

Your Which?

THE LATEST ON WHICH? AND OUR CAMPAIGNS

PM hears Which? view on economic crisis



Which? chief executive Peter Vicary-Smith on how the government and banks must help those hit by the recession

I was recently invited to attend the National Economic Council (NEC), together with Citizens Advice, to speak directly to the government about the help that people need in the current economic uncertainties.

The NEC was formed last October to provide a new approach to coordinating economic policies across government and to help people and businesses to deal with the looming recession. It comprises the Prime Minister and a large number of Cabinet members dealing with the economic downturn. I took the opportunity to ask for more help for homeowners facing financial difficulties, outlining specific short- and long-term

actions which we believe will create much-needed stability and reform.

Government action to date has prevented the total collapse of the economy. But, as this crisis unfolds, it's clear that government and the banks must do more to improve the lot and allay the fears of consumers.

Our research shows that homeowners coming to the end of short-term mortgage deals, or worse, at risk of redundancy or facing repossession, are particularly vulnerable.

Last November, the Prime Minister launched the Homeowner Mortgage Support Scheme (HMSS), which is designed to offer some householders a partial mortgage holiday.

In addition, a separate £200m programme, called the Mortgage Rescue Scheme, is being launched to help low-income families most at risk of losing their home.

However, there are still a huge number of people who will not be able to take advantage of these schemes and, at the NEC, I was able to directly ask the government for swift action.

In the short term, Which? wants to see lenders offering more 90% loan-to-value mortgages to help those people with good credit histories who are coming to the end of fixed-rate and other deals. Where capital requirements act as a barrier to offering such deals, a government-backed insurance scheme could cushion the risk.

And, as house prices continue to fall, millions of people worry that their homes will be repossessed. We have asked for compulsory participation by all lenders in the HMSS, together with action to prevent repossession for defaulting on seemingly unsecured loans.

In the longer term we'd like to see measures to ensure the mistakes of the past are not recreated – such as better control of credit, and consumer representation on the boards of major public bodies.

Our views were heard and we hope soon to learn of action being taken. In the meantime, Which? will make sure your interests continue to be represented within the Cabinet and in the boardroom.

Which? says

Homebuying reform in the pipeline

Despite the housing crisis, 700,000 homes changed hands in 2008. As well as the changes advocated by Which? to help homeowners (above), consumers still need a homebuying process that provides greater certainty and is less expensive and stressful, and they must be able to trust those involved.

The OFT is investigating the property market, and Which? has a long list of demands, including that unfair contract terms are eliminated, competition among professionals is increased, and

consumers' rights are made clearer. We want the OFT inquiry to include Scotland and Northern Ireland, as well as England and Wales. And, having heard about many complaints regarding management fees and services, we've also called for improvements in home lettings.

It took the government four years to require estate agents to join a complaints scheme – something we first demanded in 2004 – so it's likely to be a long time before any major changes occur. However, if you tell us



about your experiences we can help keep up the pressure. Send your stories to movingstories@which.co.uk.
Mark McLaren, principal public affairs officer