

**ADVICE GUIDANCE BOUNDARY REVIEW (TARGETED SUPPORT)
INSTRUMENT 2026**

Powers exercised by the Financial Conduct Authority

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the powers and related provisions in or under:
- (1) the following sections of the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 59 (Approval for particular arrangements);
 - (b) section 60 (Applications for approval);
 - (c) section 60A (Vetting of candidates by relevant authorised persons);
 - (d) section 61 (Determination of applications);
 - (e) section 62A (Changes in responsibilities of senior managers);
 - (f) section 63ZA (Variation of senior manager’s approval at request of authorised person);
 - (g) section 63ZD (Statement of policy relating to conditional approval and variation);
 - (h) section 63C (Statement of policy);
 - (i) section 63E (Certification of employees by authorised persons);
 - (j) section 63F (Issuing of certificates);
 - (k) section 64A (Rules of conduct);
 - (l) section 64C (Requirements for authorised persons to notify regulator of disciplinary action);
 - (m) section 69 (Statement of policy);
 - (n) section 137A (The FCA’s general rules);
 - (o) section 137R (Financial promotion rules);
 - (p) section 137T (General supplementary powers);
 - (q) section 139A (Power of the FCA to give guidance);
 - (r) section 213 (The compensation scheme);
 - (s) section 214 (General);
 - (t) section 226 (Compulsory jurisdiction);
 - (u) section 234 (Industry funding)
 - (v) section 247 (Trust scheme rules);
 - (w) section 261I (Contractual scheme rules);
 - (x) paragraph 23 (Fees) of Part 3 (Penalties and fees) of Schedule 1ZA (The Financial Conduct Authority); and
 - (y) paragraph 13 (FCA’s rules) of Part III (The Compulsory Jurisdiction) of Schedule 17 (The Ombudsman Scheme);
 - (2) regulation 6(1) (FCA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228); and
 - (3) the other rule and guidance making powers listed in Schedule 4 (Powers exercised) to the General Provisions of the FCA’s Handbook.

- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.
- C. The FCA approves the making of the Voluntary Jurisdiction rules and guidance and the fixing and varying of the standard terms for Voluntary Jurisdiction participants by the Financial Ombudsman Service Limited (“Financial Ombudsman”), as set out in paragraph E below.
- D. The FCA confirms and remakes in the Glossary of definitions:
 - (1) the defined expression “Regulated Activities Order”; and
 - (2) to the extent that they appear in the Glossary of definitions, the defined expressions relating to any other secondary legislation referred to in the Financial Services and Markets Act 2000 (Regulated Activities) (Providing Targeted Support) (Amendment) Order 2026.

Powers exercised by the Financial Ombudsman

- E. The Financial Ombudsman makes and amends the rules and guidance for the Voluntary Jurisdiction and fixes and varies the standard terms for Voluntary Jurisdiction participants, as set out in Annex M to this instrument, and to incorporate the changes to the Glossary of definitions as set out in Annex A to this instrument, in the exercise of the following powers and related provisions in the Act:
 - (1) section 227 (Voluntary jurisdiction);
 - (2) paragraph 8 (Information, advice and guidance) of Schedule 17;
 - (3) paragraph 18 (Terms of reference to the scheme) of Schedule 17; and
 - (4) paragraph 20 (Voluntary jurisdiction rules: procedure) of Schedule 17.
- F. The making and amendment of the Voluntary Jurisdiction rules and guidance and the fixing and varying of the standard terms for Voluntary Jurisdiction participants by the Financial Ombudsman, as set out at paragraph E above, is subject to the consent and approval of the FCA.

Commencement

- G. The following parts of this instrument come into force on 2 March 2026:
 - (1) Annex A for the limited purposes of commencing Annex D and enabling the FCA to levy fees in relation to applications for permission to provide targeted support; and
 - (2) Annex D.
- H. Part 2 of Annex G of this instrument comes into force on 6 April 2027.
- I. Part 2 of Annex M of this instrument comes into force on 31 December 2026, immediately after the Complaints Reporting Instrument 2025 comes into force.
- J. All other parts of this instrument come into force on 6 April 2026.

Amendments to the FCA Handbook

- K. The modules of the FCA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex B
Training and Competence sourcebook (TC)	Annex C
Fees manual (FEES)	Annex D
Prudential sourcebook for MiFID Investment Firms (MIFIDPRU)	Annex E
Interim Prudential sourcebook for Investment Businesses (IPRU-INV)	Annex F
Conduct of Business sourcebook (COBS)	Annex G
Insurance: Conduct of Business sourcebook (ICOBS)	Annex H
Funeral Plan: Conduct of Business sourcebook (FPCOB)	Annex I
Pensions Dashboards: Conduct of Business sourcebook (PDCOB)	Annex J
Product Intervention and Product Governance sourcebook (PROD)	Annex K
Supervision manual (SUP)	Annex L
Dispute Resolution: Complaints sourcebook (DISP)	Annex M
Collective Investment Schemes sourcebook (COLL)	Annex N
Credit Unions sourcebook (CREDS)	Annex O
Investment Funds sourcebook (FUND)	Annex P

Amendments to material outside the Handbook

- L. The Perimeter Guidance manual (PERG) is amended in accordance with Annex Q to this instrument.

Notes

- M. In the Annexes to this instrument, the notes (indicated by “**Note:**” or “*Editor’s note:*”) are included for the convenience of readers but do not form part of the legislative text.

Citation

- N. This instrument may be cited as the Advice Guidance Boundary Review (Targeted Support) Instrument 2026.

By order of the Board of the Financial Conduct Authority
26 February 2026

By order of the Board of the Financial Ombudsman Service Limited
23 February 2026

Annex A

Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

Insert the following new definitions in the appropriate alphabetical position. The text is not underlined.

<i>common characteristics</i>	the <i>including characteristics</i> and <i>excluding characteristics</i> of a <i>consumer segment</i> .
<i>consumer segment</i>	has the meaning given in COBS 9B.4.4R.
<i>excluding characteristic</i>	in connection with a <i>consumer segment</i> , a characteristic specified by a <i>firm</i> by reference to which an individual, who has that characteristic, is excluded from that <i>consumer segment</i> .
<i>including characteristic</i>	in connection with a <i>consumer segment</i> , a characteristic specified by a <i>firm</i> by reference to which an individual, who has that characteristic, may be aligned with that <i>consumer segment</i> .
<i>providing targeted support</i>	<p>the <i>regulated activity</i>, specified in article 55A (Providing Targeted Support) of the <i>Regulated Activities Order</i>, which, in summary, involves a person (P):</p> <ol style="list-style-type: none">(1) using information about an individual to group the individual with other individuals in a group who share similar characteristics, similar circumstances, or both;(2) making a recommendation which:<ol style="list-style-type: none">(a) is provided to the individual;(b) constitutes a recommendation for the individual to do or not to do any of the following:<ol style="list-style-type: none">(i) <i>buying, selling</i>, subscribing for, exchanging, redeeming, holding or underwriting a particular <i>investment</i> which is a <i>security, structured deposit</i> or <i>relevant investment</i>; or(ii) exercising any right conferred by such an <i>investment</i> to <i>buy, sell</i>, subscribe for, exchange or redeem such an <i>investment</i>; and(c) is presented as suitable for the individual on the basis of the individual being in the group; and

- (3) making a statement to the individual at the same time as the recommendation is made to them specifying:
- (a) that the recommendation is not based on a comprehensive consideration by P of the individual's characteristics or circumstances;
 - (b) that the recommendation is not specific to the individual; and
 - (c) the characteristics, circumstances, or both if applicable, of the group which P has used as the basis for the recommendation.

ready-made suggestion a recommendation specified, and made by a *firm* to a *client*, in the course of delivering a *targeted support service*.

targeted support service the service of designing and delivering *ready-made suggestions* to *clients* by a *firm*:

- (a) carrying on the *regulated activity* of *providing targeted support*; and
- (b) to which the *rules* in COBS 9B (Targeted support) apply.

Amend the following definitions as shown.

corporate finance business (a) *designated investment business* (other than *operating an electronic system for public offers of relevant securities* and *providing targeted support*) carried on by a *firm* with or for:

...

- (b) *designated investment business* carried on by a *firm* as a *principal* for its own account where such business:

...

- (ii) does not involve transactions with or for, or *advice on investments* or the provision of targeted support to, any other *person* who is a *retail client* in respect of such business;

- (c) *designated investment business* carried on by a *firm* as *principal* for its own account if such business:

...

- (ii) does not involve *advice on investments* or the provision of targeted support to any *person* who is a *retail client*;

...

designated investment business any of the following activities, specified in Part II of the *Regulated Activities Order* (Specified Activities), which is carried on by way of business:

...

(mb) ...

(mc) providing targeted support, but only in relation to designated investments (other than P2P agreements) (article 55A);

...

[*Editor's note*: the following definition takes into account the changes introduced by the Consumer Composite Investments Instrument 2025 (FCA 2025/52), which also comes into force on 6 April 2026.]

distribute ...

(7) (in *COBS* 6, *COBS* 13, *COBS* 14, *COLL* 9 and *DISC*):

(a) in relation to an *authorised person*, means to carry on any of the following activities:

(i) *selling*, or offering to *sell*, an *investment* to an investor;

(ii) *dealing*, or *arranging a deal* in an *investment* with or for an investor where the investor is to enter into the *deal* as buyer; ~~or~~

(iii) *advising* an investor on the merits of entering an *investment*, including making a *personal recommendation* to enter the *investment*; or

(iv) providing targeted support involving a recommendation of an investment;

...

funeral plan distribution any of the following *regulated activities* carried on in relation to a *funeral plan contract*:

...

(d) *advising on investments (except P2P agreements)* (article 53(1)); ~~and~~

(da) providing targeted support (article 55A); and

...

ICD claim

a claim:

(a) against a *MiFID investment firm* (including a *credit institution* which is a *MiFID investment firm*), or, where applicable, a successor of such a *firm*; and

(b) in relation to:

(i) any *investment services and activities* other than the making of a *personal recommendation* or providing targeted support;

...

(ii) the firm's inability to repay money owed to or belonging to investors and held on their behalf or the firm's inability to return to investors any instruments belonging to them and held, administered or managed on their behalf, in each case, in connection with the *investment service* of the making of a *personal recommendation* or providing targeted support relating to a *financial instrument* in accordance with the legal and contractual conditions applicable.

[Note: Article 2(2) of the *Investor Compensation Directive*]

insurance distribution activity

any of the following *regulated activities* carried on in relation to a *contract of insurance* or rights to or interests in a *life policy*:

...

(e) ...

(ea) providing targeted support (article 55A);

...

intermediation of structured deposits

(in *COMP* and *FEES* 6) any of the following:

...

(2) in relation to *structured deposits*:

...

(e) *managing investments*; or

(f) providing targeted support.

<i>investment advice</i>	<p>(other than in relation to the provision of a <i>targeted support service</i>) the provision of <i>personal recommendations</i> to a <i>client</i>, either upon the <i>client's</i> request or at the initiative of the <i>firm</i>, in respect of one or more transactions relating to <i>designated investments</i>.</p> <p>[Note: article 4(1)(4) of <i>MiFID</i>]</p>
<i>lifetime ISA charges</i>	<p>any fee or charge made to a <i>retail client</i> in connection with the opening or operation of a <i>lifetime ISA</i>, whether levied by the <i>firm</i> or any other <i>person</i>, but excluding any fees or charges:</p> <ul style="list-style-type: none">(a) payable by or on behalf of a <i>retail client</i> to a <i>firm</i> in relation to the provision of a <i>personal recommendation</i> <u>or ready-made suggestion</u> by the <i>firm</i> in respect of the <i>lifetime ISA</i>; and(b) relating to the qualifying investments held in the <i>lifetime ISA</i> (including in relation to the provision of a <i>personal recommendation</i> <u>or ready-made suggestion</u> in respect of those investments).
<i>marketing</i>	<ul style="list-style-type: none">(1) (in <i>COLL</i>) (in relation to marketing <i>units</i> in a <i>regulated collective investment scheme</i> in a particular country or territory): ...<ul style="list-style-type: none">(b) giving <i>advice on investments</i> (except <i>P2P agreements</i>) <u>or providing targeted support</u> to, or arranging (bringing about) a deal in an investment for a <i>person</i> in that country or territory to become a <i>holder</i> in that <i>regulated collective investment scheme</i>....
<i>non-advised client</i>	<p>(in <i>COBS 19</i> and <i>PROD 6</i>) a <i>retail client</i> in relation to whom a <i>firm</i> has not:</p> <ul style="list-style-type: none">(a) been able to determine, on reasonable grounds, that the client <i>client</i> has received, or will receive, a <i>personal recommendation</i> or investment management services for the purposes of <i>COBS 19.12.5R</i>; <u>or</u>(b) <u>provided a <i>targeted support service</i>, or arranged for another <i>firm</i> to provide a <i>targeted support service</i>, where:</u><ul style="list-style-type: none">(i) <u>the <i>targeted support service</i> includes a recommendation to the <i>retail client</i> on how to invest their contributions to, or assets in, the <i>non-workplace pension</i>; and</u>(ii) <u>the <i>retail client</i> has accepted and is taking steps to action the recommendation referred to in (i).</u>

for the purposes of COBS 19.12.5AR.

*personal
recommen-
dation*

(1) (except in *CONRED* ~~and~~, in relation to *advising on investments (except P2P agreements)* and in relation to providing targeted support): a recommendation that is *advice on P2P agreements, advice on conversion or transfer of pension benefits, or advice on a home finance transaction* and is:

(a) presented as suitable for the person to whom it is made;²
or

(b) ~~is~~ based on a consideration of the circumstances of that person.

A recommendation is not a personal recommendation if it is issued exclusively to the public. For the purposes of this definition, references in the *Handbook* to making *personal recommendations* on, or in relation to, *P2P agreements* should be understood as referring to making *personal recommendations* involving *advice on P2P agreements*.

...

(3) ...

(4) (in relation to providing targeted support) the definition in (3) applies to, or includes, providing targeted support only:

(a) for the purposes of the definitions of:

(i) investment service;

(ii) investment services and/or activities; and

(iii) investment services or activities; or

(b) in relation to a type of specified investment that is not within the scope of the rules in COBS 9B.

[Note: article 2(1)(15) of the *IDD* and article 53(1C) and 53(1D) of the *Regulated Activities Order*]

*regulated
activity*

...

(B) in the *FCA Handbook*:

(1) (in accordance with section 22 of the *Act* (Regulated activities)) the activities specified in Part II (Specified activities), Part 3A (Specified activities in relation to information) and Part 3B (Claims management activities)

in Great Britain) of the *Regulated Activities Order*, which are, in summary:

...

(pg) ...

(ph) providing targeted support (article 55A);

...

which is carried on by way of business and relates to a *specified investment* applicable to that activity or, in the case of (na), (nb), (nc), (nd), (ne) and (o), is carried on in relation to property of any kind. or, in the case of (tm) and (tn), is carried on in relation to information about a *person's* financial standing or, in the case of (tp), (tq), (tr), (ts), (tt), (tu) and (tv), is, or relates to, *claims management services* and is carried on in *Great Britain*.

(2) in DISP, except DISP 1.1, DISP 1.2, DISP 1.3 and DISP 1.9: (in accordance with the FCA's power under section 226 of the Act) all of the activities included in (B)(1) as at 6 April 2026, unless expressly excluded in DISP 2.3.1R.

securities and futures firm

a firm whose permitted activities include *designated investment business* or *bidding in emissions auctions*, which is not an *authorised professional firm, bank, MIFIDPRU investment firm, building society, collective portfolio management firm, credit union, friendly society, ICVC, insurer, media firm* or *service company*, whose permission does not include a requirement that it comply with ~~IPRU(INV)~~ IPRU-INV 5 (Investment management firms) or IPRU-INV 13 (Personal investment firms), and which is within (a), (b), (c), (d), (e), (f), (g) or (ga):

...

(c) a firm:

...

(ii) for which the most substantial part of its gross income (including commissions) from the *designated investment business* included in its *Part 4A permission* is derived from one or more of the following activities (based, for a firm given a *Part 4A permission* after commencement, on the business plan submitted as part of the firm's application for permission or, for a firm authorised under section 25 of the Financial Services Act 1986, on the firm's financial year preceding its authorisation under the Act):

...

- (G) activities related to *spread bets*; ~~or~~
- (H) *operating an electronic system for public offers of relevant securities*; or
- (I) *providing targeted support*;

...

*third party
processor*

- (1) A *firm* (“Firm A”) which carries on *home finance activities, funeral plan distribution or insurance distribution activities* other than *advising on life policies* and *providing targeted support*, or all of these, for another *firm* (or an *appointed representative*) (“Firm B”) under a properly documented *outsourcing* agreement, the terms of which provide that when Firm A carries on any of these activities (“the outsourced activities”) for Firm B:

...

- (2) A *firm* (“Firm C”) which carries on *home finance activities, funeral plan distribution or insurance distribution activities* other than *advising on life policies* and *providing targeted support*, or all of these, for a *third party processor* within (1) (“Firm A”), where:

...

Annex B

Amendments to the Senior Management Arrangements, Systems and Controls sourcebook (SYSC)

In this Annex, underlining indicates new text and striking through indicates deleted text.

23 Senior managers and certification regime: Introduction and classification

...

23 Definition of SMCR firm and different types of SMCR firms

Annex 1

...				
Part Nine: Other qualification conditions for being an enhanced scope SMCR firm				
...				
9.4	R	...		
		(2)	A <i>firm</i> is excluded for the purposes of SYSC 23 Annex 1 9.3R(2) if it meets the following conditions:	
			(a)	it is authorised to provide one or more of the following <i>investment services</i> :
				...
			(ii)	<i>portfolio management</i> ; and
			(iv)	<i>investment advice</i> ; <u>and</u>
			(v)	<i>providing targeted support</i> ;
			...	
		...		
...				

...

25 Senior managers and certification regime: Management responsibilities maps and handover procedures and material

...

25 **Examples of the business activities and functions of an SMCR firm**
Annex 1

25 G
Annex 1

Business areas and management functions	Explanation
...	
(4) Financial or investment advice	This includes <i>advising on investments and providing targeted support</i> .
...	

...

27 **Senior managers and certification regime: Certification regime**

...

27.8 **Definitions of the FCA certification functions**

...

Client-dealing function

...

27.8.22B G ...

(4) ...

(5) The client-dealing FCA certification function does not apply to roles involved in the provision of targeted support services.

...

Annex C

Amendments to the Training and Competence sourcebook (TC)

In this Annex, underlining indicates new text.

2 Competence

2.1 Assessing and maintaining competence

...

Qualification requirements before starting activities

...

2.1.8A R ...

2.1.8B G There are no qualification requirements for *employees* involved in the provision of *targeted support services*.

...

4 Specified modified requirements

4.1 Specified requirements for MiFID investment firms and for third country investment firms

4.1.1 R (1) For a *firm* in relation to its *MiFID or equivalent third country business* the *rules* set out in column 1 of the table in *TC 4.1.4R* below are amended as set out in column 2.

(2) The amendments in (1) do not apply in relation to the provision of *targeted support services* where this would constitute *MiFID or equivalent third country business*.

...

4.2 Specified requirements for firms carrying on insurance distribution activities

4.2.1 R (1) For a *firm*, including a *TP firm*, which carries on *insurance distribution activities* the *rules* and *guidance* set out in column 1 of the table in *TC 4.2.5R* below are amended as set out in column 2.

(2) The amendments in (1) do not apply in relation to the provision of *targeted support services* where this would constitute *insurance distribution activity*.

...

App 1 TC Appendix 1

App 1.1 Activities and Products/Sectors to which TC applies subject to TC Appendices 2 and 3

App R
1.1.1

Activity	Products/Sectors		Is there an appropriate qualification requirement?
<i>Designated investment business carried on for a retail client</i>			
Providing basic advice	1.	<i>Stakeholder products excluding a deposit-based stakeholder product</i>	No
<u>Providing targeted support</u>	<u>1A.</u>	<u>Providing targeted support on designated investments (other than pure protection contracts) and structured deposits</u>	<u>No</u>
...			
Notes:			
...			
2.	...		
<u>2-A.</u>	<p><u>The provision of <i>targeted support services</i> is covered by activity number 1A. References in this table to <i>giving personal recommendations</i> do not include <i>providing targeted support</i>, except to the extent that it is beyond the scope of activity number 1A.</u></p> <p><u>Activity number 1A includes <i>employees engaged in either or both of the design and delivery of targeted support services.</i></u></p>		
2A.	...		
...			

Annex D

Amendments to the Fees manual (FEES)

In this Annex, underlining indicates new text.

4 Periodic fees

...

4 Annex 1A FCA activity groups, tariff bases and valuation dates

4 Annex 1A R

Part 1

This table shows how the *FCA* links the activities (for which a *firm* has *permission* or designation) to activity groups (fee-blocks). A *firm* can use the table to identify which fee-blocks it falls into based on its *permission* or its other activities.

Activity group	Fee payer falls in the activity group if:
...	...
<p>A.13 Advisors, arrangers, dealers or brokers</p>	<p>(1) it is an <i>authorised professional firm</i> and ALL the <i>regulated activities</i> in its <i>permission</i> are limited to non-mainstream regulated activities (a <i>firm</i> falling within this category is a class (1) <i>firm</i>);</p> <p>OR</p> <p>(1A) it is a <i>POP operator</i>;</p> <p>OR</p> <p>(2) its <i>permission</i>:</p> <p>(a) includes one or more of the following:</p> <p>(i) in relation to one or more <i>designated investments</i>:</p> <p><i>dealing in investments as agent</i>;</p> <p><i>arranging (bringing about) deals in investments</i>;</p> <p><i>making arrangements with a view to transactions in investments</i>;</p> <p><i>dealing as principal in investments</i> where the activity is carried on as an <i>oil market participant</i> or <i>energy market participant</i>;</p>

<p><i>advising on investments (except P2P agreements) (except pension transfers and pension opt-outs);</i> <i>giving basic advice on a stakeholder product;</i> <i>advising on pension transfers and pension opt-outs;</i> <i>advising on syndicate participation at Lloyd's;</i> <u><i>providing targeted support;</i></u></p> <p>(ii) <i>advising on P2P agreements;</i></p> <p>(iii) in relation to a <i>structured deposit:</i> <i>dealing in investments as agent; or</i> <i>arranging (bringing about deals) in investments; or</i> <i>making arrangements with a view to transactions in investments; or</i> <i>advising on investments (except P2P agreements); or</i> <i>advising on investments (except pension transfers and pension opt-outs);</i></p> <p>(b) BUT NONE of the following:</p> <p><u>(i) unless (ii) applies, such a fee-payer is not in fee-block A.13 if its <i>permission</i> includes any of the following:</u></p> <p><i>effecting contracts of insurance; or</i> <i>carrying out contracts of insurance;</i></p> <p><u>(ii) the exception being a fee-payer which belongs in fee-block A.4 and holds a <i>permission</i> for <i>providing targeted support;</i></u></p> <p>AND</p> <p>(c) PROVIDED the fee-payer is NOT any of the following:</p> <p><i>a corporate finance advisory firm;</i> <i>a firm for whom all of the applicable activities above are otherwise limited to carrying out corporate finance business;</i> <i>a firm for whom all the applicable activities above are limited to carrying out venture capital business;</i> <i>a firm for whom all the applicable activities above are limited to acting as a residual CIS operator;</i> <i>a firm for whom all the applicable activities above are limited to acting as trustee or depositary of an AIF and/or acting as trustee or depositary of a UK UCITS;</i> <i>a service company.</i></p>
--

	A <i>firm</i> falling within (1A) or (2), and not (1), is a class 2 <i>firm</i> .
...	

...

6 Financial Services Compensation Scheme Funding

...

6 Annex 3A Financial Services Compensation Scheme - classes and categories

6 Annex 3A R This table belongs to *FEES* 6.5.6AR

...	...
Class 2	Investment Intermediation Claims
Category 2.1	Life distribution and investment intermediation
Firms with permission for:	...
	any of the following in relation to <i>long-term insurance contracts</i> (other than <i>pure protection contracts</i>) and/or rights under a <i>stakeholder pension scheme</i> or a <i>personal pension scheme</i> : <i>dealing in investments as agent;</i> <i>arranging (bringing about) deals in investments;</i> <i>making arrangements with a view to transactions in investments;</i> <i>assisting in the administration and performance of a contract of insurance;</i> <i>advising on investments;</i> <i>advising on pension transfers and pension opt-outs;</i> <i>basic advice;</i> <u><i>providing targeted support;</i></u> <i>agreeing to carry on a regulated activity</i> which is within any of the above; and/or
	any of the following in relation to <i>designated investment business</i> BUT excluding activities that relate to <i>long-term</i>

	<p><i>insurance contracts or rights under a stakeholder pension scheme or a personal pension scheme;</i></p> <p><i>dealing in investments as principal;</i></p> <p><i>dealing in investments as agent;</i></p> <p><i>MiFID business bidding;</i></p> <p><i>arranging (bringing about) deals in investments;</i></p> <p><i>making arrangements with a view to transactions in investments;</i></p> <p><i>advising on investments;</i></p> <p><i>basic advice;</i></p> <p><i>safeguarding and administering investments;</i></p> <p><i>arranging safeguarding and administering of assets;</i></p> <p><i>operating a multilateral trading facility;</i></p> <p><i>operating an electronic system for public offers of relevant securities;</i></p> <p><u><i>providing targeted support;</i></u></p> <p><i>agreeing to carry on a regulated activity which is within any of the above.</i></p>
...	

...

Annex E

Amendments to the Prudential sourcebook for MiFID Investment Firms (MIFIDPRU)

In this Annex, underlining indicates new text and striking through indicates deleted text.

4 Own funds requirements

...

4.4 Permanent minimum capital requirement

- 4.4.1 R (1) ~~Where a MIFIDPRU investment firm has permission to carry on any of the investment services and/or activities in (2), its~~ The permanent minimum capital requirement is £750,000, unless MIFIDPRU 4.4.6R applies: the highest of the applicable requirements in the following table:

	<u>Application</u>	<u>Permanent minimum capital requirement</u>
(1)	<u>A firm appointed to act as the depositary of a UK UCITS or an authorised AIF.</u>	<u>£4 million</u>
(2)	<u>A firm with permission for the investment services and/or activities of:</u>	<u>£750,000</u>
	<u>(a) dealing on own account;</u>	
	<u>(b) underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis; or</u>	
	<u>(c) operating an organised trading facility, if the firm is not subject to a limitation that prevents it from carrying on the activities otherwise permitted by MAR 5A.3.5R.</u>	
(3)	<u>A firm appointed to act as a depositary of an unauthorised AIF in accordance with FUND 3.11.10R(2).</u>	<u>£750,000</u>
(4)	<u>A firm with permission to provide targeted support.</u>	<u>£500,000</u>
(5)	<u>A firm with permission for:</u>	<u>£150,000</u>
	<u>(a) operating a multilateral trading facility;</u>	

	(b)	<u>operating an organised trading facility, if the firm is subject to a limitation that prevents it from carrying on the activities otherwise permitted by MAR 5A.3.5R; or</u>	
	(c)	<u>holding client money or client assets in the course of MiFID business.</u>	
(6)	<u>A firm with permission for the investment services and/or activities of:</u>		<u>£75,000</u>
	(a)	<u>reception and transmission of orders in relation to one or more financial instruments;</u>	
	(b)	<u>execution of orders on behalf of clients;</u>	
	(c)	<u>portfolio management;</u>	
	(d)	<u>investment advice; or</u>	
	(e)	<u>placing of financial instruments without a firm commitment basis.</u>	

(2) The relevant *investment services and/or activities* are:

(a) *dealing on own account;*

(b) *underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis; or*

(c) *operating an organised trading facility, if the firm is not subject to a limitation that prevents it from carrying on the activities otherwise permitted by MAR 5A.3.5R.*

(3) Where a MIFIDPRU investment firm is appointed to act as a depositary of an unauthorised AIF in accordance with FUND 3.11.10R(2), its permanent minimum capital requirement is £750,000, unless MIFIDPRU 4.4.6R applies.

...

4.4.3 R (1) Where a MIFIDPRU investment firm satisfies the conditions in (2), its permanent minimum capital requirement is £150,000.

(2) The relevant conditions are:

(a) the firm has permission for any of the following:

- (i) ~~operating a multilateral trading facility;~~
 - (ii) ~~operating an organised trading facility, if the firm is subject to a limitation that prevents it from carrying on the activities otherwise permitted by MAR 5A.3.5R;~~
 - (iii) ~~holding client money or client assets in the course of MiFID business;~~
- (b) ~~the firm does not have permission for any of the following:~~
- (i) ~~dealing on own account;~~
 - (ii) ~~underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis;~~
 - (iii) ~~operating an organised trading facility, if the firm is not subject to a limitation that prevents it from carrying on the activities otherwise permitted by MAR 5A.3.5R; and~~
- (e) ~~the firm is not appointed to act as a depositary in accordance with FUND 3.11.10R(2) or COLL 6.6A.8R(3)(b)(i). [deleted]~~

4.4.4 R (1) Where a MIFIDPRU investment firm satisfies the conditions in (2), its permanent minimum capital requirement is £75,000.

(2) The relevant conditions are:

- (a) ~~the only investment services and/or activities that the firm has permission to carry on are one or more of the following:~~
- (i) ~~reception and transmission of orders in relation to one or more financial instruments;~~
 - (ii) ~~execution of orders on behalf of clients;~~
 - (iii) ~~portfolio management;~~
 - (iv) ~~investment advice; or~~
 - (v) ~~placing of financial instruments without a firm commitment basis; and~~
- (b) ~~the firm is not permitted to hold client money or client assets in the course of MiFID business; and~~
- (e) ~~the firm is not appointed to act as a depositary in accordance with FUND 3.11.10R(2) or COLL 6.6A.8R(3)(b)(i). [deleted]~~

...

4.4.6 R Where a *MIFIDPRU investment firm* is appointed to act as the *depository* of a *UK UCITS* or an *authorised AIF*, its *permanent minimum capital requirement* is £4 million. [deleted]

4.4.7 G For example, a firm with permission for portfolio management and investment advice, but which also holds client money, would have a permanent minimum capital requirement of £150,000.

...

9 Reporting

9 Annex 2 Guidance notes on data items in MIFIDPRU 9 Annex 1R

9 Annex 2 G This annex consists of guidance which can be found through the following link: *[Editor's note: insert link]*

Guidance notes for MIFIDPRU 9 Annex ~~2G~~ 1R

MIF001 – Adequate financial resources (Own funds)

...

8A – Permanent minimum requirement (PMR)

If completed on an individual basis, FCA investment firms should enter one of the following numbers:

- 75 if the firm has a PMR of £75,000
- 150 if the firm has a PMR of £150,000
- 500 if the firm has a PMR of £500,000
- 750 if the firm has a PMR of £750,000
- 4000 if the firm has a PMR of £4,000,000

...

...

Sch 6 List of Part 9C rules

...

Sch 6.2 G ...

(2) The following provisions are not Part 9C rules:

- (a) *MIFIDPRU 4.4.1R(3)*; *MIFIDPRU 4.4.1R(1)*, *MIFIDPRU 4.4.1R(3)* and *MIFIDPRU 4.4.1R(4)*.

- (b) *MIFIDPRU 4.4.3R(2)(e)*; [deleted]
- (c) *MIFIDPRU 4.4.4R(2)(e)*; and [deleted]
- (d) *MIFIDPRU 4.4.6R*. [deleted]

Annex F

Amendments to the Interim Prudential sourcebook for Investment Businesses sourcebook (IPRU-INV)

In this Annex, underlining indicates new text and striking through indicates deleted text.

3 Financial resources for Securities and Futures Firms which are not MiFID Investment Firms

...

Primary Requirement

...

Absolute minimum requirement – General rule

3-72 R A *firm*'s absolute minimum requirement is the highest of the applicable requirements in the following list:

- (a) for an *arranger* ~~to which (aa) does not apply~~: £10,000;
- (aa) for an ~~arranger~~ *arranger* with ~~permission~~ permission to operate an electronic system for public offers of relevant securities, in accordance with article 25DB of the *Regulated Activities Order*: £75,000;
- ...
- (f) for a *broad scope firm* other than one within (b) to (eb) above: £100,000; or
- (g) for a *firm* with *permission to provide targeted support*: £500,000.

...

Appendix 1 GLOSSARY OF TERMS FOR IPRU(INV) 3

1

...

...

arranger means a *firm* -

- (a) whose sole *investment business* consists of activities within the following articles of the *Regulated Activities Order* -

...

- (iii) article 37 (managing investments); ~~and~~
- (iv) article 53 (advising on investments); and
- (v) article 55A (providing targeted support);

...

...

*corporate
finance
business*

means -

- (a) *designated investment business* (other than ~~operating an electronic system for public offers of relevant securities~~ operating an electronic system for public offers of relevant securities and providing targeted support) carried on by a *firm* with or for:

...

- (b) *designated investment business* carried on by a *firm* as a *principal* for its own account where such business:

...

- (ii) does not involve transactions with or for, or advice on investments or the provision of targeted support to, any other *person* who is a *retail client* in respect of such business;

- (c) *designated investment business* carried on by a *firm* as *principal* for its own account if such business:

...

- (ii) does not involve giving advice on investments or the provision of targeted support to any *person* who is a private customer;

...

...

*investment
business*

means any of the following regulated activities specified in Part II of the *Regulated Activities Order* and which is carried on by way of business:

...

- (l) advising on investments (article 53);
- (la) providing targeted support (article 55A);

...

...

...

5 Financial resources

...

5.4 Financial resources requirement

...

Own funds requirement

5.4.3 R The **own funds requirement** for a *firm* subject to *IPRU-INV* 5.4.2R is the ~~higher~~ highest of:

...

(ib) for a *firm* which is a *depository* of a *UCITS* scheme, the higher of:

...

(B) £4 million; ~~and~~

(ic) £500,000 for a *firm* with *permission to provide targeted support*; and

...

...

Liquid capital requirement

5.4.10 R The **liquid capital requirement** for a *firm* subject to *IPRU-INV* 5.4.1R is:

(i) for a *firm* whose **permitted business** includes *establishing, operating or winding up a personal pension scheme*, the ~~higher~~ highest of (A) £20,000, and (B) ~~the calculation from *IPRU-INV* 5.9.1R; and~~;

(A) £20,000;

(B) the calculation from *IPRU-INV* 5.9.1R; and

(C) for a *firm* with *permission to provide targeted support*, £500,000; and

(ii) for any other *firm*, the ~~higher~~ highest of (A) £5,000 and (B) ~~its total capital requirement calculated in accordance with *IPRU-INV* 5.4.12R;~~;

- (A) £5,000;
- (B) its total capital requirement calculated in accordance with IPRU-INV 5.4.12R; and
- (C) for a firm with permission to provide targeted support, £500,000.

...

13 Financial Resources Requirements for Personal Investment Firms

...

13.13 CAPITAL RESOURCES REQUIREMENT FOR A PERSONAL INVESTMENT FIRM

...

Requirement

- 13.13.2 R (1) A *firm* to which *MIPRU* does not apply must calculate its capital resources requirement as in (2).
- (2) The *firm* must calculate its capital resources requirement as the ~~higher~~ highest of:
- (a) £20,000; ~~and~~
 - (b) the amount equivalent to the applicable percentage of its *annual income* specified in table 13.13.2(2)(b), depending on the type of *firm*; and
 - (c) for a firm with permission to provide targeted support, £500,000.
- ...
- 13.13.3 R (1) A *firm* to which *MIPRU* also applies must calculate its capital resources requirement as in (2).
- (2) The *firm* must calculate its capital resources requirement as the ~~higher~~ highest of:
- (a) £20,000; ~~and~~
 - (b) the sum of:
- ...

(ii) the capital resources requirement in *MIPRU* 4.2- (Capital resources requirements), after excluding the fixed amounts specified in table 13.13.3(2)(b)(i)-; and

(c) for a firm with permission to provide targeted support, £500,000.

...

13.13.4 G (1) *IPRU-INV* 13.13.4G(2) illustrates how a firm that is subject to this section and *MIPRU*, but does not provide targeted support, calculates its capital resources requirement under *IPRU-INV* 13.13.3R.

...

13.13.5 R A firm whose permission includes *establishing, operating or winding up a personal pension scheme* must calculate its capital resources requirement as the sum of:

(1) the capital resources requirement that is applied under *IPRU-INV* 13.13.2R(2) or *IPRU-INV* 13.13.3R(2); and

(2) the financial resources requirement calculated in accordance with *IPRU-INV* 5 (Investment Management Firms), disregarding *IPRU-INV* 5.4.10R(i)(C) and *IPRU-INV* 5.4.10R(ii)(C).

Annex G

Amendments to the Conduct of Business sourcebook (COBS)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

Part 1: Comes into force on 6 April 2026

1 Application

1.1 General application

...

Deposits (including structured deposits)

- 1.1.1A R This sourcebook applies to a *firm* with respect to activities carried on in relation to *deposits* from an establishment maintained by it, or its *appointed representative*, in the *United Kingdom* only as follows:

	Section / chapter	Application in relation to deposits
...		
(4)
<u>(4A)</u>	<u>COBS 9B (Targeted support)</u>	<u>Providing targeted support in relation to structured deposits.</u>
...		

Structured deposits: further provisions

...

- 1.1.1AF G The effect of *COBS 1.1.1AER* is that a *rule* in this sourcebook only applies to a *firm* when selling, or advising a *client* in relation to, a *structured deposit* for the purposes of *COBS 1.1.1AR(1)* if that *rule*:
- (1) would apply to the firm in relation to *MiFID*, *equivalent third country* or *optional exemption business*; and
 - (2) derives from *MiFID* or its implementing measures.
- 1.1.1AG G Unless the context otherwise requires, reference to ‘advising’ (as that word is afforded its natural meaning) a *client* in relation to a *structured deposit* includes *providing targeted support* in relation to a *structured deposit*.

...

1 Annex 1 Application (see COBS 1.1.2R)

Part 1: What?

Modifications to the general application of COBS according to activities

...		
6.	Use of third party processors in life insurance distribution activities	
6.1	R	If a <i>firm</i> (or its <i>appointed representative</i> or, where applicable, its <i>tiered agent</i>) outsources <i>insurance distribution activities</i> to a <i>third party processor</i> :
	(1)	the <i>firm</i> must accept responsibility for the acts and omissions of that <i>third party processor</i> conducting those outsourced activities; and
	(2)	any <i>COBS rule</i> requiring the <i>third party processor's</i> identity to be disclosed to <i>clients</i> must be applied as a requirement to disclose the <i>firm's</i> identity;
		unless the <i>third party processor</i> is giving <i>personal recommendations</i> in relation to <i>advising on investments (except P2P agreements)</i> <u>or</u> <i>providing targeted support</i> .
...		

...

1 Annex 2 Application to TP firms and Gibraltar-based firms (see COBS 1.1.1CR)

...

Part 2: Gibraltar-based firms

...		
2.	Application of COBS	
2.1	R	In addition to those <i>rules</i> applying by virtue of <i>GEN 2.3.1R</i> , a <i>Gibraltar-based firm</i> must also comply with:
		...

		(2)	(to the extent that the <i>rule</i> does not already apply to such a <i>Gibraltar-based firm</i> as a result of <i>GEN 2.3.1R</i>) the provisions in:
			...
		(g)	...
		(ga)	<u>COBS 9B (Targeted support)</u> ;
			...

2 Conduct of business obligations

...

2.3 Inducements relating to business other than MiFID, equivalent third country or optional exemption business and insurance-based investment products

...

Rule on inducements

2.3.1 R A *firm* must not pay or accept any fee or commission, or provide or receive any non-monetary benefit, in relation to *designated investment business* carried on for a *client* other than:

...

(2) a fee, commission or non-monetary benefit paid or provided to or by a third party or a *person* acting on behalf of a third party, if:

...

(b) the existence, nature and amount of the fee, commission or benefit, or, where the amount cannot be ascertained, the method of calculating that amount, is clearly disclosed to the *client*, in a manner that is comprehensive, accurate and understandable, before the provision of the service;

(i) this requirement only applies to business other than the carrying on by a *UK UCITS management company* of the *collective portfolio management* activities of investment management and administration for the relevant *scheme* if it includes:

(A) giving a *personal recommendation* in relation to a *retail investment product*, *pension transfer*,

pension conversion, pension opt-out or P2P agreement; ~~or~~

(B) giving advice, or providing services, to an employer in connection with a *group personal pension scheme* or *group stakeholder pension scheme*; or

(C) providing targeted support;

...

...

...

...

Guidance on inducements

...

2.3.6A G ...

2.3.6B G COBS 9B.8 (Charging and remuneration) and COBS 9B.9 (Issuer and product provider requirements relating to charging and remuneration) set out specific requirements as to when it is acceptable for:

(1) a firm to receive commissions, fees or other benefits from third parties (or a person acting on behalf of a third party) in relation to the firm's business of providing a targeted support service (or related services); and

(2) a firm which is an issuer or product provider to offer or pay commissions, fees or other benefits to another firm, or to any other third party for the benefit of that firm, in connection with that firm's business of providing a targeted support service (or related services).

2.3.6C G Notwithstanding the restrictions in COBS 9B.8 and COBS 9B.9, the requirements in this section remain potentially relevant where a firm pays or accepts, or provides or receives, monetary or non-monetary benefits which are not prohibited by those sections. This might include where a firm providing a targeted support service receives a payment from an affiliated company in relation to that provision of a targeted support service.

...

2.3A Inducements relating to MiFID, equivalent third country or optional exemption business and insurance-based investment products

...

2.3A.4 G ...

Relationship with charging rules in relation to the provision of targeted support

2.3A.4A G A firm which provides a targeted support service:

(1) in the course of carrying on MiFID, equivalent third country or optional exemption business; or

(2) in relation to an insurance-based investment product,

is also required to comply with the rules in COBS 9B.8 (Charging and remuneration).

2.3A.4B G A firm is required to comply with the rules in this section and in COBS 9B.9 (Issuer and product provider requirements relating to charging and remuneration) where:

(1) the firm:

(a) is an issuer or product provider; and

(b) carries on MiFID, equivalent third country or optional exemption business, or carries on insurance distribution activities, in relation to those activities; and

(2) the firm is considering offering or paying any monetary or non-monetary benefits to, or for the benefit of, another firm in connection with that firm's business of providing a targeted support service (or any related services).

2.3A.4C G Notwithstanding the restrictions in COBS 9B.8 and COBS 9B.9, the requirements in this section remain potentially relevant where a firm pays or accepts, or provides or receives, monetary or non-monetary benefits which are not prohibited by those sections. This might include where a firm providing a targeted support service receives a payment from an affiliated company in relation to that provision of a targeted support service.

...

2.4 Agent as client and reliance on others

...

Reliance on other investment firms: MiFID and equivalent business

2.4.4 R (1) This rule applies if a firm (F1), in the course of performing MiFID or equivalent third country business, receives an instruction to provide an investment or ancillary service on behalf of a client (C) through another firm (F2), if F2 is:

...

(2) F1 may rely upon:

...

(b) any recommendations (other than ready-made suggestions) in respect of the service or transaction that have been provided to C by F2.

...

...

3 Client categorisation

3.1 Application

Scope

...

3.1.2 G (1) This chapter relates to parts of the *Handbook* whose application depends on whether a *person* is a *client*, a *retail client*, a *professional client* or an *eligible counterparty*.

(2) However, it does not apply to the extent that another part of the *Handbook* provides for a different approach to *client* categorisation. For example, a separate approach to *client* categorisation is set out in the definition of a *retail client* for a *firm* that gives *basic advice* (COBS 9.6).

(3) The rules on the provision of targeted support services do not differentiate between different categories of client (COBS 9B.3.4R).

...

3.4 Retail clients

...

3.4.2 R ...

3.4.3 G A firm that provides a targeted support service is required to treat its client as a retail client in relation to the provision of that service, even if it would otherwise be categorised as a professional client or an eligible counterparty for other purposes (COBS 9B.3.4R). This chapter is not therefore relevant to a firm in relation to the provision of a targeted support service.

...

4 Communicating with clients, including financial promotions

...

4.7 Direct offer financial promotions

...

Warrants and derivatives

4.7.6 R (1) A *firm* must not *communicate* or *approve* a *direct offer financial promotion*:

- (a) relating to a *warrant* or *derivative*;
- (b) to or for *communication* to a *retail client*; and
- (c) where the *firm* will not itself be required to comply with the *rules* on appropriateness (see *COBS* 10 and 10A);

unless the *firm* has adequate evidence that the condition in (2) is satisfied.

(2) The condition is that the *person* who will *arrange* or *deal* in relation to the *derivative* or *warrant* will comply with the *rules* on appropriateness or equivalent requirements for any application or order that the *person* is aware, or ought reasonably to be aware, is in response to the *direct offer financial promotion*.

(3) Paragraph (1) does not apply if:

- (a) the *firm* has provided the *retail client* with a *personal recommendation* or *ready-made suggestion* in relation to the *warrant* or *derivative* to be promoted; or
- (b) the *retail client* has confirmed before the promotion is made that they have received a *personal recommendation* or *ready-made suggestion* from another *firm* in relation to the *warrant* or *derivative* to be promoted.

...

6 Information about the firm, its services and remuneration

...

6.1A Adviser charging and remuneration

Application - Who? What?

...

6.1A.2A R ...

6.1A.2B G This section does not apply to a *firm* in relation to the provision of a *targeted support service* (save as specified in *COBS* 9B.8).

...

6.1B Retail investment product provider, operator of an electronic system in relation to lending, and platform service provider requirements relating to adviser charging and remuneration

Application - Who? What?

...

6.1B.3 G ...

6.1B.3A G This section does not apply to a *firm* in circumstances where a *retail client* receives a *targeted support service* in relation to a *retail investment product* (but see *COBS 9B.9*, which contains requirements for *issuers* and product providers in relation to charging and remuneration for *targeted support services*).

...

6.1C Consultancy charging and remuneration

Application - Who? What?

6.1C.1 R (1) (a) *COBS 6.1C.20AR* applies to a *firm* which makes a *personal recommendation* or provides a *ready-made suggestion* to an employee on their employer's *group personal pension scheme* or *group stakeholder pension scheme*.

(b) ~~This~~ The remainder of this section applies to a *firm* that gives advice, or provides services, to an employer in connection with a *group personal pension scheme* or *group stakeholder pension scheme*.

(2) Without prejudice to (1), this section does not apply to a *firm* that makes a *personal recommendation* to a *retail client* in relation to a *retail investment product*.

6.1C.1A G This section refers to 'giving advice' (as that term is afforded its natural meaning). However, this section (other than *COBS 6.1C.20AR*) is unlikely to be relevant to a *firm* in relation to *providing targeted support*.

...

Disclosure to employees

6.1C.20 R A *firm* must take reasonable steps to ensure that its *representatives*, when making contact with an employee with a view to giving a *personal recommendation* or *ready-made suggestion* on ~~his or her~~ their employer's *group personal pension scheme* and/or *group stakeholder pension scheme*, inform the employee:

- (1) that the *firm* will be providing a *personal recommendation* or targeted support service on a *group personal pension scheme* and/or *group stakeholder pension scheme* provided by the employer;
- (2) whether the employee will be provided with a *personal recommendation* or targeted support service that is restricted to the *group personal pension scheme* or *group stakeholder pension scheme* provided by the employer or whether the recommendation or targeted support service will also cover other products; and
- (3) that the employee will have to pay an *adviser charge* or charge for the provision of the targeted support service (if applicable) unless the *representative* is making contact pursuant to an agreement made between the *firm* and the employer under which the *firm* is remunerated by *consultancy charging* or a fee payable by the employer.

...

6.1E Platform services: platform charges and using a platform service for advising

...

Exceptions

6.1E.6 R A *platform service provider* or its *associates* may solicit and accept payments from a firm, other than a retail investment product provider, which is in the business of:

- (1) ~~a firm, other than a retail investment product provider, which is in the business of making personal recommendations to retail clients in relation to retail investment products; and/or~~
- (2) ~~a firm, other than a retail investment product provider, which is in the business of arranging or dealing retail investment products for retail clients; and/or~~
- (3) providing targeted support services in relation to retail investment products.

...

Using a platform service when advising

6.1E.9 R A *firm* must not use a *platform service* as part of a *personal recommendation*, or of the provision of a targeted support service, to a *retail client* in relation to a *retail investment product* unless it has satisfied itself that the *platform service provider*, and its *associates*, only receive remuneration for business carried on in the *UK* which is permitted by the *rules* in this section.

...

6.1F Using a platform service for arranging and advising

Client's best interests rule and using a platform service

...

6.1F.1 R ~~A firm which:~~

(1) This rule applies to a firm which:

(a) *arranges for retail clients to buy retail investment products;*
or

(b) *makes personal recommendations or ready-made suggestions to retail clients in relation to retail investment products; and.*

(2) A firm which uses a platform service for that a purpose; in (1) must take reasonable steps to ensure that it uses a platform service which presents its retail investment products without bias.

~~must take reasonable steps to ensure that it uses a platform service which presents its retail investment products without bias.~~

...

6.2B Describing advice services

Application

...

6.2B.3 G (1) *P2P agreements are neither financial instruments nor retail investment products. This section does not apply to a firm when it is advising on P2P agreements.*

(2) The provision of a targeted support service is not included within the scope of the Handbook definition of investment advice. This section does not apply to a firm in relation to the provision of a targeted support service.

...

6.4 Disclosure of charges, remuneration and commission

Application

6.4.1 R This section applies to a firm when it sells or *arranges* the sale of a *packaged product* to a *retail client* and the *firm's* services to sell or *arrange* are not in connection with the provision of a *personal recommendation* or *ready-made suggestion*.

...

7 Insurance distribution

...

7.3 Additional insurance distribution obligations

Demands and needs

...

7.3.5 R ...

7.3.5A R Where an insurance distributor is distributing a life policy as part of a ready-made suggestion, a firm will be deemed to meet the requirements in COBS 7.3.1R to COBS 7.3.5R through the processes it has in place to provide its targeted support service where those processes:

- (1) comply with COBS 9B; and
- (2) are consistent with the outcomes under COBS 7.3.1R to COBS 7.3.5R.

...

8 Client agreements (non-MiFID provisions)

8.1 Client agreements: non-MiFID designated investment business

...

Providing a client agreement

- 8.1.2 R (1) ~~If a firm carries on designated investment business, other than advising on investments or advising on conversion or transfer of pension benefits,~~ with or for a new retail client, the firm must enter into a written basic agreement, on paper or other durable medium, with the client setting out the essential rights and obligations of the firm and the client.
- (2) The requirement in (1) does not apply to a firm:
- (a) advising on investments or advising on conversion or transfer of pension benefits; or
 - (b) providing targeted support.

...

8A Client agreements (MiFID provisions)

8A.1 Client agreements (MiFID, equivalent third country or optional exemption business)

...

Providing a client agreement: retail and professional clients

- 8A.1.4 R (1) This *rule* applies to a *firm* that provides to a *client*:
- (a) an *investment service*; or
 - (b) the *ancillary service* in paragraph 1 of Part 3A of Schedule 2 to the *Regulated Activities Order* (safekeeping and administration of financial instruments).
- (2) A *firm* must enter into a written basic agreement with the *client*, on paper or in another *durable medium*.
- (3) The requirement in (2):
- (a) only applies to a *firm* that provides *investment advice* where the *firm* will undertake a periodic assessment of the suitability of the *financial instruments* or services recommended;
 - (b) does not apply to a *firm* in relation to *providing targeted support*.

...

...

9 Suitability (including basic advice) (other than MiFID and insurance-based investment products)

9.1 Application and purpose provisions

Application

...

9.1.1A G ...

9.1.1B G The *rules* in this chapter do not apply to a *firm* in relation to the provision of a *targeted support service* within the scope of the *rules* in COBS 9B.

...

9A Suitability (MiFID and insurance-based investment products provisions)

9A.1 Application and purpose

Application

9A.1.1 R ...

9A.1.1A G The rules in this chapter do not apply to a firm in relation to the provision of a targeted support service within the scope of the rules in COBS 9B.

...

Insert the following new chapter, COBS 9B, after COBS 9A (Suitability (MiFID and insurance-based investment products provisions)). All the text is new and is not underlined.

9B Targeted support

9B.1 Purpose

- 9B.1.1 G (1) This chapter sets out the framework for the provision of *targeted support services*.
- (2) The purpose of the framework for *targeted support services* is to enable *firms* to provide support to *clients*:
- (a) in relation to decisions about investments and pensions;
 - (b) at scale;
 - (c) on the basis of limited information and not a comprehensive consideration of a *client's* characteristics or circumstances;
 - (d) in situations involving a shared financial support need or objective;
 - (e) through the delivery of a *ready-made suggestion* by reference to the *client's* alignment with a pre-defined *consumer segment*; and
 - (f) that is designed to put them in a better position than if they had not received a *targeted support service* from the *firm*.
- (2) A *firm*:
- (a) should design its *targeted support service* to be provided only where the *firm* has reasonable grounds to consider that the provision of such *targeted support service* would put individuals for whom that *targeted support service* is designed in a better position than if that support were not provided; and
 - (b) is required to ensure that any *ready-made suggestion* developed to deliver on that purpose is suitable for an individual in the *consumer segment* for which it is developed (COBS 9B.4.20R).

9B.1.2 G The cross-cutting obligations under *Principle 12* (Consumer Duty) do not require a *firm* to provide a *targeted support service* (whether reactively or proactively).

9B.1.3 G Notwithstanding the more limited nature of a *targeted support service*, as compared with other types of advice, *firms* are reminded of their obligation not to seek to exclude or restrict any duty or liability they may have to a *client* under the *regulatory system* (COBS 2.1.2R).

9B.2 Application

Who? What?

9B.2.1 R (1) This chapter (other than COBS 9B.9) applies to a *firm providing targeted support* in relation to:

- (a) a *designated investment* other than a *pure protection contract*; or
- (b) a *structured deposit*.

(2) COBS 9B.9 applies to a *firm* that is an *issuer* or product provider.

9B.2.2 G Notwithstanding COBS 9B.2.1R, COBS 9B.4 includes restrictions on certain types of *ready-made suggestion*. The effect of these restrictions is that certain types of recommendation may not be made by a *firm providing targeted support*.

9B.2.3 R A *firm* must not *provide targeted support* in relation to *safeguarded benefits*.

9B.2.4 G *Providing targeted support* is not permitted business of *appointed representatives*.

9B.2.5 R (1) This *rule* applies to a *firm providing targeted support* in relation to a type of *specified investment* that is beyond the scope of application of this chapter.

(2) In *providing targeted support*, a *firm* in (1) must comply with the *rules* which would apply to that *firm* if it were *advising on investments*.

9B.2.6 G (1) The *regulated activity* of *providing targeted support* applies to recommendations relating to *securities*, *structured deposits* and *relevant investments*. It therefore applies to a broader range of *specified investments* than those to which the *rules* in this chapter apply (COBS 9B.2.1R).

(2) For this reason, the *Handbook* distinguishes between:

- (a) *providing targeted support*, which refers to the *regulated activity* in article 55A of the *Regulated Activities Order*; and

- (b) the provision of a *targeted support service*, which refers to the provision of a service to which the *rules* in this chapter apply.
- (3) The definition of *personal recommendation* does not include a recommendation made by a *firm* carrying on the *regulated activity* of *providing targeted support* other than:
 - (a) in relation to a type of *specified investment* to which the *rules* in this chapter do not apply; and
 - (b) for the purpose of the definition of *investment service* (and related definitions).
- (4) The effect of (3), *COBS* 9B.2.5R and similar provisions in *ICOBS* 1 Annex 1 Part 2 6.1R and *FPCOB* 1 Annex 1 3.1R is that a *firm* carrying on the *regulated activity* of *providing targeted support* in relation to a type of *specified investment* to which the *rules* in this chapter do not apply must comply with the relevant *rules* applicable to *advice on investments* and the provision of *personal recommendations*.
- (5) For example, a *firm* carrying on the *regulated activity* of *providing targeted support* in relation to a *general insurance contract* would need to comply with the *rules* applicable to a *firm advising on investments* in relation to such contracts in *ICOBS*.

Where?

- 9B.2.7 G This chapter applies in accordance with the general territorial scope of this sourcebook.

Guidance

- 9B.2.8 G (1) A *firm* may provide support to a *consumer* in accordance with the framework set out in this chapter but that does not amount to the *firm* providing a *targeted support service*. This may be because, for example, the suggestion made to the *consumer* does not involve a recommendation in relation to a particular investment.
- (2) A *firm* providing support in the manner described in (1) should ensure that the *consumer* understands the nature of the support they are receiving (and see *COBS* 9B.6.1R(2)).
- (3) Alternatively, in providing a *targeted support service*, a *firm* may specify a *ready-made suggestion* incorporating elements which:
- (a) provided in isolation, would not involve the *firm* providing a *targeted support service*; and
 - (b) are sufficiently closely connected to the *targeted support service* as to be integral to the recommendation as a whole.

Where this is the case, the *firm* should consider whether it would be appropriate to treat the elements of the recommendation that do not amount to a *targeted support service* as forming part of the *ready-made suggestion* and design and deliver the full *ready-made suggestion* in accordance with the *rules* in this chapter.

- (4) *Firms* should consider COBS 9B.4.38R when giving information in relation to pension consolidation in the course of providing a *targeted support service*. *Firms* are able to provide *targeted support services* where a *client* has multiple pension pots to support that *client* with a decision, or decisions, that do not rely on those pension pots being consolidated (for example, to support that *client* with a decision in relation to their options at retirement). The effect of COBS 9B.4.38R is that a *firm* must not provide information or support in relation to pension consolidation which is sufficiently closely connected to the *targeted support service* as to be integral to the recommendation as a whole such as to amount to an express or implied recommendation to consolidate pension pots.

9B.3 General provisions

Overview of targeted support

- 9B.3.1 G A *targeted support service* involves the delivery of *ready-made suggestions* to *clients* in situations involving a shared financial support need or objective, by reference to the *client's* alignment with a pre-defined *consumer segment*.
- 9B.3.2 G The nature of a *targeted support service* means that it may involve:
- (1) the provision of an *investment service* within the scope of MiFID (for example, where the *ready-made suggestion* is in respect of one or more transactions relating to *financial instruments*); or
 - (2) *insurance distribution activity* (for example, where the *ready-made suggestion* is in relation to a *life policy*).
- 9B.3.3 G (1) The provision of a *targeted support service* to which the *rules* in this chapter apply is not subject to the suitability requirements in COBS 9 or COBS 9A.
- (2) *Principle 9* applies to a *firm providing targeted support* and requires that a *firm* take reasonable care to ensure the suitability of its advice for any *customer* who is entitled to rely on its judgement.

Client categorisation

- 9B.3.4 R A *firm* must treat a *client* to whom it provides a *targeted support service* as a *retail client* in relation to the provision of that service even if it would otherwise be categorised as a *professional client* or *eligible counterparty* for other purposes.

- 9B.3.5 G (1) The effect of *COBS 9B.3.4R* is that, in relation to its provision of a *targeted support service*, a *firm* must apply other parts of the *Handbook* on the basis that the *client* is a *retail client*.
- (2) *COBS 9B.3.4R* does not prevent a *firm* from categorising a *client* differently for other purposes (*COBS 3.7.7G*).

Interpretation

- 9B.3.6 R Unless the context otherwise requires, in this chapter:
- (1) ‘individual’ is used in relation to the design of *consumer segments* to refer to a notional natural *person* by reference to whom a *consumer segment* is defined; and
- (2) ‘*client*’ is used in relation to the delivery of *ready-made suggestions* to refer to a natural *person* to whom a *firm* provides, intends to provide or has provided, a *ready-made suggestion*.

General requirements

- 9B.3.7 R A *firm* must:
- (1) in its design of its *targeted support service*, act with due skill, care and diligence in:
- (a) identifying those situations, involving shared financial support needs or objectives, for which to specify *ready-made suggestions*;
 - (b) defining *consumer segments*; and
 - (c) specifying suitable *ready-made suggestions* that meet the shared financial support need or objective of the *consumer segment* for which they are designed;
- (2) in its delivery of its *targeted support service*, act with due skill, care and diligence in:
- (a) establishing whether a *client* aligns with a *consumer segment*; and
 - (b) communicating with *clients*, including in relation to the nature and limitations of the *targeted support service*; and
- (3) always conduct itself in a manner that is consistent with its obligation to act in good faith towards *retail customers* (*PRIN 2A.2.1R*).

Customers with characteristics of vulnerability

- 9B.3.8 G (1) FG21/1 (Guidance for firms on the fair treatment of vulnerable customers: <https://www.fca.org.uk/publication/finalised->

[guidance/fg21-1.pdf](#)) is relevant to *firms*' relationships with their *clients*, including in the design and delivery of *targeted support services*.

- (2) *Firms* also need to consider their obligations under the Equality Act 2010 (or equivalent legislation in Northern Ireland). *Principle 12* and *PRIN 2A* support existing legal requirements, such as those in the Equality Act 2010, by requiring *firms* to monitor whether any group of *retail customers* is experiencing different outcomes than other *customers* and take appropriate action where they do.

9B.4 Design of targeted support service

Introduction

- 9B.4.1 G (1) *Targeted support services* involve the delivery of *ready-made suggestions* to *clients* by reference to the *client's* alignment with a pre-defined *consumer segment*.
- (2) This section contains *rules* and *guidance* relating to the design of a *firm's targeted support service* by reference to the definition of *consumer segments* and allocation to those *consumer segments* of *ready-made suggestions*.
- 9B.4.2 G (1) A *firm* designing its *targeted support service* will be a *manufacturer* of that service (and, when providing it, will be a *distributor* of that service). Beyond the requirements in this section, a *firm* will also be subject to *rules* elsewhere in the *Handbook*.
- (2) For *manufacturers* of services, relevant *rules* include those set out in *PRIN 2A.3* (Consumer Duty: retail customer outcome – products and services) and *PRIN 2A.4* (Consumer Duty: retail customer outcome on price and value).
 - (3) Where a *firm* recommends a product as part of a *targeted support service*, the *firm* will be a *distributor* in relation to that product and the relevant requirements on *distributors* in *PRIN 2A.3*, *PRIN 2A.4*, *PROD 3* and/or *PROD 4* will also apply. The arrangements the *firm* has in place should enable the *firm* to obtain all necessary information from the product *manufacturer* to understand the product throughout its life cycle.
- 9B.4.3 G In the *FCA's* view, the following are particularly relevant considerations for a *firm* in the design of its *targeted support service*:
- (1) in identifying the situations for which to develop *ready-made suggestions*, the prevalence of the situation among its *clients* (including potential *clients*);

- (2) in defining *common characteristics*, the ease with which a *firm* would be able to identify a particular *client* as aligning with a *consumer segment*; and
- (3) in specifying *ready-made suggestions*, the ease with which such a suggestion may be communicated to the *firm's clients*.

Consumer segments

- 9B.4.4 R For the purposes of this chapter, a *consumer segment* is a group of individuals defined by reference to:
- (1) a situation involving a shared financial support need or objective; and
 - (2) where relevant, *common characteristics*.
- 9B.4.5 R Before a *firm* provides a *ready-made suggestion* to a *client*, it must have:
- (1) defined one or more *consumer segments*; and
 - (2) specified a single *ready-made suggestion* for each *consumer segment*.
- 9B.4.6 G (1) The *rules* in this section afford *firms* a degree of flexibility in the way that they define their *consumer segments*.
- (2) In defining its *consumer segments*, a *firm* may choose to:
- (a) identify the situation (involving a shared financial support need or objective) with which to support *clients* before, where relevant, defining groups of individuals with *common characteristics* for the purposes of specifying *ready-made suggestions* to meet that need or objective; or
 - (b) undertake that exercise concurrently.
- (3) A *firm* might reasonably conclude that it is sufficient to define a *consumer segment* by reference only to a situation involving a shared financial support need or objective. For example, a *firm* might identify a situation in which *clients* are invested in a product where an equivalent product charging lower fees is available and the shared financial support need of those *clients* would be to invest in that equivalent product. In this case, a *firm* may determine that a *ready-made suggestion* could be defined without the need to consider any *common characteristics* of *clients*. This explains the reference to a *consumer segment* being defined by reference to *common characteristics*, where relevant, in COBS 9B.4.4R.
- (4) Where a *firm* identifies changes in the shared needs or objectives or characteristics of its *clients*, COBS 9B.4.5R does not preclude that *firm*, at any time, from:

- (a) defining additional *consumer segments*;
- (b) modifying existing *consumer segments*; or
- (c) retiring existing *consumer segments* (provided always that the *firm* maintains at least one *consumer segment* before providing a *ready-made suggestion*).

9B.4.7 R A *firm* must ensure that, in a particular situation, it is only possible for an individual to align with 1 *consumer segment*.

Granularity of consumer segments

9B.4.8 G *COBS* 9B.1.1G explains that the framework for *targeted support services* is designed to enable *firms* to provide support to *clients* on the basis of limited information and not a comprehensive consideration of a *client's* characteristics or circumstances. *COBS* 9B.4.9R requires *firms* to design *consumer segments* at a level of detail that is both:

- (1) sufficient to ensure that *clients* receive suitable recommendations; and
- (2) appropriate to the nature of a *targeted support service* and supports *clients'* understanding of the service they are receiving.

9B.4.9 R A *firm* must:

- (1) define a *consumer segment* at a level of detail that is sufficiently granular as to enable the *firm* to assess whether a *ready-made suggestion* would be suitable for an individual within that *consumer segment*; and
- (2) not define a *consumer segment* at a level of detail that a *firm* in the business of providing investment advice would reasonably associate with a comprehensive consideration of a person's characteristics or circumstances.

9B.4.10 G (1) An example of when a *consumer segment* would not be at a sufficiently granular level is if the *common characteristics* used to define the *consumer segment* did not enable the *firm* to determine whether a *ready-made suggestion* was suitable for an individual in that *consumer segment*. This could be because the *consumer segment* was defined by reference to:

- (a) an insufficient number of *common characteristics*; or
- (b) *common characteristics* which were not relevant to determining the suitability of a *ready-made suggestion* to address the shared financial support need or objective of individuals for whom the *consumer segment* was designed.

- (2) *COBS 9B.4.11R* enables *firms* to apply reasonable assumptions to *consumer segments* with a view to limiting, where appropriate, the level of detail in the specification of *consumer segments* and supporting compliance with *COBS 9B.4.9R*.

Assumptions about consumer segments

- 9B.4.11 R (1) This *rule* applies to a *firm* that makes assumptions about individuals in a *consumer segment*.
- (2) A *firm* must ensure that any assumptions are reasonable and referable to evidence about the type of individuals covered by the *consumer segment*.

General data protection regulation

- 9B.4.12 G *Firms* are reminded of their obligation to comply with the principles of data minimisation and data accuracy in Article 5(1)(c) and (d) of the *General data protection regulation* respectively.

Application of client's best interests rule and the Consumer Duty

- 9B.4.13 G Beyond *COBS 9B.4.9R*, the *client's best interests rule*, *Principle 12* and the *rules* in *PRIN 2A* mean it is unlikely to be appropriate to provide a *targeted support service* in situations which would require the *firm* to obtain a level of information about a *client* that would be likely to lead that *client* to consider that they were receiving advice based on a comprehensive consideration of their characteristics or circumstances (for example, because the complexity of the shared financial support need or objective necessitated more complex advice).

Situations

- 9B.4.14 G (1) In identifying the situations to be met through the provision of a *targeted support service*, *firms* should have regard to:
- (a) the circumstances commonly encountered by their *clients* (including potential *clients*) and whether these can reasonably be expected to be met through the provision of a *targeted support service* in compliance with the *rules* in this chapter; and
- (b) the purpose of a *targeted support service* (*COBS 9B.1.1G*).
- (2) A *firm* may define multiple *consumer segments* which reference the same situation.
- (3) A *firm* is able to determine the range of situations in which it will provide a *targeted support service*. In specifying that a *firm* must define at least one *consumer segment*, the *FCA* recognises that a *firm*

could provide a *targeted support service* for only one particular group of individuals in one situation.

Common characteristics

- 9B.4.15 G (1) Where relevant, the *common characteristics* by reference to which a *consumer segment* is defined refer to those characteristics which a *client* must either have (in the case of *including characteristics*) or not have (in the case of *excluding characteristics*) in order to be aligned with a *consumer segment*.
- (2) *COBS 9B.4.6G(3)* explains why *common characteristics* will not always be relevant in defining a *consumer segment*.
- 9B.4.16 R To the extent that *common characteristics* are relevant to the definition of a *consumer segment*, they must:
- (1) include both:
- (a) *including characteristics*; and
- (b) *excluding characteristics*; and
- (2) be relevant to:
- (a) the shared financial support need or objective that the *consumer segment* is designed to meet (*COBS 9B.4.4R(1)*); and
- (b) the *firm's* specification of a suitable *ready-made suggestion* for an individual within that *consumer segment*.
- 9B.4.17 R (1) A *firm* must specify, in respect of each *consumer segment*, the information which it requires about a *client* in order to identify whether that *client* aligns with the *consumer segment*.
- (2) The information in (1) must enable the *firm* to determine whether the *client* has:
- (a) all of the *including characteristics*; and
- (b) none of the *excluding characteristics*.
- 9B.4.18 G When defining any *common characteristics* for a *consumer segment*, a *firm* should have regard to the factors that:
- (1) (in the case of *including characteristics*) would make a suggestion suitable; and
- (2) (in the case of *excluding characteristics*) could or would make a suggestion unsuitable,

for an individual within the *consumer segment*.

Excluding characteristics

- 9B.4.19 G (1) *Excluding characteristics* are those characteristics which are attributed to a *consumer segment* and which, if identified in a *client*, would prevent that *client* from being aligned with the *consumer segment*.
- (2) *Excluding characteristics* refer to those characteristics of an individual that would be likely to render a *ready-made suggestion* unsuitable for an individual in the situation which the *ready-made suggestion* is designed to address – for example, because that *ready-made suggestion* would be ineffective, inappropriate or unduly risky.
- (3) The effect of COBS 9B.5.5R(2)(c) is that if a *client* is identified as having any *excluding characteristic* of a *consumer segment*, they cannot be aligned with that *consumer segment* and provided with the associated *ready-made suggestion*.
- (4) Having identified the *excluding characteristics* for a *consumer segment*, a *firm* should:
- (a) consider whether to define a *consumer segment* for individuals with a particular *excluding characteristic*; or
 - (b) where it considers that (a) is not reasonably practicable, and where appropriate, identify ways to direct the individuals with the relevant *excluding characteristic* to other forms of support. For example, a *firm* should consider signposting individuals to guidance services (such as *MoneyHelper*).

Ready-made suggestions

- 9B.4.20 R A *firm* must be satisfied on reasonable grounds that the *ready-made suggestion* that it specifies for a *consumer segment* is suitable for an individual in that *consumer segment*.
- 9B.4.21 G In specifying a *ready-made suggestion* for the purposes of COBS 9B.4.20R, a *firm* will need to identify a recommendation that addresses the shared financial support need, or meets the shared objective, of an individual who aligns (where relevant) with the *common characteristics* of the *consumer segment*.
- 9B.4.22 G (1) The *rules* in this chapter are designed so that *firms* can provide *clients* with *ready-made suggestions* without the need to undertake individual suitability assessments in the manner required by COBS 9 and COBS 9A.
- (2) The effect of COBS 9B.4.20R is that a *firm* must assess the suitability of a *ready-made suggestion* by reference to:

- (a) the shared financial support need or objective of the relevant *consumer segment*; and
 - (b) where relevant, the *common characteristics* of the relevant *consumer segment*.
- 9B.4.23 G In their design of *ready-made suggestions*, *firms* are reminded of their obligation under *Principle 12* (Consumer Duty) to act to deliver good outcomes for *retail customers*.
- 9B.4.24 G A *firm* should be able to demonstrate how, for any product it intends to recommend by way of a *ready-made suggestion*, it has considered, at least, the following:
 - (1) the costs and charges of the product;
 - (2) whether the target market of the product is consistent with the shared financial support need or objective of the relevant *consumer segment* and the nature of the *ready-made suggestion*; and
 - (3) the financial strength of the product provider.
- 9B.4.25 G While a *firm* must specify a single *ready-made suggestion* in relation to a *consumer segment*, that *ready-made suggestion* may include reference to different suitable products and options which the *client* might consider.

Annuities

- 9B.4.26 R For the purposes of *COBS 9B.4.28R* to *COBS 9B.4.37G*, ‘annuity’ means all annuities that are *designated investments* and includes:
 - (1) *pension annuities*;
 - (2) *short-term annuities*; and
 - (3) fixed-term annuities, unless the fixed-term annuity can be surrendered for value.
- 9B.4.27 G For the purposes of *COBS 9B.4.26R(3)*, a fixed-term annuity can be surrendered for value where the value is a reasonable amount and is not outweighed by the costs to the *client* to surrender the annuity. When designing surrender options for fixed-term annuities, including the circumstances in which an option can be exercised and the cost to *clients* of exercising it, *firms* are reminded of their obligations under *Principle 12* (Consumer Duty) to act to deliver good outcomes for *retail customers*, and the cross-cutting obligations under *PRIN 2A.2*.
- 9B.4.28 R A *firm* may only recommend an annuity as, or as part of, a *ready-made suggestion* where the following conditions are met:
 - (1) the recommendation:

- (a) does not expressly refer to a particular annuity; and
 - (b) goes no further than a recommendation relating to the features of an annuity;
- (2) the *ready-made suggestion* does not include, or is not accompanied by, any quote for an annuity (including a guaranteed quote or market-leading *pension annuity* quote, as defined in *COBS* 19.9.1R(2) and (3), or an illustrative quote); and
 - (3) the *ready-made suggestion* includes a direction to the *client* to visit the comparison facility provided by the *MoneyHelper* website [<https://www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/compare-annuities>] before taking any further step toward the purchase of an annuity.
- 9B.4.29 G A *firm* may provide information or guidance about annuities generally to a *client* when not *providing targeted support* and *firms* are reminded of the *guidance* in *PERG* 8.28. Where information or guidance takes on the nature of advice in the circumstances in which it is provided (see *PERG* 8.28.4G to *PERG* 8.28.9G in particular), *firms* are reminded of their obligations under *COBS* 4.2.1R and *Principle* 9, in particular.
- 9B.4.30 G *Firms* are reminded of the *guidance* in *PERG* 8.26 as to the meaning of a particular annuity for the purposes of *COBS* 9B.4.28R(1)(a). For example, a particular annuity will include a clearly identified, available product.
- 9B.4.31 G For the purposes of *COBS* 9B.4.28R(1)(b):
- (1) a *firm* can go no further than providing a recommendation relating to the features of an annuity. Subject to that limitation (and the requirement to not expressly refer to a particular annuity), a *firm* is able to provide a recommendation in relation to annuities more generally, including a recommendation to consider buying an annuity; and
 - (2) a recommendation to a *client* relating to the features of an annuity should ensure the *client* aligns with a particular *consumer segment* in relation to which the features have been assessed as suitable, in accordance with *COBS* 9B.4.20R and *COBS* 9B.5.5R.

Ending the targeted support interaction

- 9B.4.32 R When a *firm* has provided a *ready-made suggestion* which includes a recommendation relating to an annuity in accordance with *COBS* 9B.4.28R(1) and (2) to a *client* and the *firm* has complied with *COBS* 9B.4.28R(3), it must:
- (1) ensure that the *targeted support service* interaction with the *client* is brought to an end; and

- (2) communicate to the *client* that:
 - (a) the *targeted support service* interaction has ended; and
 - (b) any further steps taken between the *firm* and the *client* towards the purchase of an annuity would form part of a separate sales journey after the *client* had been provided with the opportunity to visit the *MoneyHelper* website as set out in *COBS 9B.4.28R(3)*.

Referrals to annuity brokerage services following the provision of targeted support

- 9B.4.33 R A *firm* may refer a *client* to an annuity brokerage service, but only where the following conditions are met:
- (1) the *firm* has complied with *COBS 9B.4.32R*;
 - (2) the *client* has been given a reasonable opportunity to act on the direction given by the *firm* to visit the comparison facility provided by the *MoneyHelper* website in accordance with *COBS 9B.4.28R(3)*;
 - (3) the particular annuity brokerage service will provide the *client* with access to a sufficient range of annuities available on the market in accordance with *COBS 9B.4.35R*; and
 - (4) the referral is not accompanied by any quote for an annuity (including a guaranteed quote or market-leading *pension annuity* quote, as defined in *COBS 19.9.1R(2)* and (3), or an illustrative quote).
- 9B.4.34 G The effect of *COBS 9B.4.33R(1)* and (2) is that a *firm* is unable to put the *client* in touch with an annuity broker as part of the *targeted support service* interaction, for example by connecting the *client* to the broker directly during the same interaction with the *client*.
- 9B.4.35 R For the purposes of *COBS 9B.4.33R(3)*, an annuity brokerage service will provide a *client* with access to a sufficient range of annuities where:
- (1) the number and variety of annuities accessible through the brokerage service are adequately representative of annuities available on the market; and
 - (2) the brokerage service can provide access to annuities which reflect the *firm's* design of the underlying *consumer segment* and associated *ready-made suggestion*.
- 9B.4.36 G *COBS 9B.4.33R(3)* and *COBS 9B.4.35R* do not require an annuity brokerage service to provide access to every annuity available on the market before a *firm* can refer a *client* to that brokerage service.

- 9B.4.37 G When referring a *client* to an annuity brokerage service, a *firm* may provide that *client* with marketing material, *financial promotions* or other communications relating to such brokerage services.

Pension consolidation

- 9B.4.38 R A *ready-made suggestion* must not include an express or implied recommendation to consolidate any of the pension arrangements that a *client* holds.
- 9B.4.39 G A recommendation to consolidate pension arrangements would require a more individualised assessment of a *client's* circumstances than *firms* are permitted to provide through a *targeted support service*. Pension consolidation includes:
- (1) transferring at least one pension arrangement into an existing pension arrangement that a *client* holds; and
 - (2) transferring multiple pension arrangements held by the *client* into a new arrangement.
- 9B.4.40 G Pension consolidation does not include transferring a *client's* single pension arrangement to a new pension arrangement with a different provider.
- 9B.4.41 G *Firms* are able to provide a *targeted support service* where a *client* has multiple pension pots to support that *client* with a decision, or decisions, that do not rely on those pension pots being consolidated. For example, to support that *client* with a decision in relation to their options at retirement. The effect of *COBS* 9B.4.38R is that a *firm* must not provide such support which would amount to an express or implied recommendation to consolidate pension pots.

Investments subject to restrictions on retail distribution

- 9B.4.42 R A *ready-made suggestion* must not include a recommendation to buy or subscribe for (including for the purpose of holding in a pension scheme), or become a lender under:
- (1) a *restricted mass market investment*;
 - (2) a *non-mass market investment*;
 - (3) an *investment* subject to a restriction on distribution or promotion in *COBS* 22; or
 - (4) *deferred shares* issued by a *credit union* or *credit union subordinated debt* subject to the requirements in *CREDS* 3A.5.
- 9B.4.43 G (1) *COBS* 9B.4.42R does not prevent a *firm* from recommending a suitable *investment* which has a component part that provides

exposure to an *investment* of a type referred to in that *rule*, such as a *packaged product* or a *default arrangement* in a *qualifying scheme*.

- (2) The fact that a type of *investment* is not subject to the restriction in COBS 9B.4.42R does not mean that it will be appropriate for it to be the subject of a *ready-made suggestion* that is provided on the basis of limited information. For example, it is unlikely to be appropriate for a *targeted support service* to be used to recommend *investments* which:
- (a) are, or may become:
 - (i) leveraged or structured in such a way that an investor could lose more than their invested capital;
 - (ii) particularly illiquid or for which market prices are not readily and regularly available; or
 - (iii) particularly volatile; or
 - (b) are otherwise designed for a narrow *target market*.
- (3) COBS 9B.4.42R does not prevent a *firm* from specifying a *ready-made suggestion* that recommends that a *client* sells an *investment* of a type referenced in that *rule*.

9B.4.44 G A *ready-made suggestion* may recommend an *investment* of which the *firm* providing the *targeted support service* is the manufacturer or an *investment* that is manufactured by another *person*. In either case, the *firm* providing the *targeted support service* will be a distributor for the purposes of the requirements in *PROD*.

9B.5 Delivery of targeted support

General

9B.5.1 G This section contains *rules* and *guidance* relating to the delivery of *targeted support services* to *clients*.

9B.5.2 G A *firm* may provide a *targeted support service* to a *client*:

- (1) at the request of that *client*; or
- (2) at the initiative of the *firm* (but see COBS 9B.5.3R).

Delivery at the initiative of the firm

9B.5.3 R A *firm* must not initiate the provision of a *targeted support service* other than:

- (1) in response to an express request from the *client* for the provision of:

- (a) a *targeted support service* of the type provided by the *firm*; or
 - (b) other support relating to *investments* of a type which could be met by the *firm's targeted support service*; or
- (2) where the *firm* has reasonable grounds to consider that the *client* is in a situation which may be met by the *firm's targeted support service*.
- 9B.5.4 G (1) A *firm* that approaches a *client* other than in compliance with COBS 9B.5.3R may be in breach of its obligations to the *client* under PRIN 2A.2.1R (Act in good faith), PRIN 2A.2.8R (Avoid causing foreseeable harm) and PRIN 2A.2.14R (Enable and support retail customers).
- (2) COBS 9B.5.3R does not prevent a *firm* contacting *clients* to inform them of the availability of a *targeted support service*.

Alignment with a consumer segment

- 9B.5.5 R (1) A *firm* must only provide a *ready-made suggestion* to a *client* where it identifies, using reasonable skill and care, that the *client* aligns with a *consumer segment*.
- (2) For the purposes of (1), a *client* aligns with a *consumer segment* where the *firm* confirms that the *client*:
- (a) is in the situation covered by the *consumer segment*;
 - (b) (where relevant) has all of the *including characteristics* of the *consumer segment*; and
 - (c) (where relevant) has none of the *excluding characteristics* of the *consumer segment*.
- 9B.5.6 G (1) A *firm* may identify such alignment by reference to information which it either holds or collects about that *client* (or a combination of both).
- (2) The *rules* in this section recognise that not every *targeted support service* journey will be the same. The *rules* afford *firms* flexibility in the way that they engage with *clients*, save that certain information must be disclosed to a *client* in connection with a *ready-made suggestion* (COBS 9B.6.3R and COBS 9B.6.5R).
- 9B.5.7 R (1) A *firm* must take reasonable steps to ensure that the information about a *client* by reference to which it aligns that *client* with a *consumer segment* is accurate and up to date.
- (2) Where a *firm* holds sufficient information about a *client* to indicate a possible alignment with a *consumer segment* but considers that the

relevant information may not be accurate or up to date, the *firm* must verify that information with the *client* before it is able to confirm the alignment of that *client* with a *consumer segment*.

- 9B.5.8 G Where a *firm* cannot align a *client* with a *consumer segment* because it does not have enough information about the *client*, the *firm* may request from that *client* such information as it requires to enable the *firm* to attempt to align the *client* with a *consumer segment*.
- 9B.5.9 G (1) The *rules* in this chapter are designed so that *firms* can provide *clients* with *ready-made suggestions* without the need to undertake individual suitability assessments in the manner required by *COBS 9* and *COBS 9A*.
- (2) The effect of the requirements in this chapter is that a *client* should receive a suitable *ready-made suggestion* where:
- (a) the *firm* has aligned that *client* with a *consumer segment* in accordance with the *rules* in this section; and
- (b) the relevant *consumer segment* and associated *ready-made suggestion* have been specified in compliance with the *rules* in *COBS 9B.4*.
- (3) Notwithstanding (2), it is possible that there are considerations specific to a particular *client* which are not addressed by the *common characteristics* of a *consumer segment* with which that *client* is aligned. *COBS 9B.5.11R* requires a *firm* to have regard to information, beyond that required to align a *client* with a *consumer segment*, which may affect the suitability of a *ready-made suggestion* for a *client*.

Consideration of additional information

- 9B.5.10 G (1) The effect of *COBS 9B.5.5R* is that a *firm* must not provide a *client* with a *ready-made suggestion* specified for a *consumer segment* where:
- (a) the *client* is not in the situation covered by the relevant *consumer segment*;
- (b) (where relevant) the *client* does not align with all of the *including characteristics* of the relevant *consumer segment*; or
- (c) (where relevant) any of the *excluding characteristics* of the relevant *consumer segment* apply to the *client*.
- (2) *COBS 9B.5.11R* specifies further circumstances in which a *ready-made suggestion* must not be provided to a *client*.

- 9B.5.11 R A *firm* must not provide a *client* with a *ready-made suggestion* when the *firm* is, or ought reasonably to be, aware of information about that *client* that indicates that the *ready-made suggestion* may not be suitable for that *client*.
- 9B.5.12 G (1) A *firm* ought reasonably to be aware of information which:
- (a) is held by the *firm*;
 - (b) is relevant to the suitability of the *ready-made suggestion*; and
 - (c) is, or ought reasonably to be, readily accessible to the business area of the *firm* engaged in the provision of the *targeted support service*.
- (2) The information it would be reasonable to expect a *firm* to be aware of and have regard to in providing its *targeted support service* is likely to depend on the particular circumstances of that *targeted support service*. For example:
- (a) the context in which the *targeted support service* is provided; and
 - (b) the nature of the situation which the *targeted support service* is designed to address.
- (3) For example, if a *client* gave the *firm* information when taking out a mortgage several years prior to receiving the *targeted support service*, it would not necessarily be reasonable to expect that such information would be readily accessible to the area of the *firm* providing the *targeted support service* to the *client*.
- 9B.5.13 G (1) *Firms* are not expected to request information from a *client* during the *targeted support service* journey other than that required for the provision of the *targeted support service*.
- (2) Where a *client* volunteers information beyond that which is requested by the *firm* during a *targeted support service* journey:
- (a) the *firm* may terminate the *targeted support service* journey for the *client*;
 - (b) the *firm* may continue to provide a *ready-made suggestion* with which the *client* otherwise aligns if the *firm* is reasonably satisfied that the additional information does not indicate that the *ready-made suggestion* may be unsuitable for the *client*; or
 - (c) where the additional information suggests that the suitability of a *ready-made suggestion* with which the *client* otherwise aligns could be affected:

- (i) the *firm* should consider whether to ask for any further information necessary to enable it to decide how to proceed; and
 - (ii) if the *firm* determines that the additional information indicates that the *ready-made suggestion* may be unsuitable for the *client*, the *firm* may:
 - (A) seek to align the *client* with a different *consumer segment*; or
 - (B) terminate the *targeted support service* journey for the *client*.
- (3) The situation in (2)(c) might arise because the *client* volunteers:
- (a) new information; or
 - (b) information which appears to conflict with other information by reference to which the *client* is aligned with a *consumer segment*.
- (4) The *guidance* in COBS 9B.7 is relevant to the situation in which a *client's* volunteering of additional information results in the termination of a *targeted support service* journey.
- (5) The *firm* need not consider the additional information for a purpose other than satisfying itself as to the suitability of a *ready-made suggestion* for the *client*, unless that information is relevant to the *firm's* satisfaction of other requirements (for example, when reviewing its processes for the provision of its *targeted support service* under COBS 9B.10.9R).

Clients opting out of targeted support

- 9B.5.14 R A *firm* must provide the means by which a *client* can, at any time, elect not to receive a *targeted support service* from the *firm*.

Client instruction inconsistent with ready-made suggestion

- 9B.5.15 G In determining what steps to take where a *client* requests that a *firm* executes a transaction which is inconsistent with a *ready-made suggestion* provided by the *firm*, the *firm* should have particular regard to:
- (1) the *client's best interests rule*; and
 - (2) its obligations to support *retail customer* understanding (*PRIN* 2A.5.3R) and to design and deliver support including by giving *retail customers* sufficient opportunity to understand and assess their options (*PRIN* 2A.6.2R(3)).

9B.6 Disclosure

Describing the service

- 9B.6.1 R (1) When a *firm* provides a *ready-made suggestion* to a *client*, it must clearly refer to the service by which the *ready-made suggestion* is provided as ‘Targeted Support’.
- (2) A *firm* must only refer to a service as being a *targeted support service* when the service is one that has been designed and delivered in compliance with the *rules* in this chapter.
- 9B.6.2 G *COBS* 9B.6.1R(1) does not prevent a *firm* from:
- (1) using another name for the service it provides, provided that at the point a *ready-made suggestion* is provided to a *client*, the service is clearly described as being ‘Targeted Support’ (such that the *client* can identify the service as such); or
- (2) referring to the service as ‘Targeted Support’ in communications other than when providing a *ready-made suggestion*.
- 9B.6.3 R In connection with the provision of a *targeted support service* to a *client*, a *firm* must disclose to the *client* the nature and limitations of the *targeted support service* (and, therefore, any *ready-made suggestion*), including that this is not a type of investment advice that involves more comprehensive, individualised advice (for example, following a holistic review by an independent financial adviser).

Providing the ready-made suggestion

- 9B.6.4 R A *firm* must ensure that any *ready-made suggestion* is communicated in a way that is likely to be understood by an individual in the relevant *consumer segment*.
- 9B.6.5 R When a *firm* provides a *ready-made suggestion* to a *client*, the *firm* must clearly disclose to the *client*:
- (1) the *common characteristics* (both including *characteristics* and *excluding characteristics*) of the *consumer segment* with which the *firm* has aligned the *client*;
- (2) that the *ready-made suggestion* was designed for the *consumer segment* with which the *firm* has aligned the *client*; and
- (3) the nature of any limitations on the scope of products considered by the *firm* in developing its *ready-made suggestions* including, where applicable, that the *firm* has only considered products issued or provided by the *firm* or its *associates*.

9B.6.6 G At the same time as a *firm providing targeted support* makes a recommendation to a *client*, the *firm* must make a statement to that *client* which specifies:

- (1) that the recommendation is not based on a comprehensive consideration by the *firm* of the *client's* characteristics or circumstances;
- (2) that the recommendation is not specific to the *client*; and
- (3) the characteristics, circumstances, or both if applicable, of the group which the *firm* has used as the basis for the recommendation.

[**Note:** article 55A(4) and (5) of the *Regulated Activities Order*]

9B.6.7 G A *firm* may satisfy elements of the disclosures required by *COBS* 9B.6.3R and *COBS* 9B.6.5R through the provision of the statement required by article 55A of the *Regulated Activities Order* (*COBS* 9B.6.6G).

Additional disclosures

9B.6.8 G In connection with providing a *client* with a *ready-made suggestion*, a *firm* should, where appropriate:

- (1) signpost the *client* to tools or modellers that could assist the *client* in understanding the implications of the *ready-made suggestion*;
- (2) inform the *client* about the availability of guidance services (such as *MoneyHelper*) and other types of advice, including more comprehensive, individualised advice;
- (3) to support *consumer* understanding, inform the *client* about any assumptions that the *firm* has made about the individuals in the *consumer segment*;
- (4) consider encouraging the *client* to consider other products which might be available in the market before making a decision; and
- (5) consider explaining to the *client* that the *firm* only considers the *ready-made suggestion* to be suitable for the individuals in the *consumer segment* at the point in time it has been suggested, where this is the case.

Client understanding

9B.6.9 R A *firm* must test its disclosures around the provision of its *targeted support service* and take reasonable steps to ensure consumer understanding of those disclosures.

- 9B.6.10 G (1) *Firms* are reminded of their obligations under *Principle 12* (Consumer Duty) and *PRIN 2A.5.3R* (Communications to retail customers) in relation to supporting *retail customer* understanding.
- (2) *PRIN 2A.5.3R* requires a *firm* to equip *retail customers* to make decisions that are effective, timely and properly informed.
- (3) In complying with *PRIN 2A.5.3R*, a *firm* should consider:
- (a) whether to disclose any other relevant information (beyond that required by *COBS 9B.6.3R* and *COBS 9B.6.5R*) that would support consumer understanding of the *targeted support service* or a *ready-made suggestion*; and
- (b) whether to disclose information separately or to consolidate information.
- 9B.6.11 G A *firm* should ensure that the information required by *COBS 9B.6.3R* and *COBS 9B.6.5R* is given due prominence and presented in plain and intelligible language (*PRIN 2A.5.7G*).

Timing of disclosures

- 9B.6.12 G (1) *PRIN 2A.5.5R* requires a *firm* to communicate in good time for *retail customers* to make effective decisions, including before the purchase of a *product*.
- (2) In complying with *PRIN 2A.5.5R*, a *firm* should consider when it is appropriate to make disclosures to a *client* in connection with the provision of a *targeted support service*. It is likely to be appropriate to disclose relevant information to a *client*:
- (a) when the *firm* has initial contact with the *client* in relation to the provision of a *targeted support service*;
- (b) where applicable, at any point at which the *firm* contacts the *client* to request, or verify the accuracy of, information for the purpose of aligning the *client* with a *consumer segment*; and
- (c) where applicable, when the *firm* provides the *client* with a *ready-made suggestion*.
- (3) The information in *COBS 9B.6.5R* and *COBS 9B.6.6G* must necessarily be disclosed to the *client* when a *ready-made suggestion* is provided.
- 9B.6.13 R (1) This *rule* applies where another *rule* in this sourcebook (the ‘relevant rule’) requires a *firm* to provide information to a *client* about a

targeted support service at a time that is incompatible with the nature of that *targeted support service*.

- (2) A *firm* must provide the information required by the relevant rule at a time that is consistent with *PRIN 2A.5.5R*.

Guidance

- 9B.6.14 G (1) *Firms* are reminded of their obligations under *COBS 6.1* (Information about the firm and compensation information (non-MiFID and non-insurance distribution provisions)) and *COBS 6.1ZA* (Information about the firm and compensation information (MiFID and insurance distribution provisions)).
- (2) To the extent applicable, *firms* are reminded of their obligations under *COBS 2.2* (Information disclosure before providing services (other than MiFID and insurance distribution)) and under *COBS 2.2A* (Information disclosure before providing services (MiFID and insurance distribution provisions)).
 - (3) If a *ready-made suggestion* involves a recommendation of a particular *investment*, a *firm* may be subject to requirements in:
 - (a) *COBS 13* and *COBS 14* relating to product information; and
 - (b) for *consumer composite investments*, a requirement under *DISC* to provide *retail investors* with a *product summary*.
 - (4) When providing information to a *client*, a *firm* should have regard to its obligation under *PRIN 2A.5.3R(2)* and *COBS 4.2.1R* to communicate information to *clients* in a way which is fair, clear and not misleading.
 - (5) *COBS 9B.6.13R* recognises that *targeted support services* may be provided differently to other types of service and that it may not, for example, be possible to provide information about the service ‘in good time’ before the service is provided. That *rule* allows information about a *targeted support service* to be provided at a time that is consistent with the way in which the service is provided in compliance with *PRIN 2A.5.5R*.

Financial promotions

- 9B.6.15 G (1) A *ready-made suggestion* will generally incorporate a *financial promotion*.
- (2) *Firms* are reminded of their obligations under *COBS 4* in relation to the *communication* and *approval* of *financial promotions*, including the *fair, clear and not misleading rule*.

Advised clients

- 9B.6.16 G (1) It is important that *clients* understand the nature of the support they are receiving. It is particularly important that *clients* who have recently received, or are receiving, *investment advice* (as defined in the *Handbook*) understand the ways in which a *targeted support service* differs from that service.
- (2) *Firms* are reminded of their obligation to support *retail customer* understanding so that *firms*' communications equip *retail customers* to make decisions that are effective, timely and properly informed (*PRIN 2A.5.3R*).
- (3) *Firms* should pay particular regard to the information needs of any *client*:
- (a) to whom the *firm*:
- (i) has recently provided *investment advice*; or
- (ii) is providing *investment advice of an ongoing nature*; or
- (b) whom the *firm* is aware, or ought reasonably to be aware, is receiving, or has recently received, *investment advice* from another *person*.
- (4) Before providing a *ready-made suggestion* to a *client* in (3), a *firm* should take reasonable steps to ensure that the *client* understands the difference between a *targeted support service* and the *investment advice* already received by the *client*.

Medium of disclosures

- 9B.6.17 R (1) Unless (2) or (3) apply, a *firm* must provide the information in *COBS 9B.6.3R* and *COBS 9B.6.5R* to a *client* in a *durable medium* when it provides the *client* with a *ready-made suggestion*.
- (2) In relation to the information in *COBS 9B.6.3R*, paragraph (1) applies unless the *firm* has provided that information in a *durable medium* within a reasonable period prior to the provision of the *ready-made suggestion*.
- (3) Where it is not possible for a *firm* to provide the information in (1) in a *durable medium* when it provides the *client* with a *ready-made suggestion*, the *firm* must provide that information to the *client* in a *durable medium* as soon as reasonably practicable after it provides the *ready-made suggestion*.
- 9B.6.18 G (1) The information in *COBS 9B.6.3R* and *COBS 9B.6.5R* must be communicated no later than the point at which a *ready-made suggestion* is provided, even if it cannot be provided in a *durable medium* at that point.

- (2) In complying with *PRIN 2A.5.5R* (to provide information on a timely basis), a *firm* may provide the information in *COBS 9B.6.3R* before it provides a *ready-made suggestion*. It may do so in a medium that is not a *durable medium* provided that it communicates the information in a *durable medium* when it provides a *ready-made suggestion* (or as soon as reasonably practicable thereafter).

Record-keeping

- 9B.6.19 G In complying with its record-keeping obligations, a *firm* should keep a record of the disclosures it makes to *clients*. This includes those made in satisfaction of the conditions in article 55A of the *Regulated Activities Order* and which provide evidence of the delivery of a recommendation by way of the *provision of targeted support*.

9B.7 When a firm is unable to provide a ready-made suggestion

- 9B.7.1 G (1) A *firm* may only deliver a *ready-made suggestion* to a *client* where it has identified that the *client* aligns with a *consumer segment* (*COBS 9B.5.5R*).
- (2) This section sets out the steps which a *firm* should take where it is unable to provide a *client* with a *ready-made suggestion*.

Guidance

- 9B.7.2 G Examples of reasons why a *firm* might be unable to provide a *client* with a *ready-made suggestion* include because the *firm* has:
- (1) been unable to identify the *client* as being in a situation covered by a *consumer segment*;
 - (2) (where relevant) been unable to identify the *client* as having all of the *including characteristics* necessary to align the *client* with a *consumer segment*;
 - (3) (where relevant) identified that the *client* has an *excluding characteristic* which means that they cannot be aligned with a *consumer segment*;
 - (4) been unable to confirm that a *client* lacks all of the *excluding characteristics* necessary to align the *client* with a particular *consumer segment*; or
 - (5) identified or received additional information which means, or has led it to conclude, that it cannot provide a *ready-made suggestion*.
- 9B.7.3 G (1) In considering the appropriate course of action in relation to a *client* whom a *firm* has been unable to align with a *consumer segment*, a *firm* should have regard to its obligation to design and deliver support to *retail customers* (*PRIN 2A.6.2R*).

- (2) Where a *firm* has been unable to provide a *client* with a *ready-made suggestion*, the *firm* should consider what alternative support, if any, it could usefully provide to that *client*. This may include directing the *client* to support (including *investment advice*) provided by other *persons*.
- (3) *Firms* are reminded of their obligations under *Principle 12* (Consumer Duty) and *PRIN 2A* – in particular, to act in good faith towards *retail customers* (*PRIN 2A.2.1R*) in a manner that is consistent with the reasonable expectations of those *retail customers* (*PRIN 2A.2.2R*).

Customers with characteristics of vulnerability

- 9B.7.4 G FG21/1 (Guidance for firms on the fair treatment of vulnerable customers: <https://www.fca.org.uk/publication/finalised-guidance/fg21-1.pdf>) is relevant to *firms*' treatment of vulnerable *clients*, including whether to provide a *targeted support service* to a *client*.

9B.8 Charging and remuneration

- 9B.8.1 G (1) A *firm* may elect whether to charge a *client* for the provision of a *targeted support service*. *Targeted support services* may be provided without explicit charge to the *client*.
- (2) The costs of providing a *targeted support service* may be met through other business lines of the *firm* or by other legal entities within the *firm's group*.
- (3) The *rules* in this section:
- (a) prohibit, except in certain circumstances, *firms* from receiving commissions and other benefits in connection with their business of providing a *targeted support service*;
 - (b) require *firms* to ensure that *clients* understand what they will pay for a *targeted support service*; and
 - (c) require all *firms* to ensure that the arrangements by which they are remunerated for their provision of a *targeted support service* are consistent with the obligation to ensure that their *products* provide fair value (*PRIN 2A.4.2R*).
- (4) Save as specified in this section, the *rules* on adviser charging and remuneration (*COBS 6.1A*) do not apply to *firms* in relation to the provision of a *targeted support service*.

Rule against commissions

- 9B.8.2 R (1) Subject to *COBS 9B.8.3R* and *COBS 9B.8.4R*, a *firm* must not solicit or accept (and must ensure that none of its *associates* solicits or

accepts) any fees, commissions, or monetary or non-monetary benefits in connection with its business of providing a *targeted support service* or any other related services which are paid or provided by:

- (a) any third party; or
 - (b) a *person* acting on behalf of a third party.
- (2) Reference in (1) to a *firm's* business of providing a *targeted support service* refers to its activities of designing and delivering a *targeted support service*.
- (3) Paragraph (1) applies regardless of whether the *firm* intends to refund the payments or pass the benefits on to the *client*.
- (4) 'Related service(s)' for the purposes of (1) includes:
- (a) *arranging* or *executing* a transaction which has been the subject of a *ready-made suggestion* provided by the *firm* or an *associate* or conducting administrative tasks associated with that transaction;
 - (b) managing a relationship between a *client* (to whom the *firm* provides a *targeted support service*) and a *discretionary investment manager* or providing a service to such a *client* in relation to the investments managed by such a manager; or
 - (c) recommending a *discretionary investment manager* or *person* providing *investment advice* to a *client* (to whom the *firm* provides a *targeted support service*).

Exceptions

9B.8.3 R *COBS* 9B.8.2R does not prevent:

- (1) a *firm* from accepting any payment made:
 - (a) by or on behalf of a *client* (including those that facilitate the payment of a charge for the provision of a *targeted support service* from a *client's* investment); or
 - (b) by an *affiliated company* which is no more than is reasonably representative of the cost of providing the *targeted support service*; or
- (2) a *firm* or its *associates* from accepting any minor non-monetary benefits which meet the requirements of *COBS* 6.1A.5AR.

9B.8.4 R *COBS* 9B.8.2R does not apply to the solicitation or acceptance of any fees, commissions, or monetary or non-monetary benefits in connection with a

firm's (or its *associate's*) business of providing a *targeted support service* or any other related services where the following conditions are met:

- (1) such business or related service relates exclusively to annuities (as defined in *COBS* 9B.4.26R);
- (2) the business or related service is conducted in accordance with *COBS* 9B.4.28R to *COBS* 9B.4.37G; and
- (3) the fee, commission, or monetary or non-monetary benefit is received by the *firm* as a result of a referral to a whole of market annuity brokerage service made in accordance with *COBS* 9B.4.33R and *COBS* 9B.4.35R.

9B.8.5 G *Firms* are reminded that the payment or acceptance of any fee, commission, or monetary or non-monetary benefit permitted by the *rules* in this section is subject to the rules on inducements in *COBS* 2.3 and *COBS* 2.3A (as applicable).

9B.8.6 G In relation to the acceptance of minor non-monetary benefits, a *firm* should have regard to the *guidance* at *COBS* 6.1A.5BG.

Firms which do not charge for targeted support

- 9B.8.7 R (1) This *rule* applies to a *firm* that does not charge the *client* a fee for the provision of a *targeted support service*.
- (2) A *firm* must ensure that the arrangements by which it is remunerated for the provision of its *targeted support service* are consistent with its obligation to ensure that its *products* provide fair value (*PRIN* 2A.4.2R).

Disclosing any difference in charges as a result of targeted support

- 9B.8.8 R (1) This *rule* applies where the costs and charges associated with an investment that is the subject of a *ready-made suggestion* differ as between:
- (a) a *client* who buys or subscribes for that investment having received a *targeted support service*; and
 - (b) a *client* who buys or subscribes for that investment without having received a *targeted support service*.
- (2) In complying with its obligation to ensure that its *client* is equipped to make properly informed decisions, a *firm* providing the *ready-made suggestion* must clearly disclose to the *client* the nature and extent of the difference in (1).
- (3) The *firm* must make the disclosure in (2):

- (a) when it communicates the *ready-made suggestion* to the *client*; or
- (b) if earlier, when it provides relevant information about costs and charges to the *client* in compliance with requirements in this sourcebook.

Charging for targeted support

- 9B.8.9 R (1) This *rule* applies to a *firm* that charges a *client* in relation to the provision of a *targeted support service*.
- (2) A *firm* must ensure that:
- (a) any charges which it applies to the provision of a *targeted support service* are consistent with its obligation under *PRIN 2A.4.2R* to ensure that a *product* provides fair value; and
 - (b) it provides *clients* with sufficient information about those charges as to meet its obligation under *PRIN 2A.5.3R* to meet the information needs of *clients*.
- (3) As early as practicable before the *firm* provides a chargeable *targeted support service*, any charge(s) relating to the provision of that service must be disclosed to, and agreed with, the *client*.
- (4) The disclosure required by (3) must be in:
- (a) *cash terms* (or convert non-cash terms into illustrative cash equivalents); and
 - (b) a *durable medium*, or through a website (if it does not constitute a *durable medium*) if the *website conditions* are satisfied.
- 9B.8.10 G (1) In determining and disclosing its charges for the provision of a *targeted support service*, a *firm* should also have regard to its duties under the *client's best interests rule* and the *fair, clear and not misleading rule*.
- (2) In particular, a *firm* should not vary its charges for the provision of a *targeted support service* inappropriately according to provider or, for substitutable and competing products, the type of product.
- 9B.8.11 G In determining its approach to charging for a *targeted support service*, a *firm* may find it helpful to consider the *rules* and related *guidance* around using an appropriate charging structure for calculating *adviser charges* (*COBS 6.1A.11R* to *COBS 6.1A.15G*).

- 9B.8.12 G *COBS* 9B.8.8R and *COBS* 9B.8.9R are without prejudice to any other obligation of a *firm* to provide a *client* with information about the costs and charges of products and services.

Other relevant requirements

- 9B.8.13 G *Firms* are reminded of their obligations:
- (1) relating to the identification and management of conflicts of interest under *SYSC* 3.3 (for *insurers*) and *SYSC* 10 (for other *firms*);
 - (2) to act honestly, fairly and professionally in accordance with the best interests of their *clients* (*COBS* 2.1.1R);
 - (3) under the rules on inducements in *COBS* 2.3 and *COBS* 2.3A, in so far as they relate to the payment or provision of monetary and non-monetary benefits;
 - (4) in *COBS* 6.1 and *COBS* 6.1ZA in relation to the disclosure of information, including concerning a *firm*'s costs and charges; and
 - (5) for *life policies*, the *rules* in *COBS* 7.3 in relation to demands and needs.

9B.9 Issuer and product provider requirements relating to charging and remuneration

- 9B.9.1 G *COBS* 9B.2.1R(2) specifies that this section applies to a *firm* which is an *issuer* or product provider.
- 9B.9.2 G The *rules* applicable to *retail investment product* providers relating to adviser charging and remuneration (*COBS* 6.1B) do not apply in circumstances where a *retail client* receives a *targeted support service*.
- 9B.9.3 R (1) A *firm* must not offer or pay (and must ensure that none of its *associates* offers or pays) any fees, commissions, or monetary or non-monetary benefits to another *firm*, or to any other third party for the benefit of that *firm*, in connection with that *firm*'s business of providing a *targeted support service* (or any related services).
- (2) Paragraph (1) does not apply to:
- (a) payments made on behalf of a *client* (including those that facilitate the payment of a charge for the provision of a *targeted support service* from a *client*'s investment);
 - (b) payments to an *affiliated company* which are no more than is reasonably representative of the cost of that *affiliated company* providing its *targeted support service*; or

- (c) minor non-monetary benefits which meet the requirements of *COBS* 6.1A.5AR.

9B.9.4 R *COBS* 9B.8.2R(2) and (4) also apply for the purpose of *COBS* 9B.9.3R.

9B.10 Systems and controls

Policies and procedures

9B.10.1 R A *firm* must establish and maintain systems and controls to ensure compliance with the requirements in this chapter relating to the design and delivery of a *targeted support service*.

9B.10.2 G In addition, *firms* are reminded:

- (1) of their obligations in *SYSC* to implement and maintain relevant systems, controls, policies and procedures, which should be sufficient to enable *firms* to ensure compliance with the *rules* in this chapter; and
- (2) that in considering the competence and capabilities of relevant individuals involved in the design and delivery of a *targeted support service*, they should consider relevant provisions, including in *SYSC* 3.1 (Systems and controls), *SYSC* 5.1 (Skills, knowledge and expertise) and *TC*.

9B.10.3 G In complying with its obligations under *SYSC* and *TC*, a *firm* should ensure that *employees* involved in the design or delivery of a *targeted support service* are appropriately trained, supervised and supported, in particular so as to be able to:

- (1) identify when a *client* can be aligned with a *consumer segment*; and
- (2) appropriately consider, and respond to, any information provided by a *client* which is beyond that necessary to determine whether the *client* aligns with a *consumer segment*.

Ongoing monitoring and review (general)

9B.10.4 G As part of a *firm*'s general obligation to monitor the outcomes that *retail customers* experience from its products (*PRIN* 2A.9.1R and *PRIN* 2A.9.8R), a *firm* should particularly monitor the outcomes which are generated by its *targeted support service*. In particular, a *firm* should use this monitoring to:

- (1) identify whether the *targeted support service* is consistent with delivering good outcomes including that, at the point at which the service is delivered to *clients*, the *firm* has properly addressed the risk of *ready-made suggestions* leading to harm as a result of:
 - (a) the *firm*'s design of its *consumer segments*;

- (b) the specification of the *firm's ready-made suggestions*;
 - (c) the *firm's* processes to align *clients* with *consumer segments*;
or
 - (d) the *firm's ready-made suggestions* no longer being suitable for individuals in the relevant *consumer segment*;
- (2) understand whether *clients* in particular situations or with particular characteristics are routinely unable to be aligned with a *consumer segment* to inform the potential development of new *consumer segments*; and
 - (3) consider whether any product being used for a *ready-made suggestion* remains aligned with the relevant *consumer segment* including, for example, where the product *manufacturer* has made a significant adaptation to that product.

9B.10.5 G The requirements to monitor outcomes in this chapter:

- (1) do not require a *firm* that provides a *targeted support service* to undertake ongoing suitability assessments (including the periodic reviews of product suitability set out in *COBS 9* and *COBS 9A*) for *clients* who have previously received a *targeted support service* (unless the *firm's* service to the *client* includes periodic assessment of suitability);
- (2) take account of how *firms* should be acting in relation to their *targeted support service* in light of what is required of these *firms* under *PROD 3*, *PROD 4* and *PRIN 2A* (as applicable) where they are also *manufacturers* or *distributors* of *designated investments* that are included in *ready-made suggestions*.

Ongoing monitoring and review (products recommended in ready-made suggestions)

9B.10.6 R A *firm* must, in relation to a product that has been or may be recommended in a *ready-made suggestion*, have appropriate arrangements in place to:

- (1) review information made available to it by the *manufacturer* of the product in relation to:
 - (a) any significant adaptation to the product; or
 - (b) mitigating actions a product *manufacturer* has taken or proposes to take in relation to the product; and
- (2) consider whether any circumstances in (1) mean the product should no longer be recommended in that *ready-made suggestion*.

9B.10.7 G (1) Where a *distributor* recommends a product as part of a *targeted support service*, it will need to ensure the arrangements it has to meet

requirements in *PRIN 2A.3*, *PRIN 2A.4*, *PROD 3* and/or *PROD 4* enable it to obtain all necessary information from the product *manufacturer* to understand the product, including its features, risks and costs.

- (2) For the purposes of *COBS 9B.10.6R(1)*, *firms* should have in place arrangements with the product *manufacturer* to obtain information about any significant adaptation to the product within the meaning of *PRIN 2A.3*, *PROD 3* or *PROD 4* (as appropriate).
- (3) When considering whether a significant adaptation (or other change) to a product means that it should no longer be recommended in a *ready-made suggestion*, *firms* should take into account the potential impact it could have on individuals in the *consumer segment* – for example, the effect of features being added to, or removed from, the product or changes to the target market.

- 9B.10.8 G (1) *Firms* should consider whether any information they receive from product *manufacturers* is relevant to their monitoring obligations under *PRIN 2A* (or, where relevant, under *PROD*) and indicates any circumstances that would require the *firm* to be taking appropriate action, for example under *PRIN 2A.9.12R*.
- (2) *Firms* should consider what action is appropriate in light of the situation identified. For example, in certain circumstances, the specific information may mean the *firm* should consider, where it is appropriate, notifying the *client* of any changes to the product, and prompting them to consider taking further action including potentially a further *targeted support service* (including from the *firm*) or other advice, to enable the *client* to take appropriate steps.

Regular review

9B.10.9 R A *firm* must review its processes for the provision of its *targeted support service*, including the *ready-made suggestions*:

- (1) regularly; and
- (2) with appropriate frequency.

9B.10.10 G When undertaking the review in *COBS 9B.10.9R*, a *firm* should at least consider whether to update its *consumer segments* to reflect any gaps that have been identified. This might include when a *firm* has been unable to provide a *ready-made suggestion* to a *client* because it was not able to align that *client* with a *consumer segment*.

9B.10.11 G The frequency with which the review in *COBS 9B.10.9R* is undertaken should be determined having regard to such matters as:

- (1) the *consumer segments* the *firm* has created, including the complexity of those *consumer segments*;

- (2) the complexity of the *ready-made suggestions* provided as part of the *targeted support service*;
- (3) the number of *clients* to whom the *firm* has offered its *targeted support service*;
- (4) the nature of the *products* distributed in connection with the *ready-made suggestions*; and
- (5) any other relevant external factors such as:
 - (a) changes to the relevant regulatory requirements, including to the *FCA Handbook*;
 - (b) relevant technological developments; and
 - (c) relevant changes to the market.

Record-keeping

- 9B.10.12 G (1) *SYSC 3* and *SYSC 9* (as applicable) contain high level requirements in relation to record keeping.
- (2) *Firms* should ensure that the records which they retain are sufficient to enable the *FCA* to monitor the *firm's* compliance with the requirements in this chapter relating both to the design and delivery of their *targeted support services*.

Amend the following as shown.

10 Appropriateness (for non-advised services) (non-MiFID and non-insurance-based investment products provisions)

10.1 Application

...

10.1.2 R ...

(3) ...

(4) This chapter does not apply to a *firm* that makes a *personal recommendation* or *provides targeted support* in relation to the relevant investment.

...

10.6 When a firm need not assess appropriateness

10.6.1 G A *firm* need not assess appropriateness if it is receiving or transmitting an order in relation to which it has assessed suitability under *COBS 9*

(Suitability (including basic advice)) or it has assessed suitability under COBS 9B (Targeted support).

...

10A Appropriateness (for non-advised services) (MiFID and insurance-based investment products provisions)

10A.1 Application

[*Editor's note:* the deletion of the subheading 'Application' also applies to COBS 10A.1.2.]

~~Application~~

10A.1.1 R This chapter applies to a *firm* which:

- (1) provides *investment services* in the course of *MiFID* or *equivalent third country business*; or
- (2) carries on *insurance distribution* in relation to *insurance-based investment product*,

other than when the *firm* makes a *personal recommendation*, is providing targeted support or carries out *portfolio management*.

...

10A.6 Assessing appropriateness: when a firm need not assess appropriateness due to suitability assessment

10A.6.1 G A *firm* need not assess appropriateness if it is receiving or transmitting an order or carrying on *insurance distribution* in relation to an *insurance-based investment product*, for which it has assessed suitability under *COBS 9A* (Suitability (MiFID and insurance-based investment products provisions)) or it has assessed suitability under COBS 9B (Targeted support).

...

14 Providing product information to clients

...

14.2 Providing product information to clients

[*Editor's note:* the amendments to COBS 14.2 take into account the changes introduced by the Consumer Composite Investments Instrument 2025 (FCA 2025/52), which also come into force on 6 April 2026.]

...

The provision rules for products other than consumer composite investments

14.2.1 R A *firm* that sells, or (where relevant) gives effect to:

...

(2) a *life policy* to a *client*, must provide:

...

(b) a *client* with objective and relevant information about the *policy*:

...

(iii) whether or not the *firm* makes a *personal recommendation* or provides a ready-made suggestion to the client about the life policy; and

...

...

...

...

Exception to the provision rules: key features documents and key features illustrations

...

14.2.8 R A *firm* is not required to provide a *key features document* or a *key features illustration*, if:

(1) the *client* is buying or investing in response to a *direct offer financial promotion* without receiving a *personal recommendation* or a ready-made suggestion to buy or invest; and

(2) the *firm* provides materially the same information in some other way.

...

14.3 Information about designated investments (non-MiFID provisions)

Application

14.3.1 R This section applies to a *firm* in relation to:

...

(2) any of the following *regulated activities* when carried on for a *retail client*:

...

(f) *operating a POP; or*

(g) *providing targeted support,*

except to the extent that the carrying on of such a *regulated activity* constitutes *MiFID, equivalent third country or optional exemption business*.

...

...

14 Lifetime ISA information Annex 1

	This Annex belongs to <i>COBS 13.3.1R(3)</i> and <i>COBS 14.2.1R(4A)</i> .		
	Information which comprises the following:		
...			
3.4	R	The explanations in <i>COBS 14 Annex 1 3.3R(2)</i> and <i>COBS 14 Annex 1 3.3R(3)</i> must include a statement that <i>lifetime ISA charges</i> taken into account in the table:	
		(1)	may vary over time; and
		(2)	exclude any fee or charge:
		(a)	payable by or on behalf of a <i>retail client</i> to a <i>firm</i> in relation to the provision of a <i>personal recommendation or ready-made suggestion</i> by the <i>firm</i> in respect of the <i>lifetime ISA</i> ; and
		(b)	relating to the qualifying investments held in the <i>lifetime ISA</i> (including in relation to the provision of a <i>personal recommendation or ready-made suggestion</i> in respect of those investments).
...			

15 Cancellation

...

15.2 The right to cancel

Cancellable contracts

15.2.1 R A *consumer* has a right to cancel any of the following contracts with a *firm*:

Cancellable contract	Cancellation period	Supplementary provisions
...		
Lifetime ISAs (advised but not at a distance):		
<ul style="list-style-type: none"> • a <i>non-distance contract</i> to open or transfer a <i>lifetime ISA</i> 	30 calendar days	<p>These rights arise only following a <i>personal recommendation</i> or <i>ready-made suggestion</i> of the contract (by the <i>firm</i> or any other <i>person</i>).</p> <p>Exemptions may apply (see <i>COBS 15 Annex 1</i>)</p>
...		
Non-life/pensions (advised but not at a distance): a <i>non-distance contract</i>:		
<ul style="list-style-type: none"> • to buy a <i>unit</i> in a <i>regulated collective investment scheme</i> (including within a <i>wrapper</i> or <i>pension wrapper</i>) • to open or transfer a child trust fund (<i>CTF</i>) • to open or transfer an <i>ISA</i> (other than a <i>lifetime ISA</i>) • for an <i>Enterprise Investment Scheme</i> 	14 calendar days	<p>These rights arise only following a <i>personal recommendation</i> or <i>ready-made suggestion</i> of the contract (by the <i>firm</i> or any other <i>person</i>).</p> <p>For a <i>unit</i> bought when opening or transferring a <i>wrapper</i> or <i>pension wrapper</i>, the 14 calendar day right to cancel applies to the entire arrangement.</p> <p>Exemptions may apply (see <i>COBS 15 Annex 1</i>).</p>
...		

...

...

15 Exemptions from the right to cancel
Annex 1

...			
		Exemptions for units (non-distance)	
1.8	R	There is no right to cancel a non- <i>distance contract</i> to buy a unit in a regulated collective investment scheme:	
		...	
		(7)	if the <i>firm</i> has reasonable grounds for assuming that no <i>personal recommendation</i> or <i>ready-made suggestion</i> of the contract was provided by anyone carrying on <i>designated investment business</i> in the UK; or
		...	
...			

16 Reporting information to clients (non-MiFID provisions)

...

16.6 Communications to clients – life insurance, long term care insurance and drawdown pensions

References to ‘advice’ or ‘regulated advice’

16.6.-1 G References to ‘advice’ or ‘regulated advice’ (as those terms are afforded their natural meaning) include *targeted support services*, unless specified otherwise.

...

Income withdrawals – annual statements

...

16.6.9 G ...

16.6.9A G (1) The *firm* may inform the *client* about the availability of a *targeted support service* in addition to providing the information in the annual statement.

(2) When doing so, *firms* will need to ensure they comply with all relevant *data protection legislation* and the Privacy and Electronic Communications (EC Directive) Regulations 2003 (PECR).

Personal or stakeholder pension schemes in decumulation: actual costs and charges disclosure

16.6.10 R ...

- (5) The *operator* must include a written statement with the costs and charges information, stating whether any adviser remuneration, including *adviser charges*, *consultancy charges*, charges in relation to the provision of a *targeted support service*, *commission* or *commission equivalent*, is included in the aggregated costs and charges figure.

...

...

19 Pensions supplementary provisions

...

19.4 Open market options

Definitions

19.4.1 R ...

19.4.1-A G References to ‘advice’, ‘regulated advice’ or ‘financial advice’ (as those terms are afforded their natural meaning) include *targeted support services*, unless specified otherwise.

...

Signposting pensions guidance

19.4.16 R ...

- (2) A *firm* is not required to provide the *client* with the statement required in (1) where:

...

- (c) the *client* has already received advice (other than a *targeted support service*) from a *firm* on their open market options, for example from an independent financial adviser; or

...

19.4.17 G ...

19.4.17A G Where a *firm* has provided a *targeted support service* to the *client* on their options at retirement, references in *COBS* 19.4.16R to advice or a *targeted*

support service mean in addition to the *targeted support service* already received.

- 19.4.17B G (1) A firm may inform the client about the availability of a targeted support service in addition to the information in COBS 19.4.16R(1).
- (2) When doing so, firms will need to ensure they comply with all relevant data protection legislation and the Privacy and Electronic Communications (EC Directive) Regulations 2003 (PECR).

...

19.7 Pensions nudge and retirement risk warnings

...

Application

...

- 19.7.3 R This section does not apply:
- (1) to a firm giving regulated advice, other than a targeted support service, to a retail client on options to access their pension savings;
- (2) if the firm (other than when providing a *targeted support service*) has already provided the retirement risk warnings to the retail client in relation to their decision to access their pension savings and the firm has reasonable grounds to believe that the retirement risk warnings are still appropriate for the client; or
- (3) if, as part of the provision of a targeted support service, the firm has already provided the retirement risk warnings to a retail client in relation to their decision to access their pension savings and the firm:
- (a) has reasonable grounds to believe that the retirement risk warnings are still appropriate for the client; and
- (b) has complied with steps 1 and 2 in accordance with COBS 19.7.8AR to COBS 19.7.10R.

19.7.3A R In this section, references to ‘advice’ or ‘regulated advice’ do not include targeted support services.

19.7.3B G The effect of COBS 19.7.3AR is that this section applies to a firm providing a targeted support service, and that references in COBS 19.7.8AR, COBS 19.7.8DR, COBS 19.7.19R and COBS 19.7.20G to ‘advice’ or ‘regulated advice’ should be read so as to not include targeted support services.

...

Step 2: identify risk factors

...

19.7.12 G ...

19.7.12A G (1) A firm may use the information provided during step 2 for the purpose of aligning a client with a pre-defined consumer segment in accordance with COBS 9B.

(2) When using information provided during step 2, firms will need to ensure they comply with all relevant data protection legislation and the Privacy and Electronic Communications (EC Directive) Regulations 2003 (PECR).

...

19.10 Drawdown, investment pathways and cash warnings

Definitions

19.10.1 R In COBS 19.10:

...

(4) a retail client is a “non-advised retail client” if a firm has:

(a) not determined, on reasonable grounds, that the ~~client~~ client has received a personal recommendation in relation to how to invest the sums or assets in ~~their~~ the client's drawdown fund, in accordance with COBS 19.10.10R(4); and

(b) not provided, or arranged the provision of, a targeted support service to that client in accordance with COBS 19.10.10R(5);

...

19.10.1A G References to ‘advice’ or ‘regulated advice’ (as those terms are afforded their natural meaning) include targeted support services, unless specified otherwise.

...

When?

19.10.8 R ...

19.10.8A G After a retail client has made a request to a firm in accordance with COBS 19.10.8R, the firm may inform them of the availability of a targeted support service before taking the steps in this section.

...

19.10.10 R The requirements in this section do not apply to a firm:

...

- (3) when the *retail client* has been taken through the *investment pathways* by another *firm* (F1) and has been referred to the *firm's* (F2's) drawdown fund to invest in one of the *pathway investments* that the *firm* (F2) offers (see *COBS 19.10.1R(7)*); ~~or~~
- (4) when the *firm* has determined, on reasonable grounds, that the *retail client* has received a *personal recommendation* in relation to the action referred to in *COBS 19.10.8R(1)* or (2); or
- (5) when the *firm* has provided a *targeted support service* to the *retail client*, or the *firm* arranged for another *firm* to provide that *targeted support service*, where:
 - (a) the *targeted support service* includes a recommendation to the *client* on how they should invest their drawdown funds;
 - (b) the *retail client* has accepted and is taking steps to action the recommendation referred to in (a); and
 - (c) as part of the design and delivery of that *targeted support service*, the *firm* providing the *targeted support service* considered the factors that a *firm* would need to take into account in following the requirements in this section.

...

19.10.45 G ...

Availability of the firm's own targeted support service

19.10.45 G (1) A *firm* may inform the *client* about the availability of a *targeted support service* in addition to providing the information in *COBS 19.10.20G*, *COBS 19.10.22G*, *COBS 19.10.39G* and *COBS 19.10.44G*.

- (2) When doing so, *firms* will need to ensure they comply with all relevant *data protection legislation* and the *Privacy and Electronic Communications (EC Directive) Regulations 2003 (PECR)*.

...

19.12 Non-workplace pensions: default options and cash warnings

Definitions

19.12.1 R ...

19.12.1A G References to 'advice' (as that term is afforded its natural meaning) include *targeted support services*, unless specified otherwise.

...

Exclusion from default option rules in relation to advised clients

19.12.5 R ...

19.12.5A R COBS 19.12.10R to COBS 19.12.22G do not apply in relation to a non-workplace pension where the firm has provided a targeted support service to the retail client, or the firm arranged for another firm to provide that targeted support service, and:

(1) the targeted support service includes a recommendation to the retail client on how to invest their contributions to, or assets in, the non-workplace pension; and

(2) the retail client has accepted and is taking steps to action the recommendation referred to in (1).

...

Part 2: Comes into force on 6 April 2027

16 Reporting information to clients (non-MiFID provisions)

...

16.6 Communications to clients – life insurance, long term care insurance and drawdown pensions

...

Income withdrawals - annual statements

16.6.8 R At intervals of no longer than 12 months, beginning on the date a *retail client* first takes a *pension commencement lump sum* or an *uncrystallised funds pension lump sum payment*, or first makes an *income withdrawal*, the relevant *operator* of a *personal pension scheme* or *stakeholder pension scheme* must:

...

(2) inform the *retail client* that if their circumstances or retirement objectives have changed it may be in their best interests to:

...

(c) take regulated advice to understand their options at retirement, including informing them that information about the types of support that may be available can be accessed on the

MoneyHelper website at www.moneyhelper.org.uk/types-of-support-and-guidance; and

...

...

19 Pensions supplementary provisions

...

19.4 Open market options

...

Single page summary document

...

19.4.6C R The single page summary document must include the following information:

...

(10) a clear and prominent statement about the availability of *pensions guidance* including:

...

(d) a recommendation that the *client* seeks appropriate guidance or advice to understand their options at retirement, including informing them that information about the types of support that may be available can be accessed on the *MoneyHelper* website at www.moneyhelper.org.uk/types-of-support-and-guidance; and

...

...

Reminder

19.4.9 R At least six weeks before the *retail client's* intended retirement date the *firm* must:

...

(4) recommend that the *client* seeks appropriate guidance or advice to understand their options at retirement, including informing them that information about the types of support that may be available can be accessed on the *MoneyHelper* website at www.moneyhelper.org.uk/types-of-support-and-guidance.

...

Signposting pensions guidance

19.4.16 R (1) When a *firm* communicates with a *retail client* about the *retail client's personal pension scheme, stakeholder pension scheme, FSAVC, retirement annuity contract or pension buy-out contract* which is provided by the *firm*, unless the circumstances in (2) apply, the *firm* must:

...

(c) include a recommendation that the *client* seeks appropriate guidance or advice to understand their options at retirement, including informing them that information about the types of support that may be available can be accessed on the *MoneyHelper* website at www.moneyhelper.org.uk/types-of-support-and-guidance.

...

...

19.10 Drawdown, investment pathways and cash warnings

...

Step 2: present investment pathway options

...

19.10.20 G If, after the *firm* completes step 2, the *retail client* does not select an *investment pathway* option the *firm* should:

...

(2) provide a clear and prominent statement about the availability of advice and *pensions guidance*, including that information about the types of support that may be available can be accessed on the *MoneyHelper* website at www.moneyhelper.org.uk/types-of-support-and-guidance; and

...

Step 3: offer pathway investments

...

19.10.22 G If after the *firm* completes step 3 the *retail client* does not select a *pathway investment* the *firm* should:

...

- (3) provide a clear and prominent statement about the availability of advice and *pensions guidance*, including that information about the types of support that may be available can be accessed on the MoneyHelper website at www.moneyhelper.org.uk/types-of-support-and-guidance; and

...

...

Information, including cash warnings, for clients who have not decided to invest at least 50% of their drawdown fund in pathway investments

...

- 19.10.30 R Before carrying out the *retail client's* request referred to in COBS 19.10.8R, the *firm* must:

...

- (4) provide a clear and prominent statement about the availability of advice and *pensions guidance*, including that information about the types of support that may be available can be accessed on the MoneyHelper website at www.moneyhelper.org.uk/types-of-support-and-guidance.

...

Cash warnings

...

- 19.10.39 G The *firm* should also:

...

- (4) remind the *retail client* (in line with the requirements in COBS 19.4) that the *retail client* can:

...

- (c) review information on the *MoneyHelper* website, available on <https://www.moneyhelper.org.uk> and, in particular, review information about the types of support that may be available at www.moneyhelper.org.uk/types-of-support-and-guidance.

...

Warning on expiry of a fixed-term product

...

19.10.44 G The *firm* should also:

...

(2) remind the *retail client* (in line with the requirements in *COBS* 19.4) that they can:

...

(c) review information on the *MoneyHelper* website available on <https://www.moneyhelper.org.uk> and, in particular, review information about the types of support that may be available at www.moneyhelper.org.uk/types-of-support-and-guidance.

...

Annex H

Amendments to the Insurance: Conduct of Business sourcebook (ICOBS)

In this Annex, underlining indicates new text.

1 Application

...

1 Annex Application (see ICOBS 1.1.2R)

1

...

Part 2: What?			
Modifications to the general application rule according to type of firm			
...			
3	Pure protection contracts: election to apply COBS rules		
3.1	R	...	
3.2	<u>G</u>	(1)	<u>The effect of COBS 9B.2.5R is that a firm is required to comply with the rules in COBS which would apply to it if it were advising on investments where that firm:</u>
		(a)	<u>has made the election to comply with COBS in ICOBS 1 Annex 1 Part 2 3.1R(1); and</u>
		(b)	<u>provides targeted support in relation to a pure protection contract.</u>
		(2)	<u>This is because non-investment insurance contracts are beyond the scope of the rules which apply to providing targeted support services (see COBS 9B.2.1R).</u>
...			
5	...		
...			
6	<u>Providing targeted support</u>		
6.1	<u>R</u>	<u>A firm providing targeted support in relation to a non-investment insurance contract must comply with the rules which would apply to it if it were advising on a non-investment insurance contract.</u>	

6.2	<u>G</u>	(1)	<u>The provision of <i>targeted support services</i> is subject to specific requirements in <i>COBS 9B</i>. <i>Non-investment insurance contracts</i> are beyond the scope of those <i>rules</i>.</u>
		(2)	<u>A <i>firm</i> that <i>provides targeted support</i> in relation to a type of <i>specified investment</i> which is beyond the scope of application of the <i>rules</i> in <i>COBS 9B</i> is subject to the <i>rules</i> which would apply to that <i>firm</i> if it were <i>advising on investments</i>.</u>

...

4 Information about the firm, its services and remuneration

4.1 General requirements for insurance intermediaries and insurers

...

Scope of service: insurance intermediaries

...

4.1.7 R ...

4.1.7A G *Firms* are reminded that the *rules* on providing *targeted support services* (*COBS 9B*) do not apply in relation to *non-investment insurance contracts*.

...

Annex I

Amendments to the Funeral Plan: Conduct of Business sourcebook (FPCOB)

In this Annex, underlining indicates new text.

1 Application and purpose

...

1 Annex Application (see FPCOB 1.2.11G)

1

Application to different types of firm			
...			
2		...	
3		<u>Providing targeted support</u>	
<u>3.1</u>	<u>R</u>	<u>A firm providing targeted support in relation to a funeral plan contract must comply with the rules which would apply to it if it were advising on a funeral plan contract.</u>	
<u>3.2</u>	<u>G</u>	(1)	<u>The provision of targeted support services is subject to specific requirements in COBS 9B. Funeral plan contracts are beyond the scope of those rules.</u>
		(2)	<u>A firm that provides targeted support in relation to a type of specified investment which is beyond the scope of application of the rules in COBS 9B is subject to the rules which would apply to that firm if it were advising on investments.</u>

Annex J

Amendments to the Pensions Dashboards: Conduct of Business sourcebook (PDCOB)

In this Annex, underlining indicates new text.

12 Post-view services

...

12.3 Permitted post-view services

12.3.1 R A *firm* must only offer or provide *post-view services* that:

...

- (4) do not include *investment advice*, *targeted support services* or *advising on pension transfers and pension opt-outs*.

...

12.5 Disclosures to be provided to customers in relation to post-view services

...

12.5.2 G In order to ensure that the nature of the *post-view service* is not misleading and is capable of being understood by *customers*, a *firm* should consider including information which:

...

- (2) ensures that *customers* do not perceive *post-view services* as giving them *personal recommendations* or *ready-made suggestions*; and

...

Annex K

Amendments to the Product Intervention and Product Governance sourcebook (PROD)

Insert the following new section, PROD 1.8, after PROD 1.7 (Application of PROD 7). All the text is new and is not underlined.

1.8 Application of PROD 8

- 1.8.1 R *PROD 8 applies to a firm that manufactures a product that is subject to the rules in:*
- (1) (in relation to insurance products) *PROD 4 (Product governance: IDD and pathway investments);*
 - (2) (in relation to *financial instruments*) *PROD 3 (Product governance: MiFID); and*
 - (3) (for any other product) *PRIN 2A.3 (Consumer Duty: retail customer outcome – products and services).*
- 1.8.2 G *PROD 8 supplements product manufacturer rules elsewhere in the FCA Handbook setting additional expectations where the product is available for distribution to recipients of targeted support services.*

Insert the following new chapter, PROD 8, after PROD 7 (Product governance: funeral plans). All the text is new and is not underlined.

8 Product governance: additional provisions for products available for targeted support recipients

8.1 Manufacture of products

- 8.1.1 G Where a *firm manufactures* a product that:
- (1) it will use as part of its own *ready-made suggestion*; or
 - (2) will be available for other *firms* that provide *targeted support services* to recommend as part of a *ready-made suggestion*,
- it should ensure its arrangements under *PRIN 2A, PROD 3 or PROD 4* appropriately take account of that purpose, including in relation to the product approval process, target market requirements, product testing, distribution arrangements and the monitoring and review of the product.
- 8.1.2 G The arrangements that a product *manufacturer* has in place to provide, or make available, information to *distributors* should, where the product is part of a *ready-made suggestion* of that *distributor*, ensure the information includes at least adequate detail of:

- (1) any significant adaptation to the product; and
 - (2) any mitigating action taken by the *manufacturer* in relation to the product and the circumstances that led to the action being taken.
- 8.1.3 G Where a *manufacturer* is contacted by a *distributor* that is a *targeted support service* provider, the *manufacturer* should:
- (1) respond promptly; and
 - (2) provide appropriate support and information given the nature of any query.

Annex L

Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

16 Reporting requirements

16.1 Application

...

16.1.3 R

(1) Section(s)	(2) Categories of firm to which section applies		(3) Applicable rules and guidance
...			
<i>SUP</i> 16.4 and <i>SUP</i> 16.5	All categories of <i>firm</i> except:		Entire sections
...	...		
	(ia)	...	
	(ib)	<u>a firm with permission to carry on only providing targeted support;</u>	
...	...		
	(k)	a firm falling within a combination of (i), (ia), <u>(ib)</u> , (j), (ja), (jb) and (jc);	
...	...		
...			

...

16.8 Persistency reports from insurers and data reports on stakeholder pensions

...

Records

...

16.8.24 G In order to comply with *SUP* 16.8.23R, a *firm* will as a minimum need to make and retain separate records for:

(1) subject to (6), *life policies* and stakeholder pensions originally promoted:

...

...

(5) the categories of *life policies* and stakeholder pensions referred to in *SUP* 16 Annex 6R; and

(6) *life policies* and stakeholder pensions effected through the provision of a *targeted support service* (however originally promoted), for inclusion in the relevant form only under ‘Other’.

...

16.12 Integrated Regulatory Reporting

...

Reporting requirement

...

16.12.4 R Table of applicable *rules* containing *data items*, frequency and submission periods

(1)		(2)	(3)	(4)
RAG number	Regulated Activities	Provisions containing:		
		applicable data items	reporting frequency/ period	due date
...				
RAG 8	<ul style="list-style-type: none"> • making arrangements with a view to transactions in investments • operating a multilateral trading facility

	<ul style="list-style-type: none"> • operating an organised trading facility • <u>providing targeted support</u> 			
...				

...

16.23 Annual Financial Crime Report

Application

...

16.23.2 R Table: Firms to which SUP 16.23.1R applies (subject to the exclusions in SUP 16.23.1R).

...	
a <i>firm</i> that has permission to carry on one or more of the following activities:	
	<i>advising on investments</i> <u>or providing targeted support</u> , provided that during the relevant financial year the <i>firm</i> :
(i)	held <i>client money</i> under <i>CASS 5</i> (Client money: insurance distribution activity) and/or <i>CASS 7</i> (Client money rules); and/or
(ii)	held <i>safe custody assets</i> under <i>CASS 6</i> (Custody rules);
...	
a <i>firm</i> that has reported total revenue of £5 million or more as at its last <i>accounting reference date</i> and has permission to carry on one or more of the following activities:	
	<i>advising on investments</i> ;
	<u><i>providing targeted support</i></u> ;
	<i>arranging (bringing about deals) in investments</i> ;
...	

...

16.30 Baseline Financial Resilience Report

Application

16.30.1 R This section applies to any *firm* except:

...

(4) a *PRA-authorised person*; ~~and~~

(5) a *supervised run-off firm*; ~~and~~

...

(7) a *firm* with *permission* to carry on only *providing targeted support*.

...

16 Annex 18B Notes for Completion of the Retail Mediation Activities Return ('RMAR')

16 Annex 18B G **Introduction: General notes on the RMAR**

...

Defined terms

...

4. ...

4A. Insofar as the *RMAR* refers to 'advice' and 'advising', this does not include reference to *targeted support services* and references to 'advisers' do not include *persons involved in a targeted support service*.

...

Scope

6. The following *firms* are required to complete the sections of the *RMAR* applicable to the activities they undertake as set out in *SUP* 16.12:

...

(e) other investment *firms* that have *permission* to *advise on P2P agreements* and do not carry on that activity exclusively with or for *professional clients*;

(f) firms that have permission to provide targeted support.

...

NOTES FOR COMPLETION OF THE RMAR

...

Section B: Profit & loss account

...

Guide for completion of individual fields

...	
Other income from regulated activities	<p>You should record here any income that has derived from the relevant <i>regulated activities</i> during the reporting period, which has not been recorded under commissions or fees, adviser charges or consultancy charges. <u>Any income derived from targeted support services</u> should only be recorded here.</p> <p>Such income may include interest on <i>client money</i>, where the <i>firm</i> is permitted to retain this, or payments made by product providers on a basis other than fees or commissions.</p>
...	

...

...

16 Annex 21 Reporting Fields

16 Annex 21 R This annex sets out the mandatory data reporting fields and *data elements* that a data report must include. This is the annex referred to in SUP SUP 16.11.7R.

1 GENERAL REPORTING FIELDS

The following data reporting fields must be completed, where applicable, for all reportable transactions and submitted in a prescribed format.

Data reporting field	Code (where applicable)	Notes
----------------------	-------------------------	-------

...		
<u>Advice at point of sale</u> <u>Advised sale (note:</u> <u>transactions effected</u> <u>through targeted</u> <u>support are not advised</u> <u>sales for reporting</u> <u>purposes)</u>	Y = advised N = non-advised <u>or</u> <u>targeted support</u>	For reporting purposes non-advised includes execution only and direct offer transactions.
...		

...

...

16 Annex 25 Guidance notes for data items in SUP 16 Annex 24R

16 Annex 25 G This annex consists only of one or more forms. Forms are to be found through the following address:

Guidance notes for data items in SUP 16 Annex 24R - [*Editor's note:* insert link]

...

FSA030 – Income Statement

...

Description	Data element	Guidance
...		
Revenue	A firm should complete only the sections relevant to the business it undertakes	
...		
Investment Advisory Fees	8A	Include all fees arising from investment advice (see <i>PERG 2.7.15G</i>), <u>other than targeted support</u> .
...		
Other revenue	12A	You should record here any income that has derived from its business in the financial year, which has not been

		recorded under commissions or fees. <u>Any income derived from providing targeted support should only be recorded here.</u> Such income may include interest on client money, where the firm is permitted to retain this, or payments made by product providers on a basis other than fees or commissions.
...		

...

**16 Annex Forms REP015 and REP016
43A**

16 Annex R [*Editor's note: insert links to forms*]
43A

REP015 - Retirement income flow data

...

Plan holders that entered drawdown during the reporting period but did not fully exhaust their plan

...

	A	B	C	D	E	F
	Less than £10,000	£10,000 - £29,999	£30,000 - £49,999	£50,000 - £99,999	£100,000 - £249,999	£250,000 and above

Number of plans that entered drawdown by use of advice and pot size:

24 Number that were advised (not including targeted support)

25 Number that were not advised (including targeted support) but took up *pensions guidance* (e.g. Pension Wise)

...

Number of pension annuities by use of advice and pot size:

40 Number that were advised (not including targeted support)

41 Number that were not advised (including targeted support) but took up *pensions guidance* (e.g. Pension Wise)

...

Plan holders who accessed their plan for the first time by taking a partial UFPLS payment

...

Number of plans where plan holders accessed their plan for the first time by taking partial UFPLS payments by use of advice and pot size:

59 Number that were advised (not including targeted support)

60 Number that were not advised (including targeted support) but took up *pensions guidance* (e.g. Pension Wise)

Full encashments made by plan holders who accessed their plans for the first time

...

Of which, number of full encashments by use of advice and pot size:

67 Number that were advised (not including targeted support)

68 Number that were not advised (including targeted support) but took up *pensions guidance* (e.g. Pension Wise)

...

REP016 - Retirement income stock and withdrawals flow data

...

Part 2 - Withdrawals flow data

REGULAR WITHDRAWALS - Plan holders that have a regular UFPLS or drawdown payment set up - by age band

Questions 17 - 31 should only be completed by firms that reported 750 plans or more in question 15

A	B	C	D	E
Under 55	55-64	65-74	75-84	85+

...

Number of plans where the plan holder(s) made regular partial withdrawals, by use of advice and age band:

23 Of the number of plans where the plan holder made less than 4% withdrawals in the reporting period, how many were advised sales (not including targeted support)?

--	--	--	--	--

24 Of the number of plans where the plan holder made greater than or equal to 4% withdrawals in the reporting period, how many were advised sales (not including targeted support)?

--	--	--	--	--

REGULAR WITHDRAWALS - Plan holders that have a regular UFPLS or drawdown payment set up - by pot size

A	B	C	D	E	F
Less than £10,000	£10,000 - £29,999	£30,000 - £49,999	£50,000 - £99,999	£100,000 - £249,999	£250,000 and above

...

Number of plans where the plan holder(s) made regular partial withdrawals, by use of advice and pot size:

30 Of the number of plans where the plan holders were making less than 4% withdrawals in the reporting period, how many were advised sales (not including targeted support)?

--	--	--	--	--

31 Of the number of plans where the plan holders were making greater than or equal to 4% withdrawals in the reporting period, how many were advised sales (not including targeted support)?

--	--	--	--	--

...

**16
Annex
43B** **Guidance notes for completion of the Retirement income flow data return ('REP015') and the Retirement income stock and withdrawals flow data return ('REP016')**

16
Annex
43B G This annex consists only of guidance notes for form REP015 and form REP016.

...

NOTES FOR COMPLETION OF THE RETIREMENT INCOME FLOW DATA RETURN ('REP015') AND THE RETIREMENT INCOME STOCK AND WITHDRAWALS FLOW DATA RETURN ('REP016')

Section A Notes for completion of REP015

The following notes do not cover all questions in REP015, but only those questions where we considered *guidance* would assist *firms* in completing the return.

...

Part 2 – Breakdown of activity by plan holders accessing their pension plans during the reporting period

...

Plan holders that entered drawdown during the reporting period but did not fully exhaust their plan (questions 14-29)

...

...	
Q24: Number of plans by use of advice and crystallised pot size: number that were advised	<p>Of the plans reported as entering drawdown in question 14, report how many of the plan holders were advised at the point of entering drawdown.</p> <p><i>COBS 19.7.19</i> requires <i>firms</i> to record whether the <i>retail client</i> has received regulated advice and risk warnings when they contact the <i>firm</i> about accessing their pension. Report the number of plan holders who informed your <i>firm</i> they received advice at this point.</p> <p><u>References to 'advised', 'advice' or 'regulated advice' do not include <i>targeted support services</i>.</u></p>

<p>Q25: Number of plans by use of advice and crystallised pot size: number that were not advised but took up <i>pensions guidance</i> (e.g. Pension Wise)</p>	<p>Of the plans reported as entering drawdown in question 14, report how many of the plan holders who were not advised at the point of entering drawdown stated that they used Pension Wise.</p> <p>COBS 19.7.8R and COBS 19.7.19R require <u>requires firms to ask record</u> whether the <i>retail client</i> has received <i>pensions guidance</i> when they contact the <i>firm</i> about accessing their pension, and for firms to keep a record of the response. <i>Firms</i> should report plan holders who informed the <i>firm</i> they received guidance (but not advice) at this point.</p> <p><u>References to ‘advised’ or ‘advice’ do not include targeted support services.</u></p>
<p>...</p>	

Pension annuities purchased during the reporting period (questions 30 to 53)

...

<p>...</p>	
<p>Q40: Number of pension annuities by use of advice and pot size: number that were advised</p>	<p>Of the annuity purchases reported in question 30, report how many plan holders were advised at the point of purchasing the annuity.</p> <p><i>COBS 19.7.19</i> requires <i>firms</i> to record whether the <i>retail client</i> has received regulated advice and risk warnings when they contact the <i>firm</i> about accessing their pension. <i>Firms</i> should report plan holders who informed your <i>firm</i> they received advice at this point.</p> <p><u>References to ‘advised’, ‘advice’ or ‘regulated advice’ do not include targeted support services.</u></p>
<p>Q41: Number of pension annuities by use of advice and pot size: number that were not advised but took</p>	<p>Of the annuity purchases reported in question 30, report how many of the plan holders who did not receive advice stated that they used Pension Wise.</p>

<p>up <i>pensions guidance</i> (e.g. Pension Wise)</p>	<p>COBS 19.7.8R and COBS 19.7.19R require <u>requires firms to ask record</u> whether the <i>retail client</i> has received pensions guidance <i>pensions guidance</i> when they contact the <i>firm</i> about accessing their pension, and for firms to keep a record of the response. <i>Firms</i> should report plan holders who informed the <i>firm</i> they received guidance (but not advice) at this point.</p> <p><u>References to ‘advised’ or ‘advice’ do not include <i>targeted support services</i>.</u></p>
<p>...</p>	

Plan holders who accessed their plan for the first time by taking a partial UFPLS payment (questions 54 to 60)

...

<p>...</p>	
<p>Q59: Number of plans by use of advice and uncrystallised pot size: number that were advised</p>	<p>Of the plans reported in question 54, report how many plan holders were advised at the point of accessing their benefits.</p> <p><i>COBS 19.7.19</i> requires <i>firms</i> to record whether the <i>retail client</i> has received regulated advice and risk warnings when they contact the <i>firm</i> about accessing their pension. <i>Firms</i> should report plan holders who informed the <i>firm</i> they received advice at this point.</p> <p><u>References to ‘advised’, ‘advice’ or ‘regulated advice’ do not include <i>targeted support services</i>.</u></p>
<p>Q60: Number of plans by use of advice and uncrystallised pot size: number that were not advised but took up <i>pensions guidance</i> (e.g. Pension Wise)</p>	<p>Of the plans reported in question 54, report how many of the plan holders who did not receive advice stated that they used Pension Wise.</p> <p>COBS 19.7.8R and COBS 19.7.19R require <u>requires firms to ask record</u> whether the <i>retail client</i> has received pensions guidance <i>pensions guidance</i> when they contact the <i>firm</i> about accessing their pension, and for firms to keep a record of the response. <i>Firms</i> should report plan</p>

	<p>holders who informed the <i>firm</i> they received guidance (but not advice) at this point.</p> <p><u>References to ‘advised’ or ‘advice’ do not include <i>targeted support services</i>.</u></p>
--	---

Full encashments made by plan holders who accessed their plans for the first time (questions 61 to 68)

...

...	
<p>Q67: Number of full encashments by use of advice and pot size: number that were advised</p>	<p>Of the full encashments reported in question 61, report how many were made by plan holders who were advised at the point of accessing their benefits.</p> <p><i>COBS 19.7.19</i> requires <i>firms</i> to record whether the <i>retail client</i> has received regulated advice and risk warnings when they contact the <i>firm</i> about accessing their pension and receive the risk warnings. <i>Firms</i> should report plan holders who informed the <i>firm</i> they received advice at this point.</p> <p><u>References to ‘advised’, ‘advice’ or ‘regulated advice’ do not include <i>targeted support services</i>.</u></p>
<p>Q68: Number of full encashments by use of advice and pot size: number that were not advised but took up <i>pensions guidance</i> (e.g. Pension Wise)</p>	<p>Of the full encashments reported in question 61, report how many of the plan holders who did not receive advice stated that they used Pension Wise.</p> <p><i>COBS 19.7.8R</i> and <i>COBS 19.7.19R</i> require <u><i>firms</i> to ask record</u> whether the <i>retail client</i> has received <i>pensions guidance</i> <i>pensions guidance</i> when they contact the <i>firm</i> about accessing their pension, and for <i>firms</i> to keep a record of the response. <i>Firms</i> should report plan holders who informed the <i>firm</i> they received guidance (but not advice) at this point.</p> <p><u>References to ‘advised’ or ‘advice’ do not include <i>targeted support services</i>.</u></p>

Section B Notes for completion of REP016

The following notes do not cover all questions in REP016, but only those questions where we considered *guidance* would assist *firms* in completing the return.

...

Part 2 - Withdrawals flow data (questions 17 to 34)

...

To answer questions 17 to 31, *firms* should calculate annual withdrawal rates for all the plans with regular withdrawals set up and which were reported in question 15.

In questions 23, 24, 30 and 31, references to ‘advised sales’ do not include *targeted support services*.

Firms should not calculate withdrawal rates for each withdrawal; it is a rate of withdrawal for each plan holder over the year that should be calculated.

...

Annex M

Amendments to the Dispute Resolution: Complaints sourcebook (DISP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Part 1: Comes into force on 6 April 2026

1 Treating complainants fairly

...

1 Annex Complaints return form

1

1 Annex R Complaints return form

1

This annex consists only of one or more forms. Forms are to be found through the following address:

[*Editor's note:* insert link to form]

For firms receiving more than 500 complaints in the reporting period

Table 4

Complaints opened when greater than or equal to 500 opened complaints

		A	B	C	E	F	G	I	J	K	M	N	O
		Total	Advising, selling and arranging and targeted support		Information, sums/charges or product performance			General admin/customer service			Arrears Related	Other	Claims
Product/service grouping	Product/service	Total	Unsuitable advice	Unclear guidance/arrangement	Disputes over sums/charges	Product performance/features	Product disclosure information	Errors/not following instructions	Delays/timescales	Other general admin/customer service	Arrears related	Other	Number of complaints in columns B to N which are claims related
...													
78	...												
...	Decumulation & pensions												
89	...												
...	Investments												

Part 2: Comes into force on 31 December 2026, immediately after the Complaints Reporting Instrument 2025 (FCA 2025/53) comes into force.

[*Editor's note:* DISP 1 Annex 1 is deleted and replaced in its entirety on 31 December 2026 by FCA 2025/53. The changes set out in this Part apply the changes set out in Part 1 above to the version of DISP 1 Annex 1 that comes into force on 31 December 2026.]

1 Annex 1 Complaints return form

...

General return information as referred to at DISP 1.10.1FR

1 Annex 1.2 R 'Focus of the complaint' means any of the following, broken by sectoral unit:

...

(4) retirement savings and decumulation:

(a) provision of targeted support and/or unsuitable advice;

...

(5) investments:

(a) provision of targeted support and/or unsuitable advice;

...

...

Part 3: Comes into force on 6 April 2026

2 Jurisdiction of the Financial Ombudsman Service

...

2.5 To which activities does the Voluntary Jurisdiction apply?

2.5.1 R The *Ombudsman* can consider a *complaint* under the *Voluntary Jurisdiction* if:

...

(2) it relates to an act or omission by a *VJ participant* in carrying on one or more of the following activities:

(a) an activity (other than *auction regulation bidding*, *administering a benchmark*, *meeting of repayment claims*, *managing dormant asset funds* (including the

investment of such funds), regulated pensions dashboard activity and, operating an electronic system for public offers of relevant securities and providing targeted support) carried on after 28 April 1998 which:

...

...

- (c) *activities, other than regulated claims management activities, activities ancillary to regulated claims management activities, meeting of repayment claims, managing dormant asset funds (including the investment of such funds), regulated pensions dashboard activity and, operating an electronic system for public offers of relevant securities and providing targeted support, which (at ~~19 January 2026~~ 6 April 2026) would be covered by the Compulsory Jurisdiction, if they were carried on from an establishment in the United Kingdom (these activities are listed in DISP 2 Annex 1G);*

...

or any ancillary activities, including advice, carried on by the VJ participant in connection with them.

...

2 Annex 1 **Regulated Activities for the Voluntary Jurisdiction at ~~19 January 2026~~ 6 April 2026**

This table belongs to *DISP 2.5.1R*

- G The activities which were covered by the *Compulsory Jurisdiction* (at ~~19 January 2026~~ 6 April 2026) were:

...

The activities which (at ~~19 January 2026~~ 6 April 2026) were *regulated activities* were, in accordance with section 22 of the *Act* (Regulated Activities), any of the following activities specified in Part II and Parts 3A and 3B of the *Regulated Activities Order* (with the addition of *auction regulation bidding, administering a benchmark and dealing with unwanted asset money*):

...

(29B) ...

(29C) *providing targeted support* (article 55A);

...

...

Annex N

Amendments to the Collective Investment Schemes sourcebook (COLL)

In this Annex, underlining indicates new text and striking through indicates deleted text.

6 Operating duties and responsibilities

...

6.6B UCITS depositaries

...

Depositaries appointed under COLL 6.6A.8R(3) (non-bank depositaries): Capital requirements

...

6.6B.8 R [deleted]

[*Editor's note*: this requirement has been moved to ~~MIFIDPRU 4.4.6R~~.
MIFIDPRU 4.4.1R.]

...

6.9 Independence, names and UCITS business restrictions

...

Restrictions of business for UCITS management companies

6.9.9 R A *UCITS management company* must not engage in any activities other than:

...

(5) investment advice concerning *financial instruments* where the *firm* has *permission* for the activity in (4); and

...

Connected activities: guidance

6.9.10 G ...

(2) ...

(3) The reference to 'investment advice' in COLL 6.9.9R(5) includes providing targeted support.

...

Annex O

Amendments to the Credit Unions sourcebook (CREDS)

In this Annex, underlining indicates new text.

3A Shares, deposits and borrowing

...

3A.5 Requirements on the retail distribution and financial promotion of capital instruments

Application

...

3A.5.2 G ...

3A.5.2A G References in this section to a *relevant credit union client* receiving ‘advice that constitutes a *regulated activity*’ do not include such a client receiving a *targeted support service*. A *firm* is not permitted to *provide targeted support* in relation to *deferred shares* or *credit union subordinated debt* (COBS 9B.4.42R).

...

Annex P

Amendments to the Investment Funds sourcebook (FUND)

In this Annex, underlining indicates new text and striking through indicates deleted text.

1 Introduction

...

1.4 AIFM business restrictions

...

External AIFMs

1.4.3 R An *external AIFM* that is a *full-scope UK AIFM* must not engage in any activities other than:

...

(4) investment advice;

...

...

1.4.5 G (1) Where a *full-scope UK AIFM* carries on the activities in *FUND* 1.4.3R(3) and (4) in relation to assets which are not *financial instruments* and it is not carrying on the activities of *managing investments* or *advising on investments*, the *FCA* will deem the *firm* as having been authorised to carry on such activities by virtue of its authorisation as an *AIFM*. However, for such an *AIFM* to be able to carry on the activity in *FUND* 1.4.3R(4) in relation to assets which are *financial instruments* or the activities in *FUND* 1.4.3R(5) and (6) it must have a *Part 4A permission to manage investments*.

(2) The reference to ‘investment advice’ in *FUND* 1.4.3R(4) includes *providing targeted support*.

...

3 Requirements for alternative investment fund managers

...

3.11 Depositaries

...

Additional requirements for depositaries of authorised AIFs

3.11.16 R [deleted]

[*Editor's note:* this requirement has been moved to ~~MIFIDPRU 4.4.6R~~
MIFIDPRU 4.4.1R.]

...

Annex Q

Amendments to the Perimeter Guidance manual (PERG)

In this Annex, underlining indicates new text.

1 Introduction to the Perimeter Guidance manual

...

1.2 Introduction

[Note: PERG has not yet been updated to take account of the introduction of the new regulated activity of providing targeted support. The FCA is considering what changes to PERG are needed in light of the introduction of this new activity.]

1.2.1 G ...

...

2 Authorisation and regulated activities

2.1 Application and purpose

[Note: PERG has not yet been updated to take account of the introduction of the new regulated activity of providing targeted support. The FCA is considering what changes to PERG are needed in light of the introduction of this new activity.]

Application

2.1.1 G ...

...

8 Financial promotion and related activities

...

8.24 Advising on investments

[Note: PERG has not yet been updated to take account of the introduction of the new regulated activity of providing targeted support. The FCA is considering what changes to PERG are needed in light of the introduction of this new activity.]

8.24.-1 G ...

...