

Authorisation by the Financial Conduct Authority

No duty to disclose

Whilst the FCA Consumer Credit Sourcebook (CONC) specifies in great detail what needs to be included if credit is mentioned in an advert (which they refer to as a 'financial promotion'), a credit broker is not actually required to state anything about his authorisation by the FCA.

However, if he chooses to so, the statement must as a minimum comply with the requirements specified in the FCA Handbook GEN 4 Annex 1. Note that regulated firms are not permitted to use the FCA logo on any of their documentation or promotional material.

Recommended disclosure

Chrysalis recommends as best practice that all of its Appointed Representatives include information about their authorisation wherever they refer to credit, finance or funding options. This may be on their websites, in mail/email marketing campaigns or in press adverts. The following form should be used:

"XXXXXX Dental Limited (FRN xxxxxx) is an Appointed Representative of Chrysalis Finance Limited which is authorised by the Financial Conduct Authority to carry out the regulated activity of credit broking."

The Consumer Credit Sourcebook (CONC)

General requirements

CONC 3.3.1 - A firm must ensure that a communication or financial promotion is clear, fair and not misleading.

CONC 3.3.2 - A firm must ensure that a communication or a financial promotion:

- uses plain and intelligible language,
- is easily legible, and
- specifies the name of the person making the communication.

CONC 3.3.3 – A firm must not in a financial promotion or communication to a customer suggest or state, expressly or by implication, that credit is available regardless of the customer's financial circumstances or status.

Content of financial promotions

3.5.3 - Where a financial promotion includes a rate of interest or an amount relating to the cost of the credit, it shall also:

- include a representative example (see below), and
- specify a postal address at which the person making the financial promotion may be contacted, except where it appears in any form on the premises of a dealer or creditor (not being financial promotions in writing which customers are intended to take away), or it includes the name and a postal address of a credit broker.

Representative Example

CONC 3.5.5 - The representative example must comprise the following items of information:

- the rate of interest, whether fixed, variable or both,
- the nature and amount of any other charge included in the total charge for credit
- the total amount of credit,
- the representative APR,
- the duration of the agreement,
- the total amount payable, and
- the amount of each repayment of credit.

For the purposes of the representative example, the information shall be that which the firm communicating the financial promotion reasonably expects at the date on which the financial promotion is made to be representative of consumer credit agreements to which the representative APR applies and which are expected to be entered into as a result of the promotion.

The information must be:

- specified in a clear and concise way,
- accompanied by the words “representative example”,
- presented together with each item of information being given equal prominence, and
- given greater prominence than any other information relating to the cost of the credit in the financial promotion.

Annual Percentage Rate of Charge (APR)

CONC 3.5.9 – In a financial promotion:

- An APR must be shown as “%APR”,
- Where an APR is subject to change it shall be accompanied by the word “variable”, and
- The representative APR must be accompanied by the word “representative”.

Restrictions on certain expressions in credit advertisements

CONC 3.5.12 - A financial promotion must not include:

- the expression “interest free” or any similar expression indicating that a customer is liable to pay no greater amount in respect of a transaction financed by credit than he would be liable to pay as a cash purchaser in relation to the like transaction, except where the total amount payable by the debtor does not exceed the cash price,
- the expression “no deposit” or any similar expression, except where no advance payments are to be made,
- the expression “loan guaranteed” or “pre-approved” or “no credit checks” or any similar expression, except where the agreement is free of any conditions regarding the credit status of the customer,
- the expression “gift”, “present” or any similar expression except where there are no conditions which would require the customer to repay the credit or return the item that is the subject of the claim, or
- the expression “weekly equivalent” or any expression to the like effect or any expression of any other periodical equivalent, unless weekly payments or the other periodical payments are provided for under the agreement (note that Chrysalis only offers consumer credit repayable in monthly instalments, so these expressions will never be relevant).