

Proposals to strengthen protections around promotion of financial products and cryptoassets published

News story

Consumers of financial products and cryptoassets are set to get better protections against misleading and inadequate promotions in proposals published today by City Minister John Glen.



Misleading advertising or a lack of suitable information can expose potential investors to a level of risk they are not prepared for. To help combat this, two consultations have been published today which propose both increasing the oversight of financial promotions issued by unauthorised firms, and bringing the promotion of certain types of cryptoassets under Financial Conduct Authority (FCA) regulation for the first time.

The Economic Secretary to the Treasury & City Minister, John Glen said:

It's important that people can understand the financial products they see promoted. If adverts by unauthorised firms are misleading, or don't fully outline the risks, then people can end up losing money. That's why we want to put more protections in place around such financial promotions, including the promotion of cryptoassets, while continuing to ensure people have access to a wide range of products on the market.

Currently, if an unauthorised firm wants to promote a particular financial product, they need to get that promotion approved by any authorised firm. But with the variety and vast quantity of products being offered on the market today, the government believes that this no longer provides a strong enough safeguard. Today's proposals would mean that authorised firms will now have to obtain specific FCA consent to approve the financial promotions of unauthorised firms. This would mean the FCA can have better oversight of

those firms which would help ensure such promotions are clear, fair, and not misleading.

The promotion of cryptoassets is currently unregulated, but their proliferation, and the fact they are often targeted towards retail investors, underscores the importance of promotions being candid about the risks involved. To ensure this, the government proposes to expand the perimeter of the financial promotions regime to include certain types of cryptoasset. This would mean that their promotion would be held to the same high standards for fairness, clarity and accuracy that apply to traditional financial services promotions. Both consultations will run from 20 July until 25 October.

Further information

The consultations are available here:

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