



Strategi  
Compliance

SHINING A LIGHT ON  
*Advertising financial  
advice and products*

ADVICE YOU CAN  
PROFIT FROM

## CONTENTS

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- Your obligations/the rules
- Implication of getting things wrong
- Key principles
- What not to do
- Tips

# YOUR OBLIGATIONS

## *What are the relevant rules*

- Fair Dealing Rules- FMC Act 2013
- Fair Trading Act 1986
- A guide to the FMA's view of conduct
- Guidance Note: Advertising offers of financial products under the FMC Act
- Code of Professional Conduct for Financial Advice Services
- Financial Markets Conduct Regulations 2014 (Disclosure)



# WHAT IS ADVERTISING

*It's more than brochures and websites*

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- Radio/TV adverts
- Youtube videos
- Social media
- Website
- Ezines
- Seminars/forums/blogs
- Brochures
- Billboards, posters
- Email footers
- Mobile phone messages

# NON-COMPLIANCE

*Do I need to care*

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- Civil liabilities: \$1M individual, \$5m for FAP
- Stop orders/Directions
- Warnings, censures
- FMA visits
- Reputational damage





## KEY PRINCIPLES

### *Ignore at your peril*

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- It's the overall impression that counts
- Must not be misleading, deceptive or confusing
- Avoid omissions
- Substantiate your claims

# EXAMPLES OF WHAT NOT TO DO

*These can cause you trouble*

- “We embrace the highest professional industry standards”
- “We are the financial advisers to the All Blacks”
- “We get our clients the best deals in the market”
- “ We save our clients over \$200,000 on their mortgage”
- “Each of our highly experienced and qualified advisers can solve all your needs- from KiwiSaver (limited advice), personal and general insurances, and mortgages”
- “Our services are free of charge”
- “Our clients average over 10% pa on their investments”
- “We are specialists in solving all your financial problems”
- “We get you the best interest rates in the market”

## TIPS

*Things to do*

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- Meet disclosure regulations
- Be truthful and accurate
- Balance
- Clear, concise and effective
- Take care with phrasing and jargon
- Must be able to substantiate all comments
- Avoid words like best, better, guaranteed, independent



# TIPS

## *Things to do*

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- Take care when describing performance
- Avoid things that can quickly date (eg interest rates, prices)
- Prominently display warnings and disclaimers
- Avoid saying endorsed or approved by FMA
- Don't falsify endorsements, ratings, testimonials (eg Du Val)
- Correctly use KiwiSaver
- Gain permission to use product provider logos



# Summary

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- Know the rules
- Get compliance or legal signoff
- First impressions count
- Don't let content get out of date
- Have an annual website and marketing review included in your annual assurance review



# Questions





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