

Financial promotion: An indication of FCA's new approach to intervention

04 FEBRUARY 2014

Harvey Knight

PARTNER | UK

CATEGORY:
ARTICLE

The FCA has published a voluntary application for the imposition of a requirement ('voluntary application') by price comparison website, MoneySuperMarket.com Financial Group Limited (MSM), which set out an acknowledgement of an infringement of the financial promotion rules by MSM. Publication of the FCA's concerns about the MSM advertisements follows the announcement made by the FCA in November 2013, of its thematic review of insurance price comparison websites and also gives an indication of the FCA's new approach to intervention in relation to financial promotions.

The FCA found that certain advertisements that formed part of a wider marketing campaign were capable of more than one interpretation by consumers and as a result breached Principle 7 of the Principles for Businesses (communication with clients). In particular, the FCA was concerned that the advertisements, which took the form of short videos, combined images, voiceover and clarifying wording, meant that viewers might not be able to absorb all relevant information. Annex 1 to Schedule B of the application provides examples of the offending advertisements.

MSM has agreed in the requirements imposed on them not to broadcast or publish the advertisements in the same form in future. MSM is also required and has agreed to publish the following statement on its website for four weeks from the date of the requirement (the published version of the requirement is undated):

'The [FCA] considers our recent advertising campaign did not fully meet the standards that they expect for such advertisements. The FCA is concerned that the adverts created an incorrect overall impression that MoneySuperMarket is cheaper than other leading comparison sites more than 50% of the time.'

Authors

Harvey Knight

PARTNER | LONDON

Litigation

 +44 20 7597 6199

 harvey.knight@withersworldwide.com