

Chapter 4

Communicating with clients, including financial promotions

4.15 Promotion of OFR recognised schemes

Application

- 4.15.1 **R** (1) Subject to (2), this section applies to a *firm* in relation to the *communication or approval* of a *financial promotion* relating to an *OFR recognised scheme*.
- (2) This section does not apply to the extent that the *financial promotion* is an *excluded communication*.

Financial promotions of OFR recognised schemes

- 4.15.2 **R** A *firm* must not *communicate* or *approve* a *financial promotion* relating to an *OFR recognised scheme* unless the *financial promotion* clearly states that:
- (1) the *scheme* is authorised *overseas*, but not in the *United Kingdom*;
 - (2) (subject to **COBS 4.15.3R**) the *Financial Ombudsman Service* is unlikely to be able to consider *complaints* related to the *scheme*, its *operator* or its *depository*;
 - (3) any claims for losses relating to the *operator* and the *depository* of the *scheme* are unlikely to be covered under the *compensation scheme*; and
 - (4) a prospective investor should consider getting financial advice before deciding to invest and should see the *prospectus* of the *scheme* for more information.

- 4.15.3 **R** To the extent that the *Financial Ombudsman Service* is likely to be able to consider a *complaint* relating to the *operator* or the *depository* of a particular *recognised scheme*, the *financial promotion* must contain a clear statement to that effect, and to that extent only **COBS 4.15.2R(2)** does not apply.

- 4.15.4 **G** In relation to **COBS 4.15.3R**, and by way of example, the *operator* of a *recognised scheme* may be a *VJ participant*, and so it may be possible for a *complaint* against the *operator* to be dealt with under the *Voluntary Jurisdiction*.