

UK Structured Products Association comments on Lord Adair Turner's speech at Mansion House

www.ukstructuredproductsassociation.co.uk

Jamie Smith, chairman of the UK Structured Products Association comments:

"The UK Structured Products Association fully supports Lord Turner's priority to ensure that miss-selling of investment products is addressed, and we believe that the association's efforts are very much in keeping with this view.

"The association however believes it is incorrect to classify 'complex' products as intrinsically unsuitable for retail investors. Many so-called 'complex structured products' are actually designed specifically to meet the needs of retail investors.

"Furthermore, it cannot be assumed that complexity of product equates to a higher risk. This is a misconception held throughout the industry and a theme that the association will address in coming months.

"We are concerned that the FSA may be overstating the risks associated with structured products. The Financial Ombudsmen Service (FOS) complaints data highlights the small percentage of structured products complaints derived from structured products sales. In the first quarter of 2011, the FOS received only 34 complaints regarding structured capital at risk products out of a total of 81,301 complaints it handled - less than 0.042% of all complaints."

"The UK Structured Products Association will continue to seek dialogue with the regulator to ensure customer choice and protection are achieved through a balanced and informed debate. It is vital that intermediaries and sales teams are included in this process to encourage education about investment products, portfolio planning and an understanding about the relationship between risk and reward."

The UK Structured Products Association is an organisation established by companies that create and distribute structured products to the UK financial services market in order to provide a useful and responsive source of information, education and comment on structured products by promoting their contribution to effective financial planning.

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Notes to Editors

About the UK Structured Products Association

The UK Structured Products Association (UK SPA) is an organisation established by companies that create and distribute structured products to the UK financial services market in order to provide a useful and responsive source of information, education and comment on structured products by promoting their contribution to effective financial planning.

The Association's formation is a direct response to the members' belief that structured products are sometimes misunderstood and misrepresented and that this lack of understanding can prevent structured products forming an integral part of financial planning for investors.

The UK SPA is committed to publishing research, information and educational material about structured products and so create greater acceptance about their potential.

The UK SPA is not a commercial organisation and education and research are its core activities.

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