

ANASF - Associazione nazionale promotori finanziari

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Question 1: Do you agree with the general description of what constitutes the practice of cross-selling?

As a general comment, we firmly agree with the proposal to apply the guidelines to all sales channels, in particular on-line sales and telephone sale conversations, so as to ensure an effective level playing field among all distribution models.

However, we consider that the proposed description is not complete, as cross-selling is not limited to the practice of selling different products or services in a package. Indeed, cross-selling practices are extremely richer and composite activities, as they refer to the sale of additional products or services to an existing customer: cross-selling typically refers to all the activities of selling related products or services following client acquisition, which may be performed also by different intermediaries and institutions on the basis of specific distribution agreements.

Question 2: Do you agree with the identified potential benefits of cross-selling practices?

Yes, we do. Cross-selling practices may be regarded as a “product multiplier”, where two or more products or services are packaged together to create a new product.

Question 3: Do you agree with the identified potential detriment associated with cross-selling practices?

Yes, we do.

Question 4: Please comment on each of the five examples in paragraph 13, clearly indicating the number of the example to which your comment(s) relate.

As a general comment, all the examples may be regarded as “bad practices” which are clearly not compliant with all the key directives that have been adopted over the last decade.

Question 5: Please comment on the proposed guidelines 1 and 5 as well as the corresponding examples, stating clearly in your response the guideline paragraph number to which your comment relates.

We agree with both the proposed guidelines. Specifically, we believe that the approach outlined in the Discussion Paper on Key Information Documents for PRIIPs (JC/DP/2014/02, published on 17 November 2014) should be generalized and applied not only to PRIIPs. That is to say, a KID should be provided for all bundled or tied packages covered in this Consultation Paper, in order to ensure full disclosure of key information on price, cost, risks and other product features.

Question 6: Please comment on the proposed guidelines 2, 3, 4 and 6 as well as the corresponding examples, stating clearly in your response the guideline paragraph number to which your comment relates.

We believe that guideline 2 is not correct. According to this guideline, information on price and all relevant cost of the package and each of its component is made available “in good time before the customer is bound to the agreement”. Considering that, according to national provisions, customers may be entitled to benefit from “cooling-off periods” and post-sale cancellation rights, we think that guideline 2 should be revised by specifying that relevant information should be provided “in good time before the conclusion of the contract”.

We agree with guideline 3. We consider that Example no. 2 (sales through channels without a sales person directly involved) is particularly useful for the sake of an effective level playing field.

Concerning guidelines 4 and 6, we emphasize the opportunity to provide a KID also for bundled and tied packages, presenting key information on price, cost, risks and other product features. Indeed, we believe that KIDs will benefit both customers and firms (manufacturers and distributors): customers will benefit from greater transparency, while firms will achieve greater standardization of their procedures.

Question 7: Please comment on the proposed guideline 7 as well as the corresponding examples, stating clearly in your response the guideline paragraph number to which your comment relates.

As a general comment, we agree with the proposed guideline. Concerning bundled packages, we believe that greater simplification may be achieved by providing a KID for the whole package, clearly listing all the purchasing

options available to customers. With regard to tied offering, the KID package should clearly specify all the component products.

Finally, we think that both the corresponding examples entail good practices for customer protection.

Question 8: Please comment on the proposed guideline 8 as well as the corresponding examples, stating clearly in your response the guideline paragraph number to which your comment relates.

We agree with the proposed guideline, although we believe that Example no. 2 is not correct: the overall package should be assessed by appropriately weighing the risks of each component product (that is, by considering the correlation among different risks). Accordingly, the suitability of the package should be evaluated considering the risk resulting from this weighing procedure.

Question 9: Please comment on the proposed guidelines 9 and 10 as well as the corresponding examples, stating clearly in your response the guideline paragraph number to which your comment relates.

We agree with both guidelines. We consider that guideline 10 represents a paramount evolution against remuneration policies and practices which encourage unnecessary/unsuitable sales. Specifically, we agree with Example no. 1, as the risk of unnecessary/unsuitable sales to customers is particularly significant in this case.

Question 10: Please comment on the proposed guideline 11 as well as the corresponding examples, stating clearly in your response the guideline paragraph number to which your comment relates.

We believe that “cooling-off periods” and post-sale cancellation rights should apply not only to the single components but to the package as a whole, in order to achieve greater customer protection.

We suggest defining the right of withdrawal from the whole package on the basis of an alignment of time limits considering, in any case, the presence of different components (e.g., directive 2002/65/EC concerning the distance marketing of consumer financial services, directive 2008/48/EC on credit agreements for consumers).

Question 11: Please provide any specific evidence or data that would further inform the analysis of the likely cost and benefit impacts of the guidelines.

As explained in our answers to Questions 5 and 6, the provision of a KID for bundled or tied packages may considerably solve most of the issues relating to the cost impacts of the proposed guidelines. Customers would benefit from greater transparency, while cost increase for firms would be partly avoided thanks to greater standardization of documents and procedures. At the same time, greater standardization would reduce the risks of non-compliance with relevant provisions, thereby preventing the occurrence of consumer complaints.