

UK Regulatory Requirements for Advertising Klarna.



2024 Jan. 31st

UK regulatory requirements for advertising Klarna

We're reaching out to inform you of important [FCA](#) regulatory requirements in the UK, and upcoming changes in the way we will allow Klarna to be advertised. Failure to comply may result in criminal charges, contract breach, and termination of our agreement. In order to comply, you are required to take the actions listed below. We're here to support you but it is important that you act promptly to avoid any potential legal and contractual consequences.

Here are the actions you are required to take by 1

March 2024:

- Review your financial promotions for Klarna on all areas of your site to:
 - Remove any advertising of Klarna's BNPL payment methods and Klarna FAQs you have created without approval from Klarna.
 - Note: If you are already using and only using [Klarna's On-site messaging](#), and pre-

approved Klarna FAQs you do not need to do anything.

- Consider further support: Klarna can help you by approving any bespoke BNPL advertising you have created to advertise Klarna before you publish it in the UK. Reach out to your Klarna representative or [UK Merchant Support](#).

Here's a quick and easy solution to continue using Financial Promotions for Klarna:

To help support your business Klarna has created pre-approved On-site messaging that you can integrate into your site. Find the integration methods and supported platforms [here](#). You do not need to contact our support.

You can also find Klarna approved messaging in [Klarna's UK Financial Promotions Rules](#).

Why do you need to do this?

In the UK, nearly all financial service activities must be authorized by the FCA. A lender or merchant promoting BNPL agreements (known as 'unregulated' or 'exempt' BNPL agreements) does not need to be authorized by the FCA.

However, the financial promotions of those agreements must still comply with certain regulatory requirements set out by the FCA as well as the Advertising Standards Agency (ASA). This means that advertising BNPL is only legal in the UK if you are authorized by the FCA or if your advert has been approved by someone that is authorized. These regulatory requirements are designed to protect consumers from potential misunderstandings regarding the credit they may be committing to.

What happens if you ignore this rule?

As an unauthorized merchant, communicating Financial Promotions without approval by Klarna (or another authorized firm), you are breaching the FCA's Financial Promotion Restriction and therefore at risk of committing a criminal offense. It is a criminal offense (Section 25, FSMA) for a person in the course of business to communicate a BNPL financial promotion unless:

- i. That person is an FCA-authorized person;
- ii. An FCA-authorized person has approved the content of the communication; or
- iii. A relevant exemption applies.

This offense carries a maximum sentence of two years imprisonment, a fine, or both. You can learn more [here](#).

You will also be in breach of your contract with Klarna and we reserve our contractual right to suspend payments and will consider terminating our agreement with you. Klarna is obliged by the FCA to be performing quality testing on partners to ensure financial promotions are meeting regulatory requirements.

We are here to provide you support in ensuring you can advertise appropriately with our pre-approved assets by 1 March 2024. We appreciate your partnership as we work to continuously improve our services and product offering. If you have any questions, please feel free to contact Merchant Support by clicking [here](#).



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