

Chapter 2

Communications and financial promotions

2.3 Other general requirements for communications and financial promotions

- 2.3.1** **R** A *firm* must ensure that each communication made to a *banking customer* and each *financial promotion communicated or approved by the firm*:
- (1) includes the name of the *firm*;
 - (2) is accurate and, in particular, does not emphasise any potential benefits of a *retail banking service* without also giving a fair and prominent indication of any relevant risks;
 - (3) is sufficient for, and presented in a way that is likely to be understood by, the average member of the group to whom it is directed, or by whom it is likely to be received; and
 - (4) does not disguise, diminish or obscure important information, statements or warnings.
- 2.3.1A** **R** A provider must ensure that each communication made to a *payment service customer* or an *electronic money customer* and each *payment service or electronic money promotion communicated by it*:
- (1) includes the name of the provider;
 - (2) is accurate and, in particular, does not emphasise any potential benefits of a *payment service* or *electronic money* product without also giving a fair and prominent indication of any relevant risks;
 - (3) is sufficient for, and presented in a way that is likely to be understood by, the average member of the group to whom it is directed, or by whom it is likely to be received; and
 - (4) does not disguise, diminish or obscure important information, statements or warnings.
- 2.3.2** **G** The name of the *firm* or other provider may be a trading name or shortened version of the legal name of the *firm*, provided the *banking customer, payment service customer* or *electronic money customer* can identify the *firm* or provider communicating the information.

- 2.3.3** **G** In deciding whether, and how, to *communicate* information to a particular target audience, a *firm* or other provider should take into account the nature of the *retail banking service*, the *payment service* or *electronic money product*, the *banking customer's*, *payment service customer's* or *electronic money customer's* likely or actual commitment, the likely information needs of a reasonable recipient, and the role of the communication, *financial promotion* or *payment service* or *electronic money promotion* in the sales process.
- 2.3.4** **G** If a communication or a *financial promotion* or *payment service* or *electronic money promotion* names the *FCA*, *PRA* or both as the regulator of a *firm* or other provider, and refers to matters not regulated by the *FCA*, *PRA* or both, the *firm* or other provider should ensure that the communication, *financial promotion* or *payment service* or *electronic money promotion* makes clear that those matters are not regulated by the *FCA*, *PRA* or both.
- 2.3.5** **G** When *communicating* information, a *firm* or other provider should consider whether omission of any relevant fact will result in information given to the *banking customer*, *payment service customer* or *electronic money customer* being insufficient, unclear, unfair or misleading.
- 2.3.6** **G** The Depositor Protection Part of the *PRA Rulebook* may apply in relation to communications with a *banking customer*.
- 2.3.7** **R** If a communication or a *financial promotion* compares a *retail banking service* with one or more other *retail banking service* (whether or not provided by the *firm*), the *firm* must ensure that the comparison is meaningful and presented in a fair and balanced way.
- 2.3.7A** **G** If a communication or a *payment service* or *electronic money promotion* compares a *payment service* or service in relation to *electronic money* with one or more other *retail banking service*, *payment service* or service in relation to *electronic money* (whether or not provided by the provider), the provider must ensure that the comparison is meaningful and presented in a fair and balanced way.
- 2.3.7B** **R** If a communication or *payment service* or *electronic money promotion* compares the cost of a *currency transfer service* with the cost of a service provided by any other provider or providers (whether identified or not):
- (1) the comparison must be meaningful and presented in a fair and balanced way; and
 - (2) the *firm* or other provider must be able to substantiate the claims made.
- 2.3.7C** **G** For the purpose of **BCOBS 2.3.7BR** the cost of a *currency transfer service* includes:
- (1) any charges payable in relation to the currency conversion;

- (2) any charges payable in relation to a connected *payment service* or *electronic money* issuance; and
- (3) the margin between the exchange rate that would be offered to a majority of *persons* of the class at whom the promotion is directed and a currently applicable interbank exchange rate, calculated using an independently published interbank spot rate.
- 2.3.8** **R** If a communication or a *financial promotion* in relation to a *retail banking service* refers to a particular tax treatment or rate of interest payable, a *firm* must ensure that a prominent statement that the tax treatment or the rate of interest payable:
- (1) depends on the individual circumstances of each *banking customer*; and
- (2) may be subject to change in the future;
- is either included in that communication or *financial promotion*, or provided to the *banking customer* on paper or in another *durable medium* in good time before the *banking customer* is bound by the contract for that *retail banking service*.
- 2.3.9** **G** When designing a *financial promotion*, a *firm* may find it helpful to take account of the British Bankers' Association/Building Societies Association Code of Conduct for the Advertising of Interest Bearing Accounts.
- 2.3.10** **R**
- (1) This *rule* applies to the communication of the balance of a payment account within the meaning of the *Payment Accounts Regulations*, other than a current account mortgage.
- (2) The communication must not include a figure described as "available funds", "balance", "available balance" or any similar expression that includes both sums standing to the credit of the account and sums available under an *authorised non-business overdraft agreement* associated with the account.
- 2.3.11** **G**
- (1) ■ BCOBS 2.3.10R does not prohibit a *firm* from disclosing sums available for drawdown under an *authorised non-business overdraft agreement* alongside a "balance", "available funds" or "available balance" figure.
- (2) Where an account is overdrawn, ■ BCOBS 2.3.10R does not prohibit a *firm* from describing as a "balance" a negative figure that represents the amount by which the account is overdrawn.