

## Chapter 6

# Disclosure at the offer stage

## 6.8 Home purchase plans

### Offer document

- 6.8.1 **R** (1) If a *firm* offers to *enter into a home purchase plan* with a *customer*, it must ensure that the *customer* is, or has been provided with an appropriate *offer document* in a *durable medium* which includes:
- (a) the period for which the offer is valid;
  - (b) an explanation of the consequences that might arise from the *customer* not entering into the *home purchase plan* including details of any *fees* that the *customer* has paid which will not be refunded;
  - (c) an explanation of when the *customer* will become bound by the offer and the implications of this;
  - (d) the charges that a *customer* may incur under the plan, including the reason for, and amount of, each charge, when they are payable, whether they will be refunded and, if so, when;
  - (e) a financial information statement;
  - (f) the *firm's* contact details, including its name and address; and
  - (g) how to complain to the *firm* and whether or not complaints may subsequently be referred to the *Financial Ombudsman Service*.
- (2) A *firm* may omit details of the charges that a customer may incur under a *home purchase plan* from the *offer document* if they are included in a separate *tariff of charges* provided to the customer at the same time.
- 6.8.2 Although an *offer document* may not match information given in a financial information statement before an offer is made, an *offer document* should be an accurate reflection of the actual costs of the *home purchase plan*.
- 6.8.3 **G** A *firm* should bear in mind its obligations under *Principle 6*. For example, if a *firm* knows that its interest in a *home purchase plan* will be assigned and the *firm* will no longer be responsible for setting rental payments and charges, the *offer document* should state this fact and who will become responsible after the assignment (if this is not known at the offer stage the *customer* should be notified as soon as it becomes known).
- 6.8.4 **R** A *firm* must ensure that the financial information statement forms the main, and an integral, part of the *offer document*.

**Distance contracts with retail customers**

- 6.8.5 **R** (1) A firm must communicate to a consumer the distance marketing information in a durable medium available and accessible to the consumer in good time before the consumer is bound by any distance contract or offer to enter into a home purchase plan.
- (2) If the distance contract or offer has been concluded at the consumer's request using a means of distance communication which does not enable providing the information in accordance with (1) then it must be communicated no later than immediately after the conclusion of the home purchase plan.

6.8.5A [Note: article 5 Distance Marketing Directive]

6.8.6 **G** Distance contract information may be included in an offer document provided that it does not significantly increase its length.