

Transcript: Case study 2 - Claims Management Companies: Financial Service Products video

Making financial promotion compliant

Common mistakes to avoid.

All examples are fictitious.

You may wish to seek independent legal advice to ensure your promotions comply.

Claims Management Companies

Social media adverts for claims management must comply with the rules in the Claims Management: Conduct of Business sourcebook

Facebook advert

Non-compliant advert

Even if your firm's name includes the word claim, you must state that you are a claims management company.

If a claim could be made to a statutory ombudsman or statutory compensation scheme, you must state that customers:

- don't have to use a claims management company to progress a claim
- can make a free claim directly to the firm they are complaining about or to the relevant statutory ombudsman or compensation scheme
- where a claim can be made to a statutory ombudsman or statutory compensation scheme, firms are required to name the relevant ombudsman or compensation scheme

This statement must be prominent

Compliant advert

Statement that the firm is a claims management company.

This doesn't need to be at the top of the advert but should be prominent.

Prominent statement of a customer's right to make a free claim themselves.

All examples are fictitious

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Google Sponsored Advert

Sponsored links have word limits. But adverts must be standalone compliant.

This ad is not compliant. It:

Non-compliant advert

- doesn't clearly identify the firm as a claims management company
- mentions No Win No Fee without detailing fees
- doesn't include prominent information about a consumer's right to make a free claim themselves this is required because the CMC deals with claims which fall within the province of a statutory ombudsman or statutory compensation scheme)

Compliant advert

- firm clearly identified as a CMC
- prominent fee information
- prominent information about the consumer's right to make a free claim themselves

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Banner Adverts

Non-compliant advert

This ad is not compliant. It:

- doesn't clearly identify the firm as a claims management company
- doesn't include prominent information about a consumer's right to make a free claim themselves
- where a claim can be made to a statutory ombudsman or statutory compensation scheme, firms are required to name the relevant ombudsman or compensation scheme

Remember don't use misleadingly high claim amounts, which aren't achievable for most people.

Must not include statement suggesting that claims will have a more favourable outcome with their service

Compliant advert

- prominent information about a consumer's right to make a free claim themselves
- fees prominently detailed
- firm clearly identified as a CMC

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Search

CMCOB 3.1 Application

on handbook.fca.org.uk for more information

These examples are fictitious. They are intended to be examples of what certain aspects of our financial promotion rules require. They are not an exhaustive illustration of our rules and it is for firms to ensure that the promotions that they communicate or approve comply with all relevant requirements.

If you're unsure whether your advert complies with the relevant rules, you may wish to seek independent legal advice.

Search

Financial promotions and adverts

Report a misleading financial advert

on fca.org.uk