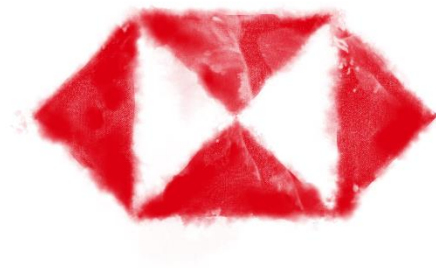


# HSBC UK

## Useful Guide



### Product switching

March 2023

Existing HSBC UK mortgage customers can apply through the intermediary channel to switch products, this applies to both Residential and Buy to let mortgages.

#### Why Product switch?

- Specific existing customer product range
- Change of customer circumstances, cases are not credit checked or underwritten
- Quick turnaround times, can be processed to start same day
- Easy, Offer accepted online by broker, subject to customer permission being granted.

#### Benefits to your customer

- Ability to switch at any time and up to 180 days before the required start date
- Reducing ERCs for those that want to secure a rate early
- Flexible product range available
- Fee can be added to the loan (excluding Interest Only applications)
- Mortgage balance calculated based on the requested switch date
- Auto valuation or free valuation options available
- If a change is required to the switch date, please contact our Broker Support Team who will arrange this for you. If any other changes to the application are required, the existing case will need to be cancelled and a new application submitted, selecting a rate from the current product range. Any fees already paid will be refunded.

#### Product switch eligibility and exclusions

- Customer must be on a Fixed Rate, Term Tracker, Lifetime Tracker or SVR.
- Exclusions:
  - Any account in arrears
  - Any account with Consent to let
  - Where there is a product switch application already in progress (either via Intermediary or Direct channel)
  - More than six loan parts
  - More than two applicants
  - Less than two mortgage payments left.

## Product switch criteria

- No changes can be made to the existing loan, (e.g. term, amount and repayment type)
- No customer details can be changed
- Product fees cannot be added to an Interest Only loan
- Rate can be secured up to 180 days in advance
- ERCs will be payable if the switch is completed before expiry of the existing rate period, which must be paid by the customer - these cannot be added to the loan.

## Application system

### Accessing the existing customer

When completing an application for an existing customer, you will need:

- Mortgage sort code and account number to be entered as one long 14-digit number, no dashes or spaces. This can be found on the customer's welcome letter or annual mortgage statement, or by calling our Broker Support Team (subject to verification questions)
- Bank account sort code and the account number of the account that pays the Direct Debit (entered the same way)
- Surname, forename and middle name(s)
- Date of birth
- Postcode.

### Rates

We have a range of products for existing mortgage customers switching or borrowing more, a selection of these rates may be priced lower than the new business alternative.

### Valuations

The system will give an indexed valuation which you can accept or decline. If you do not wish to proceed with the indexed valuation an instruction will be sent to our panel of valuers to assess.

This is free of charge to the customer.

### Documents

No documents are required on a product switch.

### Procuration fees

Product switches - 0.2% of loan amount.

## Accepting the Offer

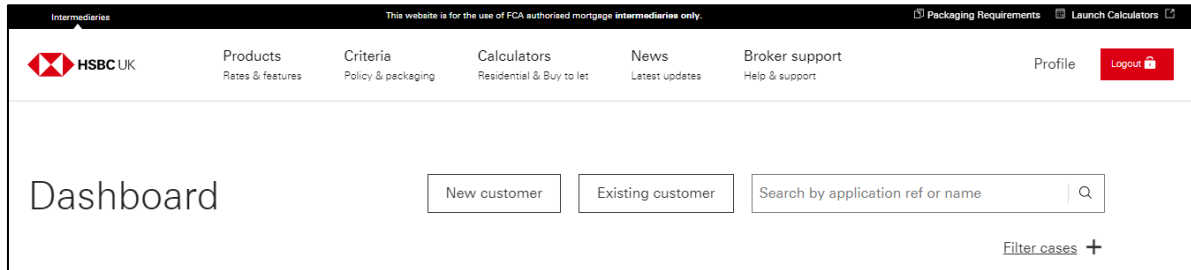
If your customer gives you permission, you may accept the Offer on their behalf.

## Product switch application process

### Validating your customer

#### Step 1

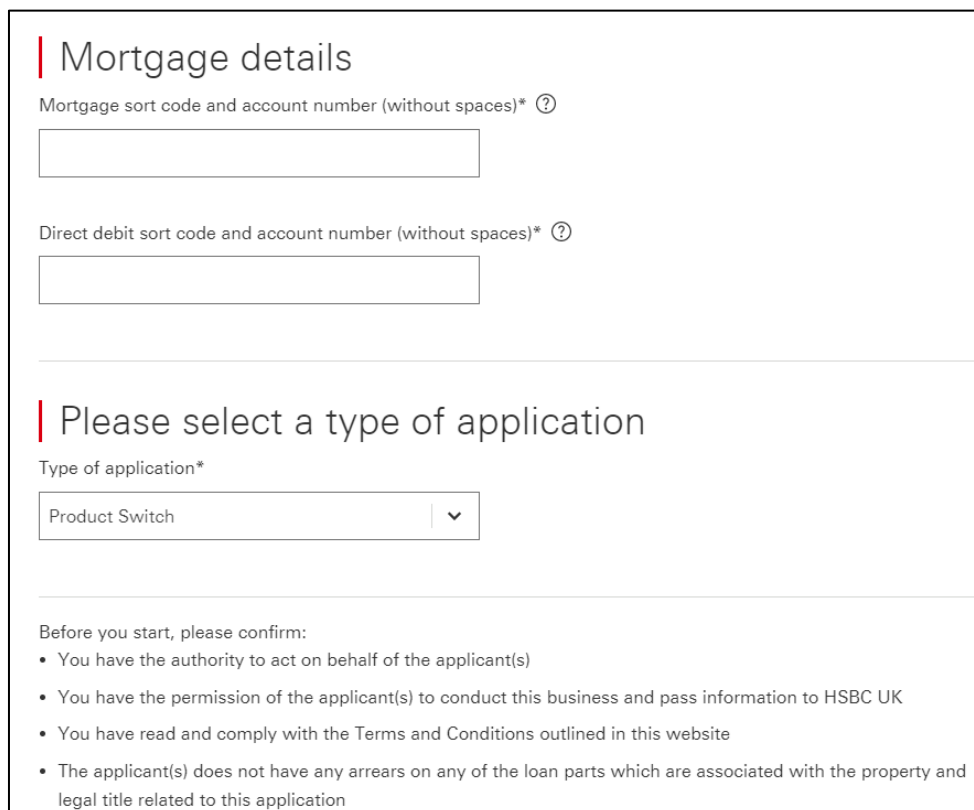
Create your case by clicking on the 'Existing customer' button on the Broker Platform.



The screenshot shows the HSBC UK Broker Platform dashboard. At the top, there is a navigation bar with the HSBC UK logo on the left and several menu items: Products (Rates & features), Criteria (Policy & packaging), Calculators (Residential & Buy to let), News (Latest updates), and Broker support (Help & support). On the right side of the navigation bar, there are links for Packaging Requirements, Launch Calculators, Profile, and a Logout button. Below the navigation bar, the main content area features a 'Dashboard' heading on the left. In the center, there are two buttons: 'New customer' and 'Existing customer'. To the right of these buttons is a search bar labeled 'Search by application ref or name' with a magnifying glass icon. At the bottom right of the dashboard area, there is a link that says 'Filter cases +'.

You will need to enter the following customer information:

- Forename(s), surname and date of birth
- Postcode
- Mortgage sort code and account number (entered as one long 14-digit number with no dashes or spaces). This can be found on your customer's mortgage statement, welcome letter or by calling our Broker Support Team (subject to verification questions)
- Sort code and account number of the bank account from which they pay their Direct Debit (entered as one long 14-digit number with no dashes or spaces)



The screenshot shows a form titled 'Mortgage details'. It contains two input fields: 'Mortgage sort code and account number (without spaces)\*' and 'Direct debit sort code and account number (without spaces)\*'. Below these fields, there is a section titled 'Please select a type of application' with a dropdown menu currently showing 'Product Switch'. At the bottom of the form, there is a section titled 'Before you start, please confirm:' followed by a list of four bullet points: 'You have the authority to act on behalf of the applicant(s)', 'You have the permission of the applicant(s) to conduct this business and pass information to HSBC UK', 'You have read and comply with the Terms and Conditions outlined in this website', and 'The applicant(s) does not have any arrears on any of the loan parts which are associated with the property and legal title related to this application'.

## Step 2

Once you have completed the customer information you will see a 'Mortgage Account Summary' screen confirming the outstanding balance, the outstanding term, current rate payable and any ERCs.

Select 'Start Product Switch' to continue.

## Step 3

A valuation figure will be generated for you to accept, however if your customer does not agree with that figure, you can reject the valuation and request a physical valuation. There will be no cost to the customer for a physical valuation to be carried out.

## Step 4

Select the Product switch date required, this will be automatically populated with the current date. This date can be changed and a new one selected, however, the date cannot be more than 180 days in advance.

If your customer wishes to switch their product immediately and incur an ERC, please refer to the 'Immediate Switch and paying the ERC' section below.

## Step 5

You will need to complete the Mortgage Illustration / ESIS and produce the Mortgage Illustration / ESIS. Once completed this can be downloaded for your reference. If you wish to include any Broker fees on the Mortgage Illustration / ESIS this can be done at this stage.

## Step 6

You will be prompted to enter payment details to pay any booking fees that are applicable. Please note, booking fees (not broker fees) can be added to the mortgage if required (this excludes Interest Only Mortgages). If you wish to add the booking fees to the mortgage this can be done at Mortgage Illustration / ESIS stage.

## Step 7

Submit the Product switch application. The case will then be visible and accessible on your Broker dashboard.

## Step 8

Once we have received a satisfactory valuation the Offer will be produced. You will need to accept the Mortgage Offer on behalf of your customer (if your customer has given you permission to accept the Offer) for the Product switch to take place via the Broker Platform.

Once the Offer has been accepted and any ERCs paid (if applicable) the Product switch will take place on the specified date.

### Immediate Product switch and paying the ERC

You can progress a Product switch application where the customer is within an ERC period, but the ERC will be payable by the customer. When the application is initially keyed, the system will advise of the ERC amount.

There are two options available:

1. You can select to Product switch immediately, simply enter the earliest date available and continue to create your Mortgage Illustration / ESIS.
2. You can select a Product switch date up to 180 days in advance. As HSBC UK's ERCs reduce daily, you can select a future date and pay a reduced ERC.

Please note, for both options the customer will need to call the HSBC UK Broker Support Team on **0345 600 5847** to pay the outstanding ERC. The Product switch will not complete until we have received the payment.

### Further information

[Chat with us](#), call our Broker Support Team on **0345 600 5847** (Monday to Friday, 9am to 5pm) or contact your [local BDM](#).