21 August 2026

Consumer Investments
Distribution Policy Team
Financial Conduct Authority
12 Endeavour Square
London E20 1JN

Submitted via email to: cp26-24@fca.org.uk

Re: *Simplifying Consumer Investment Disclosures (CP26/24)*

Dear Sir or Madam,

The Investment Company Institute (ICI)[1] appreciates the opportunity to provide feedback on the Financial Conduct Authority's (FCA's) consultation paper on Simplifying Consumer Investment Disclosures (CP26/24).[2] ICI's mission is to strengthen the foundation of the asset management industry for the ultimate benefit of the long-term individual investor. Our members have significant experience and expertise in serving more than 125 million retail investors in jurisdictions around the world, including in the United Kingdom (UK). These investors rely on regulated funds, like UK and EU-domiciled UCITS, to achieve important financial goals, including saving for retirement. By supporting the financial health and wellbeing of individual investors, the asset management industry contributes to economic growth by investing client assets in capital markets, providing a critical source of long-term stable funding for companies and projects.

We strongly support the FCA's objective of fostering a vibrant retail investment culture in which consumers have both the information and the confidence needed to invest. Clear, simple, and consistent cost disclosures that are aligned across the Consumer Composite Investment (CCI) and Markets in Financial Instruments Directive (MiFID) frameworks are essential to helping investors understand and compare investment products and make informed investment decisions. We set out below our responses to certain questions raised in CP26/24.

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[1] The Investment Company Institute (ICI) is the leading association representing the global asset management industry in service of individual investors. ICI members are located in Europe, North America and Asia and manage fund assets of $58.8 trillion, including UCITS, mutual funds, exchange-traded funds (ETFs), closed-end funds, unit investment trusts (UITs) and similar funds in these different jurisdictions. ICI has offices in Brussels, London, and Washington, DC.

[2] CP26/24 is available at https://www.fca.org.uk/publication/consultation/cp26-24.pdf.

Question 1: Do you agree with our proposals on how firms should disclose pre-sale costs of investing? If not, why not, and what presentation would you propose?

We agree with the FCA's proposal to provide consumers, at the point of sale, with information regarding product costs that replicate the costs disclosed in the product summary (i.e., total of the ongoing product costs and the service costs pre-sale). We also agree that any one-off product costs, as well as product transaction costs, should not be included in the ongoing product costs, but rather disclosed as a separate item. The FCA's proposed approach fosters consistency and coherence of pre-sale cost disclosures and improves the clarity and comparability of cost information that will be provided to consumers.

We also support the FCA's decision to carry over its position on transaction cost disclosure adopted for CCIs, and thereby to require the disclosure only of explicit product transaction costs, and not implicit transactions costs, in pre-sale disclosures.

Question 3: Do you agree with our proposals for the presentation of post-sale cost disclosures? If not, why?

The FCA's proposal requires the post-sale disclosure of a total figure, shown in pounds and pence and as a percentage, that for products is comprised of: ongoing product costs and services, one-off costs (including performance fees), and explicit transaction costs. The FCA proposes to exclude the costs of closed-ended investment funds (CEIFs) in the total figure. While we agree that consumers should be informed about the costs that they have incurred and that transparency is paramount, we disagree with the FCA's proposal to include explicit transaction costs in the post-sale total figure. In our view, actually-incurred transaction costs should be disclosed, but should be itemized separately in the same manner as CEIF costs. Like CEIF costs, explicit transaction costs are incurred by the consumer indirectly. Disclosing these costs as part of the total figure is likely to be more confusing to consumers, rather than illuminating.

In PS25/20, the FCA made important and meaningful changes to the disclosure of transaction costs in the adoption of the CCI product summary rules, including by giving firms the flexibility to present explicit transaction costs in the product summary alongside an explanation of the product strategy rather than other costs. This position, in our view, appropriately recognizes that, while transaction costs are real costs that are incurred and have an impact of the return of a product, they are indeed distinct from ongoing charges and service fees and requiring them to be aggregated is misleading.

For these reasons, we urge the FCA to reconsider its position on post-sale cost disclosure, and to exclude transaction costs from the total figure, and instead require that they be disclosed separately.

Question 16: Do you agree with our proposed changes to the CCI transition period?

We do not agree with the FCA's proposal to permit distributors to continue providing consumers with a KID/KIID where a manufacturer has produced a CCI product summary during the transitional period (i.e., 8 June 2027). We further disagree with the proposal that would oblige a CCI manufacturer that has already produced a product summary to continue to update the previously produced KID/KIID upon the occurrence of certain circumstances. Instead, we recommend that the FCA maintain the obligation for the distributor to provide the product summary if it is provided by the CCI manufacturer ahead of 8 June 2027.

Permitting distributors to deliver an older KID/KIID when an updated product summary exists has significant drawbacks for both consumers and manufacturers. Consumers that invest in a CCI whose manufacturer has produced a new, consumer-focused and user-friendly product summary should not be provided a document that is less consumer-friendly and potentially stale. Further, consumers should not be faced with the possibility of receiving different documents for the same CCI (such as if they invest in the same CCI through different platforms), or having access to both the CCI product summary and an older KID/KIID through the manufacturer's public website. This would be confusing and detrimental to consumers.

For manufacturers, the FCA's proposed approach negates the benefits that would be derived from early implementation, and exposes the manufacturer to potential liability vis-à-vis consumers and distributors for not monitoring and updating the previously-produced KID/KIID. Having to maintain oversight over two documents instead of one will introduce unnecessary complexity, costs and additional compliance risk for manufacturers without any benefit.

We recognize that distributors will need to expend resources to be ready to accept product summaries from manufacturers that prepare them ahead of 8 June 2027 and that, for some distributors, this may impact the resources that are dedicated to designing effective consumer journeys. We believe, however, that on balance the drawbacks for consumers and manufacturers from the FCA's proposed approach outweigh the potential benefit to distributors. We therefore urge the FCA to continue to require distributors to provide the relevant disclosure document provided by the CCI manufacturer.

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We appreciate the opportunity to provide feedback on CP26/24. If you have any questions, please contact me at tracey.wingate@ici.org or Eva Mykolenko at emykolenko@ici.org.

Sincerely,

/s/ Tracey Wingate

Tracey Wingate
Chief Global Affairs Officer
Investment Company Institute