

Banking Update September 2009



Susan Younger
Partner

Welcome to the September 2009 edition of our Banking E-news Update. In this issue we talk about the Financial Services Authority's action in relation to residential sale and rent back schemes, as well as their tightened compensation rules for savers, the Office of Fair Trading's new guidance on second charge lending and registration changes for consumer credit businesses, and charges by overseas companies.

If the Banking Team can assist you with any employment issue then please do not hesitate to contact us.

In this edition:

- Registration for Consumer Credit Businesses
- FSA take action in relation to residential sale and rent back schemes
- OFT Issues Guidance on Second Charge Lending
- FSA tightens up Compensation Rules for Savers
- Registration of Charges by Overseas Companies
- Added Value for Bank Customers

Contact

For further information, please visit our web site:

www.morton-fraser.com

Susan Younger, Partner

Edinburgh

Direct Dial: 0131 247 1204

Direct Fax: 0131 247 1265

Did you know...

Morton Fraser is a full service law firm. [Find out more about our services.](#)

Or why not download a copy of our latest bulletins:

- [Peopletalk Bulletin](#)
- [Employment Law Factcard](#)

Registration for Consumer Credit Businesses

Recent changes have been put in place in relation to the Money Laundering Regulations. Estate agents and organisations involved in consumer credit lending activity which are not authorised by the Financial Services Authority or otherwise regulated by HMRC now require to be registered.

Further details can be found [here](#).

FSA Takes Action in Relation to Residential Sale and Rent Back Schemes

New rules have been introduced to protect individuals who sign up to sale and rent back schemes in relation to their homes. These schemes allow homeowners to release funds from probably their most valuable asset but continue to remain in the property. However, there have been doubts over the reputable nature of these schemes which has led to the Financial Services Authority to take action in this area. The FSA will now monitor sale of those schemes to make sure certain general standards are being met which are

- treating customers fairly
- making sure that important information about the agreement is clear
- not pressurising individuals to sign up to a scheme.

The new rules also mean that customers will have access to a complaints procedure if things go wrong. For more information see <http://www.of.gov.uk/news/press/2009/96-09>

the very latest information direct to your pc...

OFT Issues Guidance on Second Charge Lending

The OFT has published guidance setting out the minimum standards expected from businesses engaged in second charge lending to homeowners. Firms offering or arranging such loans must satisfy the OFT that they are fit to be licensed by the OFT and the guidance covers the entire lending process including selling techniques, customer care, and practices around the management of arrears.

FSA Tightens up Compensation Rules for Savers

Any savers who lose money in the event of a bank or building society collapsing will receive compensation more quickly in future.

The FSA is making changes to the Financial Services Compensation Scheme so that by the beginning of 2010, compensation up to £50,000 will be delivered within seven days (currently compensation is to be paid within 20 days). Additional changes mean that savers, who hold money with banks that they also have a personal loan with, will receive their compensation in full. Currently, they receive the compensation offset against the balance they owe. Compensation rules are also to be changed to start working out interest to be paid on fixed rate accounts from the day an institution collapses.

Registration of Charges by Overseas Companies

From the 1st October, changes will be made to the registration requirements for overseas companies. The new regulations that will apply aim to ensure that public records for every overseas company registered with Companies House includes essential information about the company's use of its property in the United Kingdom as security for borrowing. For more details please click [here](#).

Added Value for Bank Customers

At present, one in three marriages will fail, and the failure rate in second or third marriages is, perversely, higher. Many cohabiting relationships fail. The first failed Civil Partnerships are also beginning to filter through the courts. And so it goes on...

Apart from the obvious emotional fallout for individuals going through separation, there is also significant financial pain for most of them. These are individuals who run businesses, maintain pensions, run property portfolios and make investments of every conceivable kind. They are ordinary citizens and they are your clients. So, what impact does *their* failed personal relationship have on *your* commercial relationship with them? Click [here](#) for further information and how Morton Fraser can help advise you and your team.

The Family Law Team is happy to offer training seminars on such matters including the possible pitfalls when setting up a business or commercial relationship. Contact Leonard Mair or Rhona Adams in Edinburgh or Fiona Sasan in Glasgow.

Leonard Mair: 0131 247 1022 or leonard.mair@morton-fraser.com

Rhona Adams: 0131 247 1339 or rhona.adams@morton.fraser.com

Fiona Sasan: 0141 274 1107 or fiona.sasan@morton.fraser.com

Employment Partner of the Year * Corporate Firm of the Year * Corporate Lawyer of the Year * Litigation Team of the Year * Family Law Team of the Year

Our offices

30-31 QUEEN STREET
EDINBURGH EH2 1JX
T: 0131 247 1000 F: 0131 247 1007

183 ST VINCENT STREET
GLASGOW G2 5QD
T: 0141 274 1100 F: 0141 274 1129

ST MARTIN'S HOUSE
16 ST MARTIN'S LE GRAND
LONDON EC1A 4EN
T: 020 7397 8621 F: 020 7397 8400

Corporate Firm of the Year - Law Awards of Scotland
Employment Partner of the Year - HR Network Scotland
Litigation Team of the Year - Scottish Legal Awards

Corporate Lawyer of the Year - Law Awards of Scotland
Family Law Team of the Year - Scottish Legal Awards
Top Ranked in Chambers 2009

Morton Fraser LLP is a limited liability partnership - registered in Scotland No. SO300472

Authorised and regulated by the Financial Services Authority. Registered Office: 30-31 Queen Street, Edinburgh, EH2 1JX

This message was sent from Morton Fraser to email@example.com. It was sent from: Morton Fraser, 30-31 Queen Street, Edinburgh, EH2 1JX, United Kingdom. You can modify/update your subscription by emailing infodesk@morton-fraser.com, and putting "Unsubscribe" plus the name of the E-news in the subject line.