

Chapter 3A

Financial promotions and communications with customers



3A.3 Other general requirements for financial promotions

Financial promotions to be balanced and with appropriate warnings

3A.3.1

R

A firm which communicating or approving a financial promotion within ■ MCOB 3A.2.4 R must, in addition, ensure that the *financial promotion*:

- (1) is accurate;
- (2) is balanced and, in particular, does not emphasise any potential benefits of the *MCD regulated mortgage contract, other qualifying credit, home reversion plan or regulated sale and rent back agreement* 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;
- (4) makes it clear, where applicable, that the credit is secured on the *customer's home*;
- (5) does not disguise, omit, diminish or obscure important items, statements or warnings; and
- (6) where it contains a comparison or contrast, presents the comparison or contrast in a fair and balanced way and ensures that is meaningful.

Name and contact point

3A.3.2

R

A *non-real time financial promotion* must contain the name of the *firm* or its *appointed representative* and either an address or a contact point from which an address is available.

Solicited financial promotions

3A.3.3

R

A *financial promotion* is not a solicited financial promotion unless a *firm* ensures that:

- (1) it is clear from all the circumstances when the call, visit or dialogue is initiated or requested that, during the course of the visit, call or dialogue, a *financial promotion* would be made; and

- (2) a *person* is not to be treated as expressly requesting a call, visit or dialogue:
 - (a) because they omit to indicate that they do not wish to receive any or any further visits or calls or to engage in any or any further dialogue;
 - (b) because they agree to standard terms that state that such visits, calls or dialogues will take place, unless they have signified clearly that, in addition to agreeing to the terms, they are willing for them to take place.

3A.3.4 **R** If a *financial promotion* is solicited by a *person* (“R”), it is treated as also having been solicited by any other *person* to whom it is made at the same time as R if that other *person* is a close relative of R or is expected to enter into a *home reversion plan*, a *regulated sale and rent back agreement* or any contract for *qualifying credit* jointly with R.

Prohibition on cold calls
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3A.3.5 **R** A *firm* must not make a *cold call* of *qualifying credit*, a *home reversion plan* or a *regulated sale and rent back agreement* unless the *customer* has an established existing *customer* relationship with the *firm* and the relationship is such that the *customer* envisages receiving such *financial promotions*.