

FINANCIAL PROMOTIONS GUIDELINES

for Leisure Dealers

April 2020

blackhorse 

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INTRODUCTION

Regulation of all consumer credit and consumer hire, including Financial Promotions (adverts) fall under the control of the Financial Conduct Authority (FCA). All financial institutions must ensure they act in the best interests of the consumer to prevent the sale of unsuitable or poor value products and services.

The Consumer Credit (Advertisements) Regulations 2010 have been incorporated into the FCA Handbook together with some of the Office of Fair Trading guidance under Section 3 of the Consumer Credit Sourcebook, commonly known as CONC.

The overarching FCA rule in place, CONC 3.3.1, requires Financial Promotions to be 'clear, fair and not misleading'.

The rules and guidance on Financial Promotions may appear onerous but there could be serious implications on your business if promotions do not conform to the requirements.

This is a summary and not an exhaustive guide and is designed to help you make sense of the regulatory requirements for Financial Promotions across all communications.

The FCA updates their rules and guidance from time to time and you should ensure you keep up to date with the latest communications to remain fully compliant.

This guide is applicable only to retail leisure dealers and should not be published or made available elsewhere without the express consent of Black Horse Ltd.

We cannot accept any liability arising from the contents of this guide.

Dealers and third parties are advised to seek their own independent legal advice should they have any queries regarding Financial Promotions. Failure to comply with the rules on Financial Promotions could lead to action being taken by the FCA/ASA.

This guidance is published in January 2019 and is a general guide to the laws and rules on credit. It should not be regarded as legal advice.

WHAT IS A FINANCIAL PROMOTION?

A Financial Promotion is defined as ‘an invitation or inducement to engage in consumer credit activity... that is communicated in the course of business.’

This definition covers a wide range of material and does not just include items that you might typically consider to be a Financial Promotion such as a newspaper, mail shot, product brochure, TV or radio advert.

Social media, dealer websites, showroom point of sale and vehicle decals/graphics would also be considered Financial Promotions if they include an invitation or inducement to engage in consumer credit activity.

Example of a Financial Promotion

THE NEW

CARAVAN MODEL

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CARAVAN MODEL REPRESENTATIVE EXAMPLE			
On the Road Price *	£14,520.00	Total Amount Payable	£18,931.80
Customer Deposit	£2,731.80	Duration of Agreement	120 months
Total Amount of Credit	£11,788.20	Representative APR	6.9% APR
Purchase Fee (included in final repayment)	£10.00	Interest Rate (Fixed)	6.68%
120 Monthly Repayments	£135.00		

*Model shown is a Caravan Model with optional winter pack (£1,250). On the road price £15,770.

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<Trading style on FCA register> is a trading style of <Legal name on FCA register> who is acting as a credit broker and not a lender.

THE ART OF PERFORMANCE

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WHO, WHAT, WHY, WHERE, WHEN AND HOW?

In summary

WHO DOES THIS GUIDE APPLY TO?

All leisure dealers and their advertising agencies where applicable.

WHAT DOES THIS GUIDE DO?

It helps you prepare Financial Promotions aimed at the general public to ensure that they will be clear and understood by your target audience.

WHY DO I NEED IT?

To ensure that you comply with statutory requirements and those of the Financial Regulator and other key supervisory bodies.

WHERE DOES IT APPLY?

Across all media channels.

WHEN DOES IT APPLY?

Any time that you produce a Financial Promotion (advert).

HOW DOES IT WORK?

The guide takes you on a structured journey of how to produce Financial Promotions.

OTHER GUIDELINES THAT APPLY TO FINANCIAL PROMOTIONS

Financial Promotions are subject to a variety of laws and rules, some of which we consider in this guide alongside the CONC requirements.

THESE MAY INCLUDE:

- The Consumer Protection from Unfair Trading Regulations 2008.
- The Business Protection from Misleading Marketing Regulations 2008.
- CAP Code and BCAP Code ('Advertising Codes').
Some of these are considered later in this document.
- The Consumer Rights Act 2015.

WHAT ARE THE GENERAL REQUIREMENTS?

The following points apply to all forms of promotion including the promotion of credit and hire to both consumers and businesses.

- Financial Promotions must not contain false or misleading information. They must be easy to read (or hear) and use language which is not difficult to understand. All relevant information (including exclusions) must be included.
- It should be clear whether the Financial Promotion is for a credit product, a hire product or both.
- Vehicle imagery must match the vehicle description and cash price / monthly repayment. High-specification/ top-of-the-range images cannot be used with lower-specification/entry-level figures.
- The vehicle price must be the 'On-The-Road price' (OTR) and not the Suggested Retail Price / Recommended Retail Price (SRP/RRP). You should ensure all costs and charges are included such as road fund licence, first registration fees, etc. Services such as water rates or site fees cannot be included.
- Financial Promotions must not use images or video content that may appear to portray or condone dangerous, irresponsible or antisocial driving on a public highway.
- Ensure that the vehicle description is factually correct and capable of substantiation (i.e. technical specification, external reports, etc.).
- Don't make environmental claims which cannot be substantiated or be achieved by the average driver.

- Do not emphasise benefits without giving a clear indication of restrictions/limitations. A balanced view of the product should be provided.
- Include the minimum small print, typically status wording, product name, key exclusions, name and address of promoter.
- You must make it clear if the vehicle has previously been used for business purposes (such as a demonstrator).

BUSINESS USERS ONLY

Where the promotion is solely aimed to promote credit or hire to a customer's business, it is exempt from complying with most of CONC; however, these must be clearly identified 'for business users only'. It is worth noting that the principle of 'clear, fair and not misleading' applies to all Financial Promotions, notwithstanding the audience.

NB: It is not sufficient to treat a Financial Promotion as being for business users only if, in reality, a significant proportion of consumer agreements are written as a result of the promotion. Business promotions should not be used to entice retail customers.

VEHICLE IMAGERY

- Vehicle imagery must match the vehicle description. High-specification/top-of-the-range images cannot be used with lower-specification/entry-level figures. For example: you cannot show an image of the top-of-the-range SE Model but the price and monthly repayment for the base model. In addition, visible optional extras should be brought to the customer's attention in a prominent manner, along with the additional cost of each item. You should also include the OTR price of the vehicle shown in the imagery (with the optional extras added included) so that you are being clear to your customers. For example: 'Model shown is a Black Horse Model X with optional winter pack (£1,250) – On-The-Road price £XX,XXX.'



CREDIT FINANCE

REPRESENTATIVE EXAMPLE AND REPRESENTATIVE APR

The content of your promotion will determine whether the Representative APR can be shown in isolation or whether it must be shown as part of the Representative Example.

REPRESENTATIVE APR

The Representative APR is a rate at or below which the advertiser expects 51% of customers to achieve when entering into an agreement as a result of the Financial Promotion.

The rules require forward thinking and are not based on historical data.

This is not limited to agreements featured in the promotion if the promoter expects other agreements (e.g. with different rates or amounts) to be entered into as a result of the promotion.

The Representative APR must be expressed as 'X.X% APR' and be accompanied by the word 'Representative'.

WHEN TO INCLUDE A REPRESENTATIVE APR

Where the Financial Promotion includes:

- An **INCENTIVE** (when only available to finance customers)
- A **FAVOURABLE** comparison (or comparative statement)
- Any reference to **SPEED** or **EASE** of finance application (to persuade or influence customers to take finance)

then the Representative APR must be shown **NO LESS** prominently than any of the above statements.

Although the Representative APR is a rate of interest, there is an exception to the general rule requiring the inclusion of a Representative Example (see following section).

REPRESENTATIVE APR AND INCENTIVES / FAVOURABLE COMPARISONS

The normal rule is that a rate of interest, which includes a Representative APR, triggers the requirement to include a Representative Example.

Where the promotion includes an incentive or favourable comparison, the Representative APR must be shown and must be **NO LESS** prominent than the incentive / favourable comparison. The Representative APR can be shown in isolation in these circumstances without the need to include a Representative Example (although one can be included if desired).

INCENTIVES / FAVOURABLE COMPARISONS

A Representative APR must be included in any Financial Promotion which:

- Includes an incentive to apply for credit or enter into an agreement under which credit is provided (e.g. the speed or ease of processing the application, a contribution towards the deposit, free servicing, etc.).
- Indicates or implies that the quoted comparisons are more favourable than normal or than those available from any other finance provider (e.g. X% off our usual rates, lower rates until 31 March, our lowest rates, etc.).

Examples of favourable comparisons and incentives triggering a Representative APR but not a Representative Example†	Examples of comparisons which do not trigger the requirement for a Representative APR or Representative Example
Free accessories*	Competitive rates
Free servicing*	Low rate
Free insurance*	Low APR
Deposit contribution*	Flexible
Our lowest rates	Attractive
It's simple to apply and get a decision in minutes.	

[†]Any favourable comparison used must be capable of substantiation.

*When available to finance customers only.

[illegible]

REPRESENTATIVE EXAMPLE

'Representative' here means typical or characteristic of the agreements reasonably expected to be entered as a result of the promotion. There is no 51% test to be applied, but you should ensure that the terms advertised (or better terms) would apply to enough business generated by the promotion to make it truly representative or foreseen.

For example, promoting £199 per month with an 80% deposit is unlikely to be representative as it would appear out of line with the typical deposit an average customer would place.

WHEN TO INCLUDE A REPRESENTATIVE EXAMPLE

The requirement to include a Representative Example is triggered when:

- A rate of interest is included in a Financial Promotion and there isn't an incentive (that only relates to customers purchasing with finance) or a favourable statement.
- An amount relating to the cost of credit is included, such as the monthly payment (on a non-0% APR offer).

The content of your promotion will determine whether the Representative APR can be shown in isolation or whether it must be shown as part of the Representative Example.

A promotion can only include one Representative Example/APR. Multiple Finance Examples can appear in addition to the Representative Example, provided they are no more prominent.

THE NEW CARAVAN MODEL

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CARAVAN MODEL REPRESENTATIVE EXAMPLE			
On the Road Price *	£14,520.00	Total Amount Payable	£18,931.80
Customer Deposit	£2,731.80	Duration of Agreement	120 months
Total Amount of Credit	£11,788.20	Representative APR	6.9% APR
Purchase Fee (included in final repayment)	£10.00	Interest Rate (Fixed)	6.68%
120 Monthly Repayments	£135.00		

*Model shown is a Caravan Model with optional winter pack (£1,250). On the road price £15,770.

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REPRESENTATIVE EXAMPLE

HOW MUST THE REPRESENTATIVE EXAMPLE BE PRESENTED?

- All of the information must be presented together and be headed up '**Representative Example**'.
- The information must be presented in a clear, concise way.
- Each item must be given equal prominence.
- The Representative APR must be expressed as 'X.X% APR' (this must be shown to an accuracy of one decimal place) and be accompanied by the word 'Representative'.

WHAT INFORMATION MUST BE INCLUDED?

REPRESENTATIVE EXAMPLE – PERSONAL CONTRACT PURCHASE		REPRESENTATIVE EXAMPLE – HIRE PURCHASE	
BLACK HORSE MOTORHOME 10,000 MILES PER ANNUM		BLACK HORSE MOTORHOME	
XX Monthly Repayments	£XXX.XX	XX Monthly Repayments	£XXX.XX
Optional Final Repayment	£XXX.XX	Cash Price	£XXXXX.XX
Cash Price	£XXXXX.XX	Deposit	£XXXX.XX
Deposit	£XXXX.XX	Agreement Duration	XX Months
Agreement Duration	XX Months	Purchase Fee (included in Final Monthly Repayment)	£XX.XX
Purchase Fee (included in Optional Final Repayment)	£XX.XX	Total Amount Of Credit	£XXXXX.XX
Total Amount Of Credit	£XXXXX.XX	Total Amount Payable	£XXXXX.XX
Total Amount Payable	£XXXXX.XX	Interest Rate (Fixed)	XX.XX%
Interest Rate (Fixed)	XX.XX%	Representative APR	XX.X% APR
Representative APR	XX.X% APR		

If you have a vehicle image with optional extras but choose not to reflect this in the Representative Example, you should include wording (either in the imagery itself or below the Representative Example) confirming the optional extras that are shown, their respective individual cost and the On-The-Road price of the vehicle image shown.

For example: 'Model pictured is a Black Horse Motorhome with optional winter pack (£1,250) – On-The-Road price £XX,XXX.'

0% APR REPRESENTATIVE DEALS

The only time that a monthly repayment can be shown without triggering the requirement for a Representative Example is for a '0% APR' deal (as 0% APR does not attract any interest and therefore monthly repayments do not include any element of an amount relating to the cost of credit).

If there are any qualifying conditions then these should be clearly stated within the body copy or headline, e.g. 'significant deposit requirement' or 'restricted term'.

The inclusion of an interest rate in a Financial Promotion will trigger the requirement for a Representative Example, EXCEPT where that interest rate is '0% APR' (and displayed as such – without 'Representative'), OR the promotion includes an incentive / favourable comparison, OR if there is a reference to the speed or ease of making a finance application (to persuade or influence customers to take finance).

Where a Financial Promotion includes one of the below 'triggers':

- an incentive (only applicable to customers taking the finance offer)
- a favourable comparison
- reference to the speed or ease of making a finance application
- references that credit is available to individuals who might otherwise consider their access to credit restricted

and you choose to include a Representative Example, the Representative Example must be given no less prominence than these triggers.*

See page 15 for more details.

REPRESENTATIVE EXAMPLE MATRIX

APR	Are you showing a monthly repayment?	Are you including any of the 'trigger' items above?	Should you include a Representative Example?	Should you include the Representative APR?
0% APR	No	No	No	No
0% APR	No	Yes	No	Yes – it should be shown as 0% APR Representative.
0% APR	Yes	No	No	No
0% APR	Yes	Yes	No	Yes – it should be shown as 0% APR Representative.
+% APR	No	No	No	No
+% APR	No	Yes	No	Yes
+% APR	Yes	No	Yes	No
+% APR	Yes	Yes	Yes*	No

PRODUCT-SPECIFIC INFORMATION

PERSONAL CONTRACT PURCHASE

Where a monthly repayment is referenced the promotion must also include:

- A reference to 'plus Deposit and Optional Final Repayment'.
- The annual contract mileage upon which the monthly repayment is based. If the contracted mileage is perceived to be less than average annual mileage then good practice is to draw out the contracted mileage in the body copy, preferably in proximity to the Representative Example.

CHERRY PICKING

CHERRY PICKING

It is our interpretation that it is acceptable to ‘cherry pick’ information such as the monthly repayment and Representative APR and repeat this within the body copy of a Financial Promotion, provided the Representative Example is shown with no less prominence. The rules regarding this subject are not clear and guidance will be revisited at a future date should it be required.

This could potentially be achieved by embedding the information within the body copy and/or ensuring the font size/colour is smaller / less striking in colour. The Representative Example can also have its prominence enhanced by using bold headings, colours, larger ‘Representative Example’ wording and by having a solid thick line surrounding the item itself.

NB: Care must be taken regarding prominence of cherry-picked items; this means both size and position in relation to the other financial information used in the promotion.

Cherry picked information is no more prominent than the Representative Example as a whole.

THE NEW

CARAVAN MODEL

Model from £135 a month

CARAVAN MODEL REPRESENTATIVE EXAMPLE	
On the Road Price *	£11,788.00
Customer Deposit	£10.00
Total Amount of Credit	£11,798.00
Monthly Repayment	£135.00
Term of Agreement	120 months
Representative APR	6.9% APR
Fixed Fee (Fixed)	6.68%

*Model shown is a Caravan

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CREDIT BROKER **STANDARD** **WORDING**

CREDIT BROKER STANDARD WORDING

Specific requirements apply to Financial Promotions or communications with a consumer in relation to credit broking, whether or not they are in relation to a regulated credit agreement.

- The Financial Promotion must contain the full legal entity name of the credit broker as it appears in the Financial Services Register. There are no prominence requirements relating to the full legal entity name. A dealer can use a trading style; however, they must still disclose their full legal entity name.
- In addition, a credit broker must ensure that any Financial Promotion in relation to credit broking states prominently that the firm is a credit broker and that it is not a lender. CONC states that a statement will not be treated as prominent unless it is presented, in relation to other content of the Financial Promotion, in such a way that it is likely that the attention of the average person to whom the promotion is directed would be drawn to it. Inclusion of the information in the small print will not meet the prominence requirements. CONC also requires that a Financial Promotion:
 - Specifies the name of the person making the Financial Promotion or on whose behalf it is made.
 - If it relates to credit broking, indicates the identity of the lender where known.
- It is not necessary for the wording to appear prominently within the rest of the finance body copy. It may suffice for the wording to appear in close proximity to the dealer details (either alongside or immediately below them) regardless as to whether those dealer details have close proximity to the other finance wording or not.

THE CARAVAN MODEL
2.9% APR
REPRESENTATIVE
£2,000 FINANCE DEPOSIT CONTRIBUTION

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<Trading style on FCA Register> is a trading style of <Legal name on FCA Register> who is acting as a credit broker and not a lender.

In practice, the following words could be used to comply with both requirements: '**<Trading style on FCA Register> is a trading style of <Legal name on FCA Register> who is acting as a credit broker and not a lender', OR '<Legal name on FCA Register> is acting as a credit broker and not a lender'.**

INDICATING THE IDENTITY OF THE LENDER WHERE KNOWN

If you are able to introduce finance to a range of lenders you may not be able to state with certainty the identity of the lender who will be used, but will need to explain your status in your Financial Promotion.

If you are only able to introduce finance to one lender you will have to name them in your Financial Promotion, but you must obtain their permission to include their name before you communicate the promotion to any of your customers.

STANDARD **SMALL PRINT**

NEW AND USED MOTORHOME PERSONAL CONTRACT PURCHASE (PCP) CAMPAIGN

Offer available until <insert date>. Finance figures applicable at time of print and are subject to change. Representative Example is based upon an annual mileage of 8,000. Credit is subject to status and is only available to UK residents aged 18 and over.

With PCP, once you have paid all of the regular monthly repayments you have the option to:

1. Return the vehicle and not pay the Optional Final Repayment. If the vehicle has exceeded the maximum agreed mileage, a charge per excess mile will apply. (<Insert applicable excess mileage conditions>). If the vehicle is in good condition (fair wear and tear accepted) and has not exceeded the maximum agreed mileage, you will have nothing further to pay,
2. Pay the Optional Final Repayment to own the vehicle, or
3. Part exchange the vehicle subject to settlement of your existing credit agreement; new credit agreements are subject to status.

We can introduce you to a limited number of lenders who may be able to provide funding for your vehicle. We may receive commission or other benefits for doing so.

We can introduce you to <insert name of finance provider> who may be able to provide funding for your vehicle. We may receive commission or other benefits for doing so.

NB: If you name a lender in your Financial Promotions, you must obtain their permission to do so prior to communicating the Financial Promotion to any of your customers.

NEW AND USED CARAVAN PERSONAL CONTRACT PURCHASE (PCP) CAMPAIGN

Offer available until <insert date>. Finance figures applicable at time of print and are subject to change. Credit is subject to status and is only available to UK residents aged 18 and over.

With PCP, once you have paid all of the regular monthly repayments you have the option to:

1. Return the vehicle and not pay the Optional Final Repayment.
If the vehicle is in good condition (fair wear and tear accepted), you will have nothing further to pay,
2. Pay the Optional Final Repayment to own the vehicle, or
3. Part exchange the vehicle subject to settlement of your existing credit agreement; new credit agreements are subject to status.

We can introduce you to a limited number of lenders who may be able to provide funding for your vehicle. We may receive commission or other benefits for doing so.

We can introduce you to <insert name of finance provider> who may be able to provide funding for your vehicle. We may receive commission or other benefits for doing so.

NB: If you name a lender in your Financial Promotions, you must obtain their permission to do so prior to communicating the Financial Promotion to any of your customers.

NEW AND USED HIRE PURCHASE (HP) CAMPAIGN

Offer available until <insert date>. Credit is subject to status and is only available to UK residents aged 18 and over. This offer is Hire Purchase.

Then choose between:

If able to introduce the customer to a number of lenders:

We can introduce you to a limited number of lenders who may be able to provide funding for your vehicle. We may receive commission or other benefits for doing so.

Or if only able to introduce the customer to a single lender:

We can introduce you to <insert name of finance provider> who may be able to provide funding for your vehicle. We may receive commission or other benefits for doing so.

NB: If you name a lender in your Financial Promotions, you must obtain their permission to do so prior to communicating the Financial Promotion to any of your customers.

VEHICLE DECALS

VEHICLE DECALS

The same rules apply to vehicle decals as to other Financial Promotions. There are a number of important points to remember:

- If a price is shown on the vehicle decal, the vehicle must be available for the price shown. In the case of a new vehicle, the price should include any optional extras that have been fitted.
- A monthly repayment (unless it's 0% APR) will trigger a Representative Example. The same prominence rules apply.
- **The decals still constitute a Financial Promotion and will require applicable small print which must be legible, e.g. on the decals or in a visible position elsewhere on the vehicle. It is acceptable to include all small print on a piece of paper, positioned in a window that is close to the decal. However, any items that require prominence, for example the statement that the dealer is a credit broker and not a lender, or the fact that a large deposit is required, should be included on the vehicle itself.**
- The promotion should appear as a whole, for example on one panel (e.g. bonnet or across one side of the vehicle) and not dispersed across numerous panels.



PROMOTIONS

RADIO PROMOTIONS

The same rules apply to radio promotions as to other Financial Promotions, except there is no requirement to include a postal address.

There is no dispensation in relation to prominence; so for example, the Representative APR should be spoken before any incentive / favourable comparison in order to give it the required prominence.

Should you wish to include a Representative Example, you should consider the length of time this takes to be spoken, especially if this is for Personal Contract Purchase (PCP), which will require the three end-of-agreement options to be stated. The Representative Example should be spoken clearly; therefore, including this in a sped-up voiceover is not advised.

Radio promotions must not disguise, omit, diminish or obscure important information. To comply with clear, fair and not misleading it is also important the information in the ad is not rushed and is coherent. Too much information can dilute the impact of important messages. Finding the right balance is key and it isn't always better to play safe and include more information than is required.

Each radio promotion should be taken on its own merit when considering what to include. Please see [link](#) for further guidance.

Radio promotions for consumer credit require approval and clearing through Radiocentre. Visit www.radiocentre.org for further details.

DEALER RADIO SCRIPT EXAMPLE

<Insert model name>

Driving a <insert model> from XYZ Motors Ltd has never been so within reach, with X.X% APR Representative and a £xxx deposit contribution / 12 months free insurance* when you take out a Hire Purchase agreement.

Featuring (<insert car sales pitch message>) i.e. 5 door, LED headlights, 99 point check, warranty, etc. you're sure to get some admiring glances.

Don't miss out, call us now or visit our website.

We are a credit broker and not a lender.

We can introduce you to a limited number of lenders who may be able to provide funding for your vehicle. We may receive commission or other benefits for doing so.

Offer ends <insert date>.

Terms and conditions apply.

*Insert as appropriate. Incentive must only apply to finance customers.

SOCIAL MEDIA AND BANNER PROMOTIONS

The Financial Regulator acknowledges the limitations of making communications over social media, specifically the limits on the number of characters that can be used. The fundamental requirement is that any Financial Promotion must at all times remain 'clear, fair and not misleading'. Where a Representative Example or Representative APR is triggered within a banner advert, all information required by CONC must be presented together and the rules regarding prominence apply.

IMPORTANT POINTS TO REMEMBER

- Where a Representative Example is triggered within a banner advert, all required information must be presented together. On multiple frame banner adverts the Representative Example could appear on frame 1. Cherry-picked information may appear subsequently, providing the banner always commences at frame 1. Cherry-picked information could not appear in frames before the Representative Example.
- As the Representative APR is a rate which triggers the requirement for the Representative Example, we don't recommend including an incentive / favourable comparison on frame 1 with the Representative APR appearing on a later frame, as the rules require the Representative APR to be no less prominent. Incentives OR favourable comparisons must, therefore, appear on the same or later frame as the Representative APR.

- You can signpost to additional information on a website provided the link is clear; for example, the term 'Important Information' should be used. The additional information could include the small print requirements and must be visible to the customer with a minimal amount of scrolling required. Significant exclusions must appear with prominence and therefore should be shown on the digital item itself. For example, the requirement for a very large customer deposit to qualify for the offer.
- Care must also be taken to ensure that information contained in a banner advert is legible and remains visible for a reasonable length of time, enabling the customer to read the content. This is even more critical if the banner advert does not start again from the beginning after reaching the final frame.



CUSTOMER EMAIL MARKETING (eDM)

The requirements contained in this guide apply equally to email marketing.

Prior to sending any communications you must ensure that your customers have consented appropriately to receive marketing communications from yourself. The sending of unsolicited marketing emails is strictly prohibited. Your customers should also be able to unsubscribe from future marketing communications. You should satisfy yourself that your business is adhering to the requirements set out as required by the GDPR.

As email marketing is not limited by space, you must ensure that the content is compliant in its own right, without requiring any signposting to websites to display information such as small print.

The email subject line should make it clear that the message content contains marketing material.

0344 824 8888
blackhorse

AN EXCITING FINANCE OFFER

ON THE NEW CARAVAN MODEL



[BOOK A TEST DRIVE >](#)

Dear <Customer Name>

<Trading style on FCA register> currently has a limited number of <caravan model> available with a range of upgrades already included.

Nam ratectiam facia qui intionsequi cuscii corpore captur? Quidis il incient lam dolum quia digent ipsanducilit fugitata dellabo. Tem sin eatquo venihil molor aperchit re commole sequatem volestium eium as corporeratis et asseque nis aruptur sunti idellaut qui debitas essequi.

Contact us today on XXXX XXX XXXX to take advantage of this exclusive offer.

Enhanced specifications include:

- XXXXXX
- XXXXXX
- XXXXXX
- XXXXXX
- XXXXXX
- XXXXXX
- XXXXXX
- XXXXXX

<Trading style on FCA register> is a trading style of <Legal name on FCA register> who is acting as a credit broker and not a lender

Contact us by email, phone or visit our website: 0344 824 8888

pcp@blackhorse.co.uk blackhorse.co.uk

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Registered Office: 25 Gresham Street, London EC2V 7HN.

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DISPLAYING MULTIPLE EXAMPLES

ADVERTS WITH MULTIPLE FINANCE EXAMPLES:

It is not uncommon to want to show multiple finance examples in a Financial Promotion. This is achievable in two different ways.

REPRESENTATIVE EXAMPLE AND A FINANCE EXAMPLE:

CONC states that the Representative Example must be shown at no less prominence than any other cost of credit or interest rate.

EXAMPLE: HIRE PURCHASE PRESS ADVERT

REPRESENTATIVE EXAMPLE NEW BLACK HORSE MODEL		FINANCE EXAMPLE NEW BLACK HORSE MODEL	
XX Monthly Repayments	£XXX.XX	XX Monthly Repayments	£XXX.XX
Cash Price	£XXXXX.XX	Cash Price	£XXXXX.XX
Deposit	£XXXX.XX	Deposit	£XXXX.XX
Agreement Duration	XX Months	Agreement Duration	XX Months
Purchase Fee (included in Final Monthly Repayment)	£XX.XX	Purchase Fee (included in Final Monthly Repayment)	£XX.XX
Total Amount Of Credit	£XXXXX.XX	Total Amount Of Credit	£XXXXX.XX
Total Amount Payable	£XXXXX.XX	Total Amount Payable	£XXXXX.XX
Interest Rate (Fixed)	XX.XX%	Interest Rate (Fixed)	XX.XX%
Representative APR	XX.X% APR	APR	XX.X% APR

- Whilst both examples are the same size, the Representative Example has bold formatting and a much bigger heading so is more eye-catching than the Finance Example. This ensures that the Representative Example is definitely shown with no less prominence than the Finance Example.
- The Finance Example has a different bottom row heading vs. that of the Representative Example. As the Finance Example is not 'Representative', the Representative APR row is simply renamed to 'APR'.
- You can share small print across both examples so this stops excessive amounts of text and caveats.
- You should consider the positioning of the Representative Example. In this example, if the Finance Example appeared first, would the Representative Example still be shown to be of no lesser prominence?
- You are still required to have the same small print and wording as previously advised.

FCA GUIDANCE ON 'PROMINENCE'

'...a statement will not be treated as prominent unless it is presented, in relation to other content of the Financial Promotion, in such a way that it is likely that the attention of the average person to whom the Financial Promotion is directed would be drawn to it.'

DISPLAYING MULTIPLE EXAMPLES

ADVERTS WITH MULTIPLE FINANCE EXAMPLES CONTINUED

MULTIPLE REPRESENTATIVE EXAMPLES:

You are not permitted to include more than one Representative Example per advert. This, however, can be overcome by splitting up your advert into two clearly identifiable separate offers. This can involve using formatting, such as using solid dividing lines and by ensuring that the full small print is shown under each offer. From a perspective of trying to produce aesthetically pleasing advertising, using a Representative Example and Finance Example/s (as per previous page) would require far less text, but would still enable you to provide the same message effectively.

Example: Hire Purchase Press Advert

REPRESENTATIVE EXAMPLE NEW BLACK HORSE MODEL	
XX Monthly Repayments	£XXX.XX
Cash Price	£XXXXX.XX
Deposit	£XXXX.XX
Agreement Duration	XX Months
Purchase Fee (included in Final Monthly Repayment)	£XX.XX
Total Amount Of Credit	£XXXXX.XX
Total Amount Payable	£XXXXX.XX
Interest Rate (Fixed)	XX.XX%
Representative APR	XX.X% APR

<Trading style on FCA Register> is a trading style of <Legal entity name on FCA Register> who is acting as a credit broker and not a lender.

Offer available until <insert date>. Credit is subject to status and is only available to UK residents aged 18 and over. This offer is Hire Purchase. We can introduce you to a limited number of lenders who may be able to provide funding for your vehicle. We may receive commission or other benefits for doing so.

REPRESENTATIVE EXAMPLE NEW BLACK HORSE MODEL	
XX Monthly Repayments	£XXX.XX
Cash Price	£XXXXX.XX
Deposit	£XXXX.XX
Agreement Duration	XX Months
Purchase Fee (included in Final Monthly Repayment)	£XX.XX
Total Amount Of Credit	£XXXXX.XX
Total Amount Payable	£XXXXX.XX
Interest Rate (Fixed)	XX.XX%
Representative APR	XX.X% APR

<Trading style on FCA Register> is a trading style of <Legal entity name on FCA Register> who is acting as a credit broker and not a lender.

Offer available until <insert date>. Credit is subject to status and is only available to UK residents aged 18 and over. This offer is Hire Purchase. We can introduce you to a limited number of lenders who may be able to provide funding for your vehicle. We may receive commission or other benefits for doing so.

PAY PER CLICK

PAY PER CLICK (PPC) ADVERTISING:

PPC advertising is increasing as more manufacturers and dealers move their focus to the internet. PPC advertising limits the number of characters you can include, thus your ability to advertise complex offers is extremely limited.

IMPORTANT POINTS TO REMEMBER

- If you include a monthly payment (on a non-0% APR offer), this will trigger a Representative Example. This would have to adhere to the exact same requirements as if it was any other type of media. Due to the limitation in the number of characters available with PPC, we do not see this as being achievable.
- If you choose to include the Representative APR and a 'trigger', you must ensure that the Representative APR is shown with no less prominence. Therefore, consideration should be given to the location of both of these items. If the PPC is displayed with different size fonts for your text, consider if these would have any impact on prominence.
- If there are significant limitations to the offer, or any exclusions, these should be on the PPC itself – this includes the requirement for a significantly high deposit or if the offer is only available on a very short term that is not typical of agreements.
- It is acceptable to exclude the finance offer small print information from the PPC, subject to the link from the PPC going to a webpage where the omitted information is contained. The offer information should be visible to the customer with a minimal amount of scrolling.
- As there is no 'call to action' button available to the customer, there is no requirement to include any form of message to advise the customer to click for important information; however, you can choose to do so if you so wish.

Example of compliant PPC (subject to the landing page having the required information):

Headline 1	Headline 2	Description
Black Horse Model T	Now available with 0% APR with PCP Finance	Minimum 25% customer deposit required. Find out more here.
5.9% APR Representative	Plus a £2,000 Finance Deposit Contribution	On all new Black Horse Models – T&C apply – click here.
Black Horse Model X 2.0T SE	From £289 per month, with a £12,623 deposit	0% APR HP Finance only over 48 months. £26,495 On The Road.

Example of a non-compliant PPC:

Headline 1	Headline 2	Description
£2,500 Deposit Contribution	Available on every new Black Horse Model	2.9% APR Representative – T&C apply – click here for more information.

This is not compliant as the 'trigger' (the finance deposit contribution) appears first and also has a bolder format vs. the Representative APR.

BEST PRACTICE WHEN MAKING A FINANCIAL PROMOTION:

1. What is the key deliverable and message that you wish to portray?
2. Is there material information that you must include and, if so, how must this be displayed?

By understanding your key deliverable and message you can pinpoint your requirements and then combine them with the material information you must show. By following this process and being aware of requirements **before** you design your Financial Promotion, you can ensure that the end product adheres to the regulatory requirements.

For example:

KEY DELIVERABLE – Must highlight the affordability in an advert for the new Black Horse Model X and show the low monthly repayments enjoyed on PCP. The vehicle also has a finance deposit allowance (FDA) should you buy the model on PCP at 4.9% APR.

MATERIAL INFORMATION – PCP product only. Minimum 25% deposit required.

ADVERT DESIGN CONSIDERATIONS:

■ Monthly repayments included	= full Representative Example required.
■ Finance Deposit Allowance and 4.9% APR Representative It is OK to repeat the Finance Deposit Allowance and APR outside of the Representative Example but they cannot be shown with more prominence than the Representative Example as a whole. Any repeating of a monthly repayment for PCP must include '(plus deposit and optional final repayment)'.	
■ Minimum 25% deposit required Must be called out in the body copy of the advert.	= fundamental information that the customer must be provided with.
■ PCP Only Must be called out in the body copy of the advert or included as part of the Representative Example wording.	= fundamental information that the customer must be provided with.
■ Imagery Should there be any optional extras, these should be called out along with each respective cost, combined to create an On-The-Road price. This should be included ideally below the Representative Example so it offers clarity.	

FREQUENTLY ASKED QUESTIONS (FAQs):

- I see others advertising monthly repayments without a Representative Example – how can they do this but I cannot?

You can advertise monthly repayments without triggering a Representative Example if the offer is 0% APR.

Personal Contract Hire and Business Contract Hire are also advertised extensively and as this is not covered by the CONC regulation you can advertise the rental amount without triggering any form of Representative Example table.

- Can I repeat any item that appears in the Representative Example that I'm showing, such as the monthly repayment or the APR?

Yes this is acceptable; however, you must ensure that the Representative Example is shown with no less prominence than any repeated items. You should consider that the more items you repeat collectively, the more difficult it will be to ensure the Representative Example is shown with no less prominence.

- How do I advertise multiple models in one advert?

See section with multiple examples.

- What happens if I do not adhere to the FCA CONC regulations on advertising?

Should you be reported to the FCA and they conclude you are breaching regulations, you may be fined or may have your licence to offer credit withdrawn.

Should the ASA become involved then they have the enforcement ability to stop you running the same Financial Promotion again.

It only takes one complainant for the FCA/ASA to investigate. Often FCA and ASA adjudications hit the newspaper headlines, so there is a risk of reputational damage.

- I really don't want to include a Representative Example – what are my options?

You can create an advert where you do not include a cost of credit (for example, a monthly repayment) and an interest rate.

Alternatively, you could create an advert where you only include your Representative APR, subject to you including an incentive applicable solely to finance customers or you including a favourable statement about the finance offer.

- How do I know if I have made required items prominent enough?

The FCA does not have stipulated rules around this and their guidance is included below.

'...information or a statement included in a Financial Promotion or communication will not be treated as prominent unless it is presented, in relation to the other content of the Financial Promotion or communication, in such a way that it is likely that the attention of the average customer to whom the Financial Promotion or communication is directed would be drawn to it.'

- How do I judge if something is clear, fair and not misleading?

Put yourselves in your customers' shoes. If you were told that something was £99 per month but then you found out later that the payment amount only applied with a 30% deposit, plus you had a significant optional final repayment, would you feel that was clear? Or would you feel you'd been misled because significant information that you'd need to know had been omitted? Including something of significance in the small print is not a defence when it is material information.

REFERENCE SOURCES

<https://www.handbook.fca.org.uk/handbook/CONC/3/?view=chapter>
Consumer Credit Sourcebook (CONC 3 relates specifically to Financial Promotions).

<http://www.legislation.gov.uk/uksi/2001/3523/contents/made>
The Passenger Car (Fuel Consumption and CO₂ Emissions Information) Regulations 2001 (apply to printed material).

- <https://www.asa.org.uk/codes-and-rulings/advertising-codes/non-broadcast-code.html>
The CAP Code has a specific section (19) relating to motoring which sets out the overarching principle that Financial Promotions should not condone or encourage unsafe or inconsiderate driving practices.
- Consumer Protection from Unfair Trading Regulations 2008.
- The Privacy and Electronic Communications (EC Directive) Regulations 2003 which apply to unsolicited telephone calls, fax messages and electronic mail messages for direct marketing purposes.
- The Information Commissioner's Office has produced guidance on the Regulations.

- Business Protection from Misleading Marketing Regulations 2008 which apply to Financial Promotions.

The other key item to consider is <http://www.asa.org.uk/Rulings/Adjudications.aspx>
You should also consider ASA adjudications which are a helpful source of guidance.

<http://ico.org.uk>
Information Commissioner's website containing guidance on data protection legislation (including information relating to PECR).

