’re not unwittingly cold calling someone?

Leadbay’s talks with the FSA over several years means we believe borrowers

have to give consent for you to call before you are given their details.

So in the case of lead generation this means borrowers have to see your name before they submit their form asking for advice. This way they can consent to you calling them or have the option to say they don’t want to hear from you.

It is important this procedure is put in place as borrowers being sent your details after they’ve requested your advice gives them no opportunity to consent to a call.

With the FSA’s renewed vigour in making sure our industry always does right by consumers, it is worth knowing exactly how all your lead sources work to make sure you are not unwittingly cold calling.



New society bosses need a way forward

PETER MOUNTY
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It’s rearrange the deckchairs time for building societies but is this just a harbinger of further consolidation?

After the last 18 months there is a degree of inevitability about the number of society bosses deciding the time is right to move on. This innocuous phraseology tends to be the business spin presented for public consumption when the board has lost confidence in the capabilities of their helmsman.

Overexposure to Icelandic banks, toxic debt, mortgage fraud and lack of strategic vision are just some of the reasons behind what we are witnessing. With societies’ revolving doors ejecting yesterday’s men with a plethora of platitudes that basically boil down to – terminated through cock-up.

But having replaced the perceived architects of their

parlous state with shiny fresh incumbents, what’s the future for the new men?

It’s a sombre marketplace with zero profit from the world of investments, nothing happening on the mortgage front and a peripheral insurance market that enables shoppers to sort themselves out through price comparison websites.

Apart from screwing down costs and pushing up fees, there aren’t too many options available on the ‘make my mark’ menu.

This tends to suggest further consolidation. I suspect the biggest challenge facing the new chief executives will be finding a merger partner. And for those societies that have yet to recycle their main man, or determine the future of their branch network, rumour has it that a leading banker may soon be seeking a new role. It’s an ill wind.



Don’t lend value to conspiracy theory

RICHARD SEXTON
BUSINESS DEVELOPMENT DIRECTOR
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We recently saw the 40th anniversary of the Apollo moon landings though of course there remain those who are convinced that Armstrong et al were actually sitting in a Dunkin’ Donuts on Cape Canaveral the whole time.

These may well be the same individuals who in *Mortgage Strategy* and elsewhere have revealed without any evidence that lenders are operating a conspiratorial policy to devalue properties, presumably as some cunning way of reducing lending.

Call me a lunatic, but I can think of far more certain methods without all the processing and costs associated with an application that is apparently not wanted. It seems a lot of effort to go to, don’t you think?

The suggestion might carry more weight if those promoting the idea demonstrated that they understood the system.

First, lenders don’t value properties, valuers do. And second, lenders don’t typically own the valuers – less than 10% of valuers are employed by a lender. Valuers report the market, not make it.

The reality is that capital values have fallen significantly, not something many welcome, but like moon rock, are objectively verifiable. It is little wonder that an industry comes in for criticism when some appear ill-informed about their own market conditions.

The more populist mainstream press can be forgiven for oversimplifying the world, but we should expect more balance from our own commentators as only then can a sensible debate get underway.