

Financial Adviser

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REACTIONS TO OUR CAMPAIGN

KEEP MORTGAGES FAIR

FIRST FOR INTERMEDIARY NEWS

NO.1182

Shapps fears locking another generation out of properties

The housing minister Grant Shapps has declared that younger generations of Britons should not be locked out of the housing market.

Speaking this week after the publication of a report from economists Genworth Financial, which revealed that the number of first-time buyers without parental assistance has fallen by more than 100,000 since 2006, Mr Shapps said that it was crucial to maintain stable house prices.

Mr Shapps, who is also MP for Welwyn Hatford, told delegates at the Housing Market Intelligence conference in London: "This country is in danger of letting down the aspirations of yet another generation if homes do not become more affordable in the long term."

"We can't afford to have another boom that will lock another generation out of the housing market."

His comments came as the IFA community has given its backing to FAs Keep Mortgages Fair campaign and as the CBI published a survey on the need for better social housing, highlighting the growing disparity between what young working and lower-income families can afford, as well as the poor quality of housing that is available to those on lower incomes.

In its 12-page Improving Homes, Improving Lives report, the CBI said: "While some progress has been made, challenges remain in maintaining and improving the quality of life for those who live in our most deprived areas."

The Genworth research, which was compiled by York University's professor Steve Wilcox at the Centre for Housing Policy, has shown that only the privileged few younger members of society can already afford mortgages, notwithstanding any further restrictions that may be imposed on lenders as part of the FSA's wide-ranging mortgage market review.

Alison Beech, business relationship director of Spicerhaart and Valuation, said: "FTBs are the lifeblood of the housing market."

Deals promising guaranteed returns with no risk have been questioned

IFA raises alarm over 'too good to be true' schemes

INVESTMENTS
by Julia Bradshaw

A leading IFA has warned that a suspected investment scam is being allowed to run, despite reporting it to the FSA in 2009.

Neil Liversidge, managing director of West Yorkshire-based West Riding Personal Financial Solutions, said that the IFA, known to Financial Adviser, approached him about an investment scheme that the IFA had launched in 2009 with a business partner who owned a Cheshire-based investment firm. According to Companies House, the firm was dissolved in September this year.

Documents detailing conversations between Mr Liversidge and the IFA reveal that in one deal, clients with more than £1m in their bank accounts were offered a guaranteed return of 150 per cent with "no risk" in just two weeks.

In another deal, Mr Liversidge said he was offered £50,000 in commission to introduce his millionaire clients to the IFA.

He said that in May 2009, the IFA tried to sell him investment products.

Mr Liversidge said: "According to (the IFA), the trading programmes were dreamed up after the second world war and involved no risk whatsoever to the investor, but stood to make him 20 per cent a day."

"He said these trading programmes were how the CIA and FBI were financed and although the scheme was not regulated by the FSA, it was regulated by the Federal Reserve and every deal was checked by the FBI."

Mr Liversidge reported the matter to the FSA in May last year, providing documentary evidence from telephone conversations, meetings and emails



Liversidge: blew the whistle

with the IFA and his business partner.

But despite a reply from the FSA saying that his enquiry was being considered, nearly one year after blowing the whistle, Mr Liversidge was emailed by a fellow adviser on 26 February claiming that he too had been approached by the same IFA about the deals.

The police could not confirm that any cases have been passed onto it.

Mr Liversidge said that he met the IFA's business partner in person, in which the latter claimed to be a client of a leading Manchester law firm.

However, a spokesman from the law firm denied the businessman was one of their clients.

The businessman was not reachable on any of his company or personal addresses, none of which are registered with Companies House.

His Cheshire business address is registered in the offices of an accountancy firm. When asked if she had heard of the businessman or the company, a receptionist at the firm said: "I don't recognise the name."

His other shared office address in Liverpool has been vacant for two years, according to the office block receptionist. She said: "He used to rent one office but he left about two years ago."

The last accounts filed for the company were in the year to

March 2008, with net current liabilities of £11,512, the current assets were £443, debtors £3010 and creditors £14,965. The share capital was £100 and there were cumulative losses of £11,612. But in his file notes documenting meetings with the businessman, Mr Liversidge has him citing billion-pound deals and 300 per cent returns.

When approached, the IFA declined to answer the allegations. He said: "I have not guaranteed anything."

However, in one email he sent to Mr Liversidge, he wrote: "The returns to participants are extremely good and the risk is zero."

Asked about the documentary evidence, he said: "I try and do no harm to anybody. I am a healer. I do spiritual healing and Jiu Jitsu healing and I am a master healer. I send out healing to the whole world. My main focus is healing."

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FT Business
FINANCIAL TIMES

18.2%
return over 5 year

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