

Chapter 3A

Financial promotions and communications with customers

3A.5 MCD financial promotions

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3A.5.1

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- (1) When *communicating* or *approving* a *financial promotion* concerning an *MCD regulated mortgage contract* which indicates an interest rate or any figures relating to the cost of the *credit* to the *consumer*, a *firm* must ensure that the *financial promotion* includes standard information which specifies in a clear, concise and prominent way:
- (a) the identity of the *MCD creditor* or, where applicable, the *MCD mortgage credit intermediary* or *appointed representative*;
 - (b) where applicable, that the *MCD regulated mortgage contract* will be secured by a mortgage or another comparable security or by a right related to residential immovable property;
 - (c) the *borrowing rate*, indicating whether this is fixed or variable or a combination of both, together with particulars of any charges included in the *total cost of the credit to the consumer*;
 - (d) the *total amount of the credit*;
 - (e) the *APRC* which must be included at least as prominently as any interest rate;
 - (f) where applicable, the duration of the *MCD regulated mortgage contract*;
 - (g) where applicable, the amount of the instalments;
 - (h) where applicable, the *total amount payable* by the *consumer*;
 - (i) where applicable, the number of instalments; and,
 - (j) where applicable, a warning regarding the fact that possible fluctuations of the exchange rate could affect the amount payable by the *consumer*.

[Note: article 11(1) and (2) of the *MCD*]

- (2) The information listed in (1), other than that listed in (a), (b) or (j) thereof, must be specified by means of a representative example.

[Note: article 11(3) of the *MCD*]

- (3) For the purposes of the requirement in (2), to specify the information in (1), including the *APRC*, by means of a representative example, an example is not representative unless the *firm* reasonably expects that at least 51% of *consumers*:
- (a) responding to the *financial promotion*; and
 - (b) who enter into a *MCD regulated mortgage contract* which is the subject of the *financial promotion*;

would be charged the specified *APRC* or below.

[**Note:** article 11(3) of the *MCD*]

- (4) Where the conclusion of a contract regarding an ancillary service, in particular insurance, is compulsory in order to obtain the *MCD regulated mortgage contract* or to obtain it on the terms and conditions marketed, and the cost of that service cannot be determined in advance, the obligation to enter into that contract must be stated in a clear, concise and prominent way, together with the *APRC*.

[**Note:** article 11(4) of the *MCD*]

- (5) The information referred to in (1) and (4) must be easily legible or clearly audible as appropriate, depending on the medium used for advertising.

[**Note:** article 11(5) of the *MCD*]

3A.5.2

- G** Inclusion of a representative example, where required, does not preclude the inclusion of additional cost information, relating to individual products or types of product, subject to this being fair, clear and not misleading. For example, a *firm* may wish to include a table setting out details of a number of products, for comparative purposes, with the required overall representative example stated (being representative of all agreements expected to result from the *financial promotion*, and shown with sufficient prominence).