

Chapter 3

Financial promotions and communications with customers

3.1 Application

[Note: Until 31 March 2015, transitional provisions apply to ■ CONC 3: see ■ CONC TP 6.1]

Who? What?

- 3.1.1 **R** This chapter, unless a *rule* in ■ CONC 3 specifies differently, applies to a *firm*.
- 3.1.2 **G** Under section 39(3) of the *Act*, a *firm* is responsible for *financial promotions communicated* by its *appointed representatives* when acting as such.
- 3.1.3 **R** This chapter, unless a *rule* in ■ CONC 3 specifies differently, applies to:
- (1) a communication with a *customer* in relation to a *credit agreement*;
 - (2) the *communication* or *approval for communication* of a *financial promotion* in relation to a *credit agreement*;
 - (3) a communication with a *customer* in relation to *credit broking*;
 - (4) the *communication* or *approval for communication* of a *financial promotion* in relation to *credit broking*;
 - (5) a communication with a *borrower* or a prospective *borrower* in relation to *operating an electronic system in relation to lending*; and
 - (6) the *communication* or *approval for communication* of a *financial promotion* to a *borrower* or a prospective *borrower* in relation to *operating an electronic system in relation to lending*.
- 3.1.4 **R** The clear fair and not misleading *rule* in ■ CONC 3.3.1 R and the general requirements *rule* in ■ CONC 3.3.2 R and the *guidance* in ■ CONC 3.3.5 G to ■ CONC 3.3.11 G also, unless a *rule* or *guidance* in those paragraphs specifies differently, apply to:
- (1) a communication with a *customer* in relation to *debt counselling* or *debt adjusting*; and
 - (2) the *communication* or *approval for communication* of a *financial promotion* in relation to *debt counselling* or *debt adjusting*.

3.1.4A **G** *Firms are reminded that the rules and guidance in ■ CONC 3.9 also apply to financial promotions and communications with a customer in relation to debt counselling and debt adjusting.*

3.1.5 **R** ■ CONC 3.3.1 R also applies to:

- (1) a communication with a *customer* in relation to a *consumer hire agreement*;
- (2) the *communication or approval for communication of a financial promotion* in relation to a *consumer hire agreement*; and
- (3) a communication with a *customer* in relation to *providing credit information services*.

3.1.6 **R** ■ CONC 3 does not apply to:

- (1) a *financial promotion* or a communication which expressly or by implication indicates clearly that it is solely promoting *credit agreements or consumer hire agreements or P2P agreements* for the purposes in each case of a *customer's* business;
- (2) a *financial promotion* or a communication to the extent that it relates to *qualifying credit*; or
- (3) an *excluded communication*.

3.1.7 **R**

- (1) ■ CONC 3 does not apply (apart from the provisions in (2)) to a *financial promotion* or communication that consists of only one or more of the following:
 - (a) the name or a trading name of the *firm* (or its *appointed representative*);
 - (b) a logo;
 - (c) a contact point (address (including e-mail address), telephone, facsimile number and website address);
 - (d) a brief, factual description of the type of product or service provided by the *firm*.
- (2) The provisions in ■ CONC 3 which apply to a *financial promotion* or communication which falls within (1) are:
 - (a) ■ CONC 3.1, ■ CONC 3.5.1 R and ■ CONC 3.6.1 R (application);
 - (b) ■ CONC 3.3.1 R (clear, fair and not misleading);
 - (c) ■ CONC 3.3.3 R (credit regardless of status);
 - (d) ■ CONC 3.5.3 R, ■ CONC 3.5.5 R, ■ CONC 3.6.6 R (requirement for representative example or typical APR etc);
 - (e) ■ CONC 3.5.7 R (other financial promotions requiring a representative APR);
 - (f) ■ CONC 3.5.12 R (restricted expressions) and ■ CONC 3.6.8 R (restricted expressions); and

(g) any other *rules* in *CONC* which are necessary or expedient to apply the rules in (a) to (f).

3.1.8

G

■ *CONC 3.1.7R (1)* does not enable detailed information to be given about *credit* available from the *firm*. *Firms* should note that the image advertising exclusion in ■ *CONC 3.1.7R (1)* is subject to compliance with the *rules* specified in (2), including the *rules* which require the inclusion of a *representative APR* in specified circumstances. A name or logo may trigger the requirement to include a *representative APR*. *Firms* should not include any information not referred to in ■ *CONC 3.1.7R (1)* and should avoid the use of names, logos or addresses, for example, which attempt to convey additional product or cost-related information.

Where?

3.1.9

R

This chapter applies to a *firm* in relation to:

- (1) a communication with, or the *communication* or *approval* for *communication* of a *financial promotion* to, a *person* in the *UK*;
- (2) the *communication* of an *unsolicited real time financial promotion*, unless it is made from a place, and for the purposes of a business which is only carried on, outside the *UK*; and
- (3) the *communication* or *approval* for *communication* of a *financial promotion* that is an *electronic commerce communication* to a *person* in an *EEA State* other than the *UK*;

and for the purposes of the application of this chapter, it is immaterial whether the *credit agreement* or the *consumer hire agreement* to which the *financial promotion* or communication relates is subject to the law of a country outside the *UK*.