

Chapter 13

Preparing product information

13.3 Contents of a key features document

General requirements

13.3.1 **R** A key features document must:

- (1) include enough information about the nature and complexity of the product, how it works, any limitations or minimum standards that apply and the material benefits and risks of buying or investing for a *retail client* to be able to make an informed decision about whether to proceed;
- (2) explain:
 - (a) the arrangements for handling complaints about the product;
 - (b) that compensation might be available from the *FSCS* if the *firm* cannot meet its liabilities in respect of the product (if applicable);
 - (c) that a right to cancel or withdraw exists, or does not exist, and, if it does exist, its duration and the conditions for exercising it, including information about the amount a *client* may have to pay if the right is exercised, the consequences of not exercising it and practical instructions for exercising it, indicating the address to which any notice must be sent;
 - (d) (for a *CTF*) that *stakeholder CTFs*, *cash-deposit CTFs* and *security-based CTFs* are available and which type the *firm* is offering; and
 - (e) (for a *personal pension scheme* that is not an *automatic enrolment scheme*) clearly and prominently, that *stakeholder pension schemes* are generally available and might meet the *client's* needs as well as the scheme on offer; and
- (3) (for a *cash-only lifetime ISA*) include the information set out in **COBS 14 Annex 1**.

13.3.1A **G** When preparing a *key features document* for *pension annuity* and *drawdown pension* options *firms* should consider the information requirements for *firms* communicating with *clients* about their pension decumulation product options in **COBS 19.4.12R** and **COBS 19.4.14R**.

Additional requirements for non-PRIIP packaged products

13.3.2 **R** Table

A key features document for a non-PRIIP packaged product must:

(1)	Include the title: 'key features of the [name of product]';										
(2)	describe the product in the order of the following headings, and by giving the following information under those headings:										
	<table border="1"> <thead> <tr> <th>Heading</th> <th>Information to be given</th> </tr> </thead> <tbody> <tr> <td>'Its aims'</td> <td>A brief description of the product's aims</td> </tr> <tr> <td>'Your commitment' or 'Your investment'</td> <td>What a <i>retail client</i> is committing to or investing in and any consequences of failing to maintain the commitment or investment</td> </tr> <tr> <td>'Risks'</td> <td>The material risks associated with the product, including a description of the factors that may have an adverse effect on performance or are material to the decision to invest</td> </tr> <tr> <td>'Questions and Answers'</td> <td>(in the form of questions and answers) the principle terms of the product, what it will do for a <i>retail client</i> and any other information necessary to enable a <i>retail client</i> to make an informed decision.</td> </tr> </tbody> </table>	Heading	Information to be given	'Its aims'	A brief description of the product's aims	'Your commitment' or 'Your investment'	What a <i>retail client</i> is committing to or investing in and any consequences of failing to maintain the commitment or investment	'Risks'	The material risks associated with the product, including a description of the factors that may have an adverse effect on performance or are material to the decision to invest	'Questions and Answers'	(in the form of questions and answers) the principle terms of the product, what it will do for a <i>retail client</i> and any other information necessary to enable a <i>retail client</i> to make an informed decision.
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	[Note: in respect of 'Risks', article 185(4) of the Solvency II Directive]										

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13.3.5 **G** [deleted]