

**CONDUCT OF BUSINESS (OPTIONAL ADDITIONAL PRODUCTS)  
INSTRUMENT 2015**

**Powers exercised**

- A. The Financial Conduct Authority makes this instrument in the exercise of the powers and related provisions in or under:
- (1) the following sections of the Financial Services and Markets Act 2000 (“the Act”):
    - (a) section 137A (The FCA’s general rules);
    - (b) section 137R (Financial promotion rules);
    - (c) section 137T (General supplementary powers); and
    - (d) section 139A (Power of the FCA to give guidance); and
  - (2) the other powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions of the Handbook.
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force on 1 April 2016.

**Amendments to the FCA Handbook**

- D. The modules of the FCA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2) below:

(1)	(2)
Conduct of Business sourcebook (COBS)	Annex A
Insurance: Conduct of Business sourcebook (ICOBS)	Annex B
Mortgages and Home Finance: Conduct of Business sourcebook (MCOB)	Annex C
Banking: Conduct of Business sourcebook (BCOBS)	Annex D
Consumer Credit sourcebook (CONC)	Annex E

**Citation**

- E. This instrument may be cited as the Conduct of Business (Optional Additional Products) Instrument 2015.

By order of the Board  
24 September 2015

## Annex A

### Amendments to the: Conduct of Business sourcebook (COBS)

In this annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

After COBS 2.4 insert the following new section. The text is not underlined.

#### 2.5 Optional additional products

Restriction on marketing or providing an optional product for which a fee is payable

- 2.5.1 R (1) A *firm* must not enter into an agreement with a *client* under which a charge is, or may become, payable for an optional additional product unless the *client* has actively elected to obtain that specific product.
- (2) A *firm* must not impose a charge on a *client* for an optional additional product under an agreement entered into on or after 1 April 2016 unless the *client* has actively elected to obtain that specific product before becoming bound to pay the charge.
- (3) A *firm* must not invite or induce a *client* to obtain an optional additional product for which a charge will be, or may become, payable if the *firm* knows or has reasonable cause to suspect that:
- (a) a contravention of (1) or (2) will take place with respect to the product; or
- (b) the *person* supplying the optional additional product will act in a way that would contravene (1) or (2) if that *person* were a *firm*.
- (4) An omission by a *client* is not to be regarded as an active election for the purposes of this *rule*.
- (5) It is immaterial for the purposes of (3) whether or not the *firm* would or might be a party to the agreement for the optional additional product.
- (6) A charge includes a financial consideration of any kind, whether payable to the *firm* or any other *person*.
- (7) An optional additional product is a good, service or right of any description, whether or not financial in nature, that a *client* may obtain (or not, as the case may be) at his or her election in connection with, or alongside, a *designated investment*.
- (8) If the *client* is required to obtain the additional product as a condition of the transaction related to the *designated investment*, then that product is an optional additional product if the *client* is given a choice:
- (a) as to the seller or supplier of that product; or

- (b) which specific product to obtain.
  - (9) It is immaterial for the purposes of (7) and (8) whether the optional additional product is obtained from the *firm* or another *person*.
  - (10) (a) If, under the terms and conditions of an optional additional product, there is to be an automatic renewal of the agreement on substantially the same terms, it suffices for the purposes of (1) to (3) if the *client* actively elected before entering into the initial agreement or a preceding renewal to obtain the product.
  - (b) An automatic renewal of the agreement is not to be regarded as being on substantially the same terms if, following the renewal, a charge will or may become payable for the optional additional product for the first time (in which case, (1) to (3) apply at the time of the renewal).
  - (c) Except as set out in (b), changes in the level of charges for an optional additional product are to be disregarded in determining whether an automatic renewal of an agreement is on substantially the same terms.
  - (11) A *client* may make an active election for the purposes of this rule through an intermediary in the sales process and through a *person* acting on behalf of the *firm*.
- 2.5.2 G An example of an omission by a *client* which is not to be regarded as an active election is the failure by the *client* to change a default option such as a pre-ticked box on a website.
- 2.5.3 G *Firms* are reminded that a similar prohibition on opt-out selling of add-on products is imposed by The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 in relation to optional additional agreements where the main sale is not a financial service or product.
- 2.5.4 G *Firms* are reminded that they must ensure that their *appointed representatives* comply with this section COBS 2.5.

Amend the following as shown.

## TP 2 Other Transitional Provisions

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provisions: coming into force
...			...		
2.-2	<i>COBS</i> , with the exception of <i>COBS</i> 15		...		
<u>2.-2A</u>	<u><i>COBS</i> 2.5.1R(1) to (3)</u>	<u>R</u>	<u>A firm need not comply with <i>COBS</i> 2.5.1R(1) to (3) in relation to an automatic renewal of an agreement for an optional additional product which was entered into on or before 31 March 2016 provided:</u>	<u>From 1 April 2016</u>	<u>On 1 April 2016</u>
			(1) <u>the automatic renewal of the agreement is on substantially the same terms. The phrase “on substantially the same terms” is to be interpreted in the same way as in <i>COBS</i> 2.5.1 (1) (b) and (c) ;</u>		
			(2) <u>on the occasion of the first automatic renewal on or after 1 April 2016, the firm takes reasonable steps to ensure that the client is informed:</u>		
			(a) <u>that the renewal of the agreement is optional;</u>		
			(b) <u>that the client may elect not to</u>		

					<u>renew the agreement; and</u>		
				(c)	<u>of the effect of the non-renewal of the agreement, if any, on the designated investment; and</u>		
			(3)		<u>the procedure to be used by <i>clients</i> for electing not to renew the agreement pays due regard to the interests of <i>clients</i> and treats them fairly.</u>		

## Annex B

### Amendments to the Insurance: Conduct of Business sourcebook (ICOBS)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

#### 6.1 General

...

6.1.6A G The appropriate information *rule* applies in the same way to any *policy*, regardless of whether that *policy* is sold on its own, in connection with another *policy*, or in connection with other goods or services.

...

After ICOBS 6A.1 insert the following new section. The text is not underlined.

#### 6A.2 Optional additional products

Restriction on marketing or providing an optional product for which a fee is payable

- 6A.2.1 R (1) A *firm* must not enter into an agreement with a *customer* under which a charge is, or may become, payable for an optional additional product unless the *customer* has actively elected to obtain that specific product.
- (2) A *firm* must not impose a charge on a *customer* for an optional additional product under an agreement entered into on or after 1 April 2016 unless the *customer* has actively elected to obtain that specific product before becoming bound to pay the charge.
- (3) A *firm* must not invite or induce a *customer* to obtain an optional additional product for which a charge will be, or may become, payable if the *firm* knows or has reasonable cause to suspect that:
- (a) a contravention of (1) or (2) will take place with respect to the product; or
  - (b) the *person* supplying the optional additional product will act in a way that would contravene (1) or (2) if that *person* were a *firm*.
- (4) An omission by a *customer* is not to be regarded as an active election for the purpose of this *rule*.
- (5) It is immaterial for the purposes of (3) whether or not the *firm* would or might be a party to the agreement for the optional additional product.

- (6) A charge includes a financial consideration of any kind whether payable to the *firm* or any other *person*.
- (7) An optional additional product is a good, service or right of any description, whether or not financial in nature, that a *customer* may obtain (or not, as the case may be) at his or her election in connection with or alongside a *non-investment insurance contract*.
- (8) If the *customer* is required to obtain an additional product as a condition for the purchase of the *non-investment insurance contract* then that product is an optional additional product if the *customer* is given a choice:
- (a) as to the seller or supplier from whom to obtain the product; or
  - (b) which specific product to obtain.
- (9) It is immaterial for the purposes of (7) and (8) whether the optional additional product is obtained from the *firm* or another *person*.
- (10) (a) If, under the terms and conditions of an optional additional product, there is to be an automatic renewal of the agreement on substantially the same terms, it suffices for the purposes of (1) to (3) if the *customer* actively elected before entering into the initial agreement or a preceding renewal to obtain the product.
- (b) An automatic renewal of the agreement is not to be regarded as being on substantially the same terms if, following the renewal, a charge will or may become payable for the optional additional product for the first time (in which case, (1) to (3) apply at the time of the renewal).
- (c) Except as set out in (b), changes in the level of charges for an optional additional product are to be disregarded in determining whether an automatic renewal of an agreement is on substantially the same terms.
- (11) A *customer* may make an active election for the purposes of this rule through an intermediary in the sales process or through a *person* acting on behalf of the *firm*.
- 6A.2.2 G An example of an omission by a *customer* which is not to be regarded as an active election is the failure by the *customer* to change a default option such as a pre-ticked box on a website.
- 6A.2.3 G *Firms* are reminded that a similar prohibition on opt-out selling of add-on products is imposed by The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 in relation to optional additional agreements where the main sale is not a financial service or product.
- 6A.2.4 G *Firms* are reminded that they must ensure that their *appointed representatives*

comply with this section *ICOBS* 6A.2.

Amend the following as shown.

## TP 2 Other Transitional Provisions

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
...					
3	<u>ICOBS 6A.2.1R(1) to (3)</u>	R	<u>A firm need not comply with ICOBS 6A.2.1R(1) to (3) in relation to an automatic renewal of an agreement for an optional additional product which was entered into on or before 31 March 2016 provided:</u>	<u>From 1 April 2016</u>	<u>On 1 April 2016</u>
			(1) <u>the automatic renewal of the agreement is on substantially the same terms. The phrase “on substantially the same terms” is to be interpreted in the same way as in ICOBS 6A.2.1R (10)(b) and (c).;</u>		
			(2) <u>on the occasion of the first automatic renewal on or after 1 April 2016, the firm takes reasonable steps to ensure that the customer is informed:</u>		
			(a) <u>that the renewal of the agreement is optional;</u>		
			(b) <u>that the customer may</u>		

					<u>elect not to renew the agreement; and</u>		
				(c)	<u>of the effect of the non-renewal of the agreement, if any, on the <i>non-investment insurance contract</i>; and</u>		
				(3)	<u>the procedure to be used by <i>customers</i> for electing not to renew the agreement pays due regard to the interests of <i>customers</i> and treats them fairly.</u>		

## Annex C

**Amendments to the Mortgages and Home Finance: Conduct of Business sourcebook  
(MCOB)**

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

## 2.1.2 R ...

...	...
<i>home purchase provider</i>	... <del>MCOB 2.7A</del> <u>and MCOB 2.8.6G</u> <u>and MCOB 2.9</u>
...	
<i>SRB administrator</i>	... <del>MCOB 2.8.1G to MCOB 2.8.5G</del> <u>and MCOB 2.9</u>
...	
<i>a firm that communicates or approves a financial promotion of qualifying credit or of a home reversion plan</i>	... <del>MCOB 2.7A</del> <u>and MCOB 2.8</u> (except <del>MCOB 2.8.6G</del> ) <u>and MCOB 2.9</u>
<i>a firm that communicates or approves a financial promotion of a home purchase plan</i>	... <del>MCOB 2.7A</del> <u>and MCOB 2.8.6G</u> <u>and MCOB 2.9</u>

...

After MCOB 2.8 insert the following new section. The text is not underlined.

**2.9 Restriction on marketing or providing an optional product for which a fee is payable**

- 2.9.1 R (1) A *firm* must not enter into an agreement with a *customer* under which a charge is, or may become, payable for an optional additional product unless the *customer* has actively elected to obtain that specific product.
- (2) A *firm* must not impose a charge on a *customer* for an optional additional product under an agreement entered into on or after 1 April 2016 unless the *customer* actively elected to obtain that specific product before becoming bound to pay the charge.
- (3) A *firm* must not invite or induce a *customer* to obtain an optional additional product for which a charge will be, or may become, payable if the *firm* knows or has reasonable cause to suspect that:

- (a) a contravention of (1) or (2) will take place with respect to the product; or
  - (b) the *person* supplying the optional additional product will act in a way that would contravene (1) or (2) if that *person* were a *firm*.
- (4) An omission by a *customer* is not to be regarded as an active election for the purposes of this *rule*.
- (5) It is immaterial for the purposes of (3) whether or not the *firm* would or might be a party to the agreement for the optional additional product.
- (6) A charge includes a financial consideration of any kind whether payable to the *firm* or to any other person.
- (7) An optional additional product is a good, service or right of any description (whether or not financial in nature) that a *customer* may obtain (or not, as the case may be) at his or her election in connection with or alongside entering into a *home finance transaction*.
- (8) (a) Where a *customer* is required to obtain a specific additional product in order to enter into the *home finance transaction*, the product is not an optional additional product.
- (b) Where a *customer* is required to obtain a particular category of additional product (for example, a particular type of insurance) in order to enter into the *home finance transaction*, and the *customer* is given a choice as to the seller or supplier from whom to obtain the product or which specific product to obtain, the product is an optional additional product.
- (9) It is immaterial for the purposes of (7) and (8) whether the optional additional product is obtained from the *firm* or from another *person*.
- (10) (a) If, under the terms and conditions of an optional additional product, there is to be an automatic renewal of the agreement on substantially the same terms, it suffices for the purposes of (1) to (3) if the *customer* actively elected before entering into the initial agreement or a preceding renewal to obtain the product.
- (b) An automatic renewal of the agreement is not to be regarded as being on substantially the same terms if, following the renewal, a charge will or may become payable for the optional additional product for the first time (in which case, (1) to (3) apply at the time of the renewal).
- (c) Except as set out in (b), changes in the level of charges for an optional additional product are to be disregarded in determining whether an automatic renewal of an agreement is on substantially the same terms.

- (11) A *customer* may make an active election for the purposes of this *rule* through an intermediary in the sales process or through a *person* acting on behalf of the *firm*.
- 2.9.2 G An example of an omission by a *customer* which is not to be regarded as an active election is the failure by the *customer* to change a default option such as a pre-ticked box on a website.
- 2.9.3 G *Firms* are reminded that a similar prohibition on opt-out selling of add-on products is imposed by The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 in relation to optional additional agreements where the main sale is not a financial service or product.
- 2.9.4 G *Firms* are reminded of the guidance on appointed representatives set out in *MCOB 1.5G*.

Amend the following as shown.

#### TP 1 MCD Transitional Provisions

...

After MCOB TP 3 insert the following new section. The text is not underlined.

#### TP 4 Other Transitional Provisions

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provisions: coming into force
1	<i>MCOB 2.9.1R(1) to (3)</i>	R	A <i>firm</i> need not comply with <i>MCOB 2.9.1R(1) to (3)</i> in relation to an automatic renewal of an agreement for an optional additional product which was entered into on or before 31 March 2016 provided:	From 1 April 2016	On 1 April 2016
			(1) the automatic renewal of the agreement is on substantially the same terms. The phrase “on substantially the same terms” is to be interpreted in the same		

				way as in <i>MCOB</i> 2.9.1R(10)(b) and (c);		
			(2)	on the occasion of the first automatic renewal on or after 1 April 2016, the <i>firm</i> takes reasonable steps to ensure that the <i>customer</i> is informed:		
			(a)	that the renewal of the agreement is optional;		
			(b)	that the <i>customer</i> may elect not to renew the agreement; and		
			(c)	of the effect of the non-renewal of the agreement, if any, on the <i>home finance transaction</i> ; and		
			(3)	the procedure to be used by <i>customers</i> for electing not to renew the agreement pays due regard to the interests of <i>customers</i> and treats them fairly.		

## Annex D

### Amendments to the Banking: Conduct of Business sourcebook (BCOBS)

In this Annex, underlining indicates new text, unless otherwise stated.

1.1.4 R (1) Chapters 2, 2A, 5 and 6 of *BCOBS*...

...

After BCOBS 2 insert the following new chapter. The text is not underlined.

#### **2A Optional additional products**

##### **2A.1 Restriction on marketing or providing an optional product for which a fee is payable**

- 2A.1.1 R (1) A *firm* must not enter into an agreement with a *banking customer* under which a charge is, or may become, payable for an optional additional product unless the *banking customer* has actively elected to obtain that specific product.
- (2) A *firm* must not impose a charge on a *banking customer* for an optional additional product under an agreement entered into on or after 1 April 2016 unless the *banking customer* actively elected to obtain that specific product before becoming bound to pay the charge.
- (3) A *firm* must not invite or induce a *banking customer* to obtain an optional additional product for which a charge will be, or may become, payable if the *firm* knows or has reasonable cause to suspect that:
- (a) a contravention of (1) or (2) will take place with respect to the product; or
  - (b) the *person* supplying the optional additional product will act in a way that would contravene (1) or (2) if that *person* were a *firm*.
- (4) An omission by a *customer* is not to be regarded as an active election for the purposes of this *rule*.
- (5) It is immaterial for the purposes of (3) whether or not the *firm* would or might be a party to the agreement for the optional additional product.

- (6) A charge includes a financial consideration of any kind whether payable to the *firm* or any other *person*.
- (7) An optional additional product is a good, service or right of any description (whether or not financial in nature) that a *banking customer* may obtain (or not, as the case may be) at his or her election in connection with or alongside a *retail banking service*.
- (8) (a) Where a *banking customer* is required to obtain a specific additional product in order to receive the *retail banking service*, the product is not an optional additional product.
- (b) Where a *banking customer* is required to obtain a particular category of additional product (for example, a particular type of insurance) in order to receive the *retail banking service*, and the *banking customer* is given a choice as to the seller or supplier from whom to obtain the product or which specific product to obtain, the product is an optional additional product.
- (9) It is immaterial for the purposes of (7) and (8) whether the optional additional product is obtained from the *firm* or from another *person*.
- (10) A *borrower-lender agreement* enabling a *borrower* to overdraw on a current account, or arising where the holder of a current account overdraws on the account without a pre-arranged overdraft or exceeds a pre-arranged overdraft limit, is not an optional additional product.
- (11) (a) If, under the terms and conditions of an optional additional product, there is to be an automatic renewal of the agreement on substantially the same terms, it suffices for the purposes of (1) to (3) if the *banking customer* actively elected before entering into the initial agreement or a preceding renewal to obtain the product.
- (b) An automatic renewal of the agreement is not to be regarded as being on substantially the same terms if, following the renewal, a charge will or may become payable for the optional additional product for the first time (in which case, (1) to (3) apply at the time of the renewal).
- (c) Except as set out in (b), changes in the level of charges for an optional additional product are to be disregarded in determining whether an automatic renewal of an agreement is on substantially the same terms.
- (12) A *banking customer* may make an active election for the purposes of this *rule* through an intermediary in the sales process, or

through a *person* acting on behalf of the *firm*.

- 2A.2.1 G An example of an omission by a *banking customer* which is not to be regarded as an active election is the failure by the *banking customer* to change a default option such as a pre-ticked box on a website.
- 2A.2.2 G *Firms* are reminded that a similar prohibition on opt-out selling of add-on products is imposed by The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 in relation to optional additional agreements where the main sale is not a financial service or product.

Amend the following as shown.

### TP 1 Transitional Provision

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provisions: coming into force
...					
1A	<u>BCOBS 2A.1.1R(1) to (3)</u>	R	<u>A firm need not comply with BCOBS 2A.1.1R(1) to (3) in relation to an automatic renewal of an agreement for an optional additional product which was entered into on or before 31 March 2016 provided:</u>	<u>From 1 April 2016</u>	<u>On 1 April 2016</u>
			(1) <u>the automatic renewal of the agreement is on substantially the same terms. The phrase “on substantially the same terms” is to be interpreted in the same way as in BCOBS 2A.1.1R(11)(b) and (c);</u>		
			(2) <u>on the occasion of the first automatic renewal on or after 1 April 2016, the firm takes reasonable steps to</u>		

				ensure that the <i>banking customer</i> is informed:		
				(a) <u>that the renewal of the agreement is optional;</u>		
				(b) <u>that the <i>banking customer</i> may elect not to renew the agreement; and</u>		
				(c) <u>of the effect of the non-renewal of the agreement, if any, on the <i>retail banking service</i>; and</u>		
			(3)	<u>the procedure to be used by <i>banking customers</i> for electing not to renew the agreement pays due regard to the interests of those <i>banking customers</i> and treats them fairly.</u>		

## Annex E

## Amendments to the Consumer Credit sourcebook (CONC)

In this Annex, underlining indicates new text, unless otherwise stated.

Restriction on marketing or providing an optional product for which a fee is payable

- 2.2.6 R (1) A firm must not enter into an agreement with a customer under which a charge is, or may become, payable for an optional additional product unless the customer has actively elected to obtain that specific product.
- (2) A firm must not impose a charge on a customer for an optional additional product under an agreement entered into on or after 1 April 2016 unless the customer actively elected to obtain that specific product before becoming bound to pay the charge.
- (3) A firm must not invite or induce a customer to obtain an optional additional product for which a charge will be, or may become, payable if the firm knows or has reasonable cause to suspect that:
- (a) a contravention of (1) or (2) will take place with respect to the product; or
- (b) the person supplying the optional additional product will act in a way that would contravene (1) or (2) if that person were a firm.
- (4) An omission by a customer is not to be regarded as an active election for the purposes of this rule.
- (5) It is immaterial for the purposes of (3) whether or not the firm would or might be a party to the agreement for the optional additional product.
- (6) A charge includes a financial consideration of any kind whether payable to the firm or any other person.
- (7) An optional additional product is a good, service or right of any description (whether or not financial in nature) that a customer may obtain (or not, as the case may be) at his or her election in connection with or alongside a service the provision of which constitutes the carrying on of a credit-related regulated activity.
- (8) (a) Where a customer is required to obtain a specific additional product, in order to receive the service the provision of which constitutes the carrying on of the credit-related regulated activity, the product is not an optional additional product.

- (b) Where a *customer* is required to obtain a particular category of additional product (for example, a particular type of insurance), in order to receive the service the provision of which constitutes the carrying on of the *credit-related regulated activity*, and the *customer* is given a choice as to the seller or supplier from whom to obtain the product or which specific product to obtain, the product is an optional additional product.
- (9) It is immaterial for the purposes of (7) and (8) whether the optional additional product is obtained from the *firm* or another *person*.
- (10) A *borrower-lender agreement* enabling a *borrower* to overdraw on a current account, or arising where the holder of a current account overdraws on the account without a pre-arranged overdraft or exceeds a pre-arranged overdraft limit, is not an optional additional product.
- (11) (a) If, under the terms and conditions of an optional additional product, there is to be an automatic renewal of the agreement on substantially the same terms, it suffices for the purposes of (1) to (3) if the *customer* actively elected before entering into the initial agreement or a preceding renewal to obtain the product.
- (b) An automatic renewal of the agreement is not to be regarded as being on substantially the same terms if, following the renewal, a charge will or may become payable for the optional additional product for the first time (in which case, (1) to (3) apply at the time of the renewal).
- (c) Except as set out in (b), changes in the level of charges for an optional additional product are to be disregarded in determining whether an automatic renewal of an agreement is on substantially the same terms.
- (12) A *customer* may make an active election for the purposes of this rule through an intermediary in the sales process or through a *person* acting on behalf of the *firm*.
- 2.2.7 G An example of an omission by a *customer* which is not to be regarded as an active election is the failure by the *customer* to change a default option such as a pre-ticked box on a website.
- 2.2.8 G *Firms* are reminded that a similar prohibition on opt-out selling of add-on products is imposed by The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 in relation to optional additional agreements where the main sale is not a financial service or product.
- 2.2.9 G *Firms* are reminded of the guidance on appointed representatives set out in *CONC 1.2.3G*.

...

After CONC TP 6 insert the following new section. The text is not underlined.

### TP 7 Other transitional provisions

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision		(5) Transitional provision: dates in force	(6) Handbook provisions: coming into force
1	CONC 2.2.6R(1) to (3)	R	A <i>firm</i> need not comply with CONC 2.2.6R(1) to (3) in relation to an automatic renewal of an agreement for an optional additional product which was entered into on or before 31 March 2016 provided:		From 1 April 2016	On 1 April 2016
			(1)	the automatic renewal of the agreement is on substantially the same terms. The phrase “on substantially the same terms” is to be interpreted in the same way as in CONC 2.2.6R(11)(b) and (c)		
			(2)	on the occasion of the first automatic renewal on or after 1 April 2016, the <i>firm</i> takes reasonable steps to ensure that the <i>customer</i> is informed:		
			(a)	that the renewal of the agreement is optional;		
			(b)	that the <i>customer</i> may elect not to renew the agreement; and		
			(c)	of the effect of		

				the non-renewal of the agreement, if any, on the service the provision of which constitutes the carrying on of a <i>credit-related regulated activity</i> ; and		
			(3)	the procedure to be used by <i>customers</i> for electing not to renew the agreement pays due regard to the interests of <i>customers</i> and treats them fairly.		