

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

		<p>(b) the type size, line width, line spacing, and use of white space; and</p> <p>(3) ensure that the use of colour in a <i>document</i> does not disguise, diminish or obscure important information if that <i>document</i> is printed or photocopied in black and white.</p>
13.2.2	R	<p>A <i>key features document</i> and a <i>key features illustration</i> must also:</p> <p>(1) (if it is a <i>key features document</i>) be produced and presented to at least the same quality and standard as the sales or marketing material used to promote the relevant product;</p> <p>(2) (if it is a <i>key features document</i>) display the <i>firm's</i> brand at least as prominently as any other;</p> <p>(3) (if it is a <i>key features document</i> or a <i>key features illustration</i> which does not form an integral part of the <i>key features document</i>) include the 'Key facts' logo in a prominent position at the top of the <i>document</i>; and</p> <p>(4) (if it is a <i>key features document</i> or a <i>key features illustration</i> which does not form an integral part of the <i>key features document</i>) include the following statement in a prominent position:</p> <p>"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".</p>
13.2.3	G	<p>The <i>Solvency II Directive information</i> can be included in one or more of a <i>key features document</i>, a <i>key features illustration</i>, (where permitted by the <i>PRIPs Regulation</i>) a <i>key information document</i> or any other <i>document</i>.</p>
13.2.4	R	<p>The <i>documents</i> and information prepared in accordance with the <i>rules</i> in this chapter must not include anything that might reasonably cause a <i>retail client</i> to be mistaken about the identity of the <i>firm</i> that produced, or will produce, the product.</p>