



The regulation of sale and rent back agreements

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A sale and rent back agreement is where an individual sells their house to a finance company which then allows them to continue to live in the house subject to a rental agreement. The motive for the transaction is often that people cannot afford the mortgage, or have other financial difficulties.

The Financial Services Authority (FSA) has started regulating the sale and rent back market, albeit on an interim basis, and is due to implement a full regulatory regime on 30 June 2010.

The decision to regulate the sector followed a study by the Office of Fair Trading (OFT), which raised concerns about consumer protection in its October 2008 report. In particular, the OFT found that people were being evicted after a relatively short time, and were often unaware that their tenancy was only guaranteed for six or twelve months.

Following the OFT's study, the Government announced that it intended to ask the FSA to regulate the market, an approach which it confirmed following a consultation.

On 1 July 2009, the FSA commenced regulation of the sector on an interim basis, while rules for the final regulatory regime were developed. These rules were published in January 2010 and are due to come into effect on 30 June 2010, and have been broadly welcomed by organisations such as the Council of Mortgage Lenders and Shelter.

All firms undertaking sale and rent back agreements now have to be authorised by the FSA, so giving consumers greater protection. A key feature of the full regime will be that all consumers who undertake a sale and rent back agreement will have a guaranteed minimum tenancy of five years.

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1 What is a sale and rent back agreement?

Sale and rent back agreements are where firms buy homes from individuals, albeit usually at a discount to the market rate, and then allow those individuals to remain in the property as tenants.

The Office of Fair Trading (OFT) noted that sale and rent back agreements were “a relatively new type of property transaction”. The market for sale and rent back was characterised as follows: “deals are often sold to people in financial difficulty and potentially facing repossession”.¹

Sale and rent back agreements are also known as “mortgage rescue”, “rent back”, “sale and lease back” and “sell-to-let” schemes.

The Council of Mortgage Lenders (CML) noted that they should not be confused with ‘home reversion’ or ‘equity release’ schemes “which are for people who have paid off their mortgage and want to sell part or all of their home for cash and retain the right to live in it for a nominal rent”.²

For an example of a website that provides “independent comparison” of sell and rent back companies, see: <http://www.comparepropertybuyers.co.uk/cpb-g1/sell-and-rent-back.htm>

2 Office of Fair Trading study of the market

Following consideration of the sale and rent back market by a cross-departmental group,³ in the 2008 Budget the Government asked the OFT to investigate the issue. The Government said:

Some stakeholders have expressed concerns in light of the recent growth of the sale and rent-back market. This market offers some homeowners the option of selling properties at discounted rates in exchange for tenancy arrangements. **The Office of Fair Trading will lead a study of the market this year, focusing on consumers’ experience of these arrangements, and consider options where appropriate to strengthen consumer protections. The study will draw on contributions from the FSA [Financial Services Authority].**⁴

The OFT launched its study in May 2008, and highlighted the “widespread concerns raised by Citizens’ Advice, Shelter, and the CML, among others”.

The OFT said the main concerns raised were, first, “homeowners in vulnerable positions were entering into sale and rent back arrangements, erroneously believing that they had secure tenure for the medium to long term”, and, secondly, “that the worsening economic climate meant there was the potential for the scale of detriment in this sector to grow very quickly”. The OFT said that, given this latter concern, it had decided to expedite its study.⁵

The OFT reported its findings in October 2008, and highlighted some of the issues that it had been made aware of in the sale and rent back sector:

¹ Office of Fair Trading, [Sale and rent back — An OFT market study](#), OFT1018, October 2008, p4, para 1.1

² Council of Mortgage Lenders, [Sale and rent back/ sale and lease back companies](#), website, 29 January 2010

³ The group involved HM Treasury, the former Department for Business, Enterprise and Regulatory Reform (now Business, Innovation and Skills), the Department for Communities and Local Government, the Ministry of Justice, the Financial Services Authority and the Office of Fair Trading.

⁴ HM Treasury, [Budget 2008](#), 2007-08 HC388, March 2008, p83, para 5.32

⁵ Office of Fair Trading, [Sale and rent back — An OFT market study](#), pp4-5, para 1.4

- Sellers proceed with the transaction mistaken about the security of tenure they will have in the rented home.
- Sale and rent back firms may evict tenants after only a very short rental period or may demand large, unexpected, increases in rent.
- The tenant may have to leave the property if the sale and rent back firm defaults on its mortgage and the lender repossesses.
- The customer may be told that the value of the house is lower than it in fact is.
- The tenant may not fully understand the financial implications of the transaction, for example in relation to eligibility for housing benefit, or bankruptcy.
- People in stressful situations may be persuaded to go through with sale and rent back even when there are other options which may be financially more sustainable for them.⁶

In terms of assessing the structure of the sale and rent back market, the OFT prefaced its comments by noting that “there is little reliable data available on the size of the industry”. It judged that the sector “appears to be highly fragmented” and “mainly served by small firms, including non-professional landlords”. It estimated that, at the time of its report, there were “upwards of 1,000 firms, together with an unknown number of nonprofessional landlords, who have conducted about 50,000 transactions to date”.⁷ The report also notes that “stakeholders we have spoken to provided estimates of the total number of firms active in the sector ranging from 1,000 to 8,000”.⁸

The OFT reported that consumers undertaking sale and rent back agreements were often in financial difficulties, with many facing the possibility of repossession:

Our consumer research indicates that, while the level of debt varied from a few thousand pounds to six figure sums, a common feature was that the individual felt the situation was out of control and that he or she could not pay off their debts from income. Some were in imminent danger of repossession. This is consistent with the analysis of data from advisory bodies which suggested that 60 per cent faced repossession. Firms we spoke to also confirmed that many of the consumers they deal with are in financial difficulties, and may be facing repossession. Firms also told us that the customers are often sub-prime borrowers with multiple debts.⁹

As such, it is possible that by undertaking a sale and rent back agreement, either immediate or impending repossession was avoided in many cases (i.e. sale and rent back was a substitute for repossession). Given the OFT’s estimate that 50,000 sale and rent back transactions had occurred up to the time of its report in October 2008,¹⁰ sale and rent back transactions might have meant that the recorded number of repossessions in recent years

⁶ See above, pp9-10, para 2.2

⁷ See above, p4, para 1.2

⁸ See above, p16, para 3.3

⁹ See above, p32, para 3.57

¹⁰ See above, p4, para 1.2

was lower than it might otherwise have been, although it cannot be said with certainty that in every case a sale and rent back agreement was the only alternative to repossession.¹¹

Indeed, the OFT said that “not all consumers entering into sale and rent back agreements are in financial difficulties”, adding “some firms told us that they specifically targeted people approaching retirement. Firms also told us that some consumers wanted to release the equity in their home for personal reasons (such as relationship breakdown) but to remain living in it for the time being. Others customers are looking to facilitate relocation, or ‘chain breaking’”. The OFT added that “It is very difficult to estimate the proportion of consumers entering into sale and rent back for each of the possible reasons, and in many cases the reasons may not be discrete – for example, those facing retirement or divorce may also be in financial difficulty”.¹²

On the particular issue of the valuation of a house in a sale and rent back agreement, the OFT cited a survey by the National Association of Sale and Rent Back trade association, which found that “most respondents (56 per cent) paid between 80 per cent and 90 per cent of the market value of the home, although a significant proportion (35 per cent) offered between 70 per cent and 80 per cent”. The OFT’s own website trawl suggested that firms advertised in a range of 75-85 per cent.¹³

The OFT also found that a motivation for sale and rent back was to stay in the house, which helped to justify receiving less than the market value of their house: “A sale and rent back transaction involves the consumer forgoing a significant amount of equity in their property in exchange for the benefit of staying in their own home as a tenant”.¹⁴ However, the OFT reported the following practices were affecting consumers who had taken out a sale and rent back agreement:

- Consumers being assured that they could rent the house e.g. “long-term” (while only being offered a 12-month assured short-term tenancy) and being evicted after a relatively short time.
- unexpected increases in rent — in some cases, these large increases in rent were unaffordable and led to the consumer having to leave their home;
- repossession of the house from the landlord, meaning the consumer was evicted.¹⁵

At the time of its study, the OFT said that the sale and rent back sector was “largely unregulated”, adding:

There is no regulation specific to sale and rent back (in contrast to regulated equity release). However, there are sector-specific regulations that apply to any debt advice and estate agency activities undertaken by sale and rent back providers. General consumer protection legislation also applies, and housing law provides some additional protection.¹⁶

¹¹ The Council of Mortgage Lenders said that the number of repossessions was: 27,100 in 2007; 40,000 in 2008, and; 46,000 in 2009, see <http://www.cml.org.uk/cml/media/press/2541> and <http://www.cml.org.uk/cml/media/press/1492>

¹² Office of Fair Trading, *Sale and rent back — An OFT market study*, p33, para 3.59–3.60

¹³ See above, p22, para 3.22

¹⁴ See above, p5, para 1.5

¹⁵ See above, pp26–28, paras 3.31, 3.34, 3.38-3.39

¹⁶ See above, p34, para 3.61

[...]

In summary, although general consumer protection measures apply in this sector, there is limited specific regulation that goes beyond this. In particular, those consumers who may receive informal assurances that they can stay in their property for a long period of time but are subsequently forced to leave their homes have limited avenues of redress.¹⁷

The Office of Fair Trading highlighted the particular nature of sale and rent back agreements and the “tension” of changing incentives during the life of the agreement. While such a tension is not unusual in other financial sector products, the OFT noted that in other instances measures were in place to protect the consumer.

5.7 At a high level, sale and rent back involves a consumer foregoing a significant amount of equity in the home (perhaps tens of thousands of pounds) in exchange for a promise that they will be allowed to stay there. There is an inherent tension in this proposition in the sense that, once the buyer owns the property, their incentive to deliver on that promise is greatly reduced. Even firms which are well intentioned at the time of entering into the deal may find, for example, that their financial circumstances change and they may have strong incentives to act in a manner that is contrary to the consumer’s interest later on.

5.8 This tension is common to many products, particularly in the financial sector (for example savings and investments) where an upfront sum is given over in exchange for a promise of future benefits. Many such products are, however, tightly regulated and/or covered by comprehensive compensation arrangements, so that consumers’ exposure to the risk is greatly reduced.

5.9 In the case of sale and rent back, the risks include:

- The risk of eviction if the landlord defaults on the mortgage, perhaps together with the loss of money held by the landlord as deposit or pre-paid rent.
- The risk of eviction if the landlord chooses to regain possession of the property after expiry of the fixed term of the AST [assured shorthold tenancy].
- The risk of unexpected increases in rents after expiry of the fixed term of the AST.

5.10 It seems clear that these risks are not always disclosed to, or understood by, consumers. Most consumers interviewed by our researchers were left with the firm impression that their tenancy would be unlimited. Furthermore, consumers did not necessarily realise that the buyer was not purchasing for cash and that the property would be mortgaged and therefore capable of being repossessed by a lender.¹⁸

The OFT concluded that “We believe that compulsory regulation is warranted, to ensure that consumers are not sold products with such high levels of risk without any controls on suppliers, or proper access to redress”.¹⁹

In response, the Government said that it proposed that companies engaged in sale and rent back schemes should be brought under FSA regulation, adding that a consultation would be launched.²⁰

¹⁷ See above, pp39-40, para 3.70

¹⁸ See above, p55, paras 5.7 – 5.10

¹⁹ See above, p84, para 11.4

3 Regulation

In February 2009 the Treasury and FSA launched consultations alongside one another on the regulation of the sale and rent back market.

The Treasury's consultation considered the principle of bringing the sale and rent back market into the FSA's regulatory overview, while the FSA's consultation invited views on how it might do this for an interim period, while a full regulatory regime was being developed and implemented (assuming the Treasury did ask the FSA to regulate it).

3.1 The Treasury's consultation on principles

In its consultation, and "in line with better regulation principles", the Treasury put forward a "full range" of options, namely:

- option 1 – Maintain the existing framework. The Government continues to enforce existing regulatory regimes where applicable, and takes no further action to improve consumer protection;
- option 2 – Self-regulation. The Government encourages the development by industry of one or more voluntary codes of self-regulation; and
- option 3 – Financial Services Authority (FSA) regulation. The Government brings forward legislation to extend the scope of FSA regulation to cover the sale and rent back market.²¹

Following the consultation, in June 2009 the Government said that it would go ahead with FSA regulation of the sector, supported by the findings of the consultation that found that 17 of the 20 responses were in favour of this approach²² (as originally proposed by the OFT):

Following consultation, the Government considers that extending the scope of FSA regulation to include sale and rent back agreements is the most appropriate way of ensuring consumer protections in the sale and rent back market. The Government considers that a two-stage approach to introducing regulation, including the use of an interim regime, represents an appropriate and proportionate way of balancing quick action (necessary to protect consumers) with the rights of firms already conducting business in the market.²³

3.2 The interim regulatory regime (from 1 July 2009 to 29 June 2010)

The rationale for an interim regime

Following the Treasury's decision for the FSA to regulate the sale and rent back market, the FSA implemented an interim regime. This was launched on 1 July 2009, following, as noted above, a consultation on it.

The FSA explained the need for an interim regime:

Having considered the findings of the OFT's market study, we believe that the consumer detriment occurring in this market warrants a fast regulatory response. A detailed regulatory regime for SRB [sale and rent back] will take some time to achieve and implement, so we therefore propose a two-stage approach:

²⁰ HM Treasury, [Securing a fair framework for homeowners](#), 22 October 2008, press notice 108/08

²¹ HM Treasury, [Regulating the sale and rent back market: a consultation](#), February 2009, p17, para 3.1

²² HM Treasury, [Regulating the sale and rent back market: summary of responses to consultation](#), June 2009, p12, para 3.17

²³ See above, June 2009, p19, para 4.1

- an interim regime designed to bring in basic protections for consumers as soon as the proposed amendments to the secondary legislation take effect (currently anticipated in July 2009) ... The interim regulatory regime has been designed to address the most severe detriment occurring within the industry, and provide eligible consumers with redress ...; to be followed by
 - a full and detailed regulatory regime (currently expected to begin in the second quarter of 2010).²⁴

In its consultation on the interim regulatory regime, the FSA put forward four options for the interim regulation of the sale and rent back market, and its preferred option was a bespoke regulatory regime.²⁵ Subsequently, the FSA reported that, on this point, “most respondents ... agreed with [the FSA’s preferred option] ... because of the unique characteristics of SRB, its market and potential for significant consumer risk”.²⁶ The FSA said that “we intend to carry forward our proposals to create a bespoke regime ... for SRB”, while also taking steps to improve consumer awareness.²⁷

A description of the interim regime

In order to implement the interim regime, the *Financial Services and Markets Act 2000 (Regulated Activities) Order 2001* was amended by the *Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009* (SI 2009/1342), which came into force on 1 July 2009 (i.e. the date that the interim regulatory regime was launched).

Applications to be regulated under the interim regime had to be made by 1 August 2009 and were limited to:

- companies that had been undertaking sale and rent back prior to 1 July 2009, who could apply for “interim permission”; or
- firms already authorised for other regulated activities who were able to apply for “interim variation of permission” if they had not previously been conducting sale and rent back activities before 1 July 2009.²⁸

An FSA press release summarised the impact of the interim regulatory regime:

Ed Harley, FSA head of mortgage policy, said:

“ [...] Firms entering our regime will need to run their business in a way that means customers are treated fairly. This includes making clear to customers important details, such as the length of time they can stay in the property, before they enter into the arrangement.”

Under the interim regime firms will need to meet FSA threshold conditions including the requirement to have adequate resources and to be run by fit and proper people. Firms

²⁴ Financial Services Authority, [Regulating sale and rent back: an interim regime](#), Consultation Paper CP09/6, February 2009, pp5–6, paras 1.15–1.16

²⁵ See above, p14, para 3.19

²⁶ Financial Services Authority, [Regulating sale and rent back: an interim regime \(Feedback on CP09/6 and near-final rules\)](#), Policy Statement PS09/9, p8, para 2.7

²⁷ See above., p9

²⁸ See above, p5, paras 1.14–1.15

will also have to comply with the Principles for Businesses and meet a number of systems and controls and conduct of business rules.²⁹

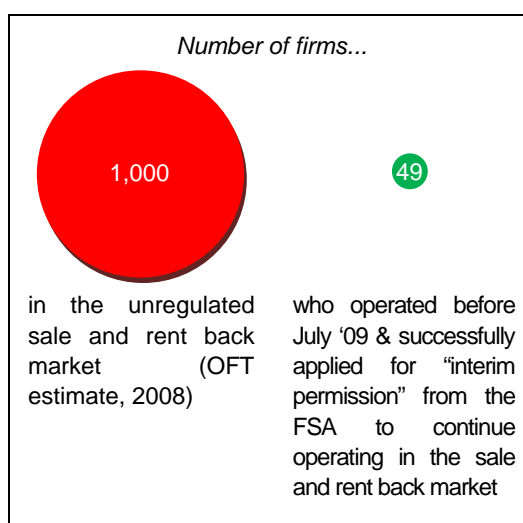
In terms of protection to consumers, the FSA explained that:

Persons with interim-authorised status will be subject to a limited number of FSA rules, supervisory jurisdiction and the associated sanctions and penalties we can apply. Consumers who deal with interim-authorised persons will be able to refer eligible SRB complaints to the Financial Ombudsman Service, where those complaints related to business conducted by these persons on or after 1 July 2009.

However, persons with interim permission (as opposed to interim variation of permission) are not members of the Financial Services Compensation Scheme (FSCS). This means that consumers are not entitled to compensation under the FSCS if such a person becomes insolvent. These persons must make this clear to consumers.³⁰

There were 49 firms (out of 71 applications) who successfully applied for “interim permission”, having previously participated in the unregulated sale and rent back market prior to 1 July 2009.³¹ This compares to the estimate made by the OFT in its report (of October 2008) that there were between some 1,000 firms operating in the unregulated sale and rent back market.

An explanation for some of this difference is provided by the FSA, who noted that since the OFT’s report “recent economic conditions have made investing in SRB a less attractive option for many, and the reduced availability of funding for SRB has prevented others from continuing in the market”.³²



3.3 The full regulatory regime (due to take effect on 30 June 2010)

A description of the full regime

The FSA published a consultation document on the full regulatory regime in September 2009,³³ before publishing the feedback and the rules for the regime in January 2010.³⁴ The FSA highlighted that it had responded to the consultation by making a number of changes to the proposed full regime.³⁵

²⁹ Financial Services Authority, [FSA to protect sale and rent back customers](#), press notice FSA/PN/071/2009, 3 June 2009

³⁰ Financial Services Authority, [Interim-authorised sale and rent back firms](#), website

³¹ Financial Services Authority, [FSA Register: Interim Authorised Firms for Sale & Rent back](#), website

³² Financial Services Authority, [Sale and rent back \(full regime\) — Feedback on CP09/22, made rules and consultation on reporting](#), Consultation Paper CP10/04, January 2010, p9, para 3.3

³³ Financial Services Authority, [Regulating sale and rent back – the full regime](#), Consultation Paper CP09/22, September 2009

³⁴ Financial Services Authority, [Sale and rent back \(full regime\) — Feedback on CP09/22, made rules and consultation on reporting](#), Consultation Paper CP10/04, January 2010

³⁵ A list of the changes between the draft and full regime can be found at: http://www.fsa.gov.uk/pages/Doing/How/rent_back/key_changes/index.shtml

The full regime will take effect on 30 June 2010, at which point the interim regulatory regime will lapse, including interim permissions and interim variations of permission. Interim authorised firms and firms with an interim variation of permission must apply for and receive approval for the full regime if they wish to continue undertaking sale and rent back business from 30 June.³⁶ In addition, new firms can apply for authorisation under the full regime. The FSA said that it would be “proactively monitoring the SRB market for unauthorised activity, and will take action if necessary”.³⁷

The FSA explained that the full regime would build on the interim regime as it:

will add full capital and authorisation requirements for firms, additional conduct of business rules including the introduction of a single selling standard and a cooling-off period, and the inclusion of the activities of advising on and arranging SRB products into the Financial Services Compensation Scheme.³⁸

[...]

In particular, the FSA has:

- banned exploitative advertising and high-pressure sales techniques and prohibited the use of emotive terms like ‘fast sale’, ‘mortgage rescue’ and ‘cash quickly’ in promotional literature;
- introduced a 14 day cooling-off period to give consumers more time to make decisions on sale and rent back;
- banned cold calling and prohibited firms from dropping promotional leaflets through letter boxes;
- confirmed rules to ensure consumers have a security of tenure for a minimum of five years;
- introduced an affordability and appropriateness check across all sales to check that the sale and rent back deal is right for the consumer; and
- put in place measures to ensure all risks are clearly signposted to the customer, via FSA literature and during the sales process.

Security of tenure for a sale and rent back consumer

On the particular issue of the sale and rent back consumer being able to continue to live in their home, the FSA had originally proposed that, under the full regime, one solution might be for the sale and rent back consumer to have an assured tenancy.³⁹ However, during the consultation the FSA found that:

Most SRB firms did not believe that the use of assured tenancies was workable for them on the basis that the additional security of tenure (particularly the indefinite period of tenancy that it provides) would not be viable under their funding models. This would lead to many firms withdrawing from the market, and to greatly reduced availability of SRB and consumer choice. In addition, the restrictions of assured tenancies would

³⁶ Financial Services Authority, [Sale and rent back \(full regime\) — Feedback on CP09/22, made rules and consultation on reporting](#), Consultation Paper CP10/04, January 2010, p7, para 2.17

³⁷ Financial Services Authority, [FSA introduces further protections for sale and rent back customers](#), press notice FSA/PN/016/2010, 29 January 2010

³⁸ See above

result in the SRB providers that did remain in the market offering SRB sellers significantly less for their properties.⁴⁰

The FSA therefore decided that, rather than an indefinite period of tenancy that an assured tenancy offers, sale and rent back consumers should be guaranteed tenants under an assured short-hold tenancy agreement for five years. The FSA described this as a “sensible, pragmatic approach balancing the interests of consumers and firms”, adding that “this offers a considerable improvement on the current situation where SRB tenants typically have little security of tenure beyond the initial 6 to 12-month term”.⁴¹

4 Reaction to the full regime regulation of sale and rent back

The Financial Services Consumer Panel said that it “welcomed [the] announcement of the details of FSA full regulation of Sale and Rent Back – particularly the much stricter conditions on promoting these schemes Banning cold-calling, leaflet dropping and the use of emotive phrases in promotional material will be crucial – along with tighter monitoring of the activities of these firms”.

Adam Phillips, the Chairman of the Financial Services Consumer Panel, said:

Sale and Rent Back has provided rich pickings for firms seeking to make money from people who are desperate. Firms have lured vulnerable people by the promise of being able to stay in their own home and getting cash up front quickly, without warning them of the longer-term consequences. FSA regulation of this area promises to provide better explanation and protection for consumers.

However, the FSA must police this area thoroughly. We still have worries that firms will try to exploit consumers both within the rules, and by trying to operate outside the rules. The fact that only around 80 firms have applied for FSA authorisation, when the OFT had judged that there were over 1000 firms undertaking sale and rentback, means the FSA must watch the authorisation boundary carefully.⁴²

The Council of Mortgage Lenders also welcomed the publication of the full regime, noting that “lenders have for some years campaigned for statutory regulation to improve protection of home-owners who may be considering sale-and-rent-back as a means of dealing with mortgage arrears”, adding:

The CML’s director general Michael Coogan said:

“We are pleased to see FSA pressing ahead with its plans to reinforce protection in an area where there has clearly been potential detriment for borrowers in arrears. Rules guaranteeing security of tenure for five years and banning cold-calling by sale-and-rent-back firms are particularly welcome.

“Borrowers in arrears should always continue discussing their problems with their lender, who will work to devise a solution depending on their individual circumstances. There are likely to be a number of options for them other than sale-and-rent-back, but it

³⁹ Financial Services Authority, [Regulating sale and rent back – the full regime](#), Consultation Paper CP09/22, September 2009, p46, Q33

⁴⁰ Financial Services Authority, [Sale and rent back \(full regime\) — Feedback on CP09/22, made rules and consultation on reporting](#), Consultation Paper CP10/04, January 2010, p22, para 3.45

⁴¹ See above, pp22–23, para 3.48

⁴² Financial Services Consumer Panel, [Full FSA regulation of Sale and Rent Back schemes comes into force not a moment too soon](#), press release, 29 January 2010

is re-assuring that borrowers who may still wish to consider this option will be better protected".⁴³

The Chief Executive of Shelter, Campbell Robb, said "We are now very pleased to see that the FSA are cracking down further on the underhand tactics used by many in the industry. We will continue to highlight instances where these new rules are being ignored so that enforcement action can be taken".⁴⁴

The Treasury Committee also considered the regulation of the sale and rent back market in its report *Mortgage arrears and access to mortgage finance*, published in August 2009, and concluded:

We welcome the decision to bring the sector under the regulation of the FSA. However, we have concerns that the interim regulatory regime for the sector—which will be in force until 30 June 2010—may not afford full protection to consumers and may even give some a false sense of security. The FSA must therefore ensure that there will be no slippage in the date for the full regime to come into force and should consider whether this date could be moved forward.

[...]

There is also a danger that whilst reputable sale and rent back firms will register with the FSA, many others will continue to operate in the 'dark', away from the prying eyes of regulatory scrutiny. The FSA should therefore set out how it intends to register and monitor the activities of those sale and rent back firms and landlords who may try to slip under the radar. At the same time, the FSA must demonstrate that its regulatory regime in this area has real 'bite' and that it will move to enforcement action much more quickly than has hitherto been the case with respect to breaches of its mortgage conduct of business rules.⁴⁵

In response to the point on monitoring the market, the FSA said "We share the Committee's concerns about the risks of disreputable firms continuing to operate in the SRB market and are using a number of tools to counter this. We are proactively monitoring the SRB market for unauthorised activity, and will take action if necessary. For example, we are monitoring the market for unauthorised firms through financial promotions as well as through other sources of intelligence".⁴⁶

⁴³ Council of Mortgage Lenders, [CML welcomes publication of FSA rules on sale-and-rent-back](#), press release, 29 January 2010,

⁴⁴ Shelter, [Clampdown on sale and rent back welcomed](#), press release, 29 January 2010

⁴⁵ Treasury Committee, [Mortgage arrears and access to mortgage finance](#), 2008-09 HC 766, August 2009, pp30–31, paras 74–75

⁴⁶ Treasury Committee, [Mortgage arrears and access to mortgage finance: Government and Financial Services Authority responses to the Fifteenth Report from the Committee](#), 2008-09 HC 1068, p22