

6th November 2014

Richard Lawes
Financial Promotions Team
The Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS

Dear Richard,

Response to Consultation GC 14/06 Social Media & customer communications

I have pleasure in forwarding our response to the Consultation Paper as promised. This output has been collated from the TISA membership. I would like to thank you for allowing TISA to respond on behalf of our members and the industry to this important Consultation. TISA's dedicated project group from across the industry would be keen to work with the regulator to help produce an industry best practice guide to assist firms, helping them embed and develop the key principles of this paper.

About TISA

TISA is a not-for-profit membership association operating within the financial services industry.

TISA's membership comprises over 145 member firms involved in the supply and distribution of savings and investment products and services. These members represent many different sectors of the financial services industry, including banks, stockbrokers, asset managers, insurance companies, fund managers, distributors, building societies, investment managers, third party administrators, consultants and advisers, software providers, financial advisers and pension providers.

What makes TISA unique is that its membership covers the entire industry, incorporating cross sector policy, industry and technical expertise. Whilst we maintain a solid partnership with government, the regulators and wider industry, we remain independent and develop neutral views and opinions. This impartiality is reflected in our ability to drive development

Page 1 of 3



projects, which improves industry performance and puts us in the unique position of being able to constantly challenge the status quo to bring about material improvement. At the forefront in all of our recommendations and actions is to consider national and consumer outcomes.

Summary of response

TISA welcomes the opportunity to develop the distribution concept using social media. We believe the instinct to trust people with their own money is a good one and are enthusiastic about working with all interested parties to ensure that the reforms work for customers, the industry and the wider national interest.

It is also clear to us that in terms of consumer behaviour, even amongst the more sophisticated, investors do not behave in a consistent fashion. Consumers will dip in and out of advice. Our information tells us that 34% of risk based investors, which is the majority, delegate the majority of their portfolio to an advice process but not all of it! We are in an era of Omni channel distribution and we feel it is particularly important to utilise social media to help in clear distribution to customers. There are 90,000 funds available within Europe and 90% of UK adults manage some of their affairs online, in some way. Customers need help they can understand to achieve the correct outcomes for them.

If you have any questions on this response, or more generally, please do let me know. TISA has just responded separately on Project Innovate and the Simplified Advice paper which we feel cross over into the area covered by this Consultative Paper. There is also a project group addressing Retirement New Guidance with Maggie Graig's team. We believe that there are "cross over's" and synergy between these 4 papers which will be reliant on social media delivery to become established and practical for the benefit of UK consumers.

Once all responses are forwarded to you, TISA would like to offer a small representative group to meet with your team to help bring clarity of communication and working examples for both our industry and the consumer. It would be helpful to establish a code of 'Industry Best Practice' to help those businesses delivering content via this medium to have a commonly agreed set of principles. TISA would be willing in its Council work to help establish this.

Look forward to catching up with you as agreed very shortly.

Yours sincerely,



Peter Smith
Head of Distribution Engagement