Mortgage lenders – CIOT and ATT guidance is updated

Professional standards

01 April 2017

The CIOT and ATT guidance on mortgage lenders has been updated.

The CIOT and ATT guidance on mortgage lenders has been updated to include advice and some practical tips on providing financial references for clients. In summary the guidance highlights the following key points:

- It is reasonable to make a charge to your client for the provision of a reference.
- The fee should be agreed up front and you should ensure such a service is covered by your engagement letter and PII.
- Charging a third party (the lender) for the reference is likely to create a duty of care to the third party and is not recommended.
- Reasonable disclaimers are important and whilst you cannot guarantee they will eliminate exposure they can potentially reduce risk.
- Members should only base the reference on factual information which can be verified.

Legal advice was taken to ensure this guidance is fit for purpose and the full text can be found on the ATT and CIOT websites.