

# PRESS RELEASE

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## **CLIENTS CAN MAKE A PROFIT FROM BROKERS' ADVICE**

Telford based Independent Financial Adviser, K A LINCOLN INVESTMENTS has re-launched a unique scheme which enables clients to make a profit from the mortgage advice they receive.

Called 'Fixed Fee & Commission Back' the scheme claims to operate exclusively in the client's best interests because in exchange for a fixed fee of £499 all the commission that the firm receives from the lender for arranging a mortgage or re-mortgage is passed to client - even if it exceeds the fee.

The firm's founder and Managing Director, Kim Andrew Lincoln, who is also an investment specialist, said:

"When I was thinking about how we should be paid for the mortgage work we do I was determined to remove the potential for commission bias from our advice process. My research had concluded that if a broker retained any part of their commission there would be no guarantee that the advice was not biased in the brokers' financial favour. I wanted our clients to be certain that we would only recommend the best mortgage product for them which invariably is not the one that pays the most commission. 'Fixed Fee & Commission Back' guarantees this because our clients get the commission not us!"

"The public have no idea of some of the scams that go on and the excessive amounts of money that some brokers have made out of unsuspecting clients. What really upsets me is that it is usually those who can least afford it that end up paying the most - both for advice and the mortgage itself". He said.

When 'adverse credit' mortgages were widely available the commission the lender paid the broker was often 1.5% of the loan, so the broker would earn £1,500 on a £100,000 mortgage. And, some brokers charged an advice fee of £1,995 on top, bringing their total income to £3,495.

With the 'Fixed Fee & Commission' Back however, the client pays a fee of £499, but because they get the commission the client makes a net profit of £1001! If the client chose

to add the fee to the loan then they would have another £499, making a total of £1,500 to spend. With this scheme the client is a staggering £3,000 better off!

Clients with a good credit record benefit from 'Fixed Fee & Commission Back' too - even though the commission lenders pay is much lower on 'clean' cases. For example, if the client needed a £350,000 remortgage the commission would average around 0.35% giving £1,225. After the firm have taken their fee of £499 the client would still make a princely profit of £726.

Using the same example if the client used a broker operating a so called 'Free Advice' scheme no fee would be payable but the broker would retain all the commission. If Kim's firm did the work the client would make a profit of £726 and have the added assurance that the advice was truly impartial.

Another benefit of this client friendly system is that K A LINCOLN INVESTMENTS do not charge an upfront fee.

"Our fee is only payable on the successful completion of the mortgage whereas some brokers make an upfront charge which is not refundable even if the mortgage does not go through" said Kim.

For more information and details of the firms 'Safety First Strategy' for savings, investments and pensions visit the companies' new website [www.kalincolininvestments.co.uk](http://www.kalincolininvestments.co.uk) which opens for business on 28/2/2009.

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