



Key regulatory protections for retail and professional clients

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Regulatory protection	What protections it provides	Retail client	Professional client
Communicating with retail customers	FCA COBS 4.5.2 covers approvals of financial promotions. Broadly this covers additional disclosures that could be applied to all clients, e.g., taxation treatment warnings. It also includes requirements for retail clients, e.g. font size to be same for risk warnings as other information, same language in all forms of communication, record keeping for financial promotions etc. Firms must ensure that information contained in a financial promotions is consistent with any information the firm provides to a retail client in the course of carrying on designated investment business.	<p>abrđn Life is required to comply with retail client specific elements of COBS 4.5.2 for retail clients.</p> <p>In practice abrđn Life applies consistent standards to all policyholders, with language and risk warnings appropriate for a Trustee of a registered pension scheme.</p>	<p>abrđn Life is not required to comply with retail client specific elements of COBS 4.5.2 for professional clients.</p> <p>However, in practice abrđn Life applies consistent standards to all policyholders, with language and risk warnings appropriate for a Trustee of a registered pension scheme.</p>
Consumer Duty	<p>The FCA PRIN rules require that firms should conduct their business to a standard which ensures an appropriate level of protection for retail customers.</p> <p>PRIN requires firms to:</p> <ol style="list-style-type: none"> 1. Act in good faith towards retail customers. 2. Avoid causing foreseeable harm to retail customers. 3. Enable and support retail customers to pursue their financial objectives. 4. Operate and review a process for the approval of products before it is marketed or distributed to retail customers. <p>Ensure that products provide fair value to retail customers in the target markets for those products; and (2) carry out a value assessment of its products and review that assessment on a regular basis appropriate to the nature and duration of the product.</p>	<p>abrđn Life is required to comply with the Consumer Duty for retail clients and where beneficiaries under policies must be treated as retail customers.</p> <p>In practice abrđn Life does not differentiate and complies with the Consumer Duty for all business.</p> <p>All client material is checked for clear, fair and not misleading.</p> <p>A product governance framework applies for all products.</p> <p>Value assessments are carried out for all clients.</p>	<p>abrđn Life is not required to comply with the Consumer Duty for professional clients, although it is required to comply where beneficiaries under policies must be treated as retail customers.</p> <p>However, in practice abrđn Life does not differentiate and complies with the Consumer Duty for all business (see column to the left).</p>

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Financial Ombudsman Service (FOS)	<p>Settles complaints between consumers and businesses that provide financial services. FOS resolve disputes fairly and impartially and have the power to put things right.</p> <p>The Financial Conduct Authority (FCA) DISP 2.7 rules set out who are eligible complainants under FOS.</p> <ol style="list-style-type: none"> 1. Trustees of a trust which has a Net Asset Value of less than £5 million at the time of complaint fall within definition of eligible complainant. 2. Trustees of a pension scheme trust unlike other professional clients are not excluded from coverage. <p>The definition of consumer covers the beneficiaries of a trust.</p>	Retail clients are eligible. Eligibility for FOS does not depend on client categorisation.	Professional clients are eligible. Eligibility for FOS does not depend on client categorisation.
Financial Services Compensation Scheme (FSCS)	Protects policyholders from losing some or all of their cash if authorised financial services firms become insolvent. Long term insurance is fully covered with no limit on claim.	Retail clients are eligible. Eligibility for FSCS protection does not depend on client categorisation.	Professional clients are eligible. Eligibility for FSCS protection does not depend on client categorisation.
Training and competence	Some FCA Training & Competence (TC) rules apply to firms carrying out designated investment business and require qualification requirements. This includes overseeing on a day-to-day basis administrative functions in relation to effecting or carrying out contracts of insurance which are life policies.	abrln operates a group wide framework for knowledge and competence. This covers insurance business.	abrln operates a group wide framework for knowledge and competence. This covers insurance business.

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