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**Finance and Mortgage Advisers Association of New Zealand**

February 13, 2025

**Media Release**

**Mortgage advisers alarmed at ComCom proposal that will be “shocking for consumers”**

The Finance and Mortgage Advisers Association of New Zealand (FAMNZ) has revealed recommendations by the Commerce Commission to supposedly “promote price competition and choice for home loans” would in fact be disastrous for consumers.

FAMNZ country manager Leigh Hodgetts revealed the commission has requested mortgage advisers to provide clients with a least three “actual offers” to consider and “to submit multiple applications on behalf of their clients”, or face “government intervention.”

Calling the recommendations a solution looking for a problem, she said any such move would hurt consumers by driving up costs, blowing out application times, and affecting their credit ratings.

“Let me be clear. They are not requesting three quotes, but three actual applications and offers, something unheard of anywhere in the world that I’m aware of.”

“Three lenders all processing applications for the same applicant means they will be spending time and resources for loans they know they will likely never get, while other borrowers will be forced to wait and may even miss out on properties,” she explained.

FAMNZ managing director Peter White AM said it was “bureaucracy gone mad”, and has called on commerce and consumer affairs minister Andrew Bayly to immediately intervene.

“The crazy thing is that nothing is broken.

“Mortgage advisers already promote competition, consumers are increasingly choosing to use advisers, and complaints are almost non-existent.”

He said despite FAMNZ attempting to educate the commission on the way advisers worked for the past year, “they clearly still have no idea and now want to make things worse.

“Furthermore, this requirement puts at risk clients’ credit records, which is simply unacceptable and I believe unethical.”

Ms Hodgetts said while advisers could provide multiple choices of lender where possible, only one application should be submitted at once according to the customer’s needs.

“And in some circumstances, for example with self-employed people, there may only be one option,” she explained.

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