

Chapter 3A

Financial promotions and communications with customers

		<div>3A.8</div> <div>Sale and rent back financial promotions</div>
		<div>Guidance on fair, clear and not misleading: sale and rent back financial promotions</div>
3A.8.1	G	<p>The effect of giving no less prominence to the possible disadvantages than to the benefits associated with a feature will depend on the context of the promotion. The costs, restrictions or conditions relating to a feature, such as any option available, should be detailed for the following non-exhaustive examples:</p> <div><div>(1)</div><div>where any part of the discount on the market value of the property is to be repaid to the <i>consumer</i> after a qualifying period; and</div></div> <div><div>(2)</div><div>where a <i>consumer</i> is to benefit from shared appreciation in the value of the property.</div></div>
3A.8.2	R	<div>Ban on SRB leaflet dropping</div> <p>A <i>regulated sale and rent back firm</i> must not <i>communicate</i> an unsolicited <i>financial promotion</i> that relates to a <i>regulated sale and rent back agreement</i> to a potential <i>SRB agreement seller</i> in the form of a leaflet or brochure or similar.</p>
3A.8.3	R	<div>Non-real time financial promotions to customers and advertisements</div> <p>A <i>non-real time financial promotion</i> relating to a <i>regulated sale and rent back agreement</i> and any other advertisement which is issued by a <i>regulated sale and rent back firm</i> that could lead to the conclusion of a <i>regulated sale and rent back agreement</i>, must (unless it is of a kind listed in MCOB 3A.1.9R(1)) contain a risk warning that uses the following wording:</p> <p>"If you enter into a sale and rent back agreement you are unlikely to get the market value of your home and, as a tenant, may only be able to remain there for a limited period. There may be other options available. Please ask for a key terms statement."</p>
3A.8.4	R	<div>Exploitation of customer</div> <p>A <i>firm</i> must not in any <i>financial promotion</i> of a <i>regulated sale and rent back agreement</i> exploit the vulnerable nature or circumstances of any <i>customer</i> who may be in financial difficulties and at risk of losing his or her home. As such, the <i>firm</i> must avoid using phrases or terms such as "fast sales", "rescue" or "cash quickly" or any other similar expression.</p>

3A.8.5

R

**No approval of real time financial promotions of a regulated
sale and rent back agreement**

*A firm must not approve a financial promotion of a regulated sale and rent
back agreement made in the course of a personal visit, telephone
conversation or other interactive dialogue.*

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