



News

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FEE FOR SERVICE – A GREAT OPPORTUNITY

As any Mortgage Broker who hasn't spent the last week in a cave would know, the Hayne Royal Commission has recommended a phased-in ban on commissions and both sides of Government have agreed to implement the Recommendations.

It would appear that the vast majority of Brokers, Industry Associations, and Aggregators see this as the beginning of the end for the industry and the death of competition.

However, Craig Morgan, Managing Director at Independent Mortgage Planners, has a different take on the matter.

"We have to take strong exception to this narrow viewpoint.", Morgan said. "For nearly a decade we have been operating on a truly independent, truly professional, and entirely fee for service basis. Our Clients span the spectrum from first home buyers to seasoned investors and from average income households to high net worth and high-income borrowers."

"The only thing all our Clients have in common is a desire to be sure that they are receiving expert advice that is in their best interests and that they can be confident they are genuinely getting a better home loan deal tailored to their specific goals and objectives. And the only way someone can have this confidence is to know that all conflicts have been removed and that the Broker has committed, in a legally binding way, to act in their Clients' best interests."

However, Morgan acknowledges that moving across to genuine independence, including fee for service, is a daunting task for Mortgage Brokers – especially in the face of the largest players in the mortgage broking industry telling you it can't be done.

Which is why, after years of proven success - testing and verifying systems and culture - and because "It is clear that society is catching up with the need for independent mortgage advice off the back of the Royal Commission and other reviews", Morgan says 2019 will be an intentional growth phase for the company.

With plans, for the first time, to selectively offer existing Mortgage Brokers the opportunity to cross over to independence and operate under the company's established branding and Licence.

The company already provides Credit Licensing to a number of truly independent Financial Advisers providing them with a seamless offering and a "super back office" for mortgage advice.

So, while an independent, fee for service, mortgage offering may not appeal to all mortgage brokers it may well be a sensible time to take a fresh look at how you provide your mortgage advice and at the opportunity to get ahead of the wave.

Morgan concluded by saying, "For many mortgage brokers this may be a simple matter of taking a leap of faith in their own time rather than waiting to be dragged kicking and screaming as we've seen elsewhere in financial services. In any event, as Einstein reportedly said, 'Doing the same thing and expecting different results is the very definition of insanity'."

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About Independent Mortgage Planners

Independent Mortgage Planners is Australia's first, and only, truly independent mortgage broking company. It works on a professional, fee for service basis, and rebates 100% of any commission entitlements directly back to the consumer's home loan. At the same time, it has no restriction on which Lenders it can give advice about whether the Lender pays commission or not.

For further information

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