

Broker Focus

Tony Catt **age 44 ¼**
Tony Catt Independent Financial Adviser

I started my working life in 1980 straight from school. My first job was with Royal Bank of Scotland in the Drummonds Branch at Trafalgar Square, London. I went from there to Regent Street (1982), Southampton (1984) and then to Brighton and Hove (1991). I left the bank in 1993 to go into direct sales with Pearl Assurance. In 1994, I joined Arun Estate Agents as a mortgage adviser and a year later was head-hunted to Halifax Property Services.

I became an Independent Financial Adviser in 1997 with Simpsons of Brighton. In 1999 I went to Blacktower Financial Management in Esher.

In August 2000 I set up my own firm, directly affiliated to the FSA (then PIA). I am a general practitioner and will turn my hand to any aspect of financial planning. My main strands of business are Mortgages and Pensions. I think that this is fair enough as I have the MAQ and G60 exams.

I was operating from my own home until 2003, when I decided to take on 6 advisers who had been made redundant from Pearl. We set up an office in Central Hove and stayed there for a year and then I moved to my present premises that I now share with Neil Thomas of Simpsons of Brighton.

I have managed to keep in contact with my client bank by giving good advice all the time and ensuring that I put my clients first. I get most of my business from referrals and I meet one new client most weeks.

Recently, I have started a relationship with another adviser firm to do G60 work for them and I am hopeful that this may lead to specialisation in this area in the future.

I have always been directly affiliated. The companies that I trained with were directly affiliated and I feel that this gives me more freedom to involve myself with the types of business that I want to do, rather than being told by somebody else. Also, I had read some horror stories regarding networks and did not want to put myself into that environment.

I feel that as long as you are diligent, you can undertake higher risk business – pension transfers, lifetime mortgages, SCARPS, without exposing yourself or anyone to great risk. Each of the SCARPs that I arranged worked perfectly. I always meet family members to discuss lifetime mortgages. I always research all the options available for pension transfers.

I am married with one son. My hobbies are most sports, including table tennis to county and British League level. I spend much of my time watching my son developing his sporting skills.

I would say that I am heading along the road of success, but there is a long way to go. I have always been very willing to learn from others and feel that anybody you meet offers the opportunity to learn something. Even if it is how not to do something!?!

Since starting my own business, I have made a point of speaking to as many people as possible. I do a fair amount of opinion in the trade press and national press and have even been on 5 live. My motto is – If you have no opinion, get one!!

My plans for the future are to move more into the pension market, to use my skills in a less pressured environment than mortgages. Also by dealing with larger figures, I can work my efficiently. One day I will be a success!

My View of the market

Central Brighton and Hove is one big converted flat by the sea. This has led to quite an active market in buy-to-let and the demand for smaller property units. There are always little pockets and areas of great activity in the town. I feel that the values of properties have reached a bit a plateau and do not expect much price growth for a little while. Hitherto, the price growth for the last 10 years has been extraordinary.

As far as I can see property prices run like this.

Studios	£75,000 - £120,000
One bed flats	£90,000 - £180,000
Two bed flats	£135,000 - £250,000
Two bed houses	£150,000 upwards
Three bed houses	£200,000 upwards

All of these vary from area to area, as some of the areas round the city range from shocking to lovely.

There are some big new developments of executive priced flats in the city centre, but not too much out of town due to the planning rules regarding the green belt.

I am a believer in low interest rates and feel that if the Government wanted to cause a house price crash, raising rates would be a very quick way to achieve this. I do not think that rates would need to rise very much to cause quite a dramatic sequence of events.

Mortgage Broking

I have used Mortgage 2000 since 1997 and have seen some quite significant changes in that time. Many lenders have moved towards online submission and some of them are getting quite efficient.

Whilst the use of technology has caused some efficiency, I do not believe that the back-office systems of the lenders are up to speed. I am sure that I will strike a note with anybody else doing broking by saying that it is often maddening getting anything out of the ordinary done.

Some of the online submission software makes me wish that I had not started the process. The onus has been passed neatly onto advisers to waste our time inputting cases without receiving much benefit a lot of the time.

Using fax is a waste of time. The fax goes into the same scanned work queues. It used to speed up the process, now it actually seems to confuse matters.

Have you tried speaking to an underwriter? You have more chance of talking to God – come to think of it?!?

I occasionally use packagers, but only for cases that are so awful that they are too much like hard work to place. Strangely, it does pay well.

I have done many mortgages on a self-certification basis. All too often, the accounts for tax purposes do not show what people really earn. In these situations, it is vital to ascertain affordability. Indeed on every occasion, affordability is the key. The income multiples work for the majority of cases, but are put out of kilter if the clients have any other outgoings.

The internet is great for downloading application forms and key features illustrations. Some of the lenders websites are quite useful from time to time. Also receiving rate change information by email is very efficient.

I do a fair amount of equity release lifetime mortgages. It is suitable in many cases, although I am always careful to try to explain the pitfalls as well as the benefits. Many older people are asset rich, but income poor. I feel that schemes that offer drawdown facilities are the way to go in the future. These provide money when it is needed rather than too much at the outset.

The Home Improvement Packs are fine in theory. They should provide all the information required for a person to consider buying a property. However, they will need to be shoe-horned into our current systems. I cannot see lenders relying on valuations that have not been instructed by them. Also, it will mean an upfront expense for people considering selling their property. The figures quoted in this respect are quite scary. These costs may lead to a slow down in the market or a considerable investment by agents to get people to sell. The HIPs will require a lot of co-operation between various parties in the process, which has not hitherto been likely.

The biggest mistake that brokers make is to accept the dismal levels of service currently provided by many lenders. We should try to get some forum together with some power to force the lenders to provide what we need.

- Consistent decision-making.
- Access to decision-makers.
- Some mechanism for getting genuinely urgent cases treated quicker.
- Lenders need to trust our judgement more.
- Some powerful recourse to lenders who fail to provide the levels of service that we need.

I think that the products offered are fine, with something for everybody. But lenders need to invest in back-office systems and staff numbers and staff training to make the whole process easier for us. Considering the amount of business that we put to them, we should be treated like royalty, rather than dubious people trying to score points and pull tricks.

Trust us, we are professional advisers!