

## Chapter 13

# Preparing product information

## 13.2 Product information: production standards, form and contents

**13.2.1** **G** When a *firm* prepares *documents* or information in accordance with this chapter, the *firm* should consider the *rules* on providing product information (■ COBS 14). Those *rules* require a *firm* to provide the product information in a *durable medium* or via a website that meets the *website conditions* (if the website is not a *durable medium*).

[Note: article 29(4) of the *MiFID implementing Directive*]

**13.2.1A** **G** When a *firm* prepares *documents* or information for a *life policy, personal pension or stakeholder pension* in accordance with this chapter, the *firm* should:

- (1) consider the *rules* on communicating with clients (■ COBS 4). Those *rules* require a *firm* to ensure that a communication is fair, clear and not misleading. In particular, a *firm* should:
  - (a) take into account its target market's understanding of financial services when preparing *documents* and information;
  - (b) present information in a logical order;
  - (c) use clear and descriptive headings, and where appropriate, cross references and sub-headings to aid navigation;
  - (d) where possible, use plain language and avoid the use of jargon, unfamiliar or technical language;
  - (e) if it is necessary to use jargon, unfamiliar or technical language, provide accompanying explanations in plain language;
  - (f) use short sentences;
  - (g) (if the *key features illustration* is separate from the *key features document*) clearly cross-reference between the two and avoid duplication where possible;
  - (h) concentrate on key product information, cross reference to background information, detailed explanations and information about how to apply for the product; and
  - (i) avoid duplication and unnecessary disclaimers;
- (2) taking into account the means of printing or display, consider whether the following can be used to improve the *client's* understanding of the product, in particular:
  - (a) design devices such as side annotations, shading, colour, bulleted lists, tables and graphics; and

(b) the type size, line width, line spacing, and use of white space; and

(3) ensure that the use of colour in a *document* does not disguise, diminish or obscure important information if that *document* is printed or photocopied in black and white.

13.2.2 **R** A *key features document* and a *key features illustration* must also:

(1) (if it is a *key features document*) be produced and presented to at least the same quality and standard as the sales or marketing material used to promote the relevant product;

(2) (if it is a *key features document*) display the *firm's* brand at least as prominently as any other;

(3) (if it is a *key features document* or a *key features illustration* which does not form an integral part of the *key features document*) include the 'Key facts' logo in a prominent position at the top of the *document*; and

(4) (if it is a *key features document* or a *key features illustration* which does not form an integral part of the *key features document*) include the following statement in a prominent position:

"The Financial Conduct Authority is a financial services regulator. It requires us, [provider name], to give you this important information to help you to decide whether our [product name] is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference".

13.2.3 **G** The *Solvency II Directive information* can be included in one or more of a *key features document*, a *key features illustration*, (where permitted by the *PRIPs Regulation*) a *key information document* or any other *document*.

13.2.4 **R** The *documents* and information prepared in accordance with the *rules* in this chapter must not include anything that might reasonably cause a *retail client* to be mistaken about the identity of the *firm* that produced, or will produce, the product.