

## **PACKAGED BANK ACCOUNTS (AMENDMENT) INSTRUMENT 2012**

### **Powers exercised**

- A. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 138 (General rule-making power); and
  - (2) section 156 (General supplementary powers).
- B. The rule-making powers listed above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

### **Commencement**

- C. This instrument comes into force as follows:
- (1) the amendments in Part 1 of the Annex come into force on 1 January 2013;  
and
  - (2) the amendments in Part 2 of the Annex come into force on 31 March 2013.

### **Amendments to the Handbook**

- D. The Insurance: Conduct of Business sourcebook (ICOBS) is amended in accordance with the Annex to this instrument.

### **Citation**

- E. This instrument may be cited as the Packaged Bank Accounts (Amendment) Instrument 2012.

By order of the Board  
13 December 2012

## Annex

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

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

#### Part 1: Comes into force on 1 January 2013

##### 6 Product information

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Price disclosure: connected goods or services

- 6.1.13 R (1) If a *policy* is bought by a *consumer* in connection with other goods or services a *firm* must, before conclusion of the contract, disclose its *premium* separately from any other prices and whether buying the *policy* is compulsory.
- (2) In the case of a *distance contract*, disclosure of whether buying the *policy* is compulsory may be made in accordance with the timing requirements under the distance communication *rules* (see *ICOBS* 3.1.8R, *ICOBS* 3.1.14R and *ICOBS* 3.1.15R).
- (3) This rule does not apply to policies bought in connection with other goods or services provided as part of a packaged bank account.

#### Part 2: Comes into force on 31 March 2013

##### 5 Identifying client needs and advising

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Eligibility to claim benefits: policies arranged as part of a packaged bank account

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- 5.1.3C R (1) Throughout the term of a *policy* included in a *packaged bank account*, a *firm* must provide the *customer* with an eligibility statement, in writing, on an annual basis. This statement must set out any qualifying requirements to claim each of the benefits under the *policy* and recommend that the *customer* reviews his circumstances and whether he meets these requirements.
- (2) Where a *customer* has reached an age limit on claiming benefits under a travel insurance *policy* included in a *packaged bank account* (or will reach an age limit before the next annual statement is due), a *firm* must state this clearly and prominently in the statement and on an annual basis thereafter.

- (3) The statement (provided under *ICOBS 5.1.3CR(1)*) must not:
- (a) include any information other than that required under this *rule*; or
  - (b) form part of another *document* provided to the *customer* by the *firm*; or
  - (c) be included in the same mailing as any other *document* provided to the *customer* by the *firm*.