

## **UKSPA calls for greater accuracy and balance in consumer finance press**

**With the Daily Mail publishing inaccurate information about structured products once more, is it time that the consumer press were made more accountable for misleading the public?**

8<sup>th</sup> March 2013: The UKSPA has announced its disappointment with a Daily Mail article about structured products ('Savers Lured Into a £9Billion Gamble'), and are calling for the consumer press to be held more accountable for the accuracy of their articles. Consumers often take the opinions of finance journalists and the content of their articles to make investment decisions, and the UKSPA is alarmed by the poor quality of many articles that have been published on structured products.

The UKSPA has identified two instances year-to-date of inaccurate information being published on structured products in the Mail. The first was the reprint of the Which? Money 'Not So Simple Savings' article. At the time, the UKSPA issued an open letter to Which? highlighting the errors in their return calculations. This was distributed to the Mail Online editorial team before they republished the article, but was not taken into consideration for their edit so the same inaccuracies were reprinted to a wider audience of consumers.

The second article that the UKSPA has taken issue with was published on Wednesday 6<sup>th</sup> March, and states that a 'typical' structured product would have returned a meagre £300 on a £40,000 investment over the past five years. However, using maturity data available from a leading online structured products database, the average return of a FTSE-linked structured product maturing in February and March this year was around 18%. Whilst the UKSPA recognises that this does not capture all of the structured products in the UK, the data is so different from the Daily Mail's figures that the association has called for the newspaper to demonstrate how it calculated its data. In fact, even the products used as examples in the Mail's article give higher returns than 0.75%, so consumers can only be confused and misled by these errors. It is also not clear - less still explained - how the "typical" structured product referred to has been identified. It appears to bear no relation to actual data in the market place, so either the intention was to deliberately misinform or the research behind the article was wholly flawed and inadequate.

The UKSPA's member firms have been working alongside the regulator over recent years to make sure their structured products are marketed clearly to consumers, and that consumers are given complete and accurate information to help them make a decision about whether to invest. Comprehensive regulations and guidance exist to govern this very sensitive and critical area, to ensure consumer protection and fair opportunities: surely the consumer press should

be called upon to live up to the same standards? Having already identified two instances of incorrect information in one publication in less than 3 months, how many more times will the consumer press get away with publishing inaccurate data? When a financial firm breaches the literal or ethical standards demanded by regulators, its customers can and should expect swift action from the authorities. It is a menace and a threat to ordinary consumers that other participants in the public domain, presenting themselves as financial experts, are able to ignore any such standards in order to sell their own products.

The UKSPA is building research tools to ensure it can publish accurate and unbiased data on the structured product market. This will be made available to consumers, distributors, researchers and journalists as required, and will support less sensationalist and more balanced, useful articles for the consumer press' readership. Like any investment product, there are risks associated with structured products, which consumers need to be aware of. In the right circumstances these products do have a valid place in investors' portfolios, but that process is undermined and consumers put at increased risk when some elements of the media report such random and inaccurate stories. The UKSPA will continue its mission to provide education and training to all involved in the structured products market, so that consumers receive correct, balanced and meaningful information to support their financial planning.

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For more information, please contact:

Sophie Barnett  
UK Structured Products Association  
07966 796709  
ukspassociation@gmail.com

The UK Structured Products Association (UKSPA) was established by the leading providers of structured solutions to UK retail customers in order to provide a useful and responsive source of information and education on structured products and deposits. For more information, please visit [www.ukstructuredproductsassociation.co.uk](http://www.ukstructuredproductsassociation.co.uk).