

December 2018

FINANCIAL PROMOTIONS

Are you effectively managing your legal and regulatory risk?



INTRODUCTION

The Financial Conduct Authority (**FCA**) has recently published material in respect of financial promotions, re-emphasising the fact that marketing, advertising and customer communications remain high on the FCA's agenda. Financial promotions are often one of the key indicators to customers as to their expectations of a particular product and the regulator is keen to ensure that firms deliver consistently fair outcomes for their customers.

In recent months the FCA published a reminder to motor finance firms of their advertising obligations under CONC 3 and have also published a consultation paper on extending the Principles for Business (PRIN) and financial promotions rules under the Banking: Conduct of Business Sourcebook (**BCOBS**) to payment services firms.

Even though you may not be in the sectors covered above, they still serve as a useful reminder of:

- ▶ the definition of a financial promotion is wider than advertising;
- ▶ the requirements for financial promotions are channel and media neutral, so they apply equally to social media posts; website banners; press, TV and radios ads; and posters; and
- ▶ the risk needs to be managed across the whole of the firm and the responsibility does not sit solely with legal, compliance and/or marketing functions.

HOW EFFECTIVELY ARE YOU MANAGING YOUR LEGAL AND REGULATORY RISKS IN RELATION TO FINANCIAL PROMOTIONS?

In order to help you consider your regulatory risks, we have come up with 12 questions to ask yourself:



FURTHER INFORMATION

- ▶ [Regulation Round Up – November 2018](#) (FCA)
- ▶ [CP18/21 – General Standards and Communication Rules for Payment Services and E-Money Sectors](#) (FCA)

HOW WE CAN HELP

Within Addleshaw Goddard's Regulatory Risk and Compliance Practice Group, we have a blended team of both legal and regulatory risk professionals, who can provide you with holistic solutions to enable you and your senior managers to have confidence and assurance in management of the risks that are posed by financial promotions.

We have expertise in helping firms that offer:

- ▶ consumer credit
- ▶ asset finance
- ▶ current and savings accounts
- ▶ mortgages
- ▶ retailers who also offer customers financial services
- ▶ general insurance



OUR EXPERIENCE

We can help as little or as much as you require, whether that is ad-hoc advice on specific issues, helping you manage regulatory engagement, deep dive independent assurance reviews, bespoke training programmes and even an approval service either for all your financial promotions or helping you cope with campaign peaks and seasonal overflow

We have assisted a number of our financial services clients with managing their legal and regulatory risks which arise from financials promotions including detailed advice notes on the particular aspects of the financial promotions regime through to legal and regulatory assurance.

Our recent experience includes providing:

- ▶ Full financial promotions sign off service for a market leading credit card provider, including all channels of media, a wide range of promotional material, full integration into the marketing team, specialist training provided, specialist advice on internal views and risk decisions and the development of compensative policies and procedures used internally.
- ▶ Full financial promotions sign off service for two national building societies, including all channels of media, a wide range of promotional material, specialist advice on specific campaigns and digital channels and the development of compensative policies and procedures used internally.
- ▶ Specialist ongoing advice on all aspects of conditional sale, hire purchase and PCP promotions for a leading UK and international motor finance credit provider, including integration into new campaigns and web design.
- ▶ Ad-hoc advice to an asset finance firm, including review of banner adverts and website reviews.

Who to contact

If you would like to know more or would like to discuss anything further, please contact:

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