



Financial Services Authority

# Good and poor practices in Key Features Documents

September 2007



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# Foreword

Providing clear information is essential for delivering fair outcomes for consumers. We first announced our intention to review our point-of-sale disclosure requirements in Discussion Paper DP4 (2000).<sup>1</sup>

Our review involved extensive research among both consumers and firms to identify ways of improving the effectiveness of disclosure. This led us to develop the ‘*keyfacts*’ branded Quick Guide (QG) as a potential replacement for the Key Features Document (KFD). We consulted on the QG in CP05/12 (2005).<sup>2</sup>

While we were able to identify a clear consumer preference for shorter, more-focused material, further research also clarified that good examples of KFDs were equally effective with consumers as the QG. So we announced in CP 06/19 (2006)<sup>3</sup> the most proportionate approach would be to keep the KFD and brand it as a ‘*keyfacts*’ document.

In keeping KFDs we were mindful that simply changing our rules would not necessarily lead to more effective documents. Nor were we suggesting the quality of KFDs was uniformly good.

We now expect firms to respond to the retention of KFDs and their addition to the suite of ‘*keyfacts*’ literature by improving their overall quality and effectiveness. This paper sets out our plans for ensuring that KFDs are improved and should be a useful reference point for firms in reviewing their material.

We have reviewed a sample of just over 200 KFDs – drawn from a cross-section of products from large and small firms – against criteria designed to show compliance with:

- FSA 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;*

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1 DP4 *Informing Consumers: a review of product information at the point of sale*. FSA November 2000.

2 CP05/12 *Investment product disclosure: proposals for a Quick Guide at the point of sale*. FSA July 2005.

3 CP06/19 *Reforming Conduct of Business Regulation (including proposals for implementing relevant provisions of the Markets in Financial Instruments Directive, and related changes to SYSC, DISP, TC, SUP and other Handbook modules)*. FSA October 2006

- FSA Conduct of Business rules;
- FSA Treating Customers Fairly (TCF) Outcome 3 – *Consumers are provided with clear information and are kept appropriately informed before, during and after the point of sale*; and
- accepted good practice for clear design and language.

Disappointingly, we found that only a small proportion of our sample satisfied all of these criteria. The rest were deficient in one or more of them.

We have found no differences between large and small firms – both produce effective and ineffective documents. In some cases the same firm can produce both effective and ineffective KFDs for different products.

A KFD which is not read or is not understood (or is misunderstood) may lead to consumer detriment. A recent report to the Department of Work and Pensions (DWP) as part of their Deregulatory Review contains a very appropriate message: *‘Disclosure to scheme members is an area in which box ticking, as opposed to thoughtful communication, can be downright harmful’.*

For a KFD to be effective it must, among other things, be as succinct as possible. We have previously used the phrase “less is more” to describe this. We are encouraged by the findings in the interim joint report by the Better Regulation Executive and the National Consumer Council *Warning: Too Much Information Can Harm (And Fail to Help Consumers Make Choices...)*.<sup>4</sup>

We are determined there will be a significant and sustained improvement in the standard of KFDs. This paper sets out our findings in more detail and gives examples of good and poor practice. The ‘Next steps’ section details our ongoing programme of action.

Simply put, we expect firms to improve KFDs as part of their work towards meeting the six Treating Customers Fairly (TCF) outcomes by December 2008 and to have the management information in order to do so by March 2008.

We welcome feedback on the issues raised in this report and also comments and views on the points made.

**Dan Waters**

**FSA Director of Retail Policy**

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4 Policy Document July 2007 [www.ncc.org.uk/nccpdf/poldocs/NCC168pd\\_warning\\_too\\_much\\_information.pdf](http://www.ncc.org.uk/nccpdf/poldocs/NCC168pd_warning_too_much_information.pdf)

# 1 Executive Summary

## Background

- 1.1 Clear information is central to TCF and our overall regulatory approach. The current disclosure regime for retail investment products was introduced in 1995 (1998 for non-life products). Its purpose is to give consumers the information they need to make an informed decision, and to do so in a way that enables them to compare products.
- 1.2 At its core is the KFD, which firms must give to consumers before they buy a packaged product. Packaged products include life investment and personal pension products and most collective investments.
- 1.3 All KFDs must include key headings outlining the product, its aims, the investor's commitment, risks, general questions and answers (Q&As) and charges. The detailed information is for firms to complete depending on the particular product.
- 1.4 Although the main aspects of the current regime have been retained in the new Conduct of Business Sourcebook (COBS) the simplified rules are less prescriptive, in line with our move to more principles-based regulation.
- 1.5 Research suggests the quality of KFDs varies considerably from firm to firm and that many KFDs are either not read or are not understood. Instead consumers often rely on an adviser to explain the product.
- 1.6 Issues with the quality of documents were also raised in our July 2007 TCF paper. In it we cautioned 'We were not convinced... that enough was being done to ensure that product information was appropriate for the intended user.'
- 1.7 Similarly DP06/04: *The responsibilities of providers and distributors for the fair treatment of customers* attracted negative comments from distributors about the clarity of providers' literature intended for consumers. We have subsequently made clear that it is the provider's responsibility to provide clear information – whether aimed at consumers or distributors.
- 1.8 In CP06/19 we said that we would adopt range of measures to improve the effectiveness of KFDs, including:

- a thematic project looking at the quality of KFDs;
  - supervisory work; and
  - engagement with trade associations e.g. to encourage the further development of good practice.
- 1.9 In relation to the first measure, we have reviewed just over 200 KFDs against a series of criteria designed to demonstrate compliance with:
- FSA 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;*
  - FSA Conduct of Business (COB) rules;
  - FSA Treating Customers Fairly (TCF) Outcome 3 – *Consumers are provided with clear information and are kept appropriately informed before, during and after the point of sale;* and
  - accepted good practice for clear design and language.

## Findings

- 1.10 We found that only around 15% of our sample KFDs met both our COB requirements and our view of the standard necessary to meet both Principle 7 and TCF Outcome 3.
- 1.11 The main areas of concern identified are explanations of risk, charges and more general information about the product itself and its aims. Jargon is also a significant problem, and key information is often not prominently communicated. It can be difficult even to grasp the type of consumer a particular product might be right for.
- 1.12 The overall effectiveness of a KFD can be diminished even if just a few elements of the language or layout are poorly handled.
- 1.13 We have divided our findings into the three groups below. While there is inevitable subjectivity in this exercise, we believe we can draw some meaningful distinctions:
- **Effective** – around 15%. In these cases there is limited scope for improvement. The documents are generally coherent and well designed with clear, precise content, showing care in all aspects of production.
  - **Poor/ineffective** – around 35%. These documents are often difficult to understand with a wide range of deficiencies and few, if any, positive attributes. A consumer would find it very hard to work out the important features of the product.
  - **The remainder** – around 50%. Each of the parts required by our detailed COB rules are present, but the overall document does not meet our Principle 7. These range from those that could helpfully be improved to those that are non-compliant by virtue of being misleading. Only a very well informed and engaged consumer would be able to understand the important features of a product by reading the KFD.

## Trends

- 1.14 There are few patterns to the instances of poor practice we have identified:
- There are both good and poor examples from large and small firms.
  - There is no particular correlation with product types apart from Collective Investment Schemes which generally seem to have poorer KFDs.
  - Individual firms produce good quality KFDs for some products but poor ones for others (e.g. onshore and offshore bonds).
  - Even relatively simple products are sometimes very poorly explained.
- 1.15 We have also observed a marked contrast with some of the accompanying promotional literature that we have seen. Firms often seem to pay more attention to making other documents consumer friendly, clear and engaging, rather than the KFD.
- 1.16 Our review has concentrated on KFDs themselves and does not fully reproduce a customer's experience of the full sales pack. In our general TCF work on product design we have found that firms could do more to satisfy themselves that product information is clear, fair and not misleading. From our sample it appears that few providers put KFDs into their proper context as an integral part of a sales pack. Rather the KFD often appears as an awkward unrelated addition.
- 1.17 The ultimate test of a KFD must be whether the target customers for a particular product understand its main features and whether it may be suitable for them. However, our TCF work has found that testing of product literature was uncommon; so it is likely that few of our sample KFDs will have been tested. Our findings also suggest more cultural issues may be relevant such as the interaction of the marketing and compliance inputs to KFD design.

## Next steps

- 1.18 We intend to maintain the focus on improving KFDs after we publish this paper. We set out the specific actions we will be implementing in the 'Next steps' section.
- 1.19 As part of our COBS post-implementation review work, we will be sampling a subset of these KFDs in November 2008 to assess whether improvements in the poorer documents have been achieved. We will then repeat the main exercise in 2010.
- 1.20 In assessing progress against the December 2008 TCF deadline, we will consider the quality of outcomes for consumers in this area.

# 2 General themes

- 2.1 Disclosure of core information about products and services is an important tool in the regulation of retail investment products. A KFD's purpose is to provide a clear and balanced summary of pros and cons which enables consumers to make informed decisions and facilitates comparisons between products and providers.
- 2.2 It is in consumers' and firms' interests that consumers are given clear and fair information about financial products. By regulating the information provided at the point of sale, we seek to ensure that consumers can make informed choices. This represents the final opportunity in the sales process to help consumers understand precisely what they are committing to, so the regime must operate effectively.
- 2.3 The current point-of-sale disclosure regime was introduced in 1995. It requires firms to give customers a number of documents in addition to marketing material, in particular a KFD.
- 2.4 We currently prescribe the content and some presentational aspects of the KFD. Broadly, the KFD must contain:
  - the aims of the product;
  - the commitment the consumer will be making;
  - the risks involved; and
  - a question and answer section on the main terms of the product – such as the charges – and any other information necessary to enable a consumer to make an informed decision.
- 2.5 Unfortunately many KFDs have become too long and contain too much information. They may be seen as being intended to protect the provider rather than help inform the consumer.
- 2.6 Understanding does not increase just because more information is provided. Beyond a certain tipping point, understanding reduces as consumers resort to guess work or simply don't read the document.<sup>6</sup>

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<sup>6</sup> The July 2007 joint report by the Better Regulation Executive and the National Consumer Council *Warning: Too Much Information Can Harm (And Fail to Help Consumers Make Choices...)* summarises some timely research findings.

- 2.7 Our Discussion Paper (DP4)<sup>7</sup> provided a synthesis of research we commissioned into consumers' understanding of KFDs. It also signalled our intention to review the effectiveness of the regime.
- 2.8 Since then we have published several papers culminating in CP06/19 (October 2006), where we noted that further research did not support replacing the KFD with a Quick Guide. However, the research did show that:
- there were clear consumer preferences for shorter more concise documents; and
  - KFDs could meet our objectives if they were succinct and of high quality.
- 2.9 We have also consulted on simplified COB rules, which, in line with our move to more principles-based regulation, will give firms more flexibility in the design of KFDs.
- 2.10 We identified two particular outcomes we wanted to achieve:
- To improve the quality of the KFDs so they are focused, concise and relevant to consumers needs. So, when linked to our wider Financial Capability work, consumers would be encouraged to seek and read KFDs.
  - To further develop the '*keyfacts*' brand as a tool to help consumers identify important information they must read.
- 2.11 KFDs will not be effective unless they are more focused, more concise and are more relevant to the needs of the target market.
- 2.12 The existence of good KFDs confirms that the poorer ones stem from poor implementation of our requirements rather than the rules themselves. Our review shows the quality and quantity of information contained in KFDs varies greatly. Reasons for this include:
- failure of the KFD to stand out and identify itself as important – some can appear indistinguishable from the rest of the sales pack while others appear as unengaging small print;
  - uncertainty about the role of the KFD within the pack of documents; and
  - documents that are long, unattractive, and often difficult to navigate.
- 2.13 Introducing the Simplified Prospectus (SP) has brought an element of complexity for CIS products which are UCITS, particularly where a firm includes both KFD and SP information in one document. The SP is now being reviewed by the European Commission to achieve a more effective set of requirements. We are closely engaged in this work, along with other stakeholders. However, significant improvements can still be made to KFDs' in the interim, whether they are combined with other documents or not.
- 2.14 Poor customer communications are not unique to financial services. However, the asymmetry of information, the fact that problems may not become apparent for a

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7 DP4 *Informing consumers: a review of product information at the point of sale* FSA November 2000.

number of years and the consequent risk of customer detriment make it important to improve KFDs.

- 2.15 Regardless of sophistication, a consumer's attention is limited. All consumers are entitled to have well-designed documents which explain products succinctly and avoid jargon. Firms have significant freedom to design KFDs which meet our objectives and which their customers can understand.
- 2.16 Our analysis is not intended to be prescriptive but simply to identify good and poor practice – both as an aid and a challenge – to firms when reviewing their KFDs.
- 2.17 The good practice we expect is not new. Existing trade body guidance and plain English publications show what can be achieved. There is also a wealth of reference material available (we have shown some in Annex B) and firms can use much of this good practice when preparing marketing literature.

# 3 Summary and Interpretation of Findings

- 3.1 The imbalance of information between firms and consumers in financial services requires that great care is taken in all aspects of document production.

We based the following findings on our assessment of a sample of just over 200 KFDs. We believe the lessons drawn will be equally applicable under the more principles-based requirements of COBS, which will enable firms to produce more consumer-friendly documents. The cases shown draw closely on the material we have assessed but are not exact examples.

## **Standout and inclination to read**

- 3.2 A KFD must first catch consumers' attention for long enough for them to realise its purpose and importance. We believe only a minority of our sample KFDs are likely to be effective in this. The '*keyfacts*' logo and the regulatory message we are introducing, will help, but the presentation of the KFD must encourage a consumer to read it.

## **Good practice**

- 3.3 A consumer should be able to readily locate the KFD in the pre-sales pack and understand its purpose.
- 3.4 Effective standout of the KFD is more likely to be achieved if it:
- is prominently titled;
  - is a separate item and not part of other literature;
  - does not appear to repeat the terms & conditions; and
  - clearly states the document's importance, purpose, context and what a consumer should do with it.

Standout on front page.

# With Profits Growth Bond

## Key Features

This is an **important document** which you should keep along with the enclosed Personal Illustration

Example of a common message although often located inside the front cover.

This key features document gives you the main points about our Group Personal Pension Plan. The illustration shows the pension you may get in the future. Please read this key features document with your illustration and keep them with your plan documents in a safe place.

Example which sets the context of the KFD.

## Helping you decide

### What you should know before you invest

#### What is the purpose of this document?

To give you a summary of information to help you decide if you want to invest in one or more of the funds in Firm Name's fund range.

#### What questions should I ask before I invest?

In this document we have given you the answers to X very important questions for each fund. These are set out on pages Y to Z and will help you decide where to invest.

- 3.5 Surprisingly very few KFDs actually tell the consumer they should be comfortable they understand the features of the product before deciding whether to invest. The example in the poor practice section below attempts this but the message is lost in the weight of text.
- 3.6 Having identified the KFD and understood its importance, the consumer needs to be encouraged to read it. This is most likely to be achieved if it is a short, well-presented document.
- 3.7 The text itself should offer the potential of an easy read. Good practice is a combination of design attributes such as:
- a clear hierarchy of headings;

- white space separating columns, sections, headings and text;
  - short distinct paragraphs;
  - a clear font in an easily readable size; and
  - both line width and spacing are balanced with the type size.
- 3.8 Using colour can also be helpful, but firms should think about whether the document will still be easy to read if it is copied or printed in black and white.

### **Poor practice**

- 3.9 Given that KFDs should state they explain only the main points of a product, a consumer may struggle to understand why so many of them are quite so long. This might stop them from reading the information thoroughly.
- 3.10 Specific examples of poor practice may be summarised as follows:
- The first pages of many KFDs have a small heading, ‘Key Features’, with no product name. This is followed immediately by ‘Its aims’ – which are the aims of the product. The aim of the actual document is not explained at the beginning.
  - Cramming in columns of dense text in small type can cause consumers to think the text is ‘small print’ so they do not read it. These KFDs compare poorly with the quality of the promotional material.
  - The use of very small font sizes leading key sections, such as risk disclosure, to appear as small print.
  - Some KFDs look very similar to the terms and conditions, which often appear later in the same document.
  - Some KFDs lessen their impact by having an overly-long introduction.

## Investment Trust Key Features

This document contains important information about the Firm Name Investment Trust Savings Scheme, PEP and ISA. There are two sections: Key Features and Terms & Conditions. Along with the application booklet, these will help you to consider the relevant facts and figures before making your investment decision. Please read both sections, the application booklet and any other information that has been enclosed as it is important that you fully understand the investment that you are about to make.

If there is anything that you do not fully understand, or if you would like further information, please call our Customer Services team on 0845 23 4566. Lines are open Monday to Friday from 9.00am to 5.30pm. You can also email us at [enquiries@nameoffirm.co.uk](mailto:enquiries@nameoffirm.co.uk) or send us a fax on 020 1234 4567. Alternatively, please visit our website at [www.nameoffirm.co.uk](http://www.nameoffirm.co.uk).

Please note that our Customer Services team cannot give you any advice on the suitability of investing in our Investment Trust Savings Scheme, PEP and ISA.

If you are in any doubt about your investment choice(s) you should contact your financial adviser.

You should also please remember that when you read the Key Features, the past performance shown for any given investment trust may no longer be up to date. Firm Name publishes a monthly fact sheet for each investment trust containing key information about its performance, investment portfolio and pricing (together with details of its capital structure and planned winding-up date, where appropriate). These fact sheets, together with electronic copies of all recent reports and accounts, are available on request.

**The important message about understanding the product might be lost in other information.**

## Structure and Content

- 3.11 If the first impressions of a KFD are favourable enough to encourage a consumer to read it, its structure and content should then make it as easy as possible to understand the main points of the product.
- 3.12 Good practice in respect of both clear structure and plain English usually requires a number of small disciplines to be done well. If just a few are missed or done poorly, the effectiveness of any document can be significantly diminished.
- 3.13 Our current rules require:
- The main features of a product to be described under headings – *Its aims, Your commitment (or investment) and Risk factors*. ‘Risk factors’ must include a brief description of the factors which may have an adverse effect on performance or are otherwise material to the decision to invest.
  - The principal terms – and any other information necessary to enable a customer to make an informed decision – to be set out in a ‘question and answer’ format.
- 3.14 Structure and content can be improved through signposting from the KFD to other documents in the pack or by making detailed information available on request.

Signposts must be accurate, easy to follow and the ‘target’ document should also be clear, fair and not misleading. This layering will enable consumers to find more details, without obscuring the main points. However, the customer should be able to understand the main features of the product from the KFD alone.

- 3.15 Signposting is most often used to locate personal illustrations or fund guides (and is indeed essential when ranges of internal and external funds are offered). Where the terms and conditions are supplied with the KFD there is surprisingly little use made of the signposting opportunity this presents.
- 3.16 Unfortunately many KFDs make little or no use of signposting. In others some of the signposting appears casual and so can be counter-productive. For example we have noted instances where references such as page numbers are incorrect even where directing the reader to other sections of the same document.

**This example will cause consumers to doubt the accuracy of the KFD. They may also need to understand the purpose of the KFD, the SP and the full Prospectus**

- Before making any investment decision, investors should read the Simplified Prospectus, which is also available and where it conflicts with this brochure, takes priority. The full Prospectus is also available.

**This example signposts to the KFD from the Terms and Conditions but not the other way round.**

**It also uses the very common but unnecessary phrase ‘in conjunction with’ rather than just ‘with’.**

In these Terms and Conditions, which should be read in conjunction with the Key Features. The expressions set out below shall, save where the context requires otherwise, have the following meanings:

- 3.17 The example below is of an effective structure for an investment bond followed by one for an OEIC which is likely to be ineffective. Although not directly comparable products, both are usually designed to meet similar needs in the retail market.

## Good practice from an Investment Bond

### **Its aims**

### **Your commitment**

### **Risk factors**

### **Questions and answers**

What is an Firm Name Investment Bond?

How flexible is it?

What might I get back?

Can I take money out?

Where is my premium invested?

What happens to my Bond if I die?

What are the charges?

What about tax?

Can I change my mind?

How will I know how my bond is doing?

### **How to contact us**

### **Other information**

How to complain

Terms and conditions

Law

Compensation

- Clear hierarchy of headings.
- Questions framed in the way a customer might ask them.
- Logical flow.
- Contact details in one place.
- Separation of reference material from product questions.

## Poor practice from an OEIC including an ISA and PEP transfer

Key Features and Terms & Conditions of our Investment Schemes  
(This must be read in conjunction with the Simplified Prospectus)

### How to Contact us:

#### Introduction

*This Key Features Document is a brief guide to the Firm Name managed Investment Schemes and is required by regulation. The Firm Name's Plan is part of the Savings Scheme.*

#### Their aims

Who runs the schemes?

Your investment.

Can I choose in which Investment Fund or Trust to invest?

How do I open a scheme?

What restrictions are there on my investments?

How do I know that you have received my application?

What other information will I receive?

When do you send statements about my investments?

#### Switching Funds and Trusts

What happens to my dividends?

Where can I find share prices for my investment?

#### Charges

Annual reports and voting rights

Whose name will my shares be registered in?

Can I sell my shares?

Can I transfer my PEP directly into an ISA?

Will investors be able to transfer between ISA and PEP providers?

How do I leave the schemes?

#### Cancellation rights

#### Termination

#### Risk factors

How do I complain?

How will charges and expenses affect my investment?

What about tax?

#### EU Savings Directive

#### Anti Money Laundering

How much will advice cost?

What if the Terms & Conditions change?

Supplementary information

- The KFD not placed in context with the Terms & Conditions and the Simplified Prospectus.
- The KFD is not 'brief'.
- Confused use of regulated headings and structure.
- No clear hierarchy.
- No logical flow.
- Mixture of questions and statements.
- Questions not framed in the form a customer would ask or can relate to.
- Important features hidden by less important and by process information.

3.18 Within our sample we also found examples of:

- inconsistent framing of questions – some from the provider others from the consumer;
- jarring text – for example, text that reads as if it has been copied directly from the policy document or the terms and conditions;
- questions not put in a way a consumer would understand or expect, (e.g. ‘How am I affected by currency conversions?’ ‘What happens if there is a rights issue or other reorganisation?’); and
- answers which do not relate to the question such as the example below.

<p><b>From a life insurance policy with investment content</b></p> <p><b>How it works</b></p> <p>Each Life Assured will be asked to make a declaration on the Application Form regarding their health and activities to confirm that they are an acceptable risk for the life cover being offered by us. Although we do not normally ask a Life Assured to undergo a medical or other tests, we may obtain information from their doctor, and any consultants they may have visited, to verify their declaration.</p> <p>The application will normally be accepted on standard terms by Firm name provided that each Life Assured signs and dates the declaration, (although we have the discretion to decline it or defer the decision until any doctors or consultants have been contacted). Also, the information received from doctors or consultants could lead to an established Plan being made void from inception, usually because Firm Name is unable to obtain relevant information or believe that some of the information on the Application Form is incorrect.</p>	<p><b>The consumer would be looking for a brief and clear explanation of how the product works. Instead there is:</b></p> <ul style="list-style-type: none"><li>• <b>considerable detail about the underwriting process;</b></li><li>• <b>jargon; and</b></li><li>• <b>bureaucratic language.</b></li></ul>
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### Language style

- 3.19 Once the KFD stands out and a logical structure is established, it is important the product is explained clearly, briefly and precisely.
- 3.20 This can be illustrated by comparing two explanations of cancellation provisions of a unit-linked investment bond. If this straightforward subject is not being simply explained, the more complex features will be a challenge for consumers.

3.21 Consider when comparing the following two examples:

- the type size;
- the attractiveness of the text;
- the clarity of the key messages about cancelling;
- self-evident messages;
- relevance;
- repetition;
- amount of process detail (which is better explained elsewhere);
- the style:
  - use active verbs and positive language;
  - stick to precise and short sentences;
  - avoid the use of abstractions and redundant phrases; and
  - avoid legal terms and bureaucratic language.

**Poor practice**

**Can I change my mind?**

If you change your mind you have a legal right to cancel your contract. When we accept your application we'll send you a Cancellation Notice that confirms the actual steps that must be taken in order to cancel the contract. The Cancellation Notice confirms that you have a 30 day period to consider if you want to change your mind. This 30 day period starts from the date you receive the Policy Provisions and Policy Schedule (Terms and conditions of the bond). If you decide to cancel, during this period, you should send your cancellation instruction to the address provided in the Cancellation Notice. We'll then return any payments you have made. If you cancel during the 30 day period, you may get back less than you paid in. This is because we may deduct from the amount you get back any fall in the investment value during this period.

Please ensure that you include your bond number in any correspondence with us. At the end of the 30 day period you will be bound by the terms and conditions of the bond and any money received by Firm Name will not be refundable.

Where believe we may be unable to encash assets readily, note that we may defer the purchase of certain investments until after the 30 day cancellation notice period.

**Good practice**

**Can I change my mind?**

After you've invested, you'll receive a notice telling you of your right to change your mind and how to cancel. You'll then have 30 days to cancel your investment. If you decide to cancel, we'll give you your money back. If, however, in the meantime the value of the underlying investment has fallen, you may not get back the full amount you paid in.

**The example above tells consumers all they need to know at this stage in the buying process without any sense of 'dumbing down' or of appearing patronising.**

**The example on the left illustrates:**

- what can happen if the KFD's objective is forgotten; and
- how a bureaucratic style can obscure simple messages.

- 3.22 Firms are frequently criticised for using jargon. In the absence of jargon there are still examples of language unfamiliar to consumers or terms that might not be commonly used. Examples of words which should be avoided if possible are:

Encashment	Allocation rate	Elect (to cancel)	Written (under trust)
Denominated	Insurable interest	Top slicing	Bond (loan)
Liquidate	Life assured	Volatility	

### Areas of particular difficulty

- 3.23 Below we describe some of the sections of KFDs where our review suggests that some firms are having particular difficulty.

#### *Target market*

- 3.24 We were struck by how few KFDs try to identify the product's target market. Consumers are likely to be engaged by a clear up-front statement, indicating immediately if it is a product they should consider further. Examples of approaches adopted in our sample follow; however, we do not believe they are entirely satisfactory.

<p><b>Example inserted before the risk factors of an investment bond.</b></p> <p><b>Suitability</b></p> <p>The Firm Name Flexible Investment Bond is a unit-linked investment suitable for customers with a lump sum to invest for a minimum of five years and who are looking to grow their investment, generate a regular income or achieve a combination of both. It is available to UK residents aged 18 and over.</p> <p><b>Depending on the terms of the bond, a message such 'who are willing and able to risk losing some of their investment' may also be required.</b></p>	<p><b>Example of the first question and answer for a with-profits bond.</b></p> <p><b>Who is it suitable for?</b></p> <p>The Plan is most suitable for someone who already has savings in a Bank or Building Society and is now looking for an alternative investment for part of those savings, with a little more risk in order to have the possibility of better returns. The Plan must be considered as a medium to long-term investment.</p> <p><b>Includes a message about appetite for risk, although, depending on the terms of the bond, it should specifically state the risk of a loss.</b></p>
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Firms may also want to avoid using 'suitability' or 'suitable' in this context if the material is not intended to be read as a recommendation that the investment is suitable for the reader's personal circumstances.

<p><b>Example from a Simplified Prospectus.</b></p> <p><b>So is Multi-asset for You?</b></p> <p>If diversification is one of the golden rules of investment, another is: ‘The higher the risk, the higher the potential return.’</p> <p>Most investors aren’t ready to risk everything – but they do want the best returns. The Firm Name OEIC gives you that opportunity.</p>	<p>As this reads like a marketing message it is likely to engage a customer. However, the second paragraph is ambiguous as it may be read as giving high returns for a low risk.</p>
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3.25 A consumer will not find a description of a product’s intended market helpful if it is too high level or too generalised.

**This the ‘Profile of a Typical Investor’ from an SP and is identical for all the sub funds. Also:**

- **the word ‘suitable’ is best avoided;**
- **consumers may not understand that ‘volatility’ implies a risk of a loss.**

Suitable for investors seeking capital growth over a 5 to 10 year period and who are prepared to accept a moderate level of volatility.

3.26 It would clearly be helpful to a consumer to understand whether to consider a particular product as a means of meeting their needs. To be consistent with our TCF requirements we would expect a product or fund’s target market to be made clear. We are aware some firms believe that doing so carries a risk of this being construed as advice. However, we believe it is possible to give a description of a product’s or fund’s intended market without giving advice.

*‘Its aims’*

3.27 This is a prescribed heading. The following are examples of how a product’s aims might be set out concisely and effectively.

<p><b>ITS AIMS</b></p> <ul style="list-style-type: none"> <li>• To build up a fund that you can use when you need it, either in one go or over a period of time.</li> <li>• To provide a cash sum upon your death.</li> </ul>	<p><b>Its aims</b></p> <ul style="list-style-type: none"> <li>• To give you the opportunity to invest a sum of money for as long as you choose, with the aim of increasing the value of your investment.</li> <li>• To allow you to invest in a wide range of funds with the flexibility to switch between these funds.</li> <li>• To allow you to take one-off or regular withdrawals.</li> <li>• To pay a cash sum if you die.</li> </ul>
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The following are two examples of the heading's purpose being misinterpreted.

The aims of the investment are not reached until the last paragraph.	The aims of the investment are not explained at all.
<p><b>Product Name: Aims</b></p> <p><b>Its Aims</b> Product Name, is a service provided and managed by Firm Name Global Investors ('Firm Name') which offers online, telephone and postal dealing options; various product wrappers, particularly an ISA and PEP, and a wide range of investment options including investment trusts, UK listed equities, OEICs and Unit Trusts, gilts and bonds and Exchange Traded Funds. The Firm Name Managed Investment Trusts and Investment Companies are featured on XYZ and may be available at cheaper rates than other investments.</p> <p><b>What is an Investment Trust or Investment Company?</b> An investment trust or investment company is a public limited company that owns a portfolio of investments managed by a professional manager. Therefore this provides you with access to a wider range of stocks that you would not normally be able to invest in yourself. They allow you to spread your risk across a number of investments and benefit from the expertise of professional fund managers.</p> <p>Investment trusts are domiciled in the UK and comply with Section 842 of the Income &amp; Corporation Taxes Act. Investment companies are usually domiciled in the Channel Islands. Investment trusts and Investment companies are listed on the London Stock Exchange.</p> <p><b>Firm Name Managed Investment Trusts</b> Firm Name manage a range of investment trusts and investment companies. Some aim for an income growth return, some a capital growth return and some a combination of each. The aims and risks of each investment trust or investment company is set out in the associated brochure and Terms and Conditions or online at <a href="http://www.nameoffirm.com">www.nameoffirm.com</a> or from Customer Services on telephone number.</p>	<p><b>ITS AIMS</b> Firm name ('The Company') provides an opportunity to invest in a range of sub-funds spanning the world's leading equity markets.</p> <p><b>DOMESTIC</b> UK Growth Fund – 'A' Share Class – 'B' Share Class Enhanced Gilt Fund – 'A' Distributing Share Class – 'B' Distributing Share Class</p> <p><b>INTERNATIONAL</b> Continental European Equity Fund – 'A' Share Class – 'B' Distributing Share Class – 'C' Share Class Far East Equity Fund – 'A' Share Class – 'B' Share Class Global Growth Fund – 'B' Share Class Japanese Equity Fund – 'A' Share Class – 'B' Share Class – 'B' Distributing Share Class North American Equity Fund – 'A' Share Class – 'B' Share Class</p> <p><b>SPECIALIST</b> Technology Fund – 'A' Share Class – 'B' Share Class</p> <p>The Continental European Equity Fund (C Share Class), Far East Equity Fund, Global Growth Fund, North America Equity Fund and Technology Fund are denominated in US Dollars, the United Kingdom Growth Fund and Enhanced Gilt Fund are denominated in Sterling, the Continental European Equity Fund is denominated in Euros and the Japanese Equity Fund is denominated in Yen. All sub-funds are quoted in Sterling and their base currency.</p>

### *‘Your commitment’ or ‘Your investment’*

- 3.28 This heading is intended to lead an explanation of the consumer’s commitment – their side of the contract. Firms may, as an alternative use ‘Your investment’ for investment products, however this is then often misused as illustrated below. We have seen far longer examples, some of which even include an explanation of the ISA rules.

<p><b>This example states the part the consumer should play if the investment is to have a chance of achieving its stated aim.</b></p> <p><b>Your commitment</b></p> <ul style="list-style-type: none"><li>• You must invest a lump sum premium of at least £15,000.</li><li>• You should consider the Investment Bond as a medium to long-term investment (five year period or more).</li></ul>	<p><b>This example shows a common misuse of the heading and so doesn’t make the customers’ commitment clear enough.</b></p> <p><b>Your investment</b></p> <p><i>What is an Investment Trust?</i></p> <p>An Investment Trust is a public limited company which is listed in the UK and admitted to trading on the London Stock Exchange. Investment Trusts have a fixed number of shares which means they are closed-ended investments. They seek to increase capital and/or income for their shareholders by investing in the shares of different companies, which enables shareholders to access a wider range of stocks than they would normally be able to invest in and so benefit from holding a diversified portfolio of shares in a single investment.</p> <p>There is no minimum investment when investing in Firm Name investment trusts outside an ISA or a PEP unless you invest through the Firm Name Dealing Service. Please refer to Section 4 for more details.</p>
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### *‘Risk factors’*

- 3.29 In our sample we found many instances of this important section being set out in a way that is unhelpful to customers, for example:
- some entries are not risks, but matters of fact or policy conditions (e.g. ‘If you cash in your bond within five years of making an investment, you will be subject to an early withdrawal charge.’); and
  - long lists of risk factors which read like disclaimers and may make it difficult for customers to distinguish between these and more general policy conditions.
  - one KFD disclaimed responsibility for postal delays.
- 3.30 Additionally, few of our sample KFDs contained a clear and simple statement to the effect that the investments are stock-market based – the implications of which most customers would understand. Instead we found long and over-technical explanations of various investment instruments.

3.31 We noted particular difficulties in relation to collective investments where the KFD is often combined with the Simplified Prospectus (SP). However, there are still examples of good practice.

**KFD (incorporating a Simplified Prospectus) which may be helpful to a consumer**

**Risk factors**

- The value of your investment can go up and down and you may get back less than you invested.
- What you get back will depend on investment performance, nothing is guaranteed. Past performance is no guarantee of future performance.
- When you cash in your plan you may get back less than you invested because:
  - your investments grow less than illustrated
  - you take money out.
- Our charges may increase.
- Inflation will reduce what you could buy in the future.
- Tax rules could change.
- If you use your right to cancel your Collective Investment Plan within the first 30 days, and the value of your investment has fallen by the time we receive your instructions at our administration unit, the amount you get will be less than the amount you've paid in.

- **Succinct and clear headline risks although it could say 'Your money is invested on the stock market...'**
- **More detail about the investment funds is signposted from the question 'Where is my money invested?'**

**Example SP which may be helpful to a consumer**

**What are the risks of investing in this fund?**

There are some general risks of investing in equity funds like the UK Index Tracking Trust, and also some specific risks you should be aware of.

In general:

- The value of investments and the income you receive may fall and you may get back less than you put in.
- Governments can change the tax relief available to individuals and funds.
- The value of any investment gains may be eroded over time by increases in the general level of prices, i.e. inflation.

In relation to the UK Index Tracking Trust, investors may face these specific risks:

<u>Type of risk</u>	<u>What this means</u>
<b>Market risk</b>	Share prices go up and down, meaning you may get back less than you put in.
<b>Company/Sector risk</b>	Although the All-Share Index spreads your risk by investing in hundreds of companies in various sectors and industries, some of those companies and/or sectors can grow so large that they make up a large percentage of the index, which would concentrate risk in those areas.
<b>Credit risk</b>	Once we've paid for shares, the individual or organisation we've bought them from could fail to hand them over.
<b>Performance risk</b>	The fund may not track the index as closely as its stated investment objective.

- **Good presentation using bullets and a table.**
- **General and fund specific risks clearly separated.**
- **Apart from the inflation risk it is written in clear language.**

**This example of good practice covers more than one fund and has split general and fund specific risks. It is also written in clear language.**

### **Risk factors**

- The value of your investment can go up and down and you may get back less than you invested.
- What you get back will depend on investment performance, nothing is guaranteed. Past performance is no guarantee of future performance.
- When you cash in your plan you may get back less than you invested because:
  - your investments grow less than illustrated
  - you take money out
- Our charges may increase.
- Inflation will reduce what you could buy in the future.
- Tax rules could change.
- If you use your right to cancel your Collective Investment Plan within the first 30 days, and the value of your investment has fallen by the time we receive your instructions at our administration unit, the amount you get will be less than the amount you've paid in.

### **Risks that apply to the Corporate Bond Fund only**

- Changes in interest rates and inflation could affect the value of the investments that make up the Corporate Bond Fund. For example, if interest rates increase, their value may fall – if interest rates fall, their value may increase.
- The value of the income payable can go up and down and is not guaranteed.
- The fund focuses on income, so you should not expect the value of your investment to increase.
- The Corporate Bond Fund invests in loans to companies. If companies are not able to pay the interest they promised or repay the bonds they've issued, the value of the fund would go down. The value of these investments can go down as well as up because of market changes, but any changes in value are likely to be less marked than those of investments in shares.

### **Risks that apply to the UK Equity Income Fund only**

- The fund uses your money to invest in stocks and shares. The value of these investments and the income from them is not guaranteed. It can go down as well as up because of market changes.
- We take management charges for the UK Equity Income Fund out of the capital instead of from the income. This may increase the level of income you get, but would also reduce the growth of your investments.

**Below are unhelpful risk factors in a KFD. These factors are from a long list. The first is the first risk in the KFD.**

### **Risk Factors**

- Your investments, and any return from them, are only as secure as the selected range of assets purchased by the funds you choose. Your investments are only at risk if any of these financial instruments fail to meet their obligations.

**Consumers, if they understand this, will want to know the risk of the instruments failing to meet their obligations.**

- If large numbers of Plans are encashed at the same time, the funds may incur costs in selling assets prior to their selected maturity date to meet these encashments, and these costs may cause a fall in unit price and therefore the return on your Plan. Firm Name may alternatively defer encashments for up to three months if it considers that this would be more beneficial to Planholders generally. This would only happen in very exceptional circumstances.

**As this is an exceptional risk it may be more appropriate to show the three-month condition under a heading such as 'Can I take my money out?'**

- Investors cannot recover any tax paid by Firm Name; therefore the Growth Plan may not be suitable for non-taxpayers.

**More appropriate elsewhere such as in sections for target market or tax.**

- The effects of inflation may reduce the spending power of your investment.

**Inflation will reduce spending power.**

## *Charges*

- 3.32 Charges and charges options can frequently be complex. Variations can depend on age, the size of the premium, the funds chosen as well as the means by which any attendant advice is paid for. There may also be charges for withdrawing money and for switching funds.
- 3.33 Some structures include ‘negative charges’ such as loyalty bonuses and allocation rates of over 100%.
- 3.34 Given the current level of financial capability among retail consumers it is important that complex charging structures are explained effectively. We have found instances of good practice, but other instances where individual charges are explained well but the combined effect of the charges is not.
- 3.35 The charges section can undermine an otherwise effective KFD. For example, an eight-page investment bond KFD with over two pages devoted to the charges options, in addition to the charges disclosure in the accompanying personal illustration.
- 3.36 Illustrations can remove much of the complexity of charges by only showing those applicable to the potential investor, given the options they have selected.

### **Example of how signposting can be used to reduce complexity.**

#### **What are the charges?**

Our Investment Bond offers different charging structure options and you can find information on these in our “details of the Investment Bond” fact sheet, which you can obtain from your financial adviser. We incur expenses for the management and administration of the bond. We recover these and any other charges by making deductions from the bond, and these are detailed in your personal illustration. We may vary these charges.

We may apply a charge if you make a withdrawal in the first 3 years. If we do, we’ll show this in your personal illustration.

### **Example of how the text in the left hand column can be broken into a list**

#### **What are the charges?**

- **You can choose from different sets of charges. These are explained in the ‘Guide to Your Investment Bond’, which you can get from your financial adviser.**
- **The charges we take for running your bond are given in your ‘Personal Illustration’ which we’ve sent with this document.**
- **We may change our charges if our costs change unexpectedly, for example if tax rules change. We’ll tell you if this happens.**
- **We may charge you if you take money out in the first five years. If we do, we’ll show this in your personal illustration.**
- **Each lump sum you pay will have its own set of charges.**

- 3.37 Some types of charges can be better explained in a table, but our sample suggests firms rarely do this.

- 3.38 Another weakness in describing charges is not explaining the carrier. For example, ‘Initial charge 5.25%’ and ‘Annual Management Charge 1.50%’ without adding ‘of your investment’ or ‘of your fund value’.
- 3.39 Aside from weaknesses in the description of individual charges, our sample KFDs also revealed a number of presentational weaknesses:
- charges information spread throughout the document;
  - explanations of charges and ‘negative charges’ not appearing in the same section;
  - titles of charges that suggest they cover the same thing, e.g. initial charges and establishment charges – without explanation; and
  - descriptions of optional/discretionary charges which do not explicitly set out the circumstances where these charges might apply, at whose discretion they may be applied or how the consumer might choose between different options.

### *Contact details*

- 3.40 Consumers, having read a KFD and any accompanying documents, might want more help or further information so they can understand the product. This need ought to be easily met.
- 3.41 However, we have found many instances where the relevant contact points are spread throughout the KFD or put in the small print in the footer. Addresses are often difficult to spot because they are not shown in a conventional format, but as a sentence within a paragraph.

## **How to contact us**

If you require further information or an up to date valuation, on your investment bond, please contact us.

We may monitor calls to improve our service.

If you wish to make an additional investment, a one-off withdrawal, a fund switch or cash in your bond, please speak to your financial adviser.

The individual Contact Help Desk

Firm Name

Firm Address

Firm Postcode

Firm Telephone number

enquiries@nameoffirm.co.uk

**This example shows how all the modes of contact can be clearly shown under one prominent and clear heading.**

**This is the only section of KFDs where we have seen the use of graphics – an area firms could explore further.**

## *Tangential information*

- 3.42 We found many instances of KFDs being cluttered with process and other tangential information, thereby detracting from the main purpose of the document.
- 3.43 Information about the completion of an application form or a cancellation notice – if it is not self-evident – could be included within that document rather than in the KFD.

<b>These examples are written in bureaucratic language and appear as small print, making it less likely that a customer might read them.</b>	
<p><b>How do I invest in an Investment Trust as an ISA?</b></p> <p>To invest simply complete application form number 1 (or application form number 2 if you are transferring an existing ISA) in the Application Forms booklet and send it to us in the Freepost envelope provided addressed to Firm Name. Should you require further assistance, please call Investor Services on Firm Telephone Number; they will be happy to help you. Alternatively, contact your usual financial adviser.</p>	<p><b>DATA PROTECTION</b></p> <p>The information you provide on your application form (or subsequently) will be held and processed by us as data controller for the purposes of the Data Protection Act 1998. We may hold and process information for the administration of the service(s) for which you are currently applying or may apply for in future, for the operation of your investment in shares (including e.g. for registration and distribution purposes), for the purposes of statistical analysis, and the marketing of goods or services by this company or other companies in the Group Name. We may transfer information to other companies in the Group Name and to third party agents of such companies or of this company for any of the above purposes. Where an Independent Financial Adviser acts on your behalf, we will disclose information concerning your investment to that Financial Adviser. Save as noted above, we will not provide to any other third party any information relating to you, unless you have given your written consent or unless we are required to do so by law. You are entitled to request details of information we may hold about you upon payment of a fee and to require us to correct any inaccuracies in your personal data.</p>
<p><b>EU Savings Directive</b></p> <p>Under the EU Savings Directive, for any new investors investing in certain funds or who receive interest on any cash held within their investments and who reside in a country outside the UK covered by the Directive, it will be necessary for us to request certain documents to validate information on your birth, address and tax status. We will also have to provide HM Revenue &amp; Customs with details on distributions and redemption payments made to you. This information will then be passed onto the tax authorities of the country you reside.</p>	<p><b>Money Laundering</b></p> <p>The Money Laundering Regulations 2003 (as amended from time to time) require us to make checks on various transactions. Independent documentary verification may be required for both the identity and the permanent address of the applicant opening an account. This may also apply to existing account holders. Processing of your instruction or payment due to you may be delayed, pending receipt of satisfactory evidence. Signing of the application form represents permission from you to make any necessary electronic searches of electoral roll and credit reference agencies. These agencies may keep a record of our enquiry. Paying for any lump sum investment by a cheque drawn on your personal (or joint) bank or building society account reduces the need for us to obtain documentary evidence. Where you are investing money using a building society branch cheque or banker's draft, please arrange for them to certify, on the cheque, the name and the account number of the client from whose account payment is being drawn, together with the branch stamp.</p>
<p><b>Further Information</b></p> <p><b>HOW CAN I INVEST?</b></p> <p>If after reading the Plan documentation you wish to invest, please complete and sign the relevant sections of the application for the Plan(s) and/or complete the separate PEP/ISA transfer form. Send the completed form to your Independent Financial Adviser or to Firm Name Investment Services Limited at, Firm Address, along with your cheque. If you are unsure whether this contract is suitable for your financial planning needs, you should seek advice from an Independent Financial Adviser who may charge a fee for any advice given.</p>	

- 3.44 Other KFDs in our sample were unnecessarily cluttered with direct debit guarantee information and background information about the history and strengths of the firm manufacturing the product.
- 3.45 Some marketing-style messages may lead to unnecessary confusion as they appear to conflict with the more factual product information.

# 4 Questions for senior managers

- 4.1 We have compiled the following questions to help firms consider their approach to producing KFDs. We do not expect these questions to be exhaustive or necessarily appropriate to all firms, merely a starting point for firms to consider.
- a Who is the business owner for KFDs?
  - b Do your document authors/copywriters understand our principles and rules or is this the responsibility of the compliance department?
  - c Have you defined how KFDs fit into the pre-sales pack of literature?
  - d Do you have a style guide or other means of indicating the standard of plain English expected and achieving consistency in your customer literature?
  - e What training do you give your staff in clear layout and language techniques?
  - f How is the customer voice represented in your drafting and approval process?
  - g How are the responsibilities of your KFD reviewers (legal, actuarial, compliance, etc) defined?
  - h How do you ensure that your KFDs and the rest of the sales pack are appropriate for their intended audience? For example:
    - are your KFDs and the rest of the sales pack tested on their target market before publication?
    - how do you ensure consumers have enough understanding of the products you market?
    - what are your success criteria?
    - what changes to documents or the product itself have you made as the result of any such testing?
  - i How do you review the continuing effectiveness of KFD's after the product is launched?
  - j Is ease of explanation a consideration in your product design and manufacturing processes?

# 5 Next steps

- 5.1 Our review has confirmed our belief that there is considerable scope for improvement in the standard of KFDs currently in use.
- 5.2 Firms already have access to a range of material and resources to help them achieve this aim. In addition the COBS rules will afford firms greater flexibility in tailoring their KFDs.
- 5.3 However, given the disappointing results of our review, further positive action is required and we will maintain our focus on ensuring the KFDs become more effective disclosure documents.
- 5.4 We will require firms to make improvements to their KFDs over the course of the next year and to explicitly link this work to the TCF December 2008 deadline.
- 5.5 More specifically, we will be adopting the following measures:
  - *March 2008 TCF MI deadline* – We will be asking firms how they intend to consider the quality of consumer outcomes in this area and whether these amount to fair treatment as required by our December 2008 deadline. We will urge firms to consider their processes for producing KFDs and critically examine what is likely to lead to effective and ineffective outcomes, e.g. testing consumer understanding. This should also cover resources and the staff skills.
  - *Engagement via our Supervisory activities* – We will be addressing the poorer examples directly with the individual firms concerned. We will also consider taking enforcement action where appropriate.
  - *Direct engagement with firms* – We will also engage firms directly in seminars or workshops targeted at developing good practice. These will not be a vetting or approval exercise but, rather, an attempt to help firms to get to grips with our new principles-based rules and to share good practice.
  - *Follow up actions:*
    - *November 2008* – We will review the latest versions of some of our original sample KFDs.
    - *End 2010* – We will repeat our original review in its entirety to coincide with our post-implementation review of COBS.

5.6 More generally, as part of our ongoing supervision of firms (including ARROW visits), we will be engaging with firms' Senior Management to find out how far they are delivering on their TCF target outcomes.



# Sample details

## KFD Good and Poor Practice Sample

Provider Type	Size (S = Small L = Large)	No of KFDs	Investment	Life & Pensions
Mutual (inc Friendly Societies)	24 firms	65	20	45
Proprietary Life and Pension Providers	S- 8 firms	16	5	11
	L- 14 firms	97	23	74
Fund Manager	S- 7 firms	10	10	0
	L- 11 firms	14	14	0
<b>Total</b>	<b>64</b>	<b>202</b>	<b>72</b>	<b>130</b>

# Related material

Association of British Insurers (ABI) Customer Impact Scheme, Good Practice Guide for Clear language and layout: <http://www.customerimpact.org/>

Treating customers fairly – Towards fair outcomes for consumers (July 2006)  
[http://www.fsa.gov.uk/Pages/Doing/Regulated/tcf/library/fair\\_outcomes.shtml](http://www.fsa.gov.uk/Pages/Doing/Regulated/tcf/library/fair_outcomes.shtml)

Joint Better Regulation Executive and National Consumer Council Policy Document July 2007  
[www.ncc.org.uk/nccpdf/poldocs/NCC168pd\\_warning\\_too\\_much\\_information.pdf](http://www.ncc.org.uk/nccpdf/poldocs/NCC168pd_warning_too_much_information.pdf)

A Plain English Handbook, How to write clear SEC disclosure documents Securities and Exchange Commission [www.sec.gov/pdf/handbook.pdf](http://www.sec.gov/pdf/handbook.pdf)

The Oxford Book of Plain English by Martin Cutts



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