

# Financial Promotions Policy & Guidance



<b>Contents</b>	<b>Page</b>
<b>Communication with Customers</b>	<b>4</b>
Aims & Introduction	4
Responsibility to the Customer	4
<b>Considerations When Thinking About Your Target Market</b>	<b>5</b>
The Communication Channel Used	6
Tailoring Communications	6
Vulnerable Customers	7
<b>Marketing Materials – General Requirements</b>	<b>7</b>
What is a Financial Promotion	8
How & Why You Promote Your Services?	9
Types of Financial Promotions	10
Modes of Communication	11
<b>Getting Started – How to Construct a Compliant Financial Promotion</b>	<b>16</b>
Regulatory Disclosures	16
Risk Warnings	18
Fee Disclosure	19
Third Party Links	20
Exclusive Deals	20
Referring Services Outside the Network Permissions	20
Third Party Referrals	21
Prominence in a Financial Promotion	22
<b>Trading Styles</b>	<b>24</b>
<b>Introducers and Introducer Firms</b>	<b>26</b>
<b>Form &amp; Content – EXEMPTIONS</b>	<b>27</b>
Image Only Advertising	28
3 <sup>rd</sup> Party Content	31
How Do I Establish What is Factual or Persuasive?	31
Think Before You Use Facts – Is it Persuasive/Promotional?	34
<b>Form &amp; Content – QUALIFYING PROMOTIONS</b>	<b>35</b>
What is Clear?	35
What is Fair?	35
What is Misleading?	36
New Consumer Principle 12	37
Examples of unfair practice – in relation to high risk areas	38
Promotional Dos & Don'ts	39
<b>Testimonials</b>	<b>40</b>
<b>Case Studies</b>	<b>42</b>
<b>Press Releases</b>	<b>43</b>
<b>Mortgage Market and Proposition</b>	<b>43</b>
Rules of using lender or provider Logos	44
<b>MCOB Rules – FCA rules specific to Mortgage Promotions</b>	<b>45</b>
Restrictions on the use of mortgage terms	45
Restrictions on abbreviations	45
Maintaining a balanced view	45
Comparative Statements or Information	46
Mortgage Interest Rates	46

Representative Examples	47
Mortgage Calculators	48
<b>ICOB Rules – FCA rules specific to Insurance Promotions</b>	<b>50</b>
Risk Warnings	52
Short Term Income Protection	52
Cold Calling	53
<b>Business Stationery – Important Considerations</b>	<b>54</b>
<b>Incentives – Refer a friend / Prize Draws &amp; Competitions</b>	<b>55</b>
<b>Website &amp; Internet Marketing</b>	<b>58</b>
Summary for Websites & Website Content	58
What does the Vulnerability Guidance mean for my website	59
Linking to other sites	60
Landing Pages	60
Sub Domains	61
Overview of Good & Poor Practices	61
Online Directories	62
Lead Generation Sites / Matching Services	63
Online Banner Adverts	63
Pay Per Click Ads	63
Google Ads	64
<b>Check Again! – Consumer Duty – Testing, Adapting and Up Keep</b>	<b>65</b>
Testing – Customer Outcomes	65
Testing – Financial Promotions	67
Adapting	68
Up Keep	68
<b>Financial Promotions Approval Process</b>	<b>69</b>
Submitting the Promotion	70
Obtaining Approval	70
Websites	71
Record Keeping	71
Withdrawing Confirmation	71
<b>Glossary</b>	<b>72</b>

## Communications with Customers

### Aims & Introduction

This document confirms the policy and provides guidance on how the Network has interpreted the various FCA rules, principles and wider UK regulation when it comes to advertising and marketing to customers and potential customers, as well as outlining the standards the Network expects from its ARs when promoting and marketing their business.

This guidance provides a framework and explains how ARs can achieve compliance and best position themselves to deliver good customer outcomes via their communications.

For further policy and guidance on using social media please refer to the Networks, Social Media Policy & Guidance document.

**FINANCIAL PROMOTIONS MUST BE APPROVED BY THE NETWORK BEFORE USE**

### Responsibility to the Customer

Any type of advertising or marketing can have a profound effect on any purchase decision and on a relationship a customer has with an AR.

As part of the FCA's new regulation, Consumer Duty, which comes into effect from 31<sup>st</sup> July 2023 introduces a new Principle within the FCA's Principles for Business:

***Principle 12 - A firm must act to deliver good outcomes for retail customers.***

The new Principle is "outcome focused" and intended to go beyond Principle 6 (A firm must pay due regard to the interest of its customers and treat them fairly) and Principle 7 (A firm must pay due regard to the information needs of its clients and communicate information to them in a way which is clear, fair and not misleading).

The cross-cutting rules strengthen the standards of conduct the FCA expect under the Consumer Principle and expect ARs to focus on 3 behaviours:

**Act in good faith** towards retail consumers

**Avoid causing foreseeable harm** to consumers through action or inaction, either in direct relationships with customers or as a result of their position in the distribution chain

**Enable customers to pursue their financial objectives**

With any marketing or advertising communication, the Network requires clarity and fairness in the message being delivered. It should be balanced, clear, fairly positioned and not misleading. Giving transparency for a customer will:

	Promote good customer choices and aid the decision-making process, leading to good customer outcomes.
	Put the customer in a position where they are accurately informed of the key facts about a product or service they are proposing to buy or have already, and thus avoiding foreseeable harm.
	Build trust between the customer and AR as any information presented will be clear, fair and easy to understand.

Potential risks could arise with customers when marketing or advertising communications are not clear, not fair and misleading. This could result in:

	Foreseeable harm, if the customer is being misled, which in turn could lead to an unfair and poor customer outcome.
	The customer being confused where industry jargon is used, and not fully understanding a product or service they are proposing to buy or have already.
	The customer being unaware of the key facts when considering a product or service and therefore potentially being misled if appropriate risk warnings within the financial promotion are omitted, inaccurate or obscured.

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## Considerations When Thinking about your Target Market

Customers are likely to enter into long term, expensive and in some instances complex products through their interaction with ARs. There is a risk the products can be mis-understood. For some customers, the transactions will carry a material degree of risk.

When providing information to customers the AR firm should consider the following:

- think about the target market;
- including the average level of financial capability for the target market;
- the purpose and the risks;
- communicate information in a way that is fair, clear and not misleading;
- signpost the risks prominently;
- display the company name and contact information clearly; and
- highlight the scope, breadth, or availability of a product or service.

As promotions can be far ranging, it is important to consider how your promotion might be suitable for both your target market and wider audience.

## The communication channel used

**Consider the provision of different channels of communication (Desktop, Apps, and Print) and what it means in terms of the consumer support outcome. A firm must ensure that, regardless of the channel used for communication, the information provided enables customers to assess whether the options available to them meet their needs and objectives and evaluate any relevant risks.**

For example, consumers are less likely to read lengthy disclosure documents when looking at an ARs website on a smartphone. Consider how the relevant information, risk warnings or disclosures might be placed throughout and adapted on the platform, so that the customers can meaningfully engage, with the full information available to them before deciding to contact the firm.

Each communication should be considered individually and must comply with the relevant rules.

## Tailoring communications

One of the most important outcomes of the Consumer Principle is to monitor, test and tailor your promotions to help in their effectiveness to enable customers to pursue their financial objectives and goals.

When promoting a service or product, firms should consider the characteristics of the consumers within its target market and tailor communications to meet their information needs.

For example, the target market for a complicated product may have different information needs than the target market for a simple mass-market product.

When firms are developing communications that are not linked to a particular product or service, they should take into account what they know, or could reasonably expect to know about the financial capabilities and vulnerability of the intended recipients of the communications and tailor them to meet their information needs as appropriate.

Firms should consider if they can better segment or target communications to make them more relevant to the intended recipients, rather than adopting a 'one size fits all' approach.

**Note!** This does not mean that firms must tailor all mass communications to meet the needs of each individual customer. But, where appropriate, they should consider the information needs of different groups of customers and communicate relevant information in a way that supports understanding. This will help customers to make effective decisions and pursue their financial objectives.

### **Example – poor practice**

**A firm has sent a single and extremely long communication to all customers, covering a range of issues, with customers left to work out which bits of the communication are relevant to them.**

### **Example – good practice**

**A firm is developing a communication about a simple product designed for the mass retail market. It drafts the content, where possible, to support the understanding of customers with low literacy or low numeracy skills involving financial concepts. It signposts a clear way for customers with a hearing or visual impairment to request communications in a format that meets their needs.**

## **Vulnerable Customers**

Firms should take particular care when communicating with consumers in vulnerable circumstances, taking account of their needs.

Firms may wish to consider taking an inclusive design approach to their communications. Inclusive design is a methodology that involves understanding the range of customer needs and designing products and services to be accessible and benefit as many customers as possible. Fair by Design and the Money Advice Trust have produced a practical guide for firms on inclusive design.

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## **Marketing Materials – General Requirements**

Regulatory bodies such as the FCA, Advertising Standard's Authority (ASA) and Trading Standards may investigate promotions that do not meet these rules, with the powers to withdraw or ban promotions and regularly shape and update regulation. Their goal is to help raise the standards of promotions in a regulated environment.

Advertising and marketing must comply with the rules and guidance set by the FCA and other industry regulators.

In addition to the above, communications should be:

- legal;
- decent;
- honest;
- truthful (when published);
- issued in accordance with the guidance published by the Advertising

Standards Authority (ASA).

Content must also comply with wider legal requirements such as:

- not infringing the intellectual property rights of a third party; or
- 'passing off' with a view to leading a customer to believe goods and services are offered by the AR but actually belong to or are performed by a third party.

## What is a Financial Promotion?

A financial promotion is a communication that is an invitation or an inducement to engage in financial services activities.

Mortgage contracts and home finance are regulated by the Mortgage Conduct of Business (MCOB) rules while insurance contracts (pure protection and general insurance) are regulated by the Insurance Conduct of Business (ICOB) rules. The rules for regulated activities differ depending on the type of contract. As mortgages are classed as qualifying credit, there are more restrictions on the advertisement of products than for insurance contracts.

The definition of 'qualifying credit' is credit (including a cash loan and any other form of financial accommodation) provided in accordance with an agreement under which:

- (a) the lender is a person who enters into or administers regulated mortgage contracts; and
- (b) the obligation of the borrower to repay is secured (in whole or in part) on land.

This means that any marketing materials which mention secured credit, whether regulated or not, will fall under this definition.

The Network policy also applies the appropriate financial promotion rules to the advertising and marketing of:

- Buy-to-Let;
- Consumer Buy-to-let;
- Let-to-Buy;
- any other similar financial products that may be targeted at customers and potential customers by ARs (whether regulated or not).

Whilst most of the definitions would obviously apply to advertising, less obvious is the application to other forms of marketing which would include:

- Stationery
- Radio or Television adverts
- Email Marketing
- Website
- Social Media
- Promotional Telephone calls
- Incentives, Offers, Prize Draws or Competitions.
- Event marketing (boards, pull-up banners)

## How and Why You Promote Your Services?

Whilst this policy is here to help provide guidance around the compliance requirements of financial promotions, marketing techniques are often at the centre of your promotions as a whole.

The end goal of a successful promotion is to gain leads, so we've got a short list of the categories of content that might be useful to think about (not mutually exclusive, can be used in combination);

**Attraction Content** – Content that draws your audience to you. (Such as Ad Words, SEO, or blog content that is created to be re-shared to drive traffic back to your main website).

**Authority Content** – Content that helps position your brand by demonstrating your expertise and offering valuable info (such as regularly posting answers to FAQs about mortgages on social media).

**Affinity Content** – Content that helps you find your voice and differentiate from others. For example, using a more friendly or personable approach, or a unique selling point.

**Action Content** – Content that increases the odds of a reader taking action (such as a flyer giving reason as to why looking at rates early might help when a client is thinking about re-mortgaging, and then following up with a statement to say you offer that service).

Though the Financial Promotions team cannot provide advice on marketing techniques, create the promotions for you, or advise on any creative or advertising tips (other than ensuring disclosures are properly displayed), we know that ultimately you're content will filter down to three main types.

**Factual content**

**Persuasive and Promotional content**

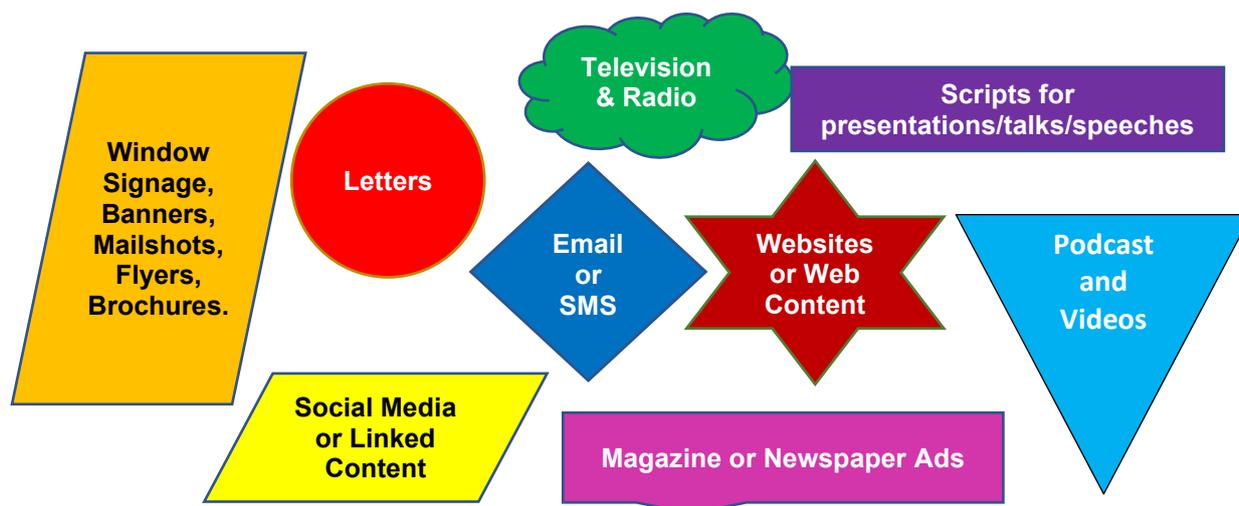
**Re-sharing or re-posting 3<sup>rd</sup> party content**

## Types of Financial Promotions

There are usually two categories.

- **Non-real time promotions**

These are promotions that usually, communicated to more than one person at once, creates a record that can be referred to and does not require an immediate response to it. Some examples may include:



The guidance in this policy applies mainly to non-real time financial promotions.

- **Real-time promotions**

Real-time, a financial promotion made in the course of a personal visit, telephone conversation or other interactive dialogue.

As real time financial promotions can be difficult to approve in advance, to ensure you are working in line with the Consumer Principle, the Network would recommend that any statements made in 'real time' that constitute an advertisement, should:

- Be clear, fair and not misleading;
- Be true and accurate in all materials respects; and
- only make claims that are capable of being substantiated.

In making contact with customers with a view to engaging in more detailed interactive dialogue ARs should take care to ensure that:

- customers are clear who the AR is and the purpose of the contact;
- the customer is happy to engage with the AR, or if not, whether an alternative time should be arranged;
- contact is not made at an **UNSUITABLE HOUR\*** or by means that may be considered as persistent or obtrusive; and
- contact is **not made** with customers who have not provided a **valid consent**, or who may have registered with organizations such as the Telephone Preference Service, or Email Preference Service, without prior consent.

### **UNSUITABLE HOUR\***

This is usually on a Sunday, or before 9am or after 9pm on any other day. It could also mean other days of the week depending on the customers wishes, for example, religious, faith or night shift-working.

Equally, you should consider whether anyone you are marketing to is on holiday and you are aware. There might be different time zones, and they may be charged by their provider for accessing messages abroad.

## **Modes of communication**

There are wider legal implications when contacting customers electronically or over the phone.

The regulatory body responsible for abandoned calls and silent calls is Ofcom. The regulatory body responsible for direct marketing calls is the ICO. ARs are expected to abide by all guidance issued by these regulatory bodies.

The Privacy and Electronic Communications Regulations (PECR) sit alongside the Data Protection Act and the UK GDPR. They give people specific privacy rights in relation to electronic communications.

There are specific rules on:

- marketing calls, emails, texts and faxes;
- cookies (and similar technologies);
- keeping communications services secure; and
- customer privacy as regards traffic and location data, itemised billing, line identification, and directory listings.

## Solicited and Unsolicited Communications

There are two main methods of communication, one being **solicited** and **unsolicited**.

### EXAMPLE 1

A customer submits an online form requesting a mortgage review. Contacting the customer in relation to the review is solicited, but any further contact from the company would be unsolicited.

This is true even if the customer has 'opted in' to receiving marketing from that organisation. For example, when he requested the review, the customer also ticked a box opting in to receiving information about market updates from the firm. A few months later, the company sends an email with a market update. **This is unsolicited marketing, so PECR rules apply (see below).**

<b>Solicited Marketing Messages:</b>	<b>Unsolicited Marketing Messages:</b>
PECR rules do not apply.	PECR rules apply.
A message that is actively requested.	This is a message that has not been specifically requested.
You should still confirm who you are, Display telephone number when making calls; and Provide a contact address.	It is still unsolicited if the customer has 'opted in' to receiving marketing. This is lawful (as long as PECR rules met) and is called 'soft opt-in'.
	<p>You will require a person's consent to send them a marketing message.</p> <ul style="list-style-type: none"> <li>• Consent must be knowingly and freely given, clear and specific</li> <li>• Consent must include the type of communication you want to use (eg call, email, fax etc).</li> <li>• Consent must involve a clear positive action for example ticking a box.</li> </ul>

	<p><b>Direct Marketing</b> - You must check if customers want to be contacted by either email, call etc, and give them a chance to object.</p> <p>When you collect customer details, you must get their permission if you want to send them other offers or promotions.</p> <p>You must also ask for their permission if you want to share their information with another organisation.</p>
	<p><b>Letting customers opt out</b></p> <p>Customers have the right to stop their information being used for direct marketing. Emails and SMS must make it easy to opt out - for example by sending a 'STOP' text to a short number, or using an 'unsubscribe' link.</p>
	<p><b>Direct mail</b></p> <p>Check that your mailing lists don't include anyone who's asked not to receive direct mailing, using the <b>Mail Preference Service</b>.</p>
	<p><b>Email marketing and text messages</b></p> <p>You're only allowed to send marketing emails to individual customers if they've given you permission.</p> <p>Emails or text messages must clearly indicate:</p> <ul style="list-style-type: none"> <li>•who you are</li> <li>•that you're selling something</li> <li>•what the promotions are, and any conditions</li> </ul> <p>(This does not apply to bought-in lists).</p>

Keep records of consent obtained, in particular; record the date, method, who obtained consent and what information was provided to the person

There must be a clear 'unsubscribe' or 'opt-out' exit strategy in every initial and subsequent marketing email, SMS, call or letter.

**REMINDER** - Your email footer **must** always have your regulatory disclosures included in the footer.

If we look back at **EXAMPLE 1**,

A good way to provide those preference options at the start could be through the privacy disclaimer on your website's contact form.

A form of good practice would include the following,

**By ticking yes, you are agreeing to being contacted to discuss your enquiry using your personal information provided. Please visit our Privacy Policy for full details. (Mandatory)**

By leaving the following tick boxes blank, you are opting out from receiving future (*market updates, information on our products and services, future promotions related to our products and services*). If you wish to opt in, please tick from the following preferences; **(Optional)**

By email

By SMS

By Post

By Telephone

This example is clear on how personal data will be used, boxes are not pre-ticked, and consent is 'granular' and kept separate from the other conditions.

Consent cannot be carried over for anything other than what the original consent was. And data cannot be transferred to third parties without expressed consent by the customer.

#### Existing customers – Soft-opt in\*

\***The term soft-opt** in applies to existing customers. AR Firms can send marketing texts or emails to existing customers as long as they have obtained contact details in the course of a sale, product or service. If the customer did not opt out of marketing messages it is assumed they are happy to receive marketing from the AR about similar products or services, even if they have not specifically consented.

The same rules apply as in the chart above about checking consent, preferences and providing opt-out features on every text or email (initially and thereafter).

#### Cold Calling

'Cold-calling', otherwise known as unsolicited real-time promotions, are banned by the FCA in relation to mortgage promotions.

You may call established existing customers with a view to making an unsolicited real time financial promotion provided you have previously agreed with the customer that you may call for this purpose and the customer therefore expects to receive such calls.

To be solicited, the customer has expressly consented to being contacted or visited in person regarding their mortgage arrangements.

Similar to emails, there is a central register of individuals who have opted out of receiving live marketing calls, this is the **Telephone Preference Service (TPS)**. The AR must not make marketing calls to any number listed on the TPS or Corporate TPS (CTPS), unless the customer has specifically consented to your calls.

### Cost to call

Telephone numbers for business purposes that begin with 0843, 0844, 0845, 087 and 09 – usually charge, if this is the case, then the charge needs to be clear –

**'Calls will cost x pence, plus your phone company's access charge'**

**Consider how the call and electronic marketing rules apply if obtaining or passing leads from and to third parties.**

### Using Personal Messaging

There will be occasions where ARs via social media receive messages from customers or potential customers asking for advice, e.g. "I saw your profile. I need advice on my mortgage." In these cases the AR should either:

- A) Respond to the message via the provider's 'personal message' system - so the message is available to the recipient only. Careful that any replies do not constitute as advice, as you may trigger the requirement for a disclosure statement to be provided first.
- B) Reply stating only your preferred method of contact (e.g. Telephone or Email).

### Cookies

In the use of cookies or similar technology on the AR's website – The AR must inform website users that cookies are used, clearly explain what the cookies do and why and obtain the persons consent to store a cookie on their device include a mechanism to gain user consent to the use of cookies. The consent must be actively and clearly given.

### Volume & Frequency

The biggest complaint about emails and SMS marketing is the volume of communications being sent. Care must be taken to ensure the marketing is relevant and not excessive so consider the content and how often you send it carefully.

However note that as part of the Consumer Principle – firms should consider the **effect of communicating too frequently**, and possibly diminishing the impact of important communications on which action is required. **Firms should use the findings from their testing and monitoring of communications to inform their approach.**

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## Getting Started – How to Construct a Compliant Financial Promotion

**NOTE – All promotions must contain the AR firm’s name and contact information.**

It also **must be identifiable** as a financial promotion.

This also applies to exempt promotions.

If the promotion is **‘qualifying’** – meaning it is **not exempt**. Then in addition to the above, there also need to be the following **regulatory disclosures**, relevant **risk warnings** and **fee disclosure**.

### **Regulatory Disclosures**

If your financial promotion is going to be used on a medium that does not establish your full regulatory disclosures (e.g. standalone flyer), then it will require the inclusion of your **regulatory disclosures**. **(This does not include your Website or Social Media profiles which should already include this information – See WEBSITE guidance further down, or visit the Networks Social Media Policy & Guidance).**

These are formed in **three parts**.

- **AR Status Disclosure**

It is an FCA requirement for a customer to be able to discern a firm in relation to its regulation and compliance function. This would be through the inclusion of the firms AR status disclosure.

Below are the different types of examples depending on how you are registered –

**LIMITED / LTD – AR company name Ltd/Limited** are an Appointed Representative of HL Partnership Limited which is authorised and regulated by the Financial Conduct Authority.

**PARTNERSHIP (STANDARD) – Your Name and Associates** are an Appointed Representative of HL Partnership Limited which is authorised and regulated by the Financial Conduct Authority.

**PARTNERSHIP (LLP) –Name LLP** are an Appointed Representative of HL Partnership Limited which is authorised and regulated by the Financial Conduct Authority.

**SOLE TRADER – Your name** is an Appointed Representative of HL Partnership Limited which is authorised and regulated by the Financial Conduct Authority.

**If you have a trading style, refer to the Trading Styles section in the guide for how this might affect your status disclosure.**

- **Limited Company Wording**

If you are a limited company, then it also must include the firms registered name, address and companies house number. If you are a sole trader or partnership (standard or LLP) this will not be required.

**LIMITED COMPANY WORDING – AR company name Ltd / Limited** are registered in **England and Wales / or Scotland** with company number **AR company registration number**.  
Registered Office: **your registered office address**.

It is best practice to space these regulatory disclosures on separate lines to avoid bunching them up, and keep them a similar font size as to the main text for prominence. **They must be easily accessible on any and all mediums.**

- **Jurisdictional Statement**

The guidance and/or information contained within this ... is subject to the UK regulatory regime and is therefore targeted at consumers based in the UK.

### When will I need the risk warnings and fee disclosure?

The risk warnings and fee disclosures are required on all financial promotions, these **need to be signposted more prominently** than regulatory disclosures. They should be in the **main body of the text, bold or underlined and outlined in its own box.**

## Risk Warnings

ARs are required to include the following **relevant** risk warnings (or a combination) into financial promotions that relate to regulated mortgage contracts, buy to let, consumer buy to let and let to buy transactions.

Mortgage	Your home may be repossessed if you do not keep up repayments on your mortgage.
Consolidating Unsecured Debts	Think carefully before securing any other debts against your home. Your home may be repossessed if you do not keep up repayments on a mortgage.
Equity Release	Equity release includes Lifetime Mortgages and Home Reversion Schemes. We can advise and arrange Lifetime Mortgages and will refer to an approved specialist for Home Reversion schemes.
Lifetime Mortgage	This is a Lifetime Mortgage. These are only applicable to those 55 and over, and it could affect eligibility to state means-tested benefits and the inheritance you may leave. To understand the features and risks, ask for a personalised illustration.
Using an APRC	Your mortgage is secured on your property. Your property may be repossessed if you do not keep up repayments on your mortgage.
Referring to Tax	Tax treatment depends on the individual circumstances of each client, and may be subject to change in the future.

You may only use one, or a combination of the above depending on the context of your item.

You may also find that you need a risk warning when referring to the following areas which are non-regulated.

Wills / Estate Planning	The Financial Conduct Authority does not regulate Will Writing & Estate Planning.
Trusts	The Financial Conduct Authority does not regulate some forms of Trusts.

Commercial	The Financial Conduct Authority does not regulate Commercial lending or finance.
Unsecured Loan	The Financial Conduct Authority does not regulate unsecured loans.
Buy to Let	The Financial Conduct Authority does not regulate some forms of Buy to Lets.  Your property may be repossessed if you do not keep up repayments on your mortgage.
Overseas Mortgages	The Financial Conduct Authority does not regulate overseas mortgages.  Changes in the exchange rate may increase the sterling equivalent of your debt.

### Using risk warnings effectively – Consumer Principle

This may be difficult when information is being communicated using certain media with space limits. In this case, firms should consider using a layered approach, prioritising certain information and supplying additional information later or through other means (for example a website link). **If this approach is followed, firms must still comply with the relevant rules and must ensure all relevant information is provided in an appropriate way before a customer makes a decision.**

## Fee Disclosure

Any financial promotions that promote mortgage products and / or services must disclose any advice-related fees that could be charged to a customer if they choose to engage. Though you might not always need your fee disclosure, if you are unsure, then the best practice would be to include one or ask the financial promotions team.

AR firm charges fees for mortgage advice	<b>There may be a fee for mortgage advice. The precise amount will depend on your circumstances, but will be agreed with you before proceeding.</b>
AR firm does not charge fees for mortgage advice	<b>This firm does not charge a fee for mortgage advice.</b>

As customers are actively seeking to engage in mortgage intermediary activity, ARs must disclose the fees and nature of the service that will be provided. This service disclosure (e.g. IDD) should be given as soon as possible, so that the customer knows what to expect, before commencing any aspect of the mortgage advice process.

Only a very basic interaction with a customer, for example to arrange an appointment, can take place before service disclosure is provided to the customer.

The AR must provide the customer with a hard copy of this document (provided by print, by email or by electronic link which the customer must access), before providing mortgage advice services.

Risk warnings & fee disclosures should be clearly distinguished, and not omitted or obscured. Some examples of **poor practice** include; **Putting them in #hashtags, click-throughs or comments, or a picture that can be switched off or disabled, and pop-ups.**

### Third Party Links

If you are including any third party links on your website, then you will need to ensure the relevant third party warning is signposted to that link, so the customer or potential customers are aware of the AR firm and Network's responsibility of information on third party sites.

Please be aware that by clicking on to the above links you are leaving **XXXX** website. Please note that **XXXX** nor HL Partnership Limited are responsible for the accuracy of the information contained within the linked site(s) accessible from this page.

**Links to other sites should either open in a new window or completely replace the current window.**

### Exclusive Deals

If there are references made to exclusive deals, such as "We have privileged access to mortgage deals right across the market, some of which you won't find on the High Street or even online." Evidence should be retained on file in support of this statement if it is to remain in the promotion.

### Referring Services Outside the Networks Permissions

**✘** The following services are not within the Network's scope, financial promotions must not suggest that these services are available under the AR firm.

- Will writing
- Pension advice
- Estate planning
- Property management
- Investment\*
- Claims management services
- Taxation advice and planning
- Independent financial advice

\*Not including Buy to Let mortgages.

✓ The following services are within the Network’s scope, but AR firms must hold permissions for these licenses (and practice any relevant CPD or training to maintain). And so, if any reference to these services is made to suggest that this advice is provided by the AR firm, permissions will be checked during reviews for the following;

- **Mortgage**
- **Lifetime Mortgage**
- **Retirement Interest Only**
- **Bridging Loans**

- **Protection**
- **General Insurance (e.g. ASU, B&C)**
- **Ancillary Services (e.g. Landlords Insurance)**
- **Private Medical Insurance**

### Third Party Referrals

If you wish to talk about the services that are not within our scope, or of the services that you do not hold permissions for, then you may do so as long as it does not constitute advice. Some tips to avoid this include keeping information general (describing what it is) and does not go into too much detail or length of that particular service or subsequent products.

You must also include the following caveat, **and signposted near the text for relevancy.**

Do not offer advice and cannot refer:	We do not provide advice in... (or We do not offer...services for)...but would recommend you seek advice from a specialist.
Do not offer advice but can directly refer:	We do not provide advice in... (or We do not offer...services for)... but can refer you to a third party who can.

### Important Note: Are you passing on client data?

It is important that if you transfer any customer data during a referral to a third party, for example by obtaining the customer or potential customers personal data (Personal data is information that relates to an identified or identifiable individual), and passing this on, then you need to be clear **how that data**, will be **kept and used by both the AR firm and the third party.**

**There is no transcribed wording, as this will depend on how you are set up to refer leads, however the main rule of thumb is to clarify the firm do not offer this advice, and then give some scope on what the steps of referral will be.**

### EXAMPLE

Burt Burrows writes a web-blog about lifetime mortgages, and later mentions that readers should consider writing a will, as a way to help get their wishes in order for their children or inheritors. As this could potentially constitute as advice, Burt will need to make it clear he does not provide advice in this area – and signposts it next to where he talks about wills so it's relevant to the reader. Burt has someone he can refer them to, and so uses the caveat;

*\*We do not offer services for Will writing. However, if you are happy to, we can pass on your name and telephone number to a third party who can. They will only use your information for the initial contact, and we will remove your name and number from our records after the referral, unless you wish to keep in touch.*

Burt knows that the third party will only use the personal data for this reason as he has done his due diligence on them and is aware of their privacy policies.

If the third party then sell that customers information on to another company, they are in breach of their privacy policy. And as a result, Burt may be investigated in regards to his role in the referral.

**So it is very important you keep evidence of how you have done your due diligence and know how data is stored and used by those you refer to.**

Firms should make sure that this use of customers' personal data is also covered in their Data Protection policy/data privacy statement that is issued to customers at the beginning of any relationship.

## PROMINENCE IN A FINANCIAL PROMOTION

One of the main issues we face that stop us signing off promotions as quickly as we would like to, is the lack of prominence for the above disclosures, warnings, key product information and any other important terms and conditions.

The FCA state that these must be made **prominent** on every promotion.

Prominence is defined as the 'state of being easily seen' and likely to attract attention usually by virtue of its size or position.

It is also a key factor in being clear, fair and not misleading.

Failure to do so has resulted in potentially harming customers and their interpretation of how certain services and products might affect them and their decision to proceed with advice (FCA findings).

Prominence can be subjective, and so to decide whether a promotion meets the rules on prominence – **consider your target audience, nature of the product** or business and likely **information needs of the average recipient**.

Due to the many mediums on which promotions can be available today, prominence can be diminished with platforms such as on television, radio and social media advertising.

Top Tip – if you are struggling to fit all of the wording into a limited space of text (for example, in a location that by its nature has a character limit (such as Tweets), picture advertising can help you fit a lot more wording in and allow for room for all the disclosures. They need to read prominently (not bunched up) as ‘small print’ is not appropriate.

### Good examples

- ✓ Risk warnings remain fixed on screen even if customer scrolls up and down respective web-pages.
- ✓ Risk warnings contained within their own distinct border and thus drawing the reader’s attention to them.
- ✓ Risk warnings, fee disclosures and important conditions are clearly stated within the main body of the advertisement and ahead of the ‘regulatory disclosures’.
- ✓ Both benefits and risks clearly are explained with equal weight.

### Bad examples

- ✗ Relevant information is not the same font size or font type as main text.
- ✗ Colours used impair visibility of the text.
- ✗ Risk information does not appear on website landing page when a customer first arrives after following a promotional link.
- ✗ Important information, statements or warnings are shown but are unclear and/or obscured.
- ✗ Risk warnings are only visible when the customer scrolls down the web-page.
- ✗ Firms have not taken into account the different-sized browsers of consumers when positioning risk information (i.e. it is necessary to scroll down to access the information).

Consider how your eye runs over the promotion – is it providing all the key information in a clear way, or do you need to be looking for it to find it?

### Are you serving up a 'risk sandwich'?

Usually unhelpful, the 'risk sandwich' comprises a section on benefits, followed by a section on risk warnings, followed by another section on benefits. How much detail you go into depends on the advert - from a website, where you have almost limitless space, to a 'teaser'-type ad. But remember that all promotions must be balanced and therefore stand-alone compliant at each stage.

### Avoid 'small print'

It is important that any adverts avoid the use of small print where possible. Whilst it can seem like a useful way of ensuring all the necessary information is included, it can be counter-productive.

Small print can be off-putting to the reader and detracts from the prominence of each of the statements, this can be done by using a small font size or grouping the statements together in bulk.

### Good things to do;

- ✓ Provide the risk warnings, terms and conditions and fee disclosure **outlined** in **bold**.
- ✓ Put them in the main body of text or where it is next to the text – for relevancy.
- ✓ Avoid using a font size 2+ sizes less than the main text.
- ✓ Spread wording out on separate lines – easier on the eye.

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## Trading Styles

A trading name or trading style is any title used by the business which differs from the registered, legal name of the business. It is possible for different businesses to use the same trading styles so it is important that customers are clear about who they are dealing with and can trace the trading name to the correct company.

An AR will always have a **registered name** (if they are a limited company or a LLP), or they will be known by the name of their partners (if partnership) or the name of the registered individual (sole trader).

A **trading style** is the name that the business is known by or identifies as.

If you wish use or change a trading style, you must run this by your RCM.

**Some top tips:**

- Check the FCA’s Sensitive Business Name register for names to avoid.
- Check the Trademarks register to make sure you are not infringing any copyright laws.
- Consider whether the name meets your business plans and branding.
- If there is a company with the same name consider how to differentiate.
- Be wary the name does not mislead (e.g. green washing).
- Don’t chop and change often – this can often cause confusion.

### Ltd / Limited company

If you are a Limited Company and wish to drop the ‘Limited or Ltd’ from the registered name, then you must set up the name without the ‘Limited or Ltd’ as a trading style. For guidance, please refer to your RCM.

The FCA have recently voiced concern around **multiple trading styles** – as this contravenes the clear, fair and not-misleading rules, due to the lack of transparency and consistency along the customer journey.

If you are thinking about another trading style as another lead generation route – this could potentially be set up as an **introducer trading style**. But before you do this, you will need to first seek guidance from your RCM.

Or, could a strap-line or slogan under your company logo – effectively do the same thing?

The main things to consider are – what is the purpose of my trading style?

### Slogans / Strap-lines / By-lines

Slogans, strap-lines and by-lines are all the names to describe the additional text added below your company logo and used to provide an insight to what the business offers (**factual only**).

It cannot be constituted as a financial promotion in its own right.



‘Offering mortgage and protection advice’ – would be suitable, as it is a **brief, factual statement**.



'Your **local award-winning** brokers' – would not be compliant, as it could be constituted as an inducement or a 'call to action'.

'For trusted **advice that's right for you**' - would not be compliant.

#### UP-KEEP

It's important that you ensure that you are keeping your names up to date. If there is a change, please ensure the old name(s) are removed from your Data Protection Licence, by contacting the ICO, as well as contacting the Membership team to request them to remove these off the FCA register and our own internal databases.

#### How might this affect my AR status disclosure?

Here are some examples of how your AR Status Disclosure would change if you had a trading style.

**LIMITED / LTD** – ABC Mortgages Limited/Ltd, **trading as ABC Mortgages**, are...

**PARTNERSHIP (STANDARD)** – Burt Burrows and Associates, **trading as ABC Mortgages**, are...

**PARTNERSHIP (LLP)** – Burt Burrows LLP, **trading as ABC Mortgages**, are...

**SOLE TRADER** - Bert Burrows, **trading as ABC Mortgages**, is...

### Introducers and Introducer Firms

The Network is directly regulated by the Financial Conduct Authority and is subject to its regulations. These regulations cover the way in which staff employed by Introducers and Introducer Firms introduce mortgage and insurance leads to qualified individuals. Accepting leads from a 3<sup>rd</sup> party introducer carries a certain amount of risk if not done properly which is why HLP require all such relationships to be disclosed and the 3<sup>rd</sup> party to register with us as a Registered Introducer.

For this reason AR firms are **limited to** providing introductions to the designated qualified individual(s), who are authorised by the Network

ARs are permitted to provide content to third parties or business contacts with a view of generating referrals of business to the AR as long as this is done **indirectly**. Any such content, and the marketing materials in which they appear, must be approved by the Network prior to being used.

### EXAMPLE

As an example of an **indirect lead**, a third party can make a **passive promotion** by displaying the AR firm's own leaflets, which have been approved by the Network, but would be **contravening the law** if it **actively promotes the AR firm in a non-real time promotion**.

An example of a **direct lead**, would be if the AR firm or services are advertised on the third party's social media and website, for the purpose of directing users to the AR firm. This would contravene the rules if they are **not set up as a registered introducer**.

✓ If a registered introducer wishes to create an advertisement on behalf of the AR and / or to advertise the ARs services on their platforms or mediums, then the **AR is still responsible for the content in the promotion**. Meaning that registered introducers cannot create any content for ARs –without the ARs input, involvement or consent. This content also needs to be **approved by the Network** before use.

✗ Those who are not registered via the appropriate channels are not permitted to create any advertisement or promote the AR and its services directly, for as long as the AR is a part of the Network.

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## Form and Content – EXEMPTIONS

A financial promotion that is 'exempt' is one that does not require approval by the Network before use.

These promotions also **do not require the inclusion of the regulatory disclosures, risk warnings or fee disclosure (which would normally be needed for qualifying financial promotions)**.

This is referred to as following the 'exemption' rule, meaning that a promotion can be compliant if it simply includes one or multiple of the following;

1. **Name of the firm or its trading style**
2. **Company logo**
3. **Contact point(s) such as address, email, and telephone.**
4. **A brief, factual description of the ARs occupation.**

A form of compliant promotion that meets the exemption rule could be Image Only Advertising (as referenced to in the Networks Social Media Policy & Guidance).

## Image Only Advertising

Image only advertising is **advertising of images that meet the ‘exemption’ rule** as stated above.

The exemption rule applies to mortgage promotions **only** (MCOB).

There is no exemption rule for insurance promotions (ICOB) – so please note if you have a promotion referring to only insurance services in detail, that it might trigger the requirement for regulatory disclosures and risk warnings.

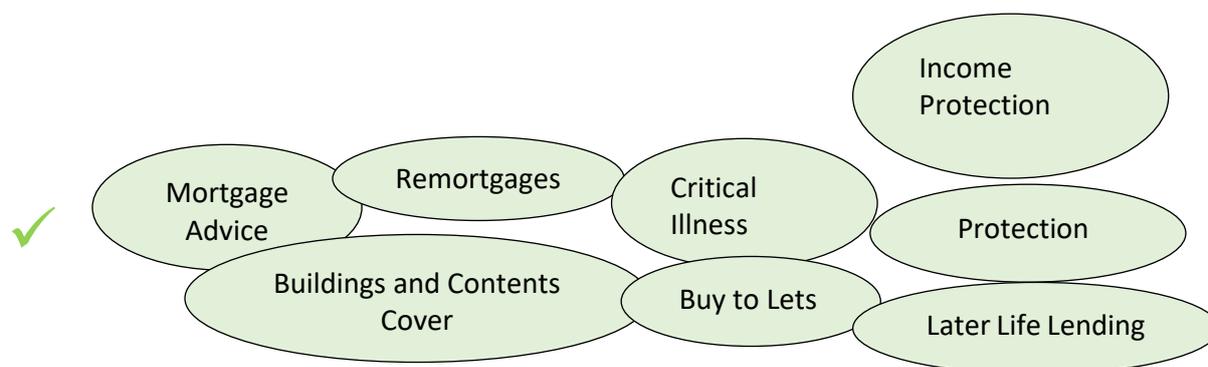
Essentially an image only advert can be used freely at any time without the requirement of further regulatory disclosures, risk warnings or fee disclosures. It is in itself classed as ‘exempt’ meaning it will not require approval by the Network. However please note that **use of exempt promotions is limited to the four bullet points above.**

### Brief, Factual Description

Whilst the first three bullet points are self-explanatory, the fourth one might need some more clarification when it comes to what this means for you and your promotions.

A brief factual description (e.g. statement or bullet points) is one that is used to describe a fact only, and is done so in a way that is short and does not give very much other detail. This does not include opinions, commentary or testimonials.

Our view on a brief, factual description when it comes to how you advertise your services, is one that refers to the following categories of product or service.



We understand that on your business stationery or even on adverts, you may wish to include bullet points to provide a snapshot of what you provide. Your promotion or stationery can remain exempt if it includes only a **brief and factual description (e.g. statement(s) or bullet points)**. Emphasis must be placed on it being a short list (e.g. it keeps to a couple of words only).

**EXAMPLE – Non-exempt** list of bullet points, and reasons.

- **Mortgages for you – The ‘for you’ being a ‘call to action’.**

**EXAMPLE – Non-exempt** statement, and reason.

**‘Lifetime Mortgage for over 55s’ – Specific type of client and high risk, requires warnings.**

**Note: Stationery, though it is classed as exempt, will always need to be approved before used/changes made, as it is a regulatory document(s).**

You may feel limited by how much you can say when it comes to using ‘brief, factual statements’, so in practicality, you might find they are more useful when using these for brand awareness such as ‘teaser type ads’ that generate interest, that have a link on them taking the user to your website where more information is available and hopefully a lead is created this way.

### What else might be exempt?

#### Sign-posting to the Promotion

As we mentioned briefly above with linking to your website; what is ‘sign-posting to a promotion’?

In short, if you are promoting a link (the link that takes a customer to an advertisement or promotion), then the act of solely promoting that link is not a financial promotion in itself. But again, you would be very limited in what you include when you sign-post like this.

For example,

To see our latest Refer a Friend scheme, **CLICK HERE.**

Click here to see our Trust Pilot reviews **LINK TO REVIEWS.**

Click here to see our available services **LINK TO WEBSITE.**

These are compliant examples, as they are ‘**factually**’ sign-posting to the promotion. **They are not describing** the promotion, services or reviews in a way, and **are not referring to how they might help the customer**. There is **no use of any persuasive language** to engage or induce a customer to a particular service, review or scheme. It is only **telling the user to click on the link** to where the financial promotion will be.

**EXAMPLES** of **non-compliant** sign-posting may include;

‘Click here to see our **great reviews from our amazing clients LINK TO REVIEWS**’ – it is describing the reviews and clients, acting as a ‘pull-in’ to service.

‘Click here to **take advantage** of our latest promotion **offering a £25 Amazon voucher LINK TO PROMOTION**’ – persuasive language, describing the incentive acting as ‘pull-in’ to get involved.

## Factual Statements

A factual statement, if used in isolation, can be classed as exempt. Something that is factual is concerned with facts or contains facts, rather than giving theories or personal interpretations. A fact is a statement that can be proven to be true by the use of evidence.

Most facts will come from a source, and so must be **evidenced** either by a link or citation.

A good practice example would be to either include an **accessible link**, or to provide the **name of the author, publication and date accessed**.

Using a factual statement for the purpose of generating leads **does not keep** it exempt.

### EXAMPLE

You create a flyer with your name, logo, contact information and brief factual description of occupation (e.g. Mortgage and Insurance Advice). You then put in quotes, Bank of England rate rises to 4%\* - \*BBC, Rate to 4%, Accessed 01/01/23”. This shifts the purpose from simply informing of a change into wanting a customer to engage - because of how it is used.

This is then not exempt from requiring approval by the Network.

So, when might you be able to use a factual statement without it triggering the requirement for approval?

If we go back to the ‘how and why’ you promote your services, you might decide that you want to keep your customers ‘in the know’ with regular market updates, or even business updates, such as office relocations or advertising vacancies.

**Whilst it’s fine to do this indirectly such as posting these ‘facts’ on your social media profile or posting news on a ‘News’ section in your website, use of direct marketing such as letter, email or SMS aimed at specific or multiple individuals – takes it out of being exempt. Though your statement might be the same – e.g. ‘Bank of England rate rises to 4%’ – directing it to a particular audience turns it into a promotion.**

### 3<sup>rd</sup> party content

In a similar vein to factual content, these statements link or provide more information about content from 3<sup>rd</sup> party sources (not originally written by you). This information may be used to encourage further debate.

The same rules apply as above with factual content, however more notably, this type of content **must to be re-shared or re-posted only** usually through built-in share features on websites **and is subject to the rules on using copyrighted material**, as well as **providing a link to the original source**.

**Keep in mind! If you share factual or 3<sup>rd</sup> party content on your website, such as in a blog or news page, then any links (that take users off of your website) must include the third party clicks links warning (see Risk Warnings section).**

### How do I establish what is factual or persuasive?

The key factor in determining whether a financial promotion is regulated is whether it is likely to cause a customer to make an inquiry with an AR - ‘a call to action’. If it is possible that a promotion would result in customers making enquiries with ARs, this would mean that the content is highly persuasive or promotional and would therefore be a regulated financial promotion.

This guidance focuses on financial promotions related to mortgages, as these are the products that have the most detailed rules.

Purely factual statements such as the below are unlikely to trigger Financial Promotions rules.

- Bank of England holds interest rates at 4.0% (**link to source**)
- Halifax economist predicates rate rise (**link to source**)
- Mortgages at an all-time low – see what the Governor of the Bank of England has to say (**link to source**)
- Atmosphere is electric here at the Mortgage Expo!

## Compliant Social Media Post

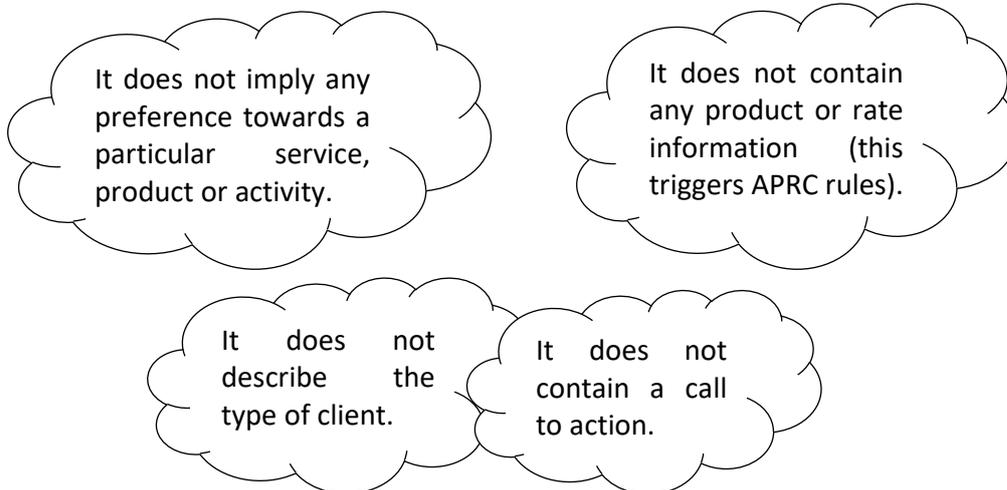


## Non-Compliant Social Media



*The post on the right is a financial promotion and would not be allowed on social media unless it is accompanied by relevant risk warnings and fee statement. The adviser Bert Burrows has added an opinion and therefore falls outside of a Factual or Image Only promotion.*

Some other top-tips on what constitutes as **factual statements**;



As with anything that is classed as **exempt** use of these statements on their own are limited.

Consider the appropriateness of using factual statements on certain platforms, such as those with limited characters – consider your purpose of posting this information on your social media or your website.

How does this feed-back to the 'How and Why You Promote Your Services?'

## EXEMPT FACTUAL STATEMENTS

- ✓ Bank of England hold base rates for 26<sup>th</sup> month in a row (**Link to Source**).
- ✓ We're moving our main office to... sunny and hip Leicester City Centre!
- ✓ FCA changes rules again for interest only mortgages – **Cited source**.
- ✓ Mortgages at an all-time high, see what the Governor of the Bank of England has to say – **Cited source**.

## NON-EXEMPT FACTUAL STATEMENTS

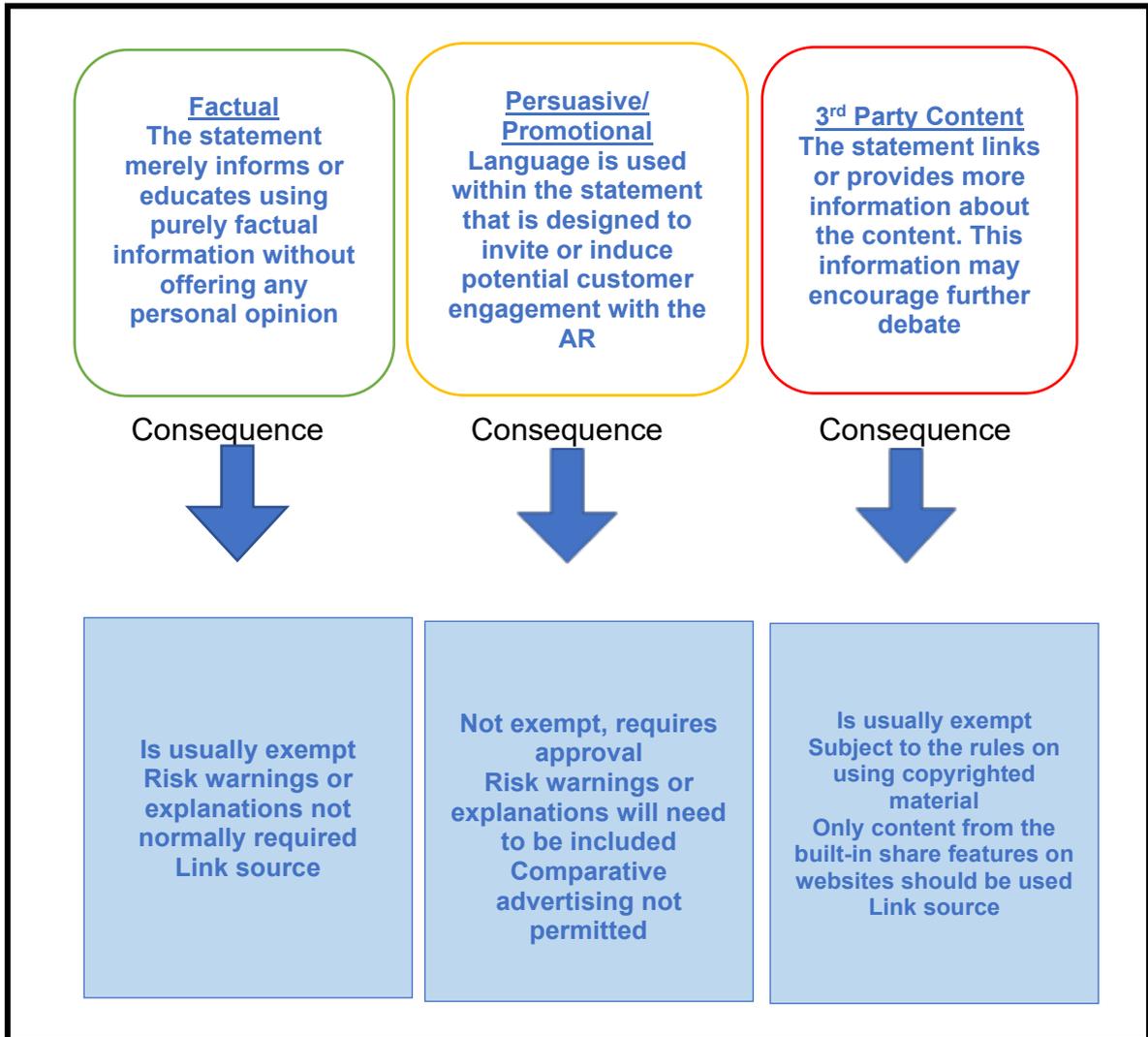
✗ Bank of England hold base rate for 26<sup>th</sup> month in a row – what does this mean for you? (**Link to source**)

✗ We're moving our main office to...sunny and hip Leicester City Centre! Find out about how we can help you to find the most suitable mortgage today! – **Link to ARs website**.

✗ FCA changes rules again for interest only mortgages – typical! When will they stop making things so difficult for everyone? – **Cited source**.

✗ Mortgages at an all-time high, see what the Governor of the Bank of England has to say – **Cited source**. – How might this affect your current mortgage payments?

**Non-exempt features include questions directed at audiences in relation to a feature that is part of the service offered by an AR which could be seen as a 'call to action', opinions, and inducements to engage in services, and will trigger the requirement for approval before use.**



### Think before you use Facts – Is it Persuasive/Promotional?

The key question is whether your fact is likely to prompt the customer to take some kind of action and engage with the AR.

The Networks policy on the use of the following or similar words or phrases could reasonably expect to encourage engagement with a customer to make contact with the AR firm, and therefore any post is highly likely to be classed as a regulated Financial Promotion.



For more guidance on how this affects your social media marketing, please refer to Networks guide on Social Media Policies & Guidance.

## Form and Content – QUALIFYING PROMOTIONS

Whilst Principle 12 imposes a higher and broader standard of conduct, it is there to **supplement** Principles 6 and 7 (clear, fair and not misleading), with a greater focus on ‘delivering good customer outcomes’.

It focuses on three overarching ‘cross-cutting’ requirements that firms should follow to deliver good outcomes.

- **Acting in good faith**
- **Avoid causing foreseeable harm**
- **Enable customers to pursue their financial objectives**

So how do these cross-cutting rules feed into Principle 6 and 7 - ‘clear, fair and not misleading’?

### **What is – CLEAR?**

- People don’t have the same level of understanding about financial products.
- Many outside of financial services won’t understand jargon or technical terms; and
- Any statement of fact should be substantiated, correctly sourced, relevant and up to date.

### **And how does this feed into ACTING IN GOOD FAITH?**

- Because of this general imbalance in bargaining position, knowledge and expertise, consumers can only reasonably be expected to take responsibility for their choices and decisions if firms act openly and with honesty.

#### **Example – Poor Practice**

**FCA Observation! They have seen consumer harm arise where communications encourage customers to make decisions without full possession of relevant information, for example on costs, fees and exclusions in relation to a particular product or service.**

### **What is – FAIR?**

Advertising products and services can lead to products being marketed unfairly, such as;

- ✗ Displaying important information only in small print,
- ✗ Not displaying the risks prominently enough,
- ✗ Using wording and terminology that is not in agreement with regulatory principles,
- ✗ Using misleading headlines to grab attention.

## And how does this feed into - ENABLING CUSTOMERS TO PURSUE THEIR FINANCIAL OBJECTIVES?

A large part of being 'fair' includes behaving in a way that helps to enable and support consumers to pursue their financial objectives.

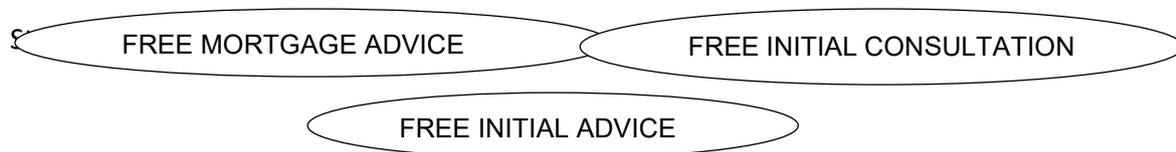
- help customers navigate the information provided;
- explaining risks in ways that can be understood by the intended recipients.
- providing fair summary of the benefits, risk and costs associated with products and services;
- give information they need on their options, at the right time; and
- clarify how those options relate to their needs and financial objectives.

Customers are more likely to make reasonable decisions and achieve their financial objectives when firms take these steps.

## What is – MISLEADING?

From a knowledge perspective, ARs always have the upper hand over customers when it comes to the choice of products available, how the products work, and whether they are likely to be suitable. Customers trust ARs to provide advice, and from this perspective, the duty on firms not to mislead customers with marketing materials is higher in financial services, than it would be in sectors where customers are more familiar with the product.

There is also a strong influence from the Duty in regards to fair value and cost.



These phrases should **not** be used if you charge a fee for mortgage advice.

Keep in mind! If you do not charge a fee for mortgage advice, then using the term describing 'FREE MORTGAGE ADVICE' is not misleading. However you should not use 'FREE INITIAL ADVICE' OR 'FREE INITIAL CONSULTATION' due to reasons above.

## And how might following this – AVOID CAUSING FORESEEABLE HARM?

One way an AR can 'avoid causing foreseeable harm' is by correctly explaining how products work and identifying whether they are right, dependant on the needs of their target market. ARs may need to take proactive and reactive steps by thinking about their target market by monitoring, testing and improving the impact of their communications on consumer understanding.

**Example – poor practice**

An example of misleading product information in relation to insurance services, could include focusing heavily on the benefits of a critical illness policy, and not providing a balanced picture of plan limitations, eligibility or risks.

**One question all firms can ask themselves is whether they are applying the same standards and capabilities to delivering good customer outcomes as they are to generating sales and revenue in comparable areas.**

**Are communications focused on supporting customers as clear as those used to sell the product?**

## New Consumer Principle 12

### TIPS TO HELP YOU MEET THE NEW CONSUMER PRINCIPLE

- ✓ support customers' understanding by meeting their information needs;
- ✓ ensure communications are understood by those intended to receive the communication;
- ✓ equip customers to make decisions that are effective, timely and properly informed;
- ✓ tailor communications taking into account the characteristics of the customers intended to receive the communication – including any characteristics of vulnerability, the complexity of products, the communication channel used, and the role of the firm;
- ✓ tailor communications to meet the information needs of the customer;
- ✓ ask them if they understand the information and have any further questions;
- ✓ test, monitor and adapt communications to support understanding and good outcomes for customers.

**Some of the ways you can put Principle 12 into practice:**

- ✓ Be accurate;
- ✓ Be balanced (fair and prominent in both benefits and risks);
- ✓ Present in a way that can be understood by the target audience;
- ✓ Make it clear that the credit is secured on the customer's home;
- ✓ Do not disguise, omit, diminish or obscure important items, statements or warnings; and
- ✓ Do not include wording that may create false expectations for a consumer regarding the availability or the cost of a mortgage or insurance product or service;
- ✓ If a promotion relates to interest rates or cost of credit, it must include an APRC (full representative example)

Firms should **'put themselves in their customers' shoes'** and ask, **'Are my customers getting the outcomes from my products and services that they would expect from my communications?'**

## Examples of Unfair Practice – in relation to high risk areas

- **Debt Consolidation**

Debt consolidation is a high risk area, with customers struggling to manage their finances usually find themselves more vulnerable to the risk of unsuitable advice or omission of key information. This applies with financial promotions too.

### EXAMPLES OF UNFAIR PRACTICE

- Omitting that applying for credit will be based on a credit assessment.
- Implying that lending is dependent on equity of property only.
- Promoting credit that is unsuitable for that target audience or person's best interest.
- Promoting high-cost short term credit as a long-term solution.
- Referring to debt consolidation as a solution to debt problems.
- Failure to present relevant risk warnings or conditions of eligibility prominently.

- **Lifetime Mortgages or Equity Release**

When using the term ‘Equity Release’ – as they are formed by Lifetime Mortgages and Home Reversion – it triggers the requirement for the risk warning. The best way to avoid taking up too much space is to use the term ‘Lifetime Mortgage’.

Using both terms in one promotion can also be misleading – as it’s not clear what it is you’re actually providing a service for, so we advise it’s best to stick to one.

**Please refer to the Risk Warning section for the relevant wording.**

## Promotional Content DOs and DONTs

This list is not exhaustive, and acts as a guide of some things to do and avoid when it comes to creating promotional content.

DOs	DONTs
<ul style="list-style-type: none"> <li>- Do use terms such ‘could’, ‘aim to’, ‘we may’, and ‘we will try’ – to help level the statement if it reads too definitively and cannot be guaranteed or evidenced.</li> </ul>	<ul style="list-style-type: none"> <li>- Don’t use ‘whole of market’ or ‘independent’ to describe your scope. And don’t refer to services that you do not have permissions for without the risk warning (see RISK WARNING section).</li> </ul>
<ul style="list-style-type: none"> <li>- Clarify parameters of the advice process, as opposed to saying ‘start to finish’.</li> </ul>	<ul style="list-style-type: none"> <li>- Don’t use ‘specialist’ – unless you are able to evidence that you are a specialist in a particular area (e.g. Equity Release is a specialist category). Saying you are a ‘First Time Buyer specialist’ is not compliant as this is still part of the same Mortgage category. Using the term might also imply you don’t offer a wider range of services.</li> </ul>
<ul style="list-style-type: none"> <li>- If using Testimonials – see Testimonials section further down in this guidance.</li> </ul>	<ul style="list-style-type: none"> <li>- Avoid high risk statements, such as definitive statements that guarantee a particular outcome (if it cannot be guaranteed), or the terms ‘best’ or ‘cheapest’ (superlatives - ASA). You must be able to substantiate claims and these can be difficult to prove with advice or products.</li> </ul>
<ul style="list-style-type: none"> <li>- Cite sources correctly, usually by an accessible link, or ‘Name of publisher, Name of article, Date accessed’ – simply, so that if a person wished to find it, they could.</li> </ul>	<ul style="list-style-type: none"> <li>- Don’t use ‘us’ or ‘team’ if you are the sole adviser or person in the firm. Using ‘we’ and ‘our’ are limited as we know they cannot always be avoided.</li> </ul>

<ul style="list-style-type: none"> <li>- Avoid too much detail around a particular service or product, remember things are subject to change, and those changes might not be kept up to date in your promotions.</li> </ul>	<ul style="list-style-type: none"> <li>- Don't use Financial Adviser or any other type of description of a role that you do not hold under the Network– we are Mortgage and Protection only.</li> </ul>
<ul style="list-style-type: none"> <li>- Keep it balanced, display the benefits and considerations with equal prominence, and ensure they are not obscured and are clear and easy to follow.</li> </ul>	<ul style="list-style-type: none"> <li>- Avoid use of children's images, images of animals in distress or alcohol (Advertising Standards Authority). Avoid inappropriate representations, images or text – remember your role within the regulated environment.</li> </ul>
<ul style="list-style-type: none"> <li>- Try to keep it factual, impartial or generic to the degree that opinions and bias are avoided.</li> </ul>	<ul style="list-style-type: none"> <li>- Don't 'cherry pick' data about a product or service to suit your message, or take information 'out of context'.</li> <li>- Avoid using or citing information such as stamp duty calculations, rates or statistics that can easily go out of date. The best thing to do is refer / cite back to a trusted source that is updated regularly (<a href="http://www.gov.uk">www.gov.uk</a>) – it is down to you to do due diligence on the source.</li> </ul>

### Consider the Advertising Standard's Authority

The Advertising Standards Authority (ASA) is the UK's independent advertising regulator. The ASA makes sure adverts in the UK follow the advertising rules (Codes of Practice).

Visit their website regularly to keep up-to-date of changes, tips and guidance.

Ensuring that the right regulatory disclosures, risk warnings and fee disclosures are added

See sections on the above earlier in the guide.

## Testimonials

If you receive a testimonial or a review from a customer and wish to showcase or use these you will need to consider the following.

### How have you received that testimonial?

Has it been sent directly to the firm, or posted in the public domain on a reviews profile.

### How are you using the testimonial?

Using them to showcase the AR firm's service on a platform to increase brand awareness, reputation or generate leads, such as social media, classes it as a financial promotion. As the customer can write anything in a review, it will be important to screen against the appropriate ones, and if they refer to particular products or areas of service.

**Showcasing a review in a promotion or on a platform will mean that it needs to be compliant. It will not need to be approved, however, you must follow these steps;**

1. **Save the original** - If this has been sent to you directly, then you will need to save back the original written testimony on your file for record keeping and audit trail. If it has been submitted online in the public domain, then best practice would be to take a screenshot with a time stamp of the review and save this back.
2. **Ask for consent** – The best thing to do at the time you receive a review is to obtain the customer's written expressed consent for you to use their review and name on promotions. For online reviews – obtaining consent will depend on whether you wish to 'copy and paste' it elsewhere.
3. **Screen the review** – As it can be difficult to control what your customers might say, it is important to look out for negative comparisons or naming other companies – as though they are the words of the customer, endorsing the testimonial is a form of 'agreeing' with what is said. If it is one that is posted online, such as on Facebook, remove the 'spam' comments as these can look unprofessional.
4. **What do you need on the promotion?** – Ensure that the customer's name (or if they wish to be anonymised – a reference) and a date is included in the testimonial on the platform it is going to be on. This is for audit trail purposes in order to match up with records.
5. **Risk warnings?** – What is it that your customer is saying, are they relating to a particular service or product? If so, you will need to ensure that any relevant risk warnings are included in the item. (Remember you as an AR have a duty of care to ensure that you are making risks prominently known if you are encouraging or endorsing reviews).
6. **Fee disclosure** – Ensure that your fee disclosure is showing prominently beneath and is clear. Consumer Duty rules now mean that fees must be disclosed accurately and be clear to the customer or potential customer in a way that does not appear diminished.

**It is important that you have the original written review whether that's been posted online, because if you do 'copy and paste' that review somewhere, it means the review is not live linked and if a customer changes this, there is no original record to refer back to.**

**What if I want to put testimonials on my website?**

This is a common activity we are seeing, usually a dedicated web-page to Testimonials, or reviews used at the bottom of multiple web-pages. The same rules as above would apply.

### What if I use a Website Plug-In for them?

The best thing to do if you have reviews posted online that you wish to incorporate into your Website, is to use an online web-plug from your review platforms such as Trust Pilot or Google reviews, on your main site. That way, the reviews are 'live linked' meaning that they are up to date, and if a customer were to click the plug-in they are taken to the original location of the review.

If you used a plug-in you would not need the incorporation of the name or date. You would not need the fee disclosure (as your website footer should include this). And you would not need consent as this is simply only **signposting** back to the main profile it was **originally written on\***.

**You would still need to save the original, screen the review and add any relevant risk warnings.**

**\*The reason why signposting to the original place the reviews are kept is recommended, is because taking them outside of where they are originally posted is usually not covered by the platform's privacy policies. The issue with using online reviews without expressed consent, is because of the risk of them being used out of context and without the permission of the reviewer.**

**I want to put my Testimonials on my email footer** – Please refer to the section on signposting to a promotion. It must not appear as a financial promotion in its own right.

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## Case Studies

As with testimonials, it will depend on how the case study is being used.

For example, if used in the normal course of business such as during a meeting with a customer, these will not be classed as a financial promotion (if used during the sales process).

But if it is being used before the sales process – to incite interest or ultimately generate leads, such as use on social media, website or used to even showcase what the firm can potentially offer to someone in that situation – it is a financial promotion.

The compliance process differs to testimonials in that **case studies will need to be reviewed on a case-by-case basis and approved by the Network prior to use.**

### Some of the questions we may ask include;

- Is it based on a true event? If this is the case, you will need to be able to evidence this with the supporting records and/or case file.
- Or is this more of a fictional scenario? If the example is figurative it needs to be clearly defined as such and not suggest it is anything other than fictional.
- Are the relevant risk warnings included in a prominent fashion?
- Have you included your fee disclosure?

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## Press Releases

The purpose of a press release is to inform a journalist of a newsworthy story in relation to your business such as an event, business growth, new job hires or even lighter news such as community or charity relations. In simple terms, it must be relevant to the target audience and make them want to read your story.

Journalists do not have to comply with the FCA Financial Promotion rules.

A press release is not intended to be published verbatim, although it is common for them to be written in an editorial style. They should not be too promotional or too sales focussed otherwise journalists will immediately disregard the value of the story to their readers/listeners/viewers. **NOTE – press releases are not adverts or advertorials.**

If you are ever unsure, please contact the Financial Promotions team, we will more than happy to give you guidance.

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## Mortgage Market and Proposition

A large part of the Consumer Principle is ensuring that consumers are equipped to make good decisions, information is made available at the right time and is understandable. One way to do this is to clarify an ARs accessibility to the market.

For example, using the following terms would be a good way to clarify the scope.

- ✓ Wide range of products from High Street Lenders and specialist products not available direct.
- ✓ We offer a comprehensive range of products from across the market.
- ✓ Comprehensive panel, with many High Street and specialist lenders.
- ✓ Wide, broad or comprehensive range.

The Network view is that under the regulations, the following terms are not acceptable for use in any marketing materials or service disclosures with customers.

- ✘ We offer products from the 'Whole of market.'
- ✘ We offer 'impartial advice.'
- ✘ We provide 'independent Advice'.
- ✘ We are 'Independent'.

### Referring to a particular number of lenders or providers

We would recommend to avoid making reference to a particular number of lenders, providers or products.

- ✘ Over a 100/100s of lenders or 1000s of products – as the panel may fluctuate up or down and it might not be the most up to date figure.

Customers or potential customers will base their decision on how an AR firms markets themselves, their market proposition and product availability, and will expect a certain level of customer service that should be met in all circumstances.

## Rules On Using Lender/Provider Logos

### FCA Logo

Firms are not permitted to use the FCA logo on any communications (including stationery) in any means.

The FCA's policy on this changed in April 2014, when they stopped granting general licences to use its logo.

### Lender or Provider Logos

You must obtain the formal written authority from each of the companies and save this on your file, before you use their logo on any promotions.

It must not be used in a way on any promotions that might imply you are a lender or provider, and should not be included near the regulatory disclosures.

Use of any lender or provider logos are not permitted on any stationery items, as not to unfairly mislead the client.

## MCOB Rules – FCA Rules Specific To Mortgage Promotions

### Restrictions on the use of mortgage terms

The following terms are the only expressions that can be used to describe;

- early repayment charge
- higher lending charge
- lifetime Mortgage
- home Reversion Plan
- sale and rent back agreement

### Restrictions on abbreviations

Terms such as the following should not be abbreviated;

- IDD / CIDDD –should be referred to as the Key Facts about our Services document or Initial disclosure document.
- KFI / ESIS / IPD – Should be referred to as product illustration.

Other abbreviations should be given their full title or an explanation given as to their meaning.

- FTB – **First Time Buyer**
- NTB – **Next Time Buyer**
- BTL – **Buy-to-Let**
- LTB – **Let-to-Buy**
- LTV – **Loan-to-Value**

It is best to avoid any industry related jargon and to refer to terms fully first before using initials later in the text.

### Maintaining a Balanced View

As part of the new Consumer Principle, the firm's products and services should be fit for purpose. The terms match the target consumer needs and products and services work as expected. Consumers must be equipped to make good decisions. Information is made available at the right time and is understandable. This includes ensuring that customers receive the full benefits of a product or service. Firms **must** ensure that the disadvantages of the product or service are clearly explained.

### Good examples include:

- ✓ If a sentence describes a cash back offer, it must include any relevant conditions, such as a requirement to repay some or all of the cash back if the mortgage is paid early.
- ✓ When discussing fixed or discount rates, it is important to mention any early repayment fees that may apply.
- ✓ When describing any reduction in regular payments, when an existing loan is re-arranged, it must also clearly indicate any increase in the total cost and any extension to the repayment period for the customer.
- ✓ When describing how a person could save money, it must also state how this could be achieved.
- ✓ When referring to non-standard services or facilities, make it clear that an additional fee may be payable.
- ✓ If you are including an indication of an initial payment holiday (e.g. “pay nothing for three months”), also make it clear whether or not interest will be charged during this time.
- ✓ If there are preferential rates for example, and an early repayment charge is applicable, this should be explained.

### Comparative Statements or Information

Avoid making any unfair comparisons to other firms or to lenders or providers, it must be meaningful, fair and balanced.

It is best practice not to name competitors or lenders, or refer to other services being ‘slower’ in comparison, or in comparison to the AR firm, not being able to provide the customer with what it is they are looking for. The issue with using comparative statements is that claims must be substantiated, and when comparing to other lenders or firms, it can be subjective and difficult to corroborate these claims.

### Mortgage Interest Rates

The Annual Percentage Rate of Charge (APRC) is a way to compare rates by estimating how much the cost of borrowing is on an annual basis. If an interest rate is used (this does not include insurance premiums), it will require a full representative example.

**Any promotional material that includes an interest rate, is automatically considered a qualifying financial promotion that will require approval before use.**

If you wish to use mortgage rates, consider the following;

- **Multiple rates?** - If you are referring to more than one, then each rate will need its own representative example as details will differ.
- **Duration of promotion?** – Using a promotion with a rate for longer than 3 months might not be an accurate description of the product. The use must be short and limited.
- **Applicable to 51%?** For rates to be quoted, they must be relevant and applicable to at least 51% of the people expected to respond.
- **Evidence?** The rate should be evidenced, usually in the form of sourcing and illustration (**this will be required during the review**).
- **Prominence of the representative example?** – A full representative example is required for any references to mortgage rates or APRC. It must be prominent, same size as text, connected to the rate and colour is distinguishable.

### A full representative example should include;

- The name of lender or AR;
- The mortgage will be secured by a charge on the property of the customer (mortgage risk warning);
- the borrowing rate, indicating whether this is fixed or variable or a combination of both, together with any charges included in total cost of credit (e.g. interest, fees, broker fees);
- the total amount of the credit;
- APRC;
- the duration of the mortgage;
- the amount of the instalments;
- the total amount payable by the customer;
- the number of instalments; and,
- Where relevant, a non-sterling mortgage must include a warning that possible fluctuations in the exchange rate could affect the amount payable.

A full representative example could look like this (accompanied by **any relevant risk warnings, fee disclosures or regulatory disclosures**):

Representative example: A capital and interest mortgage of £186,895 payable over 24 years, initially on a fixed rate of 2.67% for 2 years. Following this a variable rate of 4.55% about the Bank Base Rate (currently 0.25%) for the remaining term. This would require 24 monthly payments of £854.53 and 264 monthly payments of £1,030.74. The total amount payable would be £306,279.17 made up of the loan amount plus interest and £995 (arrangement fee), £80 (final repayment charge), £35 (completion fee). **The overall cost for comparison is 4.36% APRC representative.**

It must be stated that the example is a **'full representative example'** clearly next to it for transparency.

## Mortgage Calculators and Standard Wording Required

AR Firms may wish to incorporate a mortgage calculator into their website. These will either be one of two types;

### Basic Mortgage Calculator

A really simple example as follows;

- how much they could borrow, based on a very high level assessment of income and outgoings;
- how much that might cost;
- effect of flexing the mortgage term on repayments;
- effect of increases/decreases in income and expenditure;
- how a mortgage debt reduces over the term; and
- approximate loan to value ratio using the property value and likely deposit as a guide.

ENTER DETAILS	
<b>Mortgage Data:</b>	
House Price:	<input type="text" value="150000"/>
Deposit:	<input type="text" value="25000"/>
Interest Rate:	<input type="text" value="3"/> %
Term:	<input type="text" value="35"/> Years
<b>Results:</b>	
Mortgage Amount:	<input type="text" value="125000"/>
Total Payments:	<input type="text" value="420"/>
Monthly Payment:	<input type="text" value="481.06"/>
<input type="button" value="Calculate"/>	

The results of the basic calculators are not powered by sourcing systems. They do not deliver actual mortgage deals currently available from lenders to display. The Network does not require a full representative example to be displayed.

**You will need to evidence how the figures have been calculated and what this is based on** (this will be asked during the review).

**If you use a third party plug-in**, it must be attributed and cited, so it's clear that the figures are from the firm, and that the firm are not liable.

## Complex Mortgage Calculator

Complex Mortgage Calculators are powered by a sourcing system which will:

- deliver results to the customer based on the criteria entered and the filtering applied by the customer;
- allow results to be pre-determined for example the calculator will only display 'two year fixed rate deals', thereby leading on price and inducing the customer to make additional enquires.

Complex calculators can produce results that look like mortgage deals, rate tables, or other personalized forms. These calculators often feature buttons or links that let you learn more or such as rate tables.

The results of complex mortgage calculators can provide a ballpark estimate of the mortgage deal that may be available from lenders, but a customer would need to see an example of that deal in order to understand it. **The Network requires a full representative example to be displayed to the customer in relation to each result displayed.**

Either basic or complex mortgage calculators must **be approved by the Network** prior to being used.

### Standard Wording that will need to be annexed on all calculators (basic or complex)

The following wording must be annexed to all mortgage calculators, either at the point of data entry by the customer or at the point of display of the results:

**These figures are only illustrative. All mortgages are subject to the applicant(s) meeting the eligibility of the specific lender. An assessment of your needs will be confirmed before a recommendation can be made.**

## ICOB Rules – FCA rules specific to insurance promotions

The advertising of insurance products is less complex than mortgage advertising. But the same golden rules apply:

All promotions must be **clear, fair and not misleading**. This can be done by ensuring to **act in good faith, avoid foreseeable harm and help customers obtain their financial objectives**.

- ✓ Key information is not omitted;
- ✓ Benefits and disadvantages are balanced;
- ✓ Plain language is used;
- ✓ Facts can be substantiated;
- ✓ Other parties are not discredited;
- ✓ Assumptions are clearly disclosed;
- ✓ Does not create confusion;
- ✓ Any comparisons are made objectively;
- ✓ Customers able to make meaningful comparison
- ✓ Limitations or terms and conditions made clear
- ✓ Content is balanced and not open to misinterpretation
- ✓ Cost savings or price matching available to target market and explained
- ✓ Justifiable “headline” claims – no scaremongering.
- ✓ Info should not be used out of context to promote outcomes.

If you're advertising insurance products, be sure to provide accurate information about what products are available, how they work and how they might meet the client's needs. You can meet advertising compliance standards by making sure that information is accurate, factual, and is clear about who these products are for.

**Insurance advertising becomes much more difficult when price or very specific product information is included** as the additional information needed to qualify what has been said can be much more **substantial**.

For example if you were to make pricing claims, such as ‘reduce cost’ or ‘provide you with the cheapest premium’ or similar statements the AR must comply with the guidance set out in the rule as noted below:

- Be consistent with the result reasonably expected to be achieved by the majority of customers who respond;
- Unless the proportion of those customers who are likely to achieve the pricing claims is stated prominently;
- Clarify the price is not guaranteed; and
- Refer to any factors that might affect or limit eligibility (e.g. criteria/underwriting/full medical history/application to provider).

**Good examples for pricing claims include:**

**“Cost savings are not guaranteed and are usually obtained by switching to another insurer, applying for introductory offers, security discounts or by adjusting or reducing your level of protection.”**

**“We will understand your needs and circumstances and make a recommendation on the most suitable cover from our panel of insurers. We will aim to beat your existing insurance premiums, however cost savings are not guaranteed.”**

### **Small Print – Terms and Conditions**

As with mortgage advertising, it is important that the use of small print is avoided where possible.

Small print might seem helpful in providing all the necessary information, but it is counterproductive. This can make the information less prominent and unappealing to readers.

For insurance advertising, this is **most likely to be in relation to terms and conditions associated with the types of policies being advertised**.

It is generally best to provide a general overview of the types of policies offered, rather than focusing on specific details.

## EXAMPLE

*For example: If you wish to advertise that you provide Life Assurance from a Range of Providers, this will not require the addition of any clarifying statements or additional information. Alternatively, if you wanted to advertise that you offer Life Assurance policies which include the 'Best Doctors' benefit, this would require additional wording to say it is only offered by limited providers, limited to certain types of plan and maybe subject to withdrawal.*

## Risk Warnings

. There are no specific risk warning requirements for insurance financial promotions. However, as part of the Consumer Principle it is important to consider the complexity of a product or service and accessibility to any features/benefits being offered. Extra care should be taken to promote and monitor customer understanding. Their resources, degree or financial capability or vulnerability (if reasonably known) must be considered in promotions across the board.

For example, not all consumers are aware that Critical Illness Cover is subject to the individual provider's criteria and specified health conditions.

## Short Term Income Protection

Mortgage Payment Protection Insurance (MPPI) is a type of insurance that provides protection in the event of a customer being unable to pay their mortgage as a result of being unable to work due to an accident or illness.

Payment Protection Insurance (PPI) is also available on its own, without being linked to credit.

ASU includes short-term income protection insurance, which helps to cover income lost due to an accident, sickness, or unemployment.

## MPPI

Any promotion of MPPI must include a statement warning consumers about the risks associated with the product.

**The Mortgage Payment Protection Insurance we have access to is optional. There are other providers of payment protection insurance and other products designed to protect you against loss of income.**

**For impartial information about insurance, please visit the website at [www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)**

Any promotion of PPI, ASU or Short-term income protection must be accompanied by the following statement:

**There are other providers of payment protection insurance, also known as short term income protection, and other products designed to protect you against loss of income.**

**For impartial information about insurance, please visit the website at [www.moneyadvice.service.org.uk](http://www.moneyadvice.service.org.uk)**

The advert must also include an example of cost, per £100 of cover. This must be worded:

**The monthly cost for every £100 of monthly benefit is £xx.**

In either respect, the calculation of the cost must be qualified by quoting the basis of the example. This could include factors such as age of the client, excess period, loan amount etc.

The explanation should follow immediately on from the quote of the monthly price in order to meet the 'Due Prominence' requirements. The wording may vary depending on the nature of the contracts but a suitable example would be:

**This is a typical cost based on 35-year-old taking a policy with a 30-day deferred period. The price includes Insurance Premium Tax at the prevailing rate.**

### **Service Disclosure requirements**

As customers are considered to be actively seeking to engage in insurance intermediation activity, it is vital that the service disclosure (IDD or CIDD) is provided in a durable medium at the very outset of discussions.

### **Cold Calling**

Cold calling is a telephone call or personal visit made without the prospective customer's request, and is therefore classed as 'unsolicited'.

ICOB does not prohibit cold calling in relation to general insurance and pure protection products, however ARs are required to observe all applicable general legal requirements arising under relevant data protection legislation, such as obtaining the customer's prior consent before contacting them electronically (including telephone, email, SMS, instant messaging and similar means). – **See section on Modes of Communication.**

### Using the Correct Terminology

As with mortgages, there are some typical insurance terms that must be used in full when first describing the product:

- LTA – Level Term Assurance
- DTA – Decreasing Term Assurance
- CIC – Critical Illness Cover
- FIB – Family Income Benefit
- IP – Income Protection

Consider your audience and their likely level of financial capability and understanding.

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### Business Stationery – Important Considerations

The minimum mandatory items for stationery include in **bold**;

- **Company Logo (x1 for the firm)**
- **Letterhead (x1 for the firm)**
- **Business Card template (all advisers) – if double sided need both sides.**
- **Email Footer template (all advisers)**
- Compliment slip (x1 for the firm) – Optional.

**We need all of the templates for the advising registered individuals in a firm so we have a record of what those templates look like on our system.**

We **do not need** to approve the stationery of administrators or directors who are non-advising, but we would recommend sending these in too for consistency.

### General enquiry email addresses

If you have any 'info@' or 'enquires@' mailboxes – you will need to ensure it includes the same regulatory disclosures, and also shows a signature with a role, so it is clear who emails are from. Please ensure that you inform the Membership Team of these email addresses so the Network has a record.

### Premium rate telephones

Avoid using these where you can. If you do use these – please refer to the **Modes of Communications section**.

### Business Cards

These do not require an address, this is optional.

### Email Footer

Include the Cybercrime wording this is required and not optional.

## Roles or Titles

Need to be accurate reflections.

- ✗Do not use a role or title that is not within our scope – ‘Independent Financial Adviser’
- ✗Do not use ‘Financial Adviser’
- ✗Do not use ‘Director’ if you are a sole trader

**STATIONERY ITEMS CANNOT BE FINANCIAL PROMOTIONS, AND MUST FOLLOW EXEMPTION RULES.**

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## Incentives – Refer a Friend, Prize Draws and Competitions

When approving prize draws and competitions you should ensure that you meet your legal obligations under the Lotteries and Amusements Act 1976, and with the codes set out in The UK Code of Non-broadcast Advertising and Direct & Promotional Marketing (the CAP code), a copy can be obtained from [www.cap.org.uk](http://www.cap.org.uk).

The following is for guidance only and should not be considered to be legal guidance from the Network or for it to be all encompassing.

**It is best practice to seek Legal advice before carrying out a prize draw or competition.**

Any promotion that includes an incentive will require approval before use.

We will ask the following in the review;

### **Step 1: Process – How will this work and on what mediums?**

We will ask what the process is behind the incentive, **how it will work** and what platforms it will be used on.

If there are any specific partnerships, contracts or associations with other brands participating.

We will **also need to know where the incentive will be used** as part of approval conditions.

**Note!** Incentives are direct financial promotions and **must not be used on stationery items in a way that is a direct inducement to it**, you may signpost to this – (see section on Exemptions) – but use is limited.

## Step 2 – Terms and Conditions

### Terms and Conditions – Refer a Friend schemes and Competitions.

These should be stated clearly before any purchase, or before / at the time of any application / entry if no purchase is necessary.

Some terms and conditions to consider (please note, this is **not an exhaustive list**);

- How to participate, including any conditions, costs, or any other factor likely to influence the consumer's decision or understanding of the promotion;
- Start Date;
- Closing Date.
- Proof of purchase; if it promotes, but does not require purchase this should be made clear, and details of the method of application if no purchase is made should be stated;
- Prizes; the minimum number and nature of any voucher or prize, how are they are to be awarded? Are there a limited number? Will they be shared?  
For example, if it were a Refer a Friend scheme, would a joint couple (joint mortgage) receive two vouchers or just one?
- Any limitations – For example, for a Refer a Friend scheme – that only an existing customer of the firm is eligible for the reward and upon a successful referral, and then clarify what a successful referral is based on.
- Restrictions of entry; geographical; personal; or technological;
- Promoters name and address;
- Consumers should be told before entry: i) Whether the winner(s) will become involved in any publicity or advertising; and ii) If the publicity or advertising will be connected with the sales promotion or not;
- When and how the winner will be notified; and how they may receive their prize.
- Unless otherwise stated in advance, prize winners should receive their prizes no more than six weeks after the promotion has ended.

**Top Tip!** We would recommend putting the T&Cs on your Website on a separate web-page. That way the full list is accessible easily and saves you on space on your promotion.

### Terms and Conditions - Prize Draws

There are standard rules, which should be appended to any promotion involving a prize draw or competition:

- The draw will close at [time & date]. The draw will take place immediately thereafter;
- The winner will be notified within four weeks. The promoters, on receipt of a stamped addressed envelope, will provide details of the winning entry;
- The draw is open to entrants over 18 years of age. Only one entry per person will be accepted;

- Employees and Agents of [name of Firm], and their relatives (and any connected persons) are not eligible;
- Entry is free and without obligation. Entry may result in a letter or telephone call from a representative of [name of Firm]. No entrant is obliged to see any such representative unless they wish to do so;
- The prize will be as advertised;
- There is no cash alternative available;
- The decision of the promoters on any matter relating to these rules shall be final.

Participants should be able to retain the above conditions for easy access throughout the promotion i.e. it must be able to be retained after the entry is made.

### Step 3 - Signposting the T&Cs (Advertising Standards Authority (ASA))

The main importance stated by the ASA is that **the most relevant terms and conditions** must be **clear at the outset and on the promotion directly**. You can then signpost to any other, less relevant T&Cs via a link to the website or another platform, as long as it is clearly signposted and easily accessible.

Signposting must be **prominent, related to the incentive** and **provide all the important info**.

Careful with this – compliance may challenge the prominence of certain T&Cs – try to think in the mind of the consumer in terms of what they need to know before they apply. Most times people will not read the **full list** of T&Cs elsewhere – so it’s paramount they know all they need to in the initial ones. Or if you have a long list – it’s a good idea to put the important ones at the top of that list.

### Step 4 – What are the other rules to look out for when creating your incentive?

Refer to the ASA’s website for up to date guidance on incentive promotions. All rules on GDPR, and electronic marketing all apply if marketed online (see Modes of Communication section).

### Step 5 – Does it include the relevant risk warnings? Regulatory disclosures? Fee disclosure?

For example, Refer a Friend schemes upon a successful completion of a mortgage will require the mortgage risk warnings (your home may be repossessed...) to be signposted accurately.

### Step 6 – Compliance Approval Process – Send it in to be reviewed.

All incentives **must be approved by the Network** before use (including for use on Social Media). Please send email [financialpromotions@hlpartnership.co.uk](mailto:financialpromotions@hlpartnership.co.uk)

## Website & Internet Marketing

Web-based advertising is increasingly popular, and almost all businesses will generally have a website.

Many will go beyond this to advertise their business using all manners of electronic media,

These will include:

- Main website;
- Directory Listings;
- Online Banner Advertising;
- Google Ads (Paid Ads);
- Landing Pages.

When designing a website, the rules are the same as the above.

Except that every page of a website is independent to every other page, so will require the **regulatory and fee disclosure** (SEE 'GETTING STARTED' SECTION FOR FULL WORDING...) to be **replicated on every page**, this is usually done by adding them to the **footer**.

### Summary for websites and website content

- Content must be clear, fair and not misleading. The Consumer Principle and four cross cutting rules must apply in acting in **good faith, avoiding foreseeable harm and helping consumers achieve their financial objectives**.
- As part of Consumer Duty, the **needs of vulnerable customers also need to be met (see asterisk for more info)\***
- MCOB and ICOBS rules apply to content.
- Data privacy, Cookies and PECR rules still apply. **You will need to link each of the three policies (Privacy, Cookies and Complaints) to the website footer.** (Templates are available in the Advisor Portal). These must be accessible as **hyperlinks**, and **either open a new window when clicked or completely replace the current window**.
- Contact forms need to include privacy tick box (**See Mode of Communication**) and marketing preferences tick boxes.
- Must include all the regulatory disclosures and fee disclosure in the website footer.

- Must include any relevant risk warnings **prominently** on the page and **related to the text** on the page.

**\*Communicating the support available.** Firms must ensure their products and services are targeted appropriately and the limited channel(s) of support they offer are clearly communicated to customers – in line with expectations under the consumer understanding outcome – before the sale of the product or service, so that customers can assess whether it meets their needs. So, for example, it should be clear to customers that they are signing up for digital-only support if that is the case. Unclear or confusing digital (or other) customer journeys will not meet this standard.

**\*Firms should take particular care when communicating with consumers in vulnerable circumstances, taking account of their needs.** They should follow our Guidance for firms on the fair treatment of vulnerable customers. Firms may wish to consider taking an inclusive design approach to their communications. Inclusive design is a methodology that involves understanding the range of customer needs and designing products and services to be accessible and benefit as many customers as possible. Fair by Design and the Money Advice Trust have produced a practical guide for firms on inclusive design.

## What does the Vulnerability guidance mean for my website?

In short, in order to meet the Consumer Principle, firms must ensure their products and services are targeted appropriately and the channel(s) of support they offer are clearly communicated to customers on their websites – in line with expectations under the consumer understanding outcome – before the sale of the product or service, so that customers can assess whether it meets their needs.

**A good place to put this information is usually on the Contact page, or fixed on the screen throughout all the web-pages. Hiding it under lots of information or not having it clearly signposted contravenes these rules.**

This includes clarifying the methods of contact such as face to face consultations, home or in-person visits, video-call consultations, telephone consultations and any other methods of the customer journey. Unclear or confusing digital (or other) customer journeys will not meet this standard.

If you offer any other particular ways in which you can help to accommodate your customers, it is good to highlight these on your website.

It is important to ensure that your methods of communication are practical.

**Example – poor practice**

A firm uses an automated telephone system as part of its consumer support. This automated system only provides options to progress with queries regarding a few commonly raised issues. It does not provide a route for customers to seek support regarding other issues. As a result, some customers are unable to obtain the support they need or information on how to pursue this further. This firm's consumer support does not work effectively.

## Linking to other sites

On pages which link to other websites which are not part of the same site:

- A statement to be signposted -**"Please be aware that by clicking on to the above links you are leaving XXXX website. Please note that XXXX nor HL Partnership Limited are responsible for the accuracy of the information contained within the linked site(s) accessible from this page."**

Links to other sites should either open in a new window or completely replace the current window.

## Landing Pages

In digital marketing, a landing page is a standalone web page, created specifically for a marketing or advertising campaign. It is usually a standalone web page that a person "lands" on after clicking through from an email, ad, or other digital location.

The FCA have highlighted their concerns with multiple sites, and so caution is advised if you wish to proceed with a landing page as this cannot appear to be a 'standalone site'.

Ultimately it will be a separate URL link – so it will need to make sure it clearly **feeds back to the main website on the top of the page. The leads need to feed through to the firm's website and not the landing page as a 'standalone' or 'secondary / multiple' website.**

**The following conditions need to be followed;**

- It will be classed as website content – and will need annual renewal / re-approval.
- Branding, colours, logos all needs to match that of the main website.
- The website footer needs to be the same of the main website and include all the regulatory disclosures, fee warnings and relevant risk warnings. Along with any policies.
- Policies need to open up on new pages or replace screen completely.
- Needs to be a clear link at the top to state to go back to main site, e.g. ‘**Click here to go back to the main website**’.
- Needs to make sure it does not appear as a ‘standalone’ or separate website. They need to **effectively appear as part of the main site**.

**Consider third party web host!** If you have a landing page that is hosted by a third party, you will need to complete your due diligence on their privacy policies and whether they might gather customer data through the landing page. See Modes of Communication for how this might affect the site.

**Note!** Landing pages are financial promotions and **will require approval by the Network before use**.

## Sub Domains

A subdomain is an additional part to your main domain name. Subdomains are created to organize and navigate to different sections of your website.

For example, [www.store.abcmortgages.co.uk](http://www.store.abcmortgages.co.uk) is a sub-domain of [www.abcmortgages.co.uk](http://www.abcmortgages.co.uk)

The same rules apply with Sub Domains as above for Landing Pages.

## Overview of Good and Poor Practices

**FCA Observation!** Firms are not placing enough emphasis on the customer journey and general website design when placing key information. In some instances general website maintenance was also lacking, resulting in out-of-date or incorrect information being provided to consumers.

## Examples of good practice

- ✓ Information is presented in an accurate, clear and balanced way
- ✓ Risk information is relevant to text and prominent or outlined
- ✓ Risk warnings remain fixed on screen even when scrolling up or down
- ✓ The customer is encouraged to think if the product is right for them
- ✓ The nature and commitment required is outlined along with risks involved

## Examples of poor practice

- ✗ Risk warnings are not clearly presented, linked or are omitted altogether (poor font, size or no presentation tools)
- ✗ Firms have not taken into account different sized browsers (laptop / phone) when positioning this information
- ✗ Advantages and disadvantages are not given the same amount of weight and prominence
- ✗ Headline claims are unable to be substantiated
- ✗ Information is not accurate and is not in accordance with current market conditions (e.g. incorrect base rates) and with what the firm is offering (e.g. special offers have not been removed once they have expired).
- ✗ Fee disclosure is buried within the website or put in separate section such as FAQs

## Online Directories

These can be a popular way of promoting your business and boosting traffic to your website. But there is usually limited space for information. The same rules in this guide apply to directory listings so you need to consider what information you want to include in the listing.

- ✗ Avoid putting too much detail or information in the listing - if you want to advertise a particular mortgage product, you would need APRC and other indications which may not be practical - a full representative example needed. Same applies for **risk warnings**.

These directories usually provide information about **specific businesses such as the name, address, contact information, associations, and the services and products offered**. As a result they can be classed as ‘exempt’ as long as they do not go beyond the rule (see Exemption rule – name, logo, contact info and brief factual description).

**Note! If it is not exempt – it may require approval by the Network. Or it may be classed as a ‘matching service’ or ‘lead generation’ site as stated below, if so, please follow those rules.**

## Lead Generation Sites / Matching Services

Lead generation sites such as those of matching services, like Unbiased or Vouched-For, are subject to the same rule requirements as clarified in the Networks Social Media Policy & Guidance document. Please refer to the guide for full information and compliance processes.

Other lead generation sites may need to be discussed with the Network before proceeding first.

## Online Banner Adverts

Banner advertising on other websites is also popular. These can often be more colourful and animated to provide more appeal. The same rules would apply.

**Top Tip!** It would be a good idea to keep banner adverts exempt as there is limited space. You can promote your brand without requiring too many of the regulatory disclosures that can take away from the message.

**Note!** Describing your services in any way may take it out of being ‘exempt’ – see exemption rules for more information.

## Pay-per-Click

Pay-per-Click sites are less popular methods of advertising, largely due to the very competitive nature of the industry, the generally high costs involved and the potential compliance problems.

The most common Pay-per-Click adverts appear on search engines such as Google where they appear as a small list of sites to the right of the main search listings. Every time someone clicks on one of these links, the owner of the site pays the search provider some money. The main trouble with the Mortgage and Insurance industry is that the amount offered to the search provider has to be quite large in order to appear on the first few pages of the results (usually several pounds

per click offered) and the higher your listing, the more likely you are to get clicks which will then cost more money.

The compliance issue is that the same rules described in [section 3](#) apply to this type of advertising yet the space is considerably limited.

Typically, a Pay-per-Click listing will allow 3 lines of text, each with a limit of 32 characters. This would prohibit any detailed advertising of a particular mortgage product (for example) as the APRC and various other information would be longer than the maximum characters allowed.

**Note!** Careful with Search Engine Optimisation (SEO) that the AR firm (that charges a fee for mortgage advice) does not show up on searches where people want free advice.

**Note!** Websites that provide or specialise in 'debt consolidation' must not suggest that the website is a free, charitable, not-for-profit or a government or local government debt advice service. It should not show up on search engine results where people are looking for debt advice.

**Note! Bidding on the names of competitors** – you will want to be careful that your name is not one that belongs as trademark to someone else. You will also not want to bid on names of those with other names, as not to suggest that your firm is another's.

## Google Ads

Google ads are an increasingly popular method of advertising used by firms and might include some cross-over with pay-per-click providers where they use this service. Firms can sign up and manage Google ads themselves or they can employ the use of a 3rd party advertising/marketing company to run their 'campaigns' for them but care should be taken where a firm are using a third party.

**X** Firms using external marketing/advertising agencies must ensure that the Google Ads account they are using is in the name of the AR firm and is for their sole use – the marketing company should not be using an umbrella account that also advertises the services/products of other businesses – HLP will not be able to verify these accounts.

In 2021, following FCA concerns in on-line financial promotions, Google introduced a new verification process for any firm using their paid ads to promote an FCA regulated financial product or service this is called the **UK Financial Services Verification process**. For an appointed representative of HLP that uses (or wishes to use) Google Ads to promote it's services, this means that HLP have to complete this verification process on the firm's behalf because HLP are the FCA authorised business (an AR is not an FCA authorised firm).

**X** Firms must not apply for UK Financial Services Verification from Google themselves. Google class appointed representatives as 'Approved third parties' whose adverts are approved by an FCA authorised business. HL Partnership Limited are the FCA authorised business and we approve the financial promotions of our ARs.

**Firms wishing to use Google Ads must request approval from HLP. Firms will be required to provide the following information as part of the request:**

- **The Google ads ID for the account;**
- **The name and email address associated with the account;**
- **All websites and URLs linked to the account; and**
- **A full copy of the proposed campaign including all ‘headlines’ and ‘descriptions’ which will need to be individually approved.**

Like pay-per-click adverts, Google Ads are character limited and will generally comprise of ‘Headlines’ which are prominently displayed and ‘Descriptions’ which appear underneath the headline.

HLP need to approve all the Headlines and Descriptions that firms wish to use and all subsequent changes prior them being made live. In this respect firms should ensure that their ads comply with the rules and standards set out in section 3 of this manual.

HLP require all Google ad campaigns to be linked to firms’ approved website so we do not require the ads themselves to include risk warnings where we would normally expect them as this would not be possible within the limitations of these ads.

The UK Financial Services Verification process **applies only to paid Google Ads**. Firms can appear on Google search results without using the paid Google Ads service. The results will look similar but Google will automatically capture information from your website to display rather than specific ‘paid for’ headlines and descriptions.

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## **Check again! – Consumer Duty – Testing, Adapting & Up-Keep**

### **Testing – Customer Outcomes**

Communications should be tested, monitored and adapted to support understanding and good outcomes for customers.

Firms should develop an approach to testing that provides assurance that customers can identify and understand the information needed to make effective decisions. This information is likely to include:

- any actions required by customers and any consequences of inaction;

- the key features, benefits, costs and risks of a product or service where customers need to evaluate or make a choice about the product or service;
- how customers can access any additional information or support they might need.

#### **Key questions for firms in relation to Testing Communications**

1. Is the firm satisfied that it is applying the same standards and testing capabilities to ensure communications are delivering good customer outcomes, as they are to ensuring they generate sales and revenue?
2. What insights is the firm using to decide how best to keep customers engaged in their customer journey, whilst also ensuring its customers have the right information at the right time to make decisions?
3. How is the firm testing the effectiveness of its communications? How is it acting on the results?
4. How does the firm adapt its communications to meet the needs of customers with characteristics of vulnerability, and how does it know these adaptations are effective?
5. How does the firm ensure that its communications are equally effective across all channels it uses? How does it test that?
6. What data, MI and feedback does the firm use in its ongoing monitoring of the impact of its communications on customer outcomes? How often is this data reviewed, and what action is taken as a result?

So, firms should develop an approach to testing that is effective in the context of how they are communicating with their customers and what those customers need to understand.

As part of testing, firms should consider which questions or outcomes will elicit accurate measures of understanding in an objective way. For example, if the goal of a communication is to convey the cost of a product, an objective follow-up comprehension question would be ‘what was the cost of the product?’ If the goal was to explain certain product choice options, an objective question would be ‘please explain the options available to you’ or to ask them to choose the product that would be most suited to them and to explain why.

Firms should aim to carry out testing with a group of customers that is representative of the intended recipients of the communication. For example, they should consider the diversity of their customer base or target market, including different characteristics and potential characteristics of vulnerability.

**NOTE!** The learnings from testing carried out on a communication could usefully inform the approach to take for other similar communications, but firms should be mindful of differences in the content of communications, products and intended recipients, and therefore should not overly rely on this approach. Therefore, firms should test communications where appropriate.

### Example – good practice – Testing

An adviser is sending a communication marketing a new service they can offer, for example they have obtained the Lifetime Mortgage licence. They are planning to send a leaflet to a large group of his customers, some of whom are likely to be in vulnerable circumstances. As part of the development process, they take the feedback from previous testing, and so simplify the content with infographics, increase the size of certain key text and includes a prominent contact number, inviting customers to call if they would like to discuss the communication or obtain it in a different format. This mitigates the risk of harm that could arise if customers do not understand the information provided, for example if they fail to act on it or take out a product that does not meet their needs. This approach supports customers in making effective decisions.

## Testing – Financial Promotions

This section might be useful in considering how your promotion can be tested or adapted to ensure it is still meeting the requirements.

**Images that do not automatically open** - For example, if you have an infographic or an image, is there any way for that image to be hidden from the user, check if they can be removed automatically or require a user to 'know' they have to click the image. What disclaimers if not included in the text might need to be displayed if the image is automatically hidden?

**Customer Service** - Is your promotion **too good**? In that would you be able to offer the same level of service to your customers if your promotion were to bring in a significant number of leads at once? Consider what safe-guards have you got in place to ensure customer service will not be affected.

**Length** - Avoid lengthy areas of text. Consider using techniques that divert a customer's attention to the important information. Use infographics, or make text clearer and more prominent, risk warnings outlined or fixed on screen.

**Spelling** – We do not check the grammar or vocabulary of content within promotions. Misspelling or grammatical errors can sometimes be problematic, depending on the context.

**Customer parameters** - Test against a customer's lack of patience, age, product compatibility, vulnerability and the firm's role.

**Presentation** - Consider the presentation, is it accurate? Are warnings and important information or terms and conditions clear, relevant and prominent?

**Is the content** - relevant, timely, logical, could the intended recipient understand it depending on their level of financial capability?

**Platform** - Consider the platform you are using to display your promotion. Is there area for risks to be outlined? If not, could you consider signposting?

## Adapting

By testing, firms are also able to learn from the findings and adapt communications to improve customer comprehension and support good outcomes. Firms should embed processes of continuous improvement based on robust evidence of customer understanding. The learnings from testing carried out on a communication could usefully inform the approach to take for other similar communications.

If a type of promotional method is not working, consider what other avenues there are to obtain leads – for example, focusing on your existing customers / client bank.

**When it comes to promotions – you don't have to test every single one. Firms should test - where appropriate before creating a promotion and consider relevant factors including those we set out in our rules and guidance.**

**Where firms judge testing is not required, they should still review communications to ensure they meet the other expectations of this outcome.**

- **Verify that all individual customers have in fact understood the information provided.**

**Rather, firms should take appropriate steps to satisfy themselves that their communications are likely to be understood by their recipients. However, in certain contexts firms should ask the customer if they understand the information they have been given and if they have any further questions.**

## Up-Keep

This could include removing posts that may no longer be relevant to the business anymore on social media.

It could also be a case of ensuring that your trading styles are set up correctly, and where necessary, removed if they are no longer being used (note - please ensure not to do this without consulting the Network first).

The most important thing to do is to ensure that you keep your promotional log of approvals for content up to date, and are ensuring items are not being used past expiry, otherwise it may be in breach of the Network's requirements.

Some useful tips –

- **Layering:** This is where key information is provided upfront with cross-references or links to further detail and can be particularly effective online. When layering, ensure the information is coherent and effective.
- **Engaging:** Communications that are prompting action, should be designed in a way that encourages consumers to engage with them. The key information should be easy to identify. For example, by means of headings and layout, bullet points, display and font attributes of text. This is a good way to increase consumer understanding.
- **Relevant:** Firms should consider the appropriate level of detail for each communication. They should take into account what customers need to know, the kind of decision to be made by their recipients where applicable, and where confusion could arise. Firms should avoid unnecessary disclaimers. Key information can be overlooked and information overload can deter consumers from engaging with communications. Shorter, concise communications are more likely to be read and understood. Lengthy and technical communications can confuse or overwhelm readers. Firms should help consumers to navigate the information they provide, explaining relevant context and any jargon or technical terms in a simple way. Recent work, such as by Plain Numbers, has demonstrated how seemingly small changes to communications can substantially increase comprehension among consumers. We expect firms to ensure they bring the most important information to the attention of consumers in an accessible way.
- **Simple:** Effective communications will present information in a logical manner. Where possible, jargon or technical terms should be avoided. Where the use of jargon or technical terms is unavoidable, firms should explain the meaning of key terms in plain and intelligible language that consumers are likely to understand. This will also help to build consumers' trust.
- **Well timed:** Firms should communicate with customers in a timely manner and at appropriate touch points throughout the product lifecycle, such as at contractual breakpoints, giving them an appropriate opportunity to take in the information and, where relevant, assess their options. This will help to put customers in a position where they can make effective decisions on an informed basis.

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## Financial Promotions Approval Process

Financial promotions that are qualifying and stationery items must be approved by the Network before they are used or put into place. We must ensure that the promotion complies with the FCA and other advertising rules relating to financial promotions.

Certain promotions may be classed as 'exempt' this usually mean it only includes;

- Name of the company
- Logo
- Contact details

- Brief, factual description of occupation.

OR

- Factual statements – limited to only factual.

OR

- Re-sharing 3<sup>rd</sup> party – limited to only re-sharing and not adding additional text.

If you are unsure of where your promotion lies – please contact the Financial Promotions team with a mock-up of your promotion, they can help to clarify.

This policy & guidance can help put your promotion in the best position for approval once it has been sent for review by the AR firm and potentially speed up the approval process.

If you intend to advertise or issue any other form of financial promotion you must first obtain our approval and authorisation whether this is for an exempt promotion or not. Failure to comply with this requirement is a serious matter and is a breach of FSMA (in other words an illegal act as well as a breach of your AR Agreement).

## Submitting the Promotion

The Principal of the AR firm is responsible for all financial promotion activity conducted by their firm.

Items being submitted for approval, whether it be stationery, websites, adverts or incentives and Google Ads, must be submitted to the Financial Promotions team, email them at

[financialpromotions@hlpartnership.co.uk](mailto:financialpromotions@hlpartnership.co.uk)

- Draft financial promotion must be submitted in good time before its proposed issue / communication.
- Provide full details about the proposed use of each promotion. Those details would include when and where it will be used, the date of initial publication and how long it will run for (if applicable).
- Along with the draft financial promotion, where applicable it may also be necessary to forward any accompanying documentation (such as reference materials, APRC data) to support information referred to in the promotion.

## Obtaining approval

- The Financial Promotions team will provide feedback, usually via email. We will either approve the promotion, send details of any changes that are required or under certain circumstances it may be declined.
- If amendments are required the AR firm should make these and re-submit the promotion.
- The above 2 points are repeated until we approve the financial promotion.
- With an approval, a specific expiry date will be issued. Once the expiry date has been reached, you must stop using the advert.
- If you want to continue using the advert beyond the expiry date you should re-submit it for approval, approx. 1 month before expiry.
- The promotion may be used only in the circumstances and for the purposes we have approved. You must not use any approved promotion for a purpose or in a different publication other than as specified in the approval.

- It is a breach of the Networks policy to publish and financial promotion without first obtaining written approval from the Networks Financial Promotions team.

## Websites

- Given the interactive nature of websites, it is not possible for us to assess these from a hard copy. Accordingly, websites must be submitted:
  - a. As a link to a password protected site which is not available to the public or as a sub-site which we can view.

## Record Keeping

- All approvals will have an approval number and expiry date associated to it. You must keep accurate records of each promotion, and this log must be made available for inspection, where requested by the Network. Records can be held electronically.
- It is important to keep records of which promotions are in use and which are not. If you are no longer using a promotion update your records to reflect this.
- If you want to continue using a promotion after the expiry date, re-submit it for approval and we will review, and issue you with a new expiry date if approved.

## Withdrawing Confirmation

Where, after approval, you become aware that a financial promotion ceases to become compliant, you must ensure that it is withdrawn as soon as is reasonably practicable by:

- ceasing to communicate it
- update your records, making a note of its withdrawal
- notifying any person that the firm knows to be relying on its approval (if applicable)

If we become aware that your promotion no longer complies with the rules, or requires amending (such as changing an APRC following a base rate change), we will instruct you to either change or cease the communication of that promotion where possible to do so.

Equally, if we discover the use of a financial promotion outside the scope of approval, all approvals for that advertisement may be withdrawn and you will be instructed to immediately cease communication of that promotion. Failing to keep within the scope of the approval or failing to withdraw the promotion is a breach of this guidance and your firms AR agreement.

## Glossary

APRC	Annual Percentage Rate of Charge
AR	Appointed Representative
CONC	Consumer Credit Conduct of Business Sourcebook published by the FCA
Consumer Principle	Principle 12 of the Consumer Duty rules
FCA	Financial Conduct Authority
Financial Promotion(s)	a communication to a customer that is an invitation or an inducement to engage in a financial activity, subject to the detailed rules in MCOB 3A and ICOBS 2.2
ICO	Information Commissioners Office
ICOBS	Insurance Conduct of Business Sourcebook published by the FCA
MCOB	Mortgage Conduct of Business Sourcebook published by the FCA
Network	HL Partnership is a trading name of HL Partnership Limited. Registered in England No. 5011722. Registered Office: 1 <sup>st</sup> Floor, 6 Merus Court, Meridian Business Park, Leicester, LR19 1RJ
OFCOM	Office of Communications
PECR	Privacy and Electronic Communications Regulations
RCM	Regional Compliance Manager

