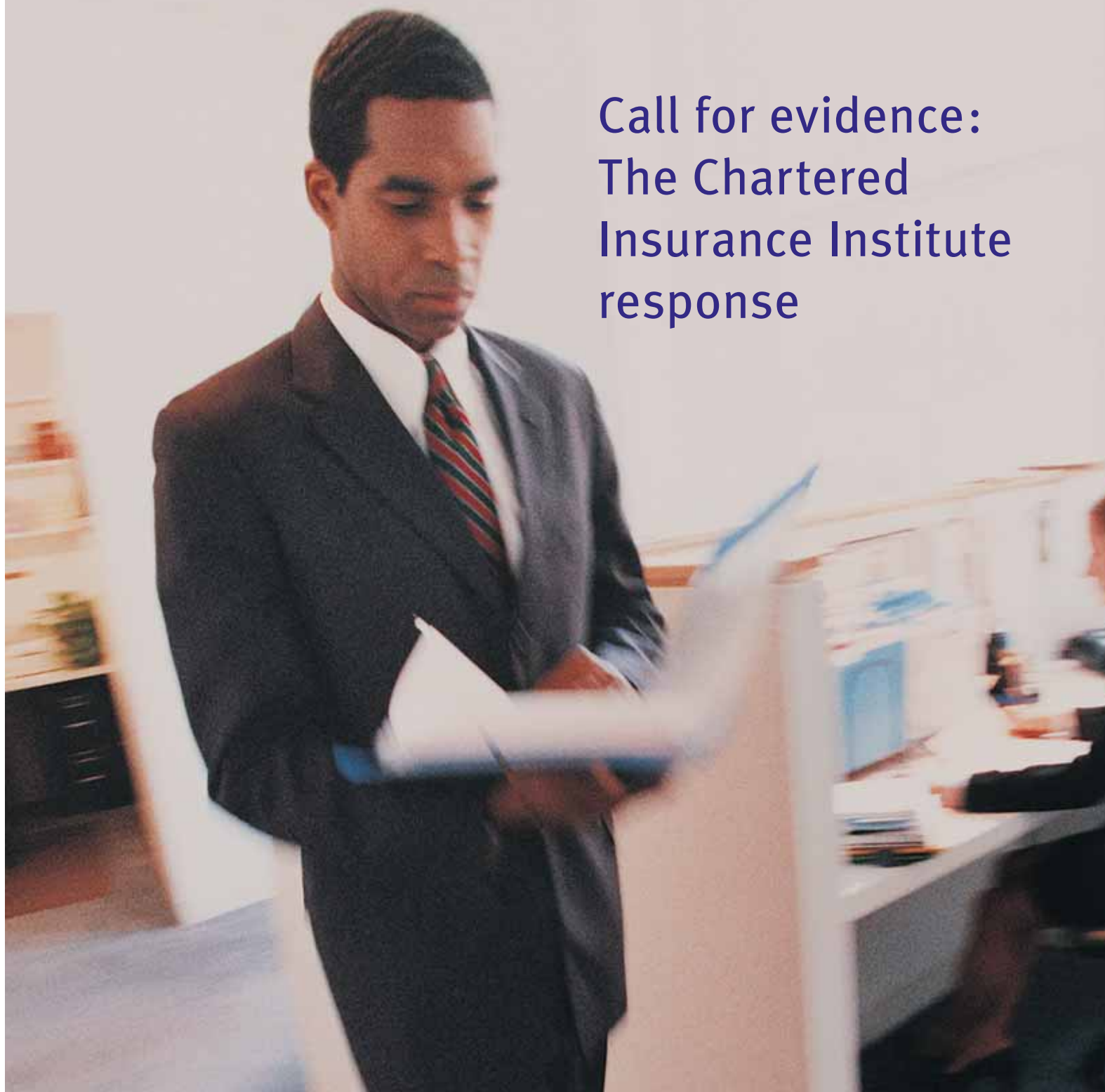


Thoresen review of generic financial advice

Call for evidence:
The Chartered
Insurance Institute
response



2007 |

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**The Chartered Insurance Institute (CII)
Professionalism in practice**



INVESTOR IN PEOPLE

The CII is the premier professional organisation for those working in the insurance and financial services industry. It is dedicated to promoting higher standards of competence and integrity through the provision of relevant qualifications for employees at all levels and across all sectors of the industry.

Success in CII qualifications is universally recognised as a sign of commitment and professionalism.

With 90,000 members, the CII is the world's largest professional body dedicated to the insurance, savings and financial services sector. Its broad portfolio of education and qualification services is continually expanding to meet the changing requirements of companies and individuals across the financial services community.

Further information on the CII and its wide range of products and services can be found at www.cii.co.uk

THE CHARTERED INSURANCE INSTITUTE

42 - 48 High Road, South Woodford, London E18 2JP

tel: +44 (0)20 8989 8464

fax: +44 (0)20 8530 3052

email: customer.serv@cii.co.uk

website: www.cii.co.uk

Introduction

Our philosophy

The Chartered Insurance Institute ('CII') Group, including the Personal Finance Society ('PFS'), is an enthusiastic supporter of the vision of providing unregulated personalised generic financial advice in the UK. We endorse the view that there are significant benefits for society and individuals in promoting financial inclusion, and that the current distribution channels do not achieve this goal.

As the world's largest professional body for insurance and financial services, we believe we have an important contribution to make in helping to translate current aspirations into practical solutions. Already, activity has included:

- Members involvement in a number of pilots alongside the Citizens Advice Bureau to deliver advice to those in society who do not normally have ready access to financial advisers. These pilots have given us confidence that demand exists, and that practical solutions can be designed.
- Working closely with the Financial Services Skills Council ('FSSC') on generic advice standards, across five units.

Opportunities to work in partnership

In our response, we touch on various different ways in which the CII Group could assist the new service. We would be delighted to develop more detailed proposals on any or all of these, particularly where we can help to address the practical questions of 'how?' rather than the theoretical questions of 'whether?'

In particular, we would like to draw attention to the following:

- **Qualification and accreditation frameworks, competency frameworks, behavioural and ethical standards, training.** As an awarding and membership body, we have considerable experience in a wide range of matters related to qualifications, accreditation, competence and training. In any of these areas, where it is felt we could make a valuable contribution, we would be delighted to support the introduction of generic advice.
- **CII/PFS member engagement.** We have undertaken detailed research among our members, and concluded they are aware of the issues and challenges, and are keen to engage.

To this end, we have begun further activity and will be pleased to report to the Thoresen Committee ('the Committee') on our findings as we proceed:

- **Quality and ethics.** We are undertaking detailed modelling of how a qualification and accreditation system might be designed, built and operated. This will include fleshing out the advantages and disadvantages of different options, and highlighting important operational issues. It will be mindful of the need to maximise consistency of messages and information, to reinforce the impartiality of the service, and to ensure it is seen as having a 'mark of quality'.
- **Member focus groups.** These are being run to gain some detailed insights into our members' attitudes and reactions to specific ways they might be invited to participate in service delivery, building upon quantitative research already conducted.
- **Branding and scope.** We are currently gauging views on options from our various Faculties and Societies, both to solicit suggestions and to understand any underlying rationale.

In closing

We are pleased at the momentum given to the debate by the publication by HM Treasury on 15 January 2007 of the document entitled 'Financial capability: the Government's long-term approach', and we look forward to the results of the Committee's analysis of both the strategic and operational issues arising from the initiative.

Further information

For the information of the Committee, we enclose as attachments a number of supplementary documents about the CII, including:

- 2005 annual report
- Training directory 2007
- CII regulatory qualifications and competence framework (brochure)
- Insurance qualifications 2007 (brochure)
- Ed.LEARN (product brochure)
- Membership offers clear value (CII leaflet)
- Membership makes all the difference (PFS leaflet)
- Continuing professional development – CPD (leaflet).

Section 1

Strategic issues

- A What is happening today, how and to whom?
- B What should the scope of a national approach to generic financial advice be?
- C Cost and funding
- D How can potential users be engaged?
- E What should the governance arrangements look like?

Strategic issues – section A

What is happening today, how and to whom?

AS1

What generic financial advice services are you aware of in the UK? Are these provided by the public sector, the private sector or the voluntary sector?

CII Group response

There are a large number of organisations that already provide generic advice as part of their business activity. They include:

- Banks and building societies
- Life companies
- The FSA
- The BBC
- Publications such as financial journals and the Sunday business pages
- Human Resources departments/the workplace
- Trade unions
- The third sector/charities
- Affinity groups.

Rather than provide an exhaustive commentary upon all these services, in this response we focus specifically upon the element with which we are directly familiar – the activity of members of the Personal Finance Society (PFS).

Within the CII, the PFS is the largest professional body for individual financial advisers (and those in related roles) in the UK market. It currently has in excess of 23,000 members, representing a broad cross-section of the industry, including self-employed IFAs, those working for members of the major IFA networks, and those working for organisations such as banks, building societies, accountants and solicitors.

As part of delivering financial advice for their customers, the vast majority of these members will already be delivering generic advice in one form or another. As a regulated activity, they are required to complete a fact find at any early stage of discussions with clients, and this tends to lead naturally into a holistic discussion about the client's overall circumstances, prior to any meaningful discussion about specific needs or product solutions.

The CII has not conducted any research specifically upon this matter; however, our estimation would be that the average adviser currently spends one day every week, or around 20% of his or her total workload, dealing with advice matters that the Committee might regard as generic (see CS5).

Furthermore, a number of our members already actively provide generic advice on a pro bono basis to those parts of the population who do not naturally fall within their target market.

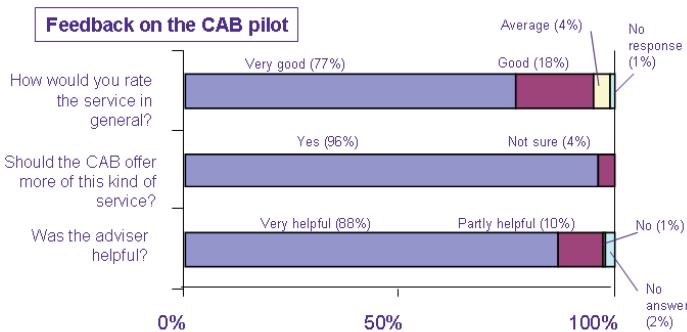
PFS/Citizens Advice Bureau pilot on generic advice

As an example of such activity, the CII (through the PFS) has recently been involved in a pilot exercise with the Citizens Advice Bureau ('CAB') whereby our members assisted with the delivery of pro bono advice to clients at eight bureaux over an eight-month period. This exercise is referenced in 'Financial capability: the Government's long-term approach' (box 3.7, page 25). The CII's involvement in this pilot was widespread, including financial, logistical and management assistance. The results of the pilot were encouraging.

An independent evaluation report published in November 2005 described the following findings:

PFS/Citizens Advice Bureau pilot – evaluation

- Over the eight-month life of the project:
 - There were 30 enquiries per month, on average
 - 63% of enquirers were aged over 50 including 14% aged over 65
 - Just 3% were under 25 years of age.
- Single people accounted for 36% of enquirers. Couples without dependent children were also 36% of the total, followed by couples with dependent children at 19% and single parent families at 8%.
- Main reasons for enquiries were:
 - Endowment mortgages 24%
 - Pensions advice 22%
 - Debt 14%
 - Financial planning 9%
 - Equity release 6%
 - Inheritance 3%
 - Relationship break-up 2%
 - Other 20% (eg poor advice received in the past on financial products, possible mis-selling, benefits, insurance, advice or mortgage options, some Child Trust Fund queries and surrender fees).
- The project’s aim of opening access to financial advice to people on low to middle incomes has been fully realised. Only 37% of users derived their income solely from paid employment; the remaining 63% relied on benefits, pensions or a mix of these and paid employment.
- The response from enquiries was overwhelmingly positive: very good 77%, good 18% (see below).



- Overall, 79% of the clients took some action following the advice.
- Across the three pilot models, the ratings differed hardly at all, suggesting that enquirers were equally satisfied with the service however it was delivered.

NB: Model 1: Bureaux clients were referred to a participating IFA at their own office; model 2: IFAs visited the bureaux to see clients by appointment on specific days; model 3: A CAB specialist money adviser saw the clients and used financial health check software. The results were checked with an IFA.

- There is little potential commercial return for IFAs contributing to the scheme.
- The Financial Health Check programme used in model 3 did have some drawbacks, and this was the model about which some reservations were expressed. The FHC process needs extensive support from an adviser to be meaningful and relevant to many CAB clients.
- Previous contact with IFAs was rare among the enquirers. The number of subsequent fee-paying appointments that were made by enquirers appears to be minimal.
- The pilot has provided a practical example of effective partnership working between two groups of professionals.
- Both bureaux and IFAs expressed a hope that the links between them would continue although the formal project has ended.
- Models 1 and 2 may be the most fruitful methods to explore. The added advantage of model 2 is the interaction between the adviser and the IFA.

The report concluded that:

- “(the pilot) has evidenced a need and shown that it can be met
- it has been a successful partnership between the two sectors
- it has been overwhelmingly endorsed by its users”.

Source: Bob Widdowson, *Financial advice pilot project evaluation report*, November 2005

Accordingly, an extended exercise at a further 29 bureaux is now under way (once the bureaux in Scotland have been confirmed), and the PFS is supporting this as enthusiastically as we did the initial pilot. Already we have contacted a large number of members to solicit their involvement. We currently have 60 eligible volunteers, meaning that at a number of bureaux it is possible to spread the load on a rotational basis. The probable start date will be the end of May 2007, and we would be pleased to keep the Committee informed of progress.

Based upon the success of the pilot, we submit that face-to-face advice should have a role to play in the new service. For reasons of cost, capacity and consumer preference, this should be offered alongside a mix of other delivery channels including web and telephone.

FSSC and generic advice standards

At our suggestion, a number of CII representatives recently worked with the FSSC on generic advice standards, aiming to make the standards sufficiently generic that they can be used by non-regulated advisers, or developed into an online training and assessment tool.

For convenience, the standards are reproduced as an appendix (they are also available on the FSSC website).

As can be seen from the appendix, the standards cover five key areas that were jointly identified as the essential components:

- Unit GFA 1 – Engage with the consumer: establish reasons for seeking generic financial advice
- Unit GFA 2 – Establish the consumer’s key financial concerns and gather relevant information
- Unit GFA 3 – Identify and agree priorities and options for the consumer to enable informed financial choices
- Unit GFA 4 – Identify ways of meeting financial needs for the consumer to consider
- Unit GFA 5 – Refer the consumer to further financial information or advice.

AS2

For the services in AS1, please give some information on structure (eg funding, governance, scope of service, geography, legal basis of advice, scale constraints etc)

CII Group response

The pilot was overseen by a steering group comprising representatives for a variety of organisations, including:

- The Financial Services Authority
- Barclays Bank
- The Personal Finance Society
- Citizens Advice Bureau
- HM Treasury
- The Association of Independent Advisers
- The Investment Management Association
- The Department for Work and Pensions.

Financial support was shared between:

- Barclays Bank
- The Personal Finance Society
- The Tudor Trust.

The bureaux were chosen to represent a broad geographical range (a mix of large and small bureaux, urban and rural bureaux, located throughout England and Wales), with the following locations selected from a list of 60 applying to participate in the project:

- Boothferry (model 3)
- Caerphilly (2)
- Diss (1)
- Gateshead (2)
- Kerrier (2)
- Knowsley (3)
- Medway (3)
- Wolverhampton (1).

The issue of professional indemnity insurance cover caused initial difficulty, since insurers were unwilling to take the risk of insuring individuals who were not under the supervision or control of the Citizens Advice Bureaux. After further negotiations, cover was agreed, but for the basis of the pilot only. It required written protocols that documented a clear distinction between the IFA acting in a pro bono capacity offering generic advice and the IFA acting in his or her own commercial capacity.

AS3

What do you believe is the most appropriate way of describing “generic financial advice” provision?

CII Group response

We believe there are problems with both the term ‘generic’ and the term ‘advice’, and we agree with the complications with the terminology that are highlighted on page 3 of the Call for Evidence document. In addition to the issues of the regulatory definition of advice as it applies to financial services (and the expectations this would arouse), we would also emphasise that a term such as ‘generic’ is hardly one to excite the average wage earner or stimulate action.

We do not have one specific alternative to recommend, although we are currently engaged in discussions with our various Faculties and Societies on branding and scope matters (see Introduction), but we believe the words in the following list all have merit:

- Guidance
- Support
- Financial healthcheck
- Portal
- Hub
- Information
- Q&A.

It may be that none of these terms will be necessary if there is a creative brand name (such as New Zealand’s ‘Sorted’). This may not in itself describe the service provided, but people may nevertheless come to understand what it symbolises due to its place in national life and the intensity of the launch and rollout advertising campaigns.

AS4

Are there examples from overseas which offer good models for a national approach to generic financial advice and why?

CII Group response

A number of examples were detailed in the HM Treasury ‘Financial capability: the Government’s long-term approach’ publication (15 January 2007). We do not have substantial additional information to provide in this area. However it is worth noting that the CII has relationships with 535 overseas bodies in 150 countries, including 374 universities and colleges and 161 professional bodies. We would be pleased to help facilitate access to any country-specific data that the Committee may have in mind.

AS5

What academic and other research, UK or international, should the review be aware of that would be relevant to generic financial advice provision?

CII Group response

To assist the ‘researching and designing’ of the new service, we felt it would be of value to HM Treasury and the Committee to establish the views of our membership on a range of matters related to generic advice.

Accordingly, the CII surveyed a representative sample during the period 19–30 March 2007. A two-page questionnaire was sent by mail to 5000 randomly selected members, and we received 518 responses, representing a response rate of over 10%. This is in line with the response rate we have received from previous surveys and is considered ample to draw robust conclusions.

We provided early highlights of the results in our recent submission to HM Treasury as part of the consultation on financial capability, and provide the detailed results here for the first time.

Overall support

Finding: 65.9% of members are supportive, with 21.6% being strongly supportive

Table 1: “Do you support the proposals in general?” (all responses as %)

Strongly agree	21.6	65.9
Agree	44.3	
Disagree	14.7	
Strongly disagree	19.4	

Views on what it should be

Finding: No definition commanded support from more than 50% of respondents

Table 2: What is generic advice? (all responses as %)

It should never be personalised, it is simply the provision of information on request	40.9
It should involve the provision of information based on the results that emerge from a fact find	15.4
It should be limited to certain subject matter	11.0
Of which:	
State benefits	87.5
Debt	84.4
Tax	81.3
Banking	79.7
Mortgages	53.1
Sandler products	53.1
General insurance	51.6
Life insurance, personal pensions	48.4
Holistic financial planning	45.3
Savings and investments	43.8
Complex products	15.6
It should cover all financial subjects but never involve recommendations	21.6
It should cover all financial subjects but never involve a product sale	11.1

Delivery

Finding: A wide range of organisations, individuals and channels were supported. Those deemed most suitable were members of IFA networks, those with a certificate in financial planning, and those dealing face to face. However many other options received support from over 50% of the sample.

Table 3: “Who should deliver generic advice – organisations?” (all responses as %)

	Very able	Probably able	Probably not able	Not at all able
IFAs	81.7	11.2	4.6	2.4
Banks, insurance companies	31.8	38.3	19.8	10.2
Advice networks	21.2	30.4	31.7	16.7
Trade unions	6.2	15.5	40.4	37.9
Employers	4.7	13.1	37.0	45.2

Table 4: “Who should deliver generic advice – individuals?”

	Very able	Probably able	Probably not able	Not at all able
CII certificate in financial planning *	79.1	14.3	4.1	2.4
New generic advice qualification	61.2	26.4	5.5	7.0
Individuals certified as competent	54.6	30.8	10.6	4.0
CII certificate in mortgage advice *	40.3	28.6	20.4	10.6
CII certificate in insurance, or equivalent	34.2	25.1	23.6	17.1
CII certificate in financial administration *	22.7	24.7	32.3	20.3
Any individual nominated by employer	23.3	20.0	23.6	33.1
<i>* or equivalent</i>				

Table 5: “Who should deliver generic advice – channels?” (all responses as %)

	Very able	Probably able	Probably not able	Not at all able
Face to face	73.7	15.6	7.5	3.2
Web-based	38.7	26.0	23.1	12.3
Workplace	25.4	28.3	28.9	17.3
Call centre	23.7	26.5	28.8	21.0

Benefits

Findings: Increased savings seen as more likely benefit

Table 6: “What do you see as the key benefits of the service?” (all responses as %)

	Strongly agree	Agree	Disagree	Strongly disagree
Increased savings and appropriate use of insurance products	20.8	41.9	25.6	11.7
Reduced levels of problem debt	24.2	31.2	26.5	18.1
Benefits to the wider economy	17.1	38.7	29.6	14.6
Expansion of personal responsibility/ enterprise culture	12.4	36.8	35.4	15.4
More business for advisers	11.2	37.3	31.7	19.9
Less need for regulatory intervention	13.1	30.3	28.3	28.3
Provider firms efficient, innovative and globally competitive	10.4	27.2	41.6	20.8
Lower business acquisition costs	7.2	26.6	41.6	24.5
Reduced welfare dependency	10.4	19.8	41.3	28.5
Greater levels of employment	3.2	13.7	44.5	38.6

Note: Listed in rank order of total for both ‘strongly agree’ and ‘agree’

Obstacles

Findings: Uncertainty about long-term rules and complexity of tax and benefit system seem as greatest obstacles

Table 7: “What do you see as the key obstacles to the service?” (all responses as %)

	Strongly agree	Agree	Disagree	Strongly disagree
Uncertainty about long-term rules	61.9	28.9	7.5	1.8
Complexity of tax and benefit system	61.9	28.9	7.3	2.0
Consumer indifference	25.5	37.1	8.1	2.4
Lack of disposable income	50.2	30.2	13.4	6.1
Shortage of competent advisers	39.8	32.3	19.9	8.0
Liability insurance	34.9	36.5	22.8	5.8
Resistance from financial services sector	15.7	40.3	31.8	12.2

Note: Listed in rank order of total for both ‘strongly agree’ and ‘agree’

CII member involvement

Finding: A large number of CII members are very interested in becoming involved in service delivery. They are prepared to commit a significant amount of time and to work for less than their usual rates.

Table 8: “Would you be prepared to help delivery generic advice to those who do not currently have access?” (all responses as %)

Yes	30.9	69.3
Probably	38.4	
Probably not	18.4	
No	12.3	

Table 9: If you have indicated yes, please provide further details about the level of involvement that would be attractive.” (all responses as %)

	Yes	Probably	Probably not	No
How often...?				
Less than 1 day/month	47.2	33.3	7.3	12.2
1-2 days/month	39.5	51.2	3.4	5.9
Over 2 days/month	46.2	21.5	15.8	16.5
How much would you expect to be paid...?				
Pro bono	22.3	18.5	12.7	46.5
A nominal amount	33.9	27.3	10.9	27.9
Would you be prepared to make members of your staff available...?				
Administrators	24.2	40.5	12.3	22.9
Paraplanners	41.0	41.0	7.0	11.1

As well as the hard data shown above, a selection of the comments we received from participants in this research are reproduced below.

Member comments about generic advice – a selection

“By definition generic advice cannot be specific.”

“People need advice regardless of their status financially; we have a duty not to discriminate against those who cannot afford our fees or commissions.”

“This needs to be advice and fee driven. Getting consumers to be convinced to pay a fee for fair value and help is difficult. A qualification around debt, benefits, savings and protection will be prudent.”

“With the advent of ability to purchase financial products on the internet, and government kite mark products and passive investment products, the role of an adviser could be generic advice, teaching the individual to find the product.”

“Advice is really available now. Introducing generic advice will enable bancassurers to ‘screen’ many more prospects and sell more business, which will not be of benefit to anyone but the bancassurers.”

“Advice can only be given, generic or other, if the adviser is trained and knows the client’s personal circumstances.”

“We and most IFAs give such advice free on a regular basis (at least 3–5 hours per week) in the office and by phone. The problem is most people don’t want advice or don’t need it as they have no money anyway.”

“A new independent body should be established to provide protection for the public with powers to rectify. The present system does not work. Elderly people at risk.”

“Making generic advice available to this social/economical sector is only the first step. Promoting access to this advice is key and probably using employers to promote to web-based subscribers is probably most effective.”

“Generic advice forms a large part of the advisory process anyway and clients need generic information/advice in order to consider all their options and to be involved fully in the advisory process. It is important clients are educated, and play an educated part in the advisory and decision making process.”

“Generic advice must be limited to flow charts. Anyone helping the client through the flow must be indemnified.”

“Government seems to think that people in general will take an active part in their general financial planning needs. However, the modern lifestyle is geared towards a ‘live now’ attitude and so I feel the above plans will fail. Enforced savings is the only answer.”

“Clients need to keep with budgeting and planning to reduce their dependence on debt. But there is not sufficient cash available – it’s not profitable for IFAs. I feel government paid advisers would be a good idea. I would enjoy that type of work.”

“If generic advice is to be espoused, then we must have remuneration provided by the government for providing the service (or subsidised) and the FSA must begin to explain to the public the value of IFAs and promote us rather than minder us.”

“It is not clear how far generic financial advice will go in terms of detail. It seems to me that to make any real difference to the groups it is targeting, more detailed financial advice would probably still be necessary to have any real impact on the take up of financial advice products.”

“If IFAs are to be treated and paid like dentists or doctors to provide a service (having the relevant professional status and qualifications) then I would be prepared to consider it.”

“This will be yet another ‘type’ of adviser which will help to confuse the public regarding the ‘type’ of advice they get.”

“Generic advice by definition cannot relate to a specific recommendation but can relate to certain general conditions.”

“Financial education and health education should start when you learn another language – i.e. as young as possible.”

“Provided quality and objectivity are paramount, many could be helped to save for their pension in a responsible way.”

“It is still very difficult for the ‘ordinary’ person to understand the complexities of things such as pensions.”

“Overcoming inertia and low earnings are the main challenges to this initiative.”

In summary, we were encouraged by the attitude of the profession towards the principles of generic advice, which seem to provide a strong basis for the further exploration of delivery options. In the light of their interest, this source of expertise should be considered as part of the overall solution. However we should also note that a number of members offered comments about the 'devil being in the detail' and the operational challenge of reconciling the potentially contradictory criteria of being 'personalised' and 'unregulated'.

AS6

Do you consider the current infrastructure could deliver the kind of generic financial advice provision envisaged by this review? Or is a new structure required?

CII Group response

There are two framework models to putting infrastructure in place – the first is to create a new monolithic operation, and the second is to leverage existing supply. The appropriate solution is likely to involve elements of both approaches, and to vary according to the nature and characteristics of the channels being exploited.

Face to face

In this area, our strong recommendation would be to follow the second route.

For face-to-face advice to be delivered on as broad a scale as possible, the many existing sources of financial advice that are capable of being involved with generic advice (listed in AS1) could be fully engaged. These include:

- Banks and building societies
- Life companies
- Human Resources departments/the workplace
- Trade unions
- Third sector/charities
- Affinity groups.

In each case it would be necessary for minimum standards and competency certification tools to be built into the community of advisers.

One advantage of this approach is that it becomes more practical financially to offer face-to-face services, when the cost of setting up such a solution from scratch would be prohibitive.

These channels are essential but not sufficient, and need to operate alongside telephone based and web-base channels.

Telephone based

Again, existing channels could be engaged, but it now becomes more practical to overlay a new service centre, perhaps operated by a consortium from the industry. To manage consumer expectations, it may be necessary to clearly define the role of such a service – what it is, and is not, capable of achieving. The following activities would certainly seem very clearly to sit within a realistic scope:

- Explanations of terminology, phrases, concept, products
- Focused information/guidance on specific matters
- Illustrative information on investment returns or interest payments (eg, what 29% APR means in terms of GBP)
- Referral to specialist sources of advice once a situation has been diagnosed
- Distribution of generic information leaflets that have been prepared by the industry and/or the professional body.

Website

There are a wide range of functions that a generic financial advice website could perform. A number of ideas are presented below:

- Simple interactive decision trees, allowing users to self-diagnose which of a number of ‘buckets’ they fall into (eg ‘Healthy’, ‘Mild’, ‘Chronic’, ‘Acute’, as defined in Closing the Advice Gap published by the Resolution Foundation in 2006, page 9)
- A portal with links to a range of sources of information and advice that have been quality assured or that meet certain criteria
- Short films available as streaming media to illustrate a range of typical scenarios
- Multiple choice questions to enable the consumer to test online their own knowledge, or to rate their attitude towards money
- Access to publications on specific topics (eg tax) and an ability to sign up for email alerts when the information changes
- Written case studies, perhaps based upon real people who are content for their personal information to be made available to a wider audience.

(NB: In discussions with senior individuals within the sector, we have encountered differences of opinion regarding the prevalence of internet access among the target population, and it may be necessary to gather evidence on home computer and broadband/dial-up penetration rates prior to determining the appropriate level of commitment to this channel).

An example of how a multiple choice exercise can be made simultaneously instructive and fun was contained in the 2005 Sesame publication *Money Money Money*. Page 9 contained a series of ten questions, and the results categorised the respondent as either a:

- Big spender
- Happy shopper
- Tight wad.

An example of one of the questions used is shown below:

Multiple choice questions – example from Money Money Money (by Sesame)

“Your bank takes £25 from your account in fees. Do you:

- A. Pay it and hope that’s all
- B. Ask your parents to sort it
- C. Demand to see the bank manager at once
- D. Spend another £25 before they can take any more.”

Healthcare analogy

For an analogy on how multiple channels can operate to the same purpose, the situation in healthcare can be instructive. Please refer to the table below for some of the CII's observations on the range of information/advice available within the NHS.

Healthcare information/advice – channels	
Web	<p>There is a voluminous amount of health advice available on the web, from NHS-run sites, sites run by royal colleges and others, and information published by independent sector providers to the NHS, for example:</p> <ul style="list-style-type: none"> • www.besttreatments.co.uk • www.rcophth.ac.uk • www.nhsdirect.nhs.uk • www.netcare.co.uk
Telephone	<p>In addition, the NHS makes many of its services available at the end of a telephone via (for example):</p> <ul style="list-style-type: none"> • NHS Direct 0845 4647 • PCT-run patient referral centres • GP out-of-hours services • Telephone-based triage services (for example, London diagnostic referrals under the wave 2 ISTC programme are now triaged by a Rochdale-based telephone referral centre to ensure no contra indicators apply that could involve safety issues, and to verify the patient does not fall into any excluded categories)
Face to face	<p>Finally, the NHS has been diversifying the array of face to face provision in order to meet the needs of patients, particularly commuters who often find it inconvenient to attend their local GP surgery during regular hours.</p> <p>One example of new more flexible provision has been the opening of NHS walk-in centres near train stations (eg London Victoria, Manchester Piccadilly) and in shopping centres (eg the Light Centre in Leeds), many run by independent sector companies such as Altos Origin and Care UK under contract to the Department of Health.</p> <p>Typically these centres will be open from 7am to 7pm, and no appointment is required (although those who prefer to book an appointment are welcome to do so). The services these centres provide will be carefully defined; for example the promotional materials for the Leeds centre describes the following suite of activity:</p> <p>“We treat</p> <ul style="list-style-type: none"> • Minor illnesses and injuries • Headaches • Coughs, colds, and flu-like symptoms • Skin complaints • Muscle and joint injuries <p>“We provide information on:</p> <ul style="list-style-type: none"> • Maintaining a healthy lifestyle • Local healthcare services.” <p>The centres are typically staffed by GPs, nurses and a physiotherapist.</p> <p>On average, we understand that walk-in centres see 60–120 patients every day, representing almost 100,000 over the course of a five-year NHS contract. As such they have now made a meaningful impact upon access, and are generally considered to be valued by consumers and to have made a positive contribution to general well-being within local communities.</p> <p>A further analogy between NHS walk-in centres and the proposed generic advice service is that the walk-in centres will often ‘point patients in the right direction’ for specialist care that lies beyond their competence, for example, drug and alcohol dependency, road traffic accident injuries, head injuries involving loss of consciousness, and unwell children under the age of two.</p>

Strategic issues – section B

What should the scope of a national approach to generic financial advice be?

BS1

Who should the generic advice aim to serve including a view on segmentation?

CII Group response

We concur with the segmentation model developed by Resolution Foundation, which identified those below median income who are not reliant on state benefits (defined as receiving at least 80% of income from work for those under retirement age, and those not entitled to means-tested benefits for those in retirement).

We believe this is a sizeable market that finds it difficult to access advice services for any financial matters other than benefits and debt. We support Resolution’s assessment, based on their empirical research, that there is significant latent demand among this group. We would add that this demand is likely to increase with the advent of new portable pensions.

BS2

Are there groups it should not aim to serve and how might they be excluded or steered away?

CII Group response

Those who are reliant on state benefits are well served by existing services such as the CAB, and are unlikely to need advice on matters such as savings and investments. Those earning above around £30,000 are already well served by the financial advice community. We do not believe it would be appropriate or desirable to ‘steer people away’ from the service, and in the case of web-based information, it would not be necessary.

For elements of the service where capacity constraints may exist (especially face to face), then it should be effective marketing rather than a policy of active exclusion that ensures resources are accessed by those falling in to the target categories.

BS3

What are the best ways of reaching the target market (ie those most vulnerable to the consequences of poor decision-making?)

CII Group response

We are conscious that, in contrast to (say) accessing free NHS healthcare services, there is rarely ‘consumer pull’ for financial services, and therefore investment is required to raise awareness and provoke interest.

The following will all have a role in engaging with the target market:

- Endorsement of the service by opinion leaders, including politicians and the media. If cross-party support can be achieved, this will be a particularly beneficial outcome
- Launch advertising to raise awareness amid the multiplicity of messages that typically bombard consumers in today’s media-rich society
- A ‘call to action’, given that the greatest disincentives to sorting out one’s financial affairs tend to be either apathy or the attractions of short-term consumerism (it has been shown that one of the greatest spurs to the sale of protection products is when somebody within a street has been involved in a fatal accident)
- Word of mouth – given the scepticism many people express towards both government and the financial services sector, the enthusiasm of early adopters among their family and friends will be of great importance
- Referrals from complementary services, for example professionals such as lawyers, doctors, or from other sources of advice.

CII Group response

As can be seen from the responses of our members (see AS5), there are a range of views as to the appropriate scope of a generic advice service.

Our view is based upon a number of principles:

- We strongly support the aims and objectives set out in the 15 January 2007 document
- We agree with the analysis that the financial services sector is growing increasingly complex and that, while there are established sources of advice on specific matters such as debt and state benefits, there is an advice gap regarding broader financial matters
- We see that this gap is particularly apparent for those in the lower and mid income bracket, and arises due to reasons both of supply and demand
- We endorse the conclusion that increased financial capability should deliver benefits to individuals, the taxpayer, and the financial services community.

Based upon these principles, we believe generic advice will only be respected by service users if it delivers something of value to them. It cannot simply act as a post box to other organisations, adding nothing of substance except an additional level of bureaucracy.

To deliver value, we believe the following essential elements should be considered:

- Hard-hitting marketing promotions that grab the attention and provoke action
- A series of simple decision trees that generate answers based upon responses to multiple choice questions
- A hierarchical approach to dealing with risk (eg: firstly, debt and protection for dependants; thereafter, long-term savings; thereafter short-term incapacity/unemployment)
- Consistency of advice delivered through ‘corporatisation’ of key advice processes
- An ability to provide information about specific products, in the same way as do product league tables in financial magazines or the financial supplements in Sunday newspapers (NB: the service will not, however, have the ability to complete any transactions).

If simple decision trees are to have an important role to play, then the success of the generic advice service may require wider reforms within the industry, including renewed emphasis upon Sandler-type products.

It is also important to note that the FSA is currently leading a Retail Distribution Review (‘RDR’) which could have widespread implications for the nature and scope of financial advice activity within the UK. The generic advice programme and the RDR are, in many ways, closely linked, and it will be important to ensure the solutions that emerge from both exercises are fully aligned.

BS5

How can the boundary between generic and regulated advice be clarified so that it is clearly understood by both consumers and those giving generic advice? Where should it be drawn?

CII Group response

The CII does not yet have a definitive view on this matter and is still consulting with its stakeholders. Some principles are already clear, for example:

Generic advisers should not:

- Process transactions
- Recommend specific products (although they can give information that ranks different products according to particular criteria)
- Take commissions from manufacturers.

We will be pleased to advise the Committee of our further thoughts on the scope of generic advice and the precise boundary with regulated advice once we have completed our stakeholder discussions.

As outlined in the introduction we are about to commence a number of exercises that may further inform this debate and will be pleased to inform the Committee of our conclusions. These are:

Member focus groups. These are being run to gain some detailed insights into our members' attitudes and reactions to specific ways they might be invited to participate in service delivery, building upon quantitative research already conducted.

Branding and scope. We are currently gauging views on options from our various Faculties and Societies, both to solicit suggestions and to understand any underlying rationale.

BS6

What organisations and services should or could be expected to refer people for generic advice?

CII Group response

There should be no artificial constraint on organisations that can, and cannot, refer consumers, and indeed it is expected that – once the service is fully operational – self-referral will be a symbol of its success and widespread acceptance.

However, the service should build credibility and relationships with groups such as the following as potential sources of valued ‘leads’:

- Media
- MPs
- Lawyers
- Doctors
- Religious organisations
- Local authorities (eg schools and social services departments)
- Employers
- Charities
- Organisations dealing with ‘lifestage changes’, eg:
 - Marriage
 - Maternity
 - Death.

BS7

Where should people be referred to after receiving generic advice? Should it be possible to refer people to a commercial provider? If so, how?

CII Group response

Yes it should. In fact, the advice will be of little value if it does not lead seamlessly to ways in which the consumer can purchase products that address the needs that have been identified. To ensure consumer protection, it will be necessary to have strict rules around how this operates. For example, if a consumer has expressed an interest in meeting an IFA, then the generic service could ask qualifying questions such as location, size of firm, or speciality, and then provide contact details of (say) three firms that meet these criteria that are generated on a rotational basis by the system. If the consumer asks for the names of firms providing equity ISAs, these could also be generated on a rotational basis according to specified criteria.

Again the healthcare sector shows certain analogies, particularly with the ‘Choose and Book’ system that is currently being rolled out under the Connecting for Health programme (please see www.chooseandbook.nhs.uk/patients).

BS8

What qualifications/training do generic financial advisers need and where could the advisers be sourced from?

CII Group response

It has long been recognised that the delivery of financial advice in the UK places consumers at potential risk. There is an internationally respected regulatory environment in place to protect the public from poor or misleading advice during the sale of savings, investments, pensions, general insurance and mortgages. We believe it would be wrong to place those accessing the generic advice service at greater exposure to poor advice than those accessing regulated advice. They are more likely to be in the lower and mid income brackets, and would be hit hard by any financial loss that results. At the same time, it is necessary to avoid incurring unsustainable levels of professional indemnity insurance.

We therefore submit that a competency framework should be designed for evaluating prospective advisers, and monitoring their knowledge on a continuing basis, so that generic advice is only given by persons certified as competent. This should be supplemented by a transparent ethical framework.

Online learning and assessment present a powerful means to distribute knowledge on a nationwide scale. We already work with 1400 firms, promoting the value of up-to-date knowledge throughout their staff, and the past few years has seen them increasingly rely upon online assessment as part of workforce planning and annual assessment.

In addition to cost-effectiveness, the other benefits of online competency assessment include flexibility, the ease with which material can be updated, and the speed with which it can be rolled out. We believe the opportunities presented by online learning tools should be carefully considered by the Thoresen Committee as it works through the issue of resourcing and competency.

BS9

What are the legal implications of giving generic financial advice?

CII Group response

This matter closely relates to BS5, and hence the CII's response needs to await the result of our continuing discussions with stakeholders.

BS10

How would the creation of a new generic financial advice service materially affect advice providers?

CII Group response

We have not undertaken any modelling of the impact, and clearly the nature of the impact will be partly dependent upon where the boundary is drawn between generic and regulated advice. However we would make a number of observations:

- A considerable amount of adviser time is presently consumed by the collection of information for the fact find. It is possible that the insertion of a generic advice stage into the process could alleviate the adviser of much of this unproductive work.
- The biggest challenge that currently faces UK advisers is the lack of interest shown by the majority of the population in financial matters. If the generic advice service stimulates greater levels of awareness and interest, this is likely to result in the expansion of the marketplace, and with it more need for regulated advice.
- If the generic advice service lacks the quality assurance that is increasingly embedded within the regulated advice sector, then there could be damaging consequences for all. We would be concerned that media attention to poor generic advice would undermine confidence in regulated advice through a type of guilt by association, even though the fault lay purely with the generic adviser.
- There could also be a detrimental impact upon current advice providers if consumers are unclear of the difference between generic and regulated advice, and thus are led to believe that generic advisers are able to provide solutions for which they are unqualified.

We would also mention that, in our view, the acid test of the value of the service must be the consumer benefit that is delivered, especially to the population segment that is currently poorly served by existing advice channels. Whether the resulting solution is beneficial or not to those channels should not be a key determinant in the design or green-lighting of the generic advice service.

Strategic issues – section C

Cost and funding

CS1

To what extent should generic financial advice be free at the point of delivery?

CII Group response

This will be a prerequisite of success. Already, it is extremely difficult to encourage consumers to consider issues such as protection and retirement income, without erecting further obstacles such as payment for the service. We note that all the service modelling work undertaken by Resolution Foundation and others has assumed funding from a combination of government and industry, without the need for a consumer contribution (eg ‘Closing the Advice Gap’, Resolution Foundation, May 2006).

CS2

Is there any evidence that supports a commercial case for a generic financial advice service (including required changes to the existing model to improve the situation)?

CII Group response

We believe all the key documents are referenced in the Bibliography to ‘Financial Capability: The Government’s long-term approach’ (15 January 2007); hence the Committee will already be aware of the body of work undertaken to date.

CS3

How can the wider benefits of generic financial advice, to individuals and society as a whole, be quantified?

CII Group response

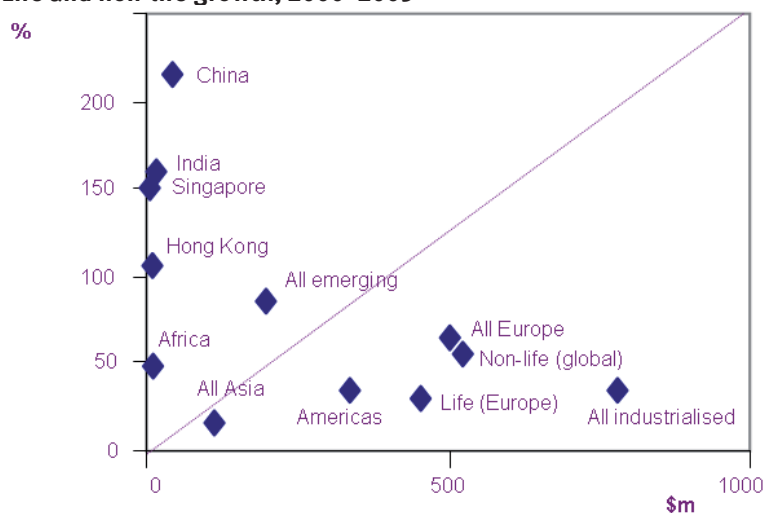
All the evidence of which we are aware points to significant benefit, both to individuals and to society. In ‘Financial Capability: the Government’s long-term approach’, the benefits are clustered into five areas: benefits for individuals, reduced welfare dependency, underpinning an enterprise culture, the competitiveness of UK financial services firms, and higher levels of financial capability.

The evidence of which we are aware includes:

- The results of our member survey, especially the questions on benefits (summarised in AS5)
- The results of the PFS/CAB joint initiative (described in AS1)
- ‘The Advice Gain’, published by the Resolution Foundation earlier this year, which modelled the impact of 10% of the target group acting on the generic advice and concluded (inter alia):
 - New contributions to medium-term savings plans would increase by £1.5 billion net
 - Life insurance premiums would increase by £225 million
 - Young lower earners’ credit card balances would be £800 instead of £1900
 - Unsecured debts would fall by £2.2 billion
 - “The wider economy will benefit as consumers become personally wealthier, increase their consumption, and become more resilient to financial risk.”

From an international perspective, it is also true that economic growth and higher levels of savings are correlated, although in fairness it is unlikely the latter causes the former (more likely the causal relationship either works the other way round, or both factors are the results of the wider economic and political environment within the countries concerned). In the fastest-growing economies over the past few years, such as China and India, the combined size of the life and non-life market has grown rapidly, albeit from a low base.

Life and non-life growth, 2000–2005



Source: Swiss Re/Sigma

Ultimately the only way to quantify and validate the impact of generic advice upon individuals and society will be to run controlled pilots in representative parts of the country that are statistically selected to enable inferences and conclusions about the broader impact to be derived. The closest exercise we have seen to such a solution was the 2005 PFS/CAB initiative; however, this was not structured specifically to track the actions taken and the financial benefits achieved (which might be seen as intrusive by the target market). Since we are currently rolling out a wider pilot, it might be appropriate to discuss how the measurement processes could be put in place to deliver the type of quantification that the Committee is seeking.

CS4

What factors should be taken into account in deciding how to split any costs of a generic advice service between the stakeholders who will benefit from the service?

CII Group response

We believe the only practical funding solution will be through a partnership between government and industry. Unless there is evidence that one party will benefit disproportionately compared with the other, the least contentious solution may be a 50/50 split. However, we do foresee difficulties with setting and collecting the industry contribution, which could include:

- Determining how the contribution should be shared between different sectors of the financial community (manufacturers v distributors, life v non-life, insurance v banking, etc).
- Determining the formula to be used to set the ‘tariff’ for individual firms (% of turnover, % of profits, % of marketing spend, etc). This may be particularly acute with firms that argue they are already making a significant contribution in kind, through the extensive generic advice they deliver unrewarded as part of their current business model and/or regulated processes.
- Determining whether this is an optional or a compulsory contribution, and how, in a free society, a compulsory levy might be justified. If it is voluntary, determining how to deal with the issue of ‘free riders’.

CS5

How can the “generic” element of existing regulated advice processes be costed and its benefits quantified, including the process of customer engagement and the “fact find”?

We trust the Call for Evidence process is stimulating responses from a number of regulated entities who are providing detailed information about their cost structures, business processes, and customer engagement.

The CII has not conducted any research specifically upon this matter; however, our estimation would be that the average adviser currently spends one day every week, or around 20% of his or her total workload, dealing with advice matters that the Committee might regard as generic.

Strategic issues – section D

How can potential users be engaged?

DS1

How can consumers be encouraged to improve their financial capability and take an active interest in their personal finances?

CII Group response

Financial capability

Please see below for reference the submission made by the CII Group in 2003 as part of the FSA's consultation on financial capability. We remain of the view that addressing issues of literacy and numeracy are vital precursors to raised levels of financial capability.

TOWARDS A NATIONAL STRATEGY FOR FINANCIAL CAPABILITY

RESPONSE FROM THE CHARTERED INSURANCE INSTITUTE (CII) AND ITS SOCIETY OF FINANCIAL ADVISERS (SOFA)

The CII and SOFA welcome the FSA's occasional paper "Towards a National Strategy for Financial Capability". It seems to us that 3 of the FSA's 4 statutory objectives are underpinned by helping improve retail consumers understanding of financial matters. We also believe that improved consumer financial understanding is a cornerstone of improving trust and confidence in the financial services industry generally. It seems to us that the aetiology of the issues surrounding consumer understanding is multifactorial and the response will, therefore, be multifaceted.

The role of Government

The Paper focuses particularly on consumers and less on our education system in primary and secondary schools. We do not believe the paper focuses enough on the role of advice or on the role of government (which is first mentioned on page 12 of the paper).

The DfES recently published a survey of 8,730 16-65 year olds in England, which forms part of the Government's Skills for Life Programme:

- The survey found 47% of adults in England (15 million people) have a lower level of mathematical knowledge than was needed to gain a Grade G at GCSE.
- 21% (6.8 million people) are less numerate than the standard set for 11 year olds in national tests.
- 16% of adults (5.2 million people) have sub-GCSE literacy.

Consequently the role of Government in improving basic standards of numeracy and literacy is fundamental to the success of any strategy for financial capability.

The role of advice

The need to provide high quality generic advice to consumers will be a key short to medium term response for those adults who have already left the education system. In this regard, the CII and SOFA are to undertake an innovative project in conjunction with the Citizens Advice Bureau UK. The project will begin in the first quarter of 2004 and aims to identify ways to ensure that consumers are better informed and advised on financial issues to help them to prevent debt as well as find ways of tackling it. The project will run for six months and be evaluated by an independent researcher. We see the pilot as adding significantly to current debate on the future of consumer financial literacy and the provision of generic advice. The evaluation of the project should help answer the following questions:

- Is there a role for the not for profit sector in providing generic financial advice?
- How do low income groups benefit from financial advice and what effects does such advice have on their attitudes to financial planning?
- How do policy makers overcome the obstacles in low income groups accessing financial advice?

The IFAs participating in the project shall be Associates and Fellows of CII/SOFA and will provide their services pro bono. The CII is applying for Chartered status for financial advisers. Part of the pilot will assess whether or not we make compulsory (as part of our Continuous Professional Development scheme) the provision of an annual amount of pro bono financial advice for Chartered Title holders. This pilot project is being funded by the CII, Barclays Bank and the Tudor Trust.

The role of the education system

The FSA's Paper focuses particularly on consumers. Any national strategy for financial capability must also consider the education system as part of its long term response. The National Curriculum is extremely crowded and the current four 50-minute lessons on financial matters of very limited effectiveness. Teachers lack the necessary knowledge, understanding and confidence to deliver lessons on financial education. The work of PFEG in improving teachers' competence in this area is to be applauded, particularly their Excellence and Access programme.

In considering the education system, we believe that focus will need to be given to Key Stages 1 & 2 (5-11 year olds) as well as Key Stages 3 & 4 and Young Adults (11-18 year olds). In this regard the CII has recently examined the possibility of providing highly interactive on-line tools on financial education for Key Stage 1, Key Stage 2 (lower) and Key Stage 2 (upper). We have extensive experience of providing on-line educational material via the web, intranet or on CD Rom. The beauty of this approach is that children can teach themselves and combine basic financial literacy with numeracy and IT skills in one package. Such an approach would not require teachers to be trained in financial matters.

Key stage 3, 4 and young adults

As an examining body with QCA accreditation, the CII would be happy to consider setting, marking, moderating etc GCSE or higher level qualifications in schools. However, we would value the views of the Strategy Group, Government and DfES in particular, on this approach.

We are concerned that the thinking of the Strategy Group on such possible work in schools may be eclipsed by the complexities and problems of getting to the adult sector and the strategies will miss the opportunity to equip the next generation with the skills they so clearly need.

Trades unions and employers

The role of the Trade Union movement and partnerships with employers should be explored. Historically, the unions played a significant role for the lower paid in providing affinity savings schemes which have now largely disappeared. In addition the route through employers for generic advice and workplace marketing needs to be examined.

Point of sale information

Most point of sale information currently relates to regulated products. It is confusing, complicated, expansive and jargon rich. It is largely ignored by most consumers.

The Strategy Group should explore the work of the industry's voluntary efforts via PPIAB. The industry may be persuaded to enhance the role of PPIAB in producing simple and succinct information tools for stakeholder products, non-advised mortgage sales, protection products, credit cards, loans and etc. The industry is unlikely to find an unhypothecated general levy compelling.

Playing our part

The vision of the CII/SOFA is "Protecting the Public by Guiding the Profession" and the essence of professionalism is acting for the common good rather than pure self interest. The CII and SOFA are ready and willing to play a part in both the development of the national strategy and its execution. As well as the Citizens Advice Bureau UK project outlined above, our core business is the creation of intellectual property for educational purposes.

We are willing to invest significant resources in this area and look forward to being involved by the Strategy Team or its working groups.

Source: *CII Financial Capability submission, 2003*

An active interest in personal finances

In our experience, there are two alternative models that tend to achieve this objective. The first is to shock or scare people into considering changes in their behaviour. We are not convinced this would be appropriate in this situation, and the industry has moved away from some of the tactics (pictures of coffins et al) that, in the past, were undoubtedly effective but also frightening for people and damaging to the industry's reputation in the long term. The other model is to appeal to them with positive, or entertaining, images. These tend to be less effective for financial services firms, since they struggle to construct positive messages that can compete for the consumers' limited financial resources against (for example) the immediate gratification offered by campaigns run by holiday companies or retailers.

As a result of this, we believe the government has an important role to play in fostering the right climate, possibly a more important role than is possible for the industry. For the past 20–30 years, the prevailing mood in the UK has been to eschew savings in favour of debt, as shown by the huge levels of unsecured debt that now burdens the population, and many would argue the government has been complicit in undermining savings, through such factors as:

- Means-testing arrangements for pensioners that penalise those who have saved modest sums towards their retirement income
- Undermining confidence in the returns from long-term savings by too often 'changing the rules' (eg dividend tax credit reforms)
- A property market that gives people false comfort their problems will be solved through never-ending inflation in the value of their homes
- Allowing debt to become a lifestyle choice.

We would argue strongly that senior ministers need to be more vocal in their advocacy of the importance of savings for long-term peace of mind. They need to make it clear that those who spend all their free resources on current consumption will not be bailed out in retirement by those that have been more prudent in their financial arrangements. And they need to build a sustainable savings regime, ideally with cross-party support, that will be immune from continual political tinkering.

DS2

Are there campaigns that have effected analogous behavioural change relating to generic financial advice or other scenarios? What made them successful?

CII Group response

There are many campaigns that could be instructive. One of the most effective was the efforts in the 1980s to promote the so-called 'shareholder democracy' based on the public sale of a number of the public utilities such as BT, British Gas, the electricity generators and the regional water companies.

Prior to these privatisations, the number of people in the UK who directly owned shares was around 5 million. By 1997 it had risen to 15 million, although in fairness this number has since slipped back to around 11 million. In taking stock of the impact of this programme, in 2005 BBC Radio 4's 'Inside Money' programme drew the following observations:

1980s shareholder democracy – a perspective

“Twenty years ago, a new breed of Briton was being created: the small shareholder. And a new concept was being trumpeted: the shareholding democracy. Britain was in the midst of the privatisation revolution in which state-run behemoths were turned into profit-seeking public companies. The aim was to make the UK economy efficient and competitive.”

“Small shareholders were the offshoot of the revolution. Shares in the privatised companies were made available to the public at what were often seen as give-away prices.”

“Millions of people became shareholders for the first time.”

“These new investors were nicknamed 'the Sids' after the mysterious character that featured in the advertisements for the 1986 British Gas privatisation.”

Source: BBC Radio 4, *Inside Money*

In understanding how this campaign became a populist success, we would draw attention to a number of features, not all of which are immediately applicable to generic advice:

- High-profile media activity, with generous budgets behind awareness-raising advertisements across broadcast and print media
- Creative executions that captured the popular imagination (such as 'Sid')
- The opportunity to make a short-term gain
- A limited time offer, hence a clear call-to-action
- Scarcity value, hence creating added appeal.

An indication of the spend necessary to generate interest in these privatisations is revealed by the advertising expenditure shown below. It should be noted this data is not inflation adjusted, so the present-day equivalent spend would perform be higher still:

Company	Year	Advertising (£m)
British Telecommunications	1984	9.7
	1991	14.7
	1993	11.9
British Gas	1986	21.4
Water companies	1989	17.3
Electricity companies		
• National Power/PowerGen	1991	8.1
• National Power/PowerGen	1995	8.0
• Regional electricity companies	1990	20.6
• Southern electricity companies	1991	5.3
• Northern Ireland electricity	1993	1.1
Railtrack	1996	4.4
British Energy	1996	4.1

Source: *HM Treasury*

DS3

What would an attractive brand for a generic financial advice service look like?

CII Group response

In order to attract the interest of the proposed target market, we believe it may be necessary to create a new brand, which does not carry the legacy or past associations of current brands. Many of these, although they enjoy high levels of awareness and respect, are regarded as places people go to deal with ‘crises’ or ‘events’, rather than as part of responsible forward planning

The brand name and logo needs to meet a number of criteria to have widespread appeal:

- Short, distinctive, memorable
- “Says what it does”
- Serious, authoritative, responsible (anything frivolous will be counter-productive)
- Applicable across social classes, genders, ethnicities, geographies
- Is (and is seen to be) independent of the government.

DS4

Is there evidence on which engagement mechanism(s) is likely to work best overall and with different segments of the target population (eg which media, messages etc)?

CII Group response

We have not been able to obtain detailed evidence of the engagement mechanisms used for the public flotations described in DS2. However we imagine this information will be readily available from HM Treasury. Our recollection is that these campaigns targeted a similar population segment to that envisaged for generic advice – principally those who are not experienced or sophisticated investors, but nevertheless did have surplus funds to invest. Our recollection is that the media typically used included:

- National television advertising
- Print media, especially tabloids
- Direct mail to individual households
- Street campaigns
- PR.

Clearly to have the same impact in the twenty-first century, an awareness-raising campaign for the generic advice service would also need to embrace new media, such as:

- Satellite TV
- Internet search engines
- CD-ROM/DVD
- Webcasts/podcasts.

DS5

For face-to-face advice, are there particular locations that would be attractive for different segments of the target population?

CII Group response

As mentioned in AS6, we believe the new service should leverage existing sources of financial advice, including:

- Banks and building societies
- Life companies
- Human Resources departments/the workplace
- Trade unions
- Charities
- Affinity groups.

If this strategy is adopted, it will not be necessary to take expensive leases on new locations, whether on the high street, or close by. Instead the service will simply be delivered from the existing network of locations run by these organisations.

If new locations are deemed necessary, we would note that current advisers operate from a broad spectrum of bases. Although we have not conducted any empirical research, our estimation would be that IFA offices are approximately split as follows:

- High street: 5%
- Town centres, away from high street: 25%
- Within local communities/suburbs: 30%
- From home: 40%

DS6

Do you believe a new generic advice provision would lead to a change in consumer behaviour? If so, how?

CII Group response

Effecting a fundamental change in consumer behaviour will not be an easy task, particularly when it involves causing people to forgo short-term consumption in favour of their longer-term well-being. There are added complications among the target group, in that household income is currently under pressure from unavoidable commitments such as council tax bills and utility bills, squeezing out discretionary spend.

While the challenge will not be straightforward, we believe it can be met. The key will be a solution that is:

- Accessible
- Attractive (not stigmatised)
- Efficient
- Competent
- Independent
- Able to demonstrate proven success.

Strategic issues – section E

What should the governance arrangements look like?

ES1

What organisation(s) should be responsible for oversight and/or delivery of a national generic financial advice service (eg national vs regional oversight; existing vs new body)?

CII Group response

The CII believes it should have an important role to play in the emerging generic advice service. We see our participation as a natural responsibility under our mission to “protect the public by guiding the profession” and our royal charter obligation to “secure and justify the confidence of the public”. We stand ready to support the Review Team to the fullest possible extent.

With this in mind, and dependant upon the outcome of the Review, there are a number of continuing ways in which the CII could be actively involved with a generic advice service. We would welcome further discussions about how we may best assist the Government’s objectives over the coming years.

Specifically with regard to oversight arrangements, this would be a natural area in which the CII could play a key role, since it is closely aligned with our core mission and philosophy. We have already established a series of structures to lead the professionalism of the sector, including elements such as:

- The Professional Standards Board
- A code of ethics
- Qualifications and accreditation
- Competency framework.

(These are described in full in our response to A03 below.)

With regard to delivery, in the introduction to this submission, we highlighted some of the specific opportunities that exist for the CII to assist the delivery of generic advice services. For ease of reference, these were:

- **Qualification and accreditation frameworks, competency frameworks, behavioural and ethical standards, training.** As an awarding and membership body, we have considerable experience in a wide range of matters related to qualifications, accreditation, competence and training. In any of these areas, where you feel we could make a valuable contribution, we would be delighted to support the introduction of generic advice.
- **CII/PFS member engagement.** We have undertaken detailed research among our members, and concluded they are aware of the issues and challenges, and are keen to engage.

Source: Introduction

In support of our belief that we could have a crucial role to play, in section A01 and thereafter we provide some top-level information about our existing operations, including such elements of service as:

- Qualifications framework
- Membership
- Learning academies
- Accreditation of training
- Continued professional development
- Learning support programmes

as well as the channels we used to deliver our core services, including:

- Electronic media
- Face-to-face training, meetings and events
- Magazines and technical bulletins
- Learning materials
- Consumer-facing activity.

ES2

How should any generic financial advice service be made accountable (eg targets, performance, reporting lines etc)?

CII Group response

Accountability

There are a number of models for how public accountability can be created within the context of independence from government. Examples include the Bank of England Monetary Policy Committee, the National Institute for Health and Clinical Excellence, the regulators of the privatised utilities, and the BBC.

The Resolution Foundation research has highlighted the importance of trust in the new brand. One example that could represent a powerful model is the BBC brand, which commands exceptional levels of public trust, five times higher than the next highest newspaper, magazine or broadcast news programme. Please see below some data collected in 2005:

Trusted sources of information (unweighted trust responses)	
BBC	624
Sky News	112
Daily Mail	110
The Guardian	110
The Daily Telegraph	106

Source: *YouGov*, Jan 2005, based upon 2000 respondents

Although we are not experts in the UK's broadcasting sector, we have looked at the governance arrangements for the BBC, and there are a number of principles which could be applied for the generic advice arena.

As part of modernisation, the 80-year-old arrangements for BBC governance (based upon a Board of Governors) were recently abolished and replaced with a new BBC Trust from 1 January 2007. The role of the Trust in ensuring effective governance is shown below:

BBC governance and accountability

The BBC Trust has its own website, replacing that of the BBC Governors. The site will provide more information about its work and offer further opportunities to engage with licence fee payers.

The BBC Trust has an explicit duty to represent the interests of the public who pay for the BBC through their licence fee and will consult them prior to taking significant decisions on their behalf. It will safeguard the independence of the BBC; ensure value for money and rigorous stewardship of the licence fee; and ensure audiences' expectations for quality and distinctiveness are met.

In order to deliver these changes there will be much sharper separation between those charged with the oversight of the BBC (the BBC Trust) and those responsible for delivering its services (the BBC Executive). To help it perform its duties, the BBC Trust will have new powers and tools at its disposal including a system of Purpose Remits, Service Licences for each BBC service and a Public Value Test, to be applied to any request from BBC management to launch a new, or make a significant change to, a service.

Supported by a full-time, independent Trust Unit, the BBC Trust will seek to be open and transparent in the way it operates and will actively seek the views of, and listen to, licence fee payers.

Eleven Trustees make up the BBC Trust, with members dedicated to the interests of England, Scotland, Wales and Northern Ireland. Each is appointed by the Queen on advice from ministers and in accordance with Nolan principles for public appointments.

Source: www.bbc.co.uk/bbctrust

Key principles in the BBC arrangements that might, in some form, apply to generic advice oversight and governance include:

- The Trust Unit being staffed administratively separate from the rest of the BBC and is responsible only to the BBC Trust
- The Unit focusing on six explicit areas:
 - Performance – including the delivery of public value, managing purpose remits and service licences and monitoring performance against them, and playing a role in the application of public value tests
 - Finance, economics and strategy
 - Audiences – using research and public meetings to assess audience opinion about the BBC
 - Governance and accountability
 - Editorial standards
 - Secretariat and governance – providing professional administrative advice and support.

The CII would be pleased to consider further how such arrangements might be adapted for the financial services sector, and to offer specific support for those aspects of governance that relate to, for example, the oversight of standards and accountability.

Targets

Targets could include a mixture of financial, customer and process management metrics, of which selected examples are shown below:

Generic advice service targets – first cut	
Strategic	<ul style="list-style-type: none"> • Awareness among total population • Awareness/affinity amongst target market • Capacity/infrastructure • Service range • Speed of mobilisation/delivery of Target Service Commencement Date
Financial	Budget management
Customer	<ul style="list-style-type: none"> • Total number of customer contacts (web, call centre, F2F) • Number of distinct customers • Customer satisfaction • Mystery shopping results • Proportion of recommendations that are actioned • Audited benefits (to individuals, to society?), % return on investment • Complaints • Complaints upheld
Process management	<ul style="list-style-type: none"> • Cost per customer contact (web, call centre, F2F) • Customer contacts per employee • % availability (eg website downtime) • Speed of information updates (eg after budget) • Accessibility of F2F locations • Media coverage (% favourability rating)

ES3

What should the relationship be between any new delivery body (assuming one is deemed necessary) and existing services?

CII Group response

The new body should be limited to running ‘central’ activities such as marketing, the website and the call centre. However, regional distribution should leverage existing services (see AS6).

ES4

What mechanism should be used to collect and distribute any potential financial contributions eg from Government, industry etc?

CII Group response

Please refer to CS4.

Section 2

Operational issues

- A What is happening today, how and to whom?
- B What should the scope of a national approach to generic financial advice be?
- C Cost and funding
- D How can potential users be engaged?

Please note:

As the Committee is aware, while being intricately involved in the world of financial advice, the CII itself is not a regulated (or unregulated) consumer financial adviser. Many of the questions in section 2 are phrased for respondents who are specifically involved in advice delivery to end consumers.

After discussions with yourselves, it was agreed it would nevertheless be of value for the Committee to receive information about the operating models the CII has developed to support the advice community, promoting standards of professionalism and competence throughout the sector, to protect both the general public and the industry's reputation.

Accordingly:

- In AO1–AO5, we have provided an overview of the CII's services and service delivery channels
- In BO1–DO5, we have focused our responses around our **online learning and competency assessment tools**, where we believe our experience could be of particular interest. As noted in the Introduction, we are interested in supporting generic advice through, among other services, the design, build and operation of such competence assessment services.

We would be delighted to provide similar levels of information about other CII services should the Committee determine this would also be of value.

Operational issues – section A

What is happening today, how and to whom?

AO1

What advice service are you or your organisation responsible for delivering (this need not be generic financial advice)?

CII Group response

The CII is the industry’s professional body, and we are committed to raising standards, both in terms of technical competence and ethical practice. Among the many ways in which these objectives are achieved are the following:

Qualifications framework

- Chartered
- Advanced diploma
- Diploma
- Certificate

Membership

- Enrolment of relevant staff to CII, PFS and the Society of Mortgage Professionals
- Faculties include Life and Pensions, Underwriting, Claims, London Market
- Topical bulletins and events, eg conflict of interest
- Tailored training
- Enhanced access to Knowledge Centre

Learning academies

- Creation of high-profile delivery frameworks providing a development focus for both trainers and staff

Accreditation of training

- Accreditation of in-house training against CII, FSA, FSSC standards to achieve a consistent quality

Continued professional development

- Structured programmes, available online, supporting qualified staff to continue the development of knowledge, experience and skills needed for career success
- Online knowledge and assessment services, financial and mortgage ASSESS, keeping staff up to date

Learning support programme

- Active communications programme to reinforce the value of and commitment to continued learning and development, including qualifications.

A selection of recent initiatives to enhance the professionalism of the industry were described in our recent President’s statement:

“We have worked hard to locate the CII at the core of the industry. The creation of the Faculties, the Personal Finance Society and the Society of Mortgage Professionals has given us credibility, reach and impact in key areas. I am particularly proud of our endeavours in what might be termed the financial services arena – life, pensions, investment and mortgage business. The rapid development of the Personal Finance Society, together with the decision by the Privy Council to enable the CII to award Chartered Financial Planner status, is a landmark in the history of the advice sector. ... Through its belief in transparency, knowledge, qualifications, integrity and adherence to a Code of Ethics and Conduct, the CII is spearheading the growth of professionalism.” – Peter Hales

For more information about the CII, please refer to our website (www.cii.co.uk) or the summary below:

About the CII

The Chartered Insurance Institute is the largest professional body serving the insurance, savings and financial services sectors in the world. We have 90,000 members, with a turnover approaching £29m, and have delivered education and examinations to over one million students in 150 countries over the last 10 years.

In the UK, we are the 5th largest awarding body, exceeded only in size by the awarding bodies for schools. We have never been better engaged with the industry, with a large number of senior industry figures helping to drive the direction and improve the awareness through the establishment of a range of Faculties and Societies covering the spectrum of financial services disciplines.

We are also increasingly recognised for our wide range of products and services which support the competence of companies and individuals. Our online learning and assessment tools span general insurance, financial services, mortgages and broking, and are currently in use by 48,000 individuals across 1400 employers.

We publish a wide range of learning materials, relating both to the syllabi we have designed for our general and life insurance qualifications, and to the ongoing financial updates we regularly circulate to our members.

Every year, we deliver face-to-face training to 4100 individuals through scheduled events, and an estimated 2000 individuals through in-house corporate training.

We are a not-for-profit professional body, recognised by Royal Charter, with 185 staff located in London, Singapore, Dubai and Mumbai. We are an awarding body regulated by QCA.

AO2

How is your advice delivered (eg face-to-face, web-based or telephone)?

CII Group response

The CII has wide experience of many different channels, although it should be noted that, at present, these are predominantly member-facing not consumer-facing.

Electronic media

The CII is now using a wide range of electronic media to communicate important information to the profession. In our responses to B–D, we provide detailed answers about our online learning and assessment tools. In addition to these, we would also draw attention to our multimedia service ‘Asset TV – in association with PFS’, launched in 2006, as an example of the other ways in which we are leveraging new media.

‘Asset TV – in association with PFS’ has been involved in creating a series of podcasts, which we make available to our members via the website, or for them to download onto ipods or even mobile phones. These can be panel debates, or presentations, and in future are likely to include the filming of face-to-face meetings.

Images from recent broadcasts are shown below:



We regularly monitor the use members are making of this service. Recent statistics include:

- 2068 viewings for a piece based upon last year's conference
- 1100 viewings in the past three months, representing 95 hours of total viewing time.

Face-to-face training, meetings and events

Every year, the CII delivers face-to-face training to 4100 individuals through scheduled events, and to an estimated 2000 individuals through in-house corporate training.

In addition the PFS organises a large number of events, in excess of 150 every year, that are attended by approximately 6000 advisers.

For example, there are approximately 60 technical seminars held every year, covering subjects such as:

- Pensions
- Taxation and trusts
- Investments
- Mortgages
- Corporate financial planning
- Training and compliance.

In response to market need, the CII has developed three levels of content, each aimed at different level of job holders. These are set out in the table below.

Technical seminar – levels of content	
Basic	“Ideal for anyone who is relatively new to an area of practice and who wants to develop their technical skills/knowledge.”
Intermediate	“Ideal for anyone wanting to update knowledge in a specific topic area at Diploma level.”
Advanced	“Specifically aimed at those who are at Diploma level and above and specialise in the topic area. These seminars assume a high level of knowledge is already held in that specialist area.”

Titles of typical technical seminars during 2007 include:

- Retirement options – a few steps beyond A Day
- Masterclass: Fact-finding skills
- Higher risk mortgages
- The psychology of investment
- Professionalism is about belief, standards and service.

We have attached for your reference a copy of the CII’s 2007 training directory.

Magazines and technical bulletins

We publish a wide range of magazines including Financial Solutions, or which 25,000 copies are circulated six times yearly. Financial Solutions regularly includes technical supplements on matters of specific interest. Examples of the content of both Financial Solutions and a technical supplement (called Technical Adviser) are shown below.

Financial Solutions magazine – examples of content



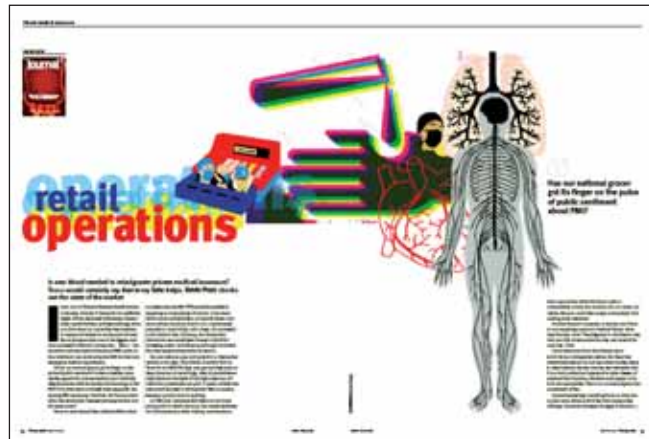


As an example of these materials, the recently published April/May edition of Financial Solutions included articles on:

- Budget 2007
- Protection for business
- Stop press: pension term assurance premiums, pipeline cases.

Separately, The Journal is the CII's membership magazine. It has a circulation of around 65,000, and is published six times yearly, containing articles and editorial relating to issues of interest within the sector.

The Journal – examples of content



Learning materials

The CII publishes the largest range of financial services learning materials available in the UK today, with the publications list including:

	Course books	Online books	Case study workbooks	Key facts booklets	CD self test questions	Correspondence courses	Cont assessment courses	Audio CDs	Computer based training modules
Financial planning									
Certificate level (financial planning)	9	1	1	6				3	0
Certificate level (financial administration)	2			2					
Financial advisers international qualification	1				1				
Diploma	7			5					2
Advanced diploma			4						
General insurance									
Award	1			1					1
Certificate	1			6		7			5
Diploma	10			5			8		5
Advanced diploma	26			4			25		
Lloyd's and London Market		1		1					

These materials are prepared by a large number of subject matter experts, with the CII employing an editorial team of six, and a production team of two. Depending on the material concerned, this team will be responsible for organising new editions every year, replacement pages every six months, or alerts for example of matters related to the budget or the pre-budget statement.

The materials are highly informative but also designed to be accessible and well presented. Examples of covers and content are shown below:

Below: CF1 audio CD



Below: Extract from CF1 coursebook

1: Purpose and structure of the UK financial services industry

B1A Core services

Let us begin by looking at the core services offered by banks and building societies.

Current accounts
Otherwise known as cheque accounts, these accounts are the most flexible offered by banks and by some building societies. They provide security for customers' money, easy access to it and many other services (such as direct debits, standing orders and the provision of foreign currency), but pay little or no interest on credit balances.

Deposit accounts
These accounts, also known as bank savings accounts or building society share accounts, are less accessible than current accounts, but still offer a very liquid (i.e. accessible) home for money which might be needed in the near future. Rates of interest vary widely depending on the institution, the amount of money deposited and any special features such as a fixed term notice period for withdrawals.

Wills and executorship
This service is one which is offered primarily by the major high street banks, promoting themselves on the basis of their accumulated expertise, experience and continuity of service.

Mortgages and loans
Traditionally, mortgages have been the province of the building societies and loans have been offered by the major banks. However, the banks have now made major inroads into the mortgage market, taking a large share away from the building societies. More recently, the building societies have started to offer personal loans, and have even become involved in the realm of commercial lending.

Another development of recent years is that a number of building societies have abandoned their mutual status (known as '**demutualisation**') in favour of becoming public corporations. When this happens it is usual for borrowers, as well as investors, to benefit from a windfall in cash or shares in the new company.

B1B Indirect services

The main indirect services offered by banks and building societies financial services include:

- portfolio management;
- unit trusts/UCIS;
- insurance and pensions.

The nature of the offering will vary with the strategy of the organisation.

Portfolio management
Most high street banks, but as yet very few building societies, offer a portfolio management service to investors who are willing and financially able to invest substantial amounts of money on the UK stock market, but have neither the time or the expertise to manage a balanced portfolio of securities for themselves.

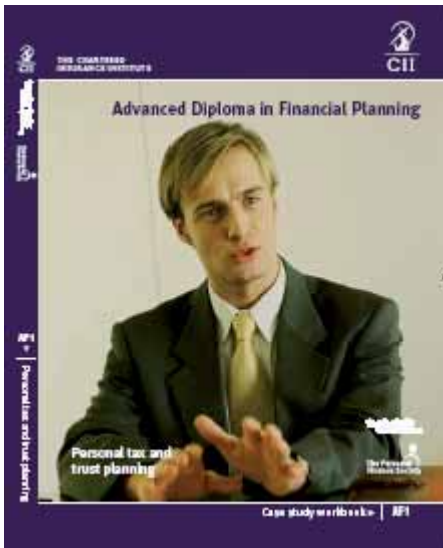
The bank's specialist investment managers establish and manage a suitable portfolio of shares for the investor, taking all the trading decisions themselves within the investment objectives of the investor. This is known as a **discretionary service**.

Alternatively, the bank will administer the client's own share or unit trust/UCIS portfolio, making suggestions to their clients regarding holdings which should be bought or sold, or simply carrying out the trading instructions from the client. These services are most suitable for clients who desire direct exposure to the stock market on at least some element of their portfolio, and wish to retain some control over the direction of their investment.

Fees are charged for these portfolio management services.

© The Chartered Insurance Institute 2006 CF1/June 2006 1/5

Below: Advanced Diploma in Financial Planning cover



Consumer-facing activity – recent example

The CII has increasingly been involved in consumer-facing activity to complement its support for the profession. One example of this has been our lead role in the development of guidelines for equity release services, under the banner of ‘SAFE’ (Secure Advice For Equity Release).

The concern has been expressed that, whereas the equity release product manufacturers work together (pledging to observe the Safe Home Income Plan, or SHIP, code of practice), there is no equivalent organisation or brand for those advising in the area. Moreover since the typical client is aged over 50, there is an element of potential vulnerability and sensitivities need to be observed. There has in the past been a lack of consistency alleged in the level and quality of advice, as evidenced when Vernon Everitt from the FSA wrote to all equity release advisers warning them of the need to have robust compliance procedures in place.

In this light, the CII/PFS’s proposed kitemarked Equity Release advice group will incorporate:

- An industry standard advice process
- Active monitoring of standards
- Major consumer-facing marketing alongside the SHIP brand
- Code of Conduct and Disciplinary procedures.

A03

What is the legal, organisational and governance structure of your service?

CII Group response

This response describes three key elements of our structure and operations:

- The role of the Professional Standards Board
- The PFS code of ethics
- Qualifications and accreditation
- Competency framework.

The role of the Professional Standards Board

The primary role of the CII's Professional Standards Board (the Board) is to advise the CII Board on the development of appropriate policy and standards for CII members, including professional conduct and discipline, ethical conduct and competence. It has oversight of the CII's policies on accountability, diversity and transparency and meets four times each year. The Board has as direct reports the Examiners, Disciplinary and Appeals Committees. The Chairman reports to the Board of the CII at similar intervals.

The Board is chaired by an independent chairman, currently David McIntosh, a Past President of the Law Society, and consists of up to 12 individuals drawn from a variety of backgrounds including retail consumer interest, regulatory, insurance broking, wholesale consumer interests, financial services, loss adjusting and the academic world. The Institute's Chief Executive, his Deputy and the CII President are also ex officio members.

Professional Standards Board members are appointed by the CII Board on the recommendation of the Nominations Committee may serve a maximum of two terms of three years each. The Board's chairman attends but does not vote at the Representative Council of the CII.

Code of ethics

The table below reproduces our code of ethics for your consideration:

<i>Code of ethics</i>	
	<p>The Personal Finance Society is a member of the Chartered Insurance Institute Group and has adopted the Code of Ethics and Conduct in its entirety. The Chartered Insurance Institute (CII) encourages the highest professional and ethical standards in insurance and financial services worldwide.</p>
	<p>The Council and membership of the CII look to all members, to meet these standards and to maintain the reputation of the CII by following this Code of Ethics and Conduct (the Code). It sets down the principles which all members of the CII should follow in the course of their professional duties.</p>
	<p>Members are obliged to comply with this Code. If they do not comply, this may result in the CII taking disciplinary action against the member.</p>
	<p>The key values which set the standards for the behaviour of all CII members in respect of the key stakeholders in sections 1 to 5 are:</p>
A)	Behaving with responsibility and integrity in their professional life and taking into account their wider responsibilities to society as a whole. Acting in a courteous, honest and fair manner towards anyone they deal with. Being trustworthy and never putting their interests or the interests of others above the legitimate interests of their stakeholders;
B)	Complying with all relevant Laws (including the laws of the CII) and meeting the requirements of all applicable regulatory authorities, and appropriate codes of practice and codes of conduct.
C)	Demonstrating professional competence and due care including:
a)	Meeting the technical and professional standards relating to their level of qualification, role and position of responsibility;
b)	Completing their duties with due skill, care and diligence;
D)	Upholding professional standards in all dealings and relationships;
E)	Respecting the confidentiality of information;
F)	Applying objectivity in making professional judgements and in giving opinions and statements, not allowing prejudice or bias or the influence of others to override objectivity.

Members should respect the traditions and cultures of each country in which they operate. They should carry out business in any country according to all applicable local Laws, Rules and Regulations. Where there is a conflict between local custom and the values stated above, the Code will act as a guide to help members to act professionally.

A member operating in a professional capacity has duties, arising from these key values, to a number of different groups. Within these relationships a member should always act ethically and their behaviour and conduct should meet the following principles:

1. Relations with customers

Members will seek to earn and maintain the trust of their customers at all times and should:

- 1.1. Give fair and proper consideration and the appropriate priority to the interests and requirements of all customers. Obtain and provide relevant information, including all necessary documentation and respect the confidentiality of information;
- 1.2. Avoid conflict between personal interests, or the interests of any associated company, person or group of persons, and their duties to all customers;
- 1.3. Avoid conflict between any competing interests of one or more customer(s), stepping aside in one or all matters if such conflicts cannot be resolved;
- 1.4. Act at all times with due skill, care and diligence;
- 1.5. Act only within the limits of personal competence and any limits of authorisation;
- 1.6. Act in a financially honest and prudent manner, including ensuring the protection of any money and/or property held on behalf of customers;
- 1.7. Act openly, fairly and respectfully at all times, providing all customers with due respect, consideration and opportunity;
- 1.8. Be honest and trustworthy with customers and communicate with them in a clear, prompt and appropriate manner;
- 1.9. Provide suitable and objective recommendations to customers;
- 1.10. Comply with all Laws and Regulations regarding the supply of goods and services to customers;
- 1.11. Not provide or accept money, gifts, entertainment, loans or any other benefit or preferential treatment from or to any existing or potential customer or provider, other than occasional gifts, entertainment or remuneration, which are provided as part of accepted business practice, and which are not likely to conflict with duties to customers.

2. Relations in employment

Members should aim to ensure good relations with their employer and employees and should:

- 2.1. Avoid conflict between personal interests, or the interests of any associated company or person, and their duty to their employer;
- 2.2. Not make improper use of information obtained as an employee or disclose, or allow to be disclosed, information confidential to their employer;
- 2.3. Seek to be a responsible employer or employee and be honest and trustworthy at work;
- 2.4. Act openly, fairly and respectfully at all times, treating other employees, colleagues, customers and suppliers with equal respect, consideration and opportunity;
- 2.5. Aim to take every opportunity to improve their professional capability, knowledge and skills;

- 2.6. Accurately and completely account for and report in employer records all business dealings;
- 2.7. Not provide or accept money, gifts, entertainment, loans or any other benefit or preferential treatment from or to any existing or potential supplier or business associate, other than occasional gifts, entertainment or remuneration, which are provided as part of accepted business practice, provided this is not likely to conflict with any duty that is owed to their employer.

In addition, where a member holds a position of influence within an organisation they should:

- 2.8. Provide, or encourage their employer to provide, suitable arrangements for the internal review of decisions, policies and actions where an employee raises concerns of unethical behaviour. (Employees should not be penalised for raising matters of ethical concern even if this results in a loss to the organisation or a customer);
- 2.9. Incorporate, or encourage their employer to incorporate, ethical standards into the organisation's governance standards, including the development of an ethical code.

(This part of the Code will operate alongside any employer policies, guidance, work rules, contracts and conduct documents. Where this part of the Code sets higher standards, the Code should be followed.)

3. Relations with Regulators and the Law

Members must respect all Laws and abide by all Regulations that affect their business and must:

- 3.1. Ensure they operate within the Law and within the spirit of the Law, at all times;
- 3.2. Ensure they deal with regulators in an open, transparent and co-operative manner and meet any requirements correctly made of them.

4. Relations with the community and the public

Members should recognise the important wider role that they play as professionals and should:

- 4.1. Seek to advance the reputation of financial services, financial planning, insurance and associated trades through their own conduct;
- 4.2. Operate in a way that respects environmental concerns and issues;
- 4.3. Act in a socially responsible manner within the countries and societies in which they operate;
- 4.4. Strive to be trusted individuals and fulfil their responsibilities to the societies and communities in which they operate professionally.

5. Relations with the CII

Members receive various benefits as CII members, but they also have responsibilities to the CII and its members. They should:

- 5.1. Act at all times according to the laws of the Institute (including this Code of Ethics and Conduct);
- 5.2. Ensure a transparent relationship with the CII, based on trust, respect, responsibility and integrity;
- 5.3. Have pride in their status as a CII member and in any CII qualifications they hold;
- 5.4. Ensure they do not make improper use of information or disclose, or allow to be disclosed, information confidential to the CII;
- 5.5. Aim to seek opportunities to support the work of the CII and to promote its values to others, especially industry bodies, employers and prospective members;

- 5.6. Aim to seek opportunities to support local CII activities;
- 5.7. Demonstrate to others the value of professional qualifications and continuing professional development;
- 5.8. Treat other CII officers, other members and CII employees with the same respect they would wish to be given;
- 5.9. Ensure that their membership of the CII is not publicised in any way, that might suggest that they hold a professional qualification which they are not entitled to;
- 5.10. Ensure that any conduct, promotion or public announcement, with which a member, their name or qualification are connected does not bring the CII, another member or their profession into disrepute;
- 5.11. Advise the CII of any members who are not following its rules or this Code, and advise the CII of anyone wrongly representing themselves as a member;
- 5.12. Aim to ensure the expected standard of technical competence is maintained and that they remain informed of current developments (to ensure they remain competent to carry out their role) by undertaking appropriate professional development. In addition:
- 5.13. Qualified members, using designatory letters should comply with the requirements of the CII's scheme for Continuing Professional Development (CPD) appropriate to their level and conditions of membership;
- 5.14. Chartered titleholders should notify the CII promptly of any change in the nature of their employment which might affect the particular chartered title applicable to them under the terms of the CII's Bye-laws.
- 5.15. Chartered titleholders should only use the title in an individual capacity. It should not be used in a manner applying to firms, partnerships or corporate bodies.

Qualifications and accreditation

Professional qualifications are recognised by the Society through titles and designations denoting the various levels of attainment. You must be a member of the Society to use these designations and titles. Use of a designation or title of the Personal Finance Society by a person who is not a member can result in legal action to protect the Society's trademarks.

The designations and titles granted to members of the Personal Finance Society are as follows:

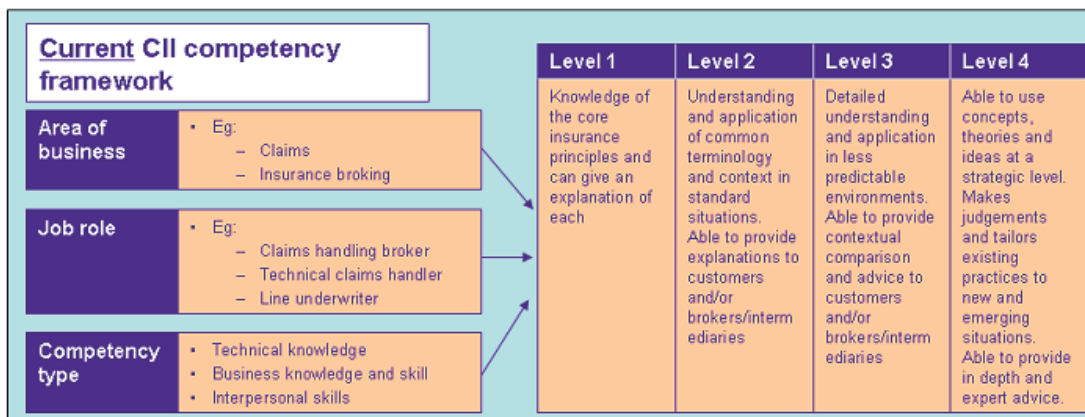
Designation	Title	Examination credits
	Chartered Financial Planner	290
FPFS	Fellow of The Personal Finance Society	350 credits with at least 290 at Diploma Level or above and a minimum of 210 of these at AFPC Level
APFS	Associate of The Personal Finance Society	230 credits with at least 170 at Diploma Level or above and a minimum of 120 of these at AFPC Level
DipPFS	Member of The Personal Finance Society by Diploma	140 credits with at least 80 at Diploma or AFPC Level
CertPFS	Member of The Personal Finance Society by Certificate	70 credits

The title Chartered Financial Planner is first degree standard. Authority to grant this title derives from the Privy Council and is exclusive to the Chartered Insurance Institute.

The other designations and titles listed align with the National Qualifications Framework which is laid down by the Qualifications and Curriculum Authority. Thus the terminology 'Certificate' and 'Diploma' is recognised throughout the education system, industry and commerce and its adoption by the Personal Finance Society and the CII aids the aim of raising public perception of the qualifications of financial advisers.

Competency framework

The current CII competency framework is shown below. We believe it will be possible to devise an appropriate framework for the delivery of generic advice, partly based upon this model although simplified in important elements.



A04

How is your service funded?

CII Group response

Payment is made through a wide range of mechanisms. These include:

- Member services and subscriptions
- Qualifications and examinations
- Learning solutions (eg payments for course materials)
- Commercial activities.

In the last year for which audited accounts are available, Learning solutions represented the single biggest slice of revenue, as shown in the table below.

CII income, YE 31 Dec 2005		
Income (£000)	2005	2004 restated
Member services and subscriptions	8,392	6,328
Qualifications and examinations	7,147	6,248
Learning solutions	10,390	9,656
Commercial activities	842	452
Total	26,771	22,684

A05

How did you identify your customer and their needs?

CII Group response

We use a wide range of engagement channels to keep abreast with the evolving needs of our members. On one of the most valued of these is the use of local institutes, which gives our members ample opportunity to meet face to face and input on matters of concern as well as requirements for new or developing CII services.

Local institutes are currently active in the following locations:

Aberdeen, Bedford and Milton Keynes, Belfast, Birmingham, Blackburn and Burnley, Bolton, Bournemouth, Bradford, Brighton, Bristol, Cambridge, Cardiff, Carlisle, Chelmsford and SW Essex, Cheltenham and Gloucester, Chester and North Wales, Coventry, Croydon, Edinburgh, Exeter, Folkestone, Canterbury and East Kent, Glasgow, Guernsey, Guildford, Halifax, Harrow and Ealing, Hull, Inverness and the Highlands, Ipswich, Suffolk and North Essex, Isle of Man, Jersey, Kendal, Leeds, Leicester, Lincoln, Liverpool, London, Londonderry, Luton and St Albans, Manchester, Mid Kent, Middlesbrough, Newcastle upon Tyne, Northampton, Norwich, Nottingham, Perth and Dundee, Peterborough, Plymouth, Preston and Blackpool, Reading, Royal Tunbridge Wells, Sheffield, Shropshire and Mid-Wales, Southampton, Stoke-on-Trent, Stratford upon Avon, Swansea and West Wales, Swindon, Truro and York.

Operational issues – section B

What should the scope of a national approach to generic financial advice be?

BO1

Who is your target market, and how do you target them? How well do your actual clients match your expected target market?

CII Group response

Note: The following response relates specifically to our online learning and competency tools. Please refer to the section 2 preamble.

The CII developed the ‘Ed’ training and competence system approximately four years ago.

Ed is divided into two product lines: ASSESS and LEARN. ASSESS is for maintaining and updating knowledge whereas LEARN is predominantly for imparting knowledge for the first time. It is accessed via a PC with an internet browser, in any location.

Ed can benefit an organisation in many ways, by helping to ensure that staff are competent, professional and knowledgeable.

The table below represents some of the key uses to which Ed is put within clients

Ed – uses within client organisations	
Training	All firms regulated by the FSA have a need to teach their staff about the regulatory basics – for example, Money Laundering, Data Protection, plus relevant technical training based on their job role. If this training is conducted on a face-to-face basis, the costs can be considerable when trainer time, possible travel and venue costs, opportunity cost of staff away from their desks are all taken into consideration. Ed includes this learning and yet the cost of the entire Ed package for a year’s access is less than the cost of a typical one-day training course.
Testing	The current regulatory regime lends towards regular testing of staff in order to identify knowledge gaps. It is possible for one person to set up and deliver such a test, using CII approved questions, to an audience of hundreds in less than 15 minutes. Staff can take these tests online at their desks. Results are available instantaneously and are recorded in a secure central location.
Compliance	Ed can reduce the workload of a compliance manager.
Regulator visits	Ed can cut down the amount of preparation for a visit by the regulator. With Ed, clients know their training, assessment and CPD records are in order and can be easily accessed. Although generic advice will not be regulated, the same principles of good practice will apply.

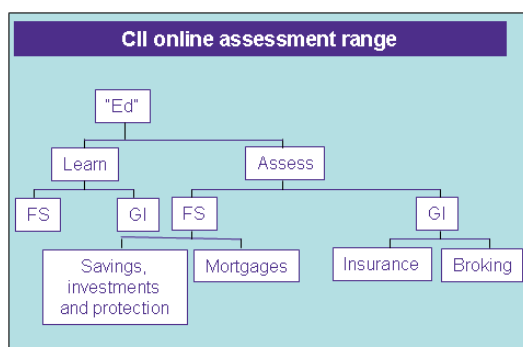
Target market

The target market for our online learning and competency assessment tools are financial service ‘manufacturers’ and ‘distributors’. This includes organisations as diverse as firms offering savings, investment and protection products, mortgage firms, general insurers and brokers – particularly those who regard continuing evidence of the knowledge and competence of employees as an important element in their management and control processes.

Our clients include such leading names as:

- Legal & General
- Liverpool Victoria
- National Australia Group
- Openwork
- Sesame
- Tenet
- Over 800 others.

The range of products offered to these firms is structured on the basis shown below:



In each case, we will provide:

- Continuous learning materials, kept up to date by our team of experts (including both in-house resources and external experts in the relevant disciplines)
- Online assessment.

Firms are targeted through a wide range of means, including:

- Relationships with CII’s team of Business Development Managers
- Direct marketing (particularly in the launch period).

Additionally, general awareness of the services is promoted through CII publications, including The Journal (see AO1).

Word of mouth has also proven to be an important driver of new business.

BO2

How many people use your service per annum? What sorts of questions do they ask?

CII Group response

Note: The following response relates specifically to our online learning and competency tools. Please refer to the section 2 preamble.

The key facts about usage of our online assessment services are as follows:

- 800+ different organisations signed up to make the tools available to their staff
- 48,000 advisers who are authorised by these firms to use the services
- 300 users will typically be on using our tools at any given time during the working day.

All employees who are nominated by their employer as suitable for competency assessment are welcome to use our tools. Employers will typically mandate that individuals performing specified roles, and/or of a specified seniority, are required to participate in online competency assessment on a specified basis. One of the parameters of our competency framework relates to job roles (see AO3), enabling firms to implement a policy that, for example, all Line Underwriters must complete a Level 2 assessment annually.

The advisers taking the assessment tools do not ask very many questions, but in the event that they do (for example, technical queries), the CII has appointed an outsourced service provider to run a helpline. Those manning the helpline will either assist advisers while they wait, or will investigate the matter and report back as quickly as possible.

BO3

Do you know how many people you turn away? If so, is this a capacity issue or have they come to the wrong place?

CII Group response

Note: The following response relates specifically to our online learning and competency tools. Please refer to the section 2 preamble.

We do not need to turn away any advisers. We have built the system with sufficient capacity to fulfil the learning needs of all the organisations we are likely to sign up within the foreseeable future, and have the ability to add to our capacity quickly and cost-effectively should the need arise. Even in the event that everyone employed within the UK insurance industry signed up to use the system within a short period of time, we would be able to accommodate them simply by purchasing increased capacity and bandwidth.

BO4

If you operate some form of “triage” or “sifting” of calls, what criteria do you use?

CII Group response

Note: The following response relates specifically to our online learning and competency tools. Please refer to the section 2 preamble.

Not relevant in light of our client base and service model.

BO5

What referral policy do you operate and how (eg boundaries with other organisations, relationship with others, potential issues to manage etc)?

CII Group response

Note: The following response relates specifically to our online learning and competency tools. Please refer to the section 2 preamble.

Not relevant in light of our client base and service model.

BO6

What management information do you capture?

CII Group response

Note: The following response relates specifically to our online learning and competency tools. Please refer to the section 2 preamble.

We track all the activity of every individual who uses the service and provide this information back to the employer according to an agreed format (we are able to provide flexible reporting formats in line with employers' requirements). As a result, employers are able to monitor such factors as:

- Who has been studying
- What topics are being studied
- For how long the studying is taking place
- The results being achieved.

Efficient, accessible records are key for commercial and regulatory purposes, and assist in the effective utilisation of resource. System administrators can produce a series of reports detailing usage and performance within the system at specified hierarchical levels.

The types of reports that are regularly produced to use as the basis of client review meetings are listed in the table below.

MI report examples
<ul style="list-style-type: none"> • Qualifications • Module Usage • Subject Usage • Subject Assessments • Module Access Frequency • CPD Summary Report • Subject Enrolments <ul style="list-style-type: none"> – By group – By area of work • Learning Schedules • Organisation Structure • Company Assessment • Users not Attempted

B07

How do you monitor quality and consistency of advice given (eg quality control, customer feedback, complaints handling etc)?

CII Group response

Note: The following response relates specifically to our online learning and competency tools. Please refer to the section 2 preamble.

The assessment tools are vital elements for our clients in ensuring their staff are providing competent advice to customers.

They will use the information from our tools to identify (for example):

- Training needs
- Workforce planning
- Employees suitable for promotion
- In some cases, situations where remedial action is required.

Ultimately, the value of these tools to our clients is to give them greater insight into and control of the front line service being delivered. They are also able to cascade new information quickly to those who require it.

In the rare event that complaints are received, these will be escalated to senior management who will conduct a thorough investigation. Services standards are in place with each corporate client, and these will generally be used as an important reference point in such situations.

Service standard – example

System availability – target	97.0%
System availability – actual	99.94%

B08

How do you deal with questions of liability for inappropriate advice (eg indemnity insurance)?

CII Group response

Although there are no issues of liability and indemnity insurance related to the CII's online assessment tools, we would note as a separate matter that members of the PFS are able to access affinity benefits such as discounted PI cover as a result of signing up to the CII's Code of Ethics.

B09

What level and type of training do you offer for your staff (eg costs, duration, suppliers, accreditation, etc)?

CII Group response

Note: The following response relates specifically to our online learning and competency tools. Please refer to the section 2 preamble.

Referring to our 48,000 users, rather than to our staff, we offer training across all financial services, mortgage and general insurance products. This includes advice, FSA principles and regulatory aspects, anti-money laundering and data protection. The e-learning tutorials vary in length based on the subject matter, and are costed in terms of technical nature and content.

Examples of the 'look and feel' of these tools are shown below:



test in progress

Test In Progress

QUESTION: 1 OF 10

Which of these statements accurately describes a non-advised sale?

- Linda's Intermediary recommends a product which is suitable for her.
- Daisy shares her opinion about the quality of a product with her client who then buys that product.
- Millie talks to an intermediary about her insurance needs.
- Sally is given some information about the product that she ultimately buys but nothing more.

next

unanswered

BO10

What are the payment arrangements for your advisers (eg payment levels, sponsorship, pro bono etc)?

CII Group response

Note: The following response relates specifically to our online learning and competency tools. Please refer to the section 2 preamble.

Payment is made by the employing organisation rather than individual advisers.

It takes the form of an annual licence fee.

The size of the licence fee will be dependent upon two key factors:

- The number of products taken
- The number of staff involved.

BO11

Who are your advisers (background, length of service etc)?

CII Group response

Note: The following response relates specifically to our online learning and competency tools. Please refer to the section 2 preamble.

We do not have a definitive statistical breakdown of the profile of the advisers, since they are in the employ of our 800 client organisations.

However, based upon discussions with our clients, and our experience delivering this service over the past few years, our best guess would be that the advisers are representative of the industry in terms of:

- Gender
- Age
- Roles
- Specialisation
- Seniority
- Length of time in the industry
- Area of financial services concerned
- Size of employer organisation.

BO12

How do you ensure that you work effectively with other relevant organisations?

CII Group response

Note: The following response relates specifically to our online learning and competency tools. Please refer to the section 2 preamble.

We hold regular review meetings with all our corporate clients to discuss their level of satisfaction with the tools, and any improvement opportunities they believe exist. Based upon these discussions, we will either evolve and enhance the core product features, or add bespoke elements for specific organisations.

A typical agenda for such meetings will include:

- Review of key performance statistics
- Review of site functionality/content
- Review of any feedback, comments from users
- Discussion of best practice for embedding results within organisation/culture
- Discussion of future plans within client, eg further rollout, new products/services to be launched
- Agreement of action plans (short, medium, long term)
- Commercial discussion.

Our experience is that clients find the intensive workshop-style format of these review meetings of great value. A key factor is ensuring attendees are sufficiently senior within their organisations to be able to sign off on the vast majority of decisions that may be required.

Examples of specific partnerships include:

- **Broker Academy.** This is a formal joint initiative between the CII, the British Insurance Brokers Association (BIBA) and AXA, developed “by the industry, for the industry”. Broker Academy provides access to the complete range of learning and development services provided by the CII to support professionalism and career advancement in the broker market. Its objective is to raise levels of general and technical competence among general insurance brokers which are a major distribution channel for general insurance products.
- **Norwich Union Service Academy.** The CII supported Norwich Union through delivering a major e-learning programme to help upskill call centre staff. The priority areas for the programme were technical expertise, and the customer experience, and associated benefits included raised levels of staff morale. The programme was rolled out rapidly to 2000 life insurance staff in the UK and India, and the customer satisfaction rates were exceptional.

Operational issues – section C

Cost and funding

CO1

What is your operational model?

CII Group response

Please refer to our responses to B01–B012.

CO2

What is the cost structure of your service (eg set-up vs ongoing; capital vs operational)?

CII Group response

Note: The following response relates specifically to our online learning and competency tools. Please refer to the section 2 preamble.

The detailed costing vary across our service range. As a professional body without access to new shareholder capital it is incumbent upon us to operate in a very efficient manner when it comes to investment in new projects. With regard our online activity, the major costs are direct costs (eg hosting, IT resources), support costs (eg business development managers whose role it is to maintain relationships with client firms), and indirect costs (eg our editorial team responsible for overseeing CBT content).

CO3

How long did it take to set up the service from blueprint to launch date? Did you pilot it first? If so, please provide details.

CII Group response

Note: The following response relates specifically to our online learning and competency tools. Please refer to the section B preamble.

When the tools were first developed, it took approximately nine months from initial conception before they were brought to market and available for client use.

With each new client, there will be an engagement period before the tools are ready to go live. Depending on scope, this may require an elapsed period between three and four weeks. Key tasks during this period will typically include:

- Planning sessions to agree organisational rollout/awareness
- Training sessions with client administrators (training delivered by CII experts)
- Any necessary bespokeing.

C04

What are the components of your model and how do they relate to each other (eg telephone, face to face and online)?

CII Group response

Note: The following response relates specifically to our online learning and competency tools. Please refer to the section 2 preamble.

However, it is important to recognise this is not the entirety of the solution that most clients require. Many desire a blended approach that involves such tools as face-to-face training, books, and other types of learning material.

Please refer to AO2 for further information about the range of channels including:

- Electronic media
- Face-to-face training
- Events/conferences
- Magazines and technical bulletins
- Learning materials.

C05

If you operate an online service, how many people use your site and do they have to pay to use it?

CII Group response

We do operate an online service, which has been described in detail in our responses to B01–B012.

C06

Please provide information on the key statistics about your service (eg duration of session, average cost per session, approach to booking etc).

CII Group response

Please refer to our responses to B01–B03.

C07

How are you funded and what do you have to do to qualify (eg grant-in-aid, customer payments, commercial capital etc)?
How much do customers pay?

CII Group response

Please refer to our response to B010.

CO8

Are you able to quantify the social/public policy benefits of your service?

CII Group response

Note: The following response relates specifically to our online learning and competency tools. Please refer to the section 2 preamble.

We do not have exact quantification available. However the entire purpose of our service is to raise standards within the industry and promote professionalism in line with our mission to protect the public by guiding the profession.

We believe it is instructive that, as tools such as financialASSESS and insuranceASSESS have become more widely used, the number of high-profile consumer problems (such as pensions mis-selling) have declined. Of course, this has resulted from a wide range of activity by the industry, including tighter regulation. While competency assessment cannot be regarded as the only factor, we do believe it has been an important element of the mix.

CO9

If your service is required to show a return on capital, what are the Internal Rate of Return (IRR) and payback periods?

CII Group response

Note: The following response relates specifically to our online learning and competency tools. Please refer to the section 2 preamble.

This information is commercially confidential, and varies by project. Return on capital is only one of the criteria used to evaluate projects that the CII undertakes.

CO10

How do you measure the effectiveness of your service?

CII Group response

Note: The following response relates specifically to our online learning and competency tools. Please refer to the section B preamble.

We use a variety of measures, but one of the primary measures is persistency among our corporate clients. Since the launch of our online tools, we have never lost a single major client.

In addition, client satisfaction is a vital measurement of effectiveness. Since the rapid expansion of our service in the early 2000s, satisfaction ratings have consistently run at a very acceptable level.

As evidence of the importance we ascribe to client satisfaction, we present below a selection of comments we have received from our major clients, and that they have permitted us to reproduce:

“FinancialASSESS enables us to deliver training and development remotely to a large number of advisers on a range of subjects quickly and efficiently. The system is user friendly and allows advisers to maintain a complete training and competence record on line.”

Neil Price, Group Training and Development Manager, Tenet Group

“Financial advisers need to maintain their competence and, in a fast moving market, keeping abreast of technical and regulatory changes needs to be achievable in an effective and robust manner. Financial advisers expect learning solutions that are flexible, relevant and provide them with choice. We have found that financial ASSESS and ed.LEARN provide us with the ability to deliver targeted, relevant information, backed by assessment facilities objectively measuring levels of knowledge and understanding. Delivered online, it is available any time, any place, and is proving a practical and cost-effective solution.”

Paul Dawson, Head of Sesame Learning

Operational issues – section D

How can potential users be engaged?

DO1

What market research did you do before setting up your service?

CII Group response

Note: The following response relates specifically to our online learning and competency tools. Please refer to the section 2 preamble.

Having reviewed the FSA and FSSC requirements and guidelines, the CII produced a draft of what we felt would be valued by the industry. We then held a series of workshops with early adopters to discuss their requirements and gain their reaction to various different models and design options, with separate workshops focused on financial services and on mortgage products. Further research was later conducted once the material had been produced, in order to confirm that the solution was in line with requirements and to identify any refinements or revisions.

Post-launch, we keep the materials current and reflective of client needs through:

- Users forums – regularly held to discuss views, attitudes and expectations
- Quarterly updates to the materials to reflect regulatory and industry changes.

DO2

What approach to advertising have you taken at the various stages of the development of your service (including an indication of level)?

CII Group response

Please refer to our response to B01.

DO3

How has your service evolved over time?

CII Group response

Note: The following response relates specifically to our online learning and competency tools. Please refer to the section 2 preamble.

Before the launch of the current 'EdASSESS' portfolio, the CII did already have a more basic online examination offering. Since the launch of the new tools in 2002, the range has expanded rapidly:

Q4 2002: FinancialASSESS

Q1 2003: InsuranceASSESS

Q2 2003: MortgageASSESS

Q3 2003: BrokerASSESS.

All materials are reviewed every quarter to ensure the content is current and reflective of regulatory or industry changes.

DO4

How did customer usage build up over time?

CII Group response

Note: The following response relates specifically to our online learning and competency tools. Please refer to the section 2 preamble.

The number of active users has increased by approximately 35,000 in the past four years, as shown in the table below:

Year	Users
2002	13,000
2003	25,500
2004	41,500
2005	45,000
2006	48,000

These growth statistics are a reflection of the increasing recognition throughout the sector of the role that competency assessment can play in providing a quality advice service routed in continuing professional development.

We believe that our ability to cope with such rapid growth, especially in the period 2002–2004, should give the Committee reassurance about our ability to handle a comparable ramp-up once generic advice begins in earnest.

DO5

Do you have information about what your customers do as a result of your advice?

CII Group response

Note: The following response relates specifically to our online learning and competency tools. Please refer to the section 2 preamble.

Typically, client firms will prepare documented training plans for their workforce, and the CII has often been invited to assist firms with this work.

These plans will itemise the specific assessments that need to be sat in order to test the knowledge and awareness of staff.

The plans will also identify the types of learning materials that staff should use to keep their knowledge up to date and to help them to pass the various tests.

Appendix

Generic advice standards

Developed by the FSSC

Generic advice standards

National Occupational Standards for the Financial Services Sector

Generic Financial Advice

Contents

Unit GFA 1 – Engage with the consumer: establish reasons for seeking generic financial advice

Unit GFA 2 – Establish the consumer’s key financial concerns and gather relevant information

Unit GFA 3 – Identify and agree priorities and options for the consumer to enable informed financial choices

Unit GFA 4 – Identify ways of meeting financial needs for the consumer to consider

Unit GFA 5 – Refer the consumer to further financial information or advice

GFA 1 – Engage with the consumer: establish reasons for seeking generic financial advice

Overview

This unit is about getting to know the consumer and the circumstances which have led them to contact you and seek generic financial advice. The emphasis is on ensuring that the consumer understands the advice process, its purpose and what they can and cannot expect from you as well as quickly building rapport. It applies to getting to know the consumer through gathering relevant information and includes those activities undertaken prior to and during the first interview with a potential consumer. A consumer’s needs may be very specific and outside the competence of the generic financial adviser, in which case a suitably informed referral should be made.

Outcomes of effective performance

You must be able to do the following:

1. Introduce yourself to the consumer and explain what generic financial advice is.
2. Explain what preparatory work the consumer will need to do before a formal meeting or telephone call with you.
3. Explain how long a formal meeting or telephone call is usually expected to last.
4. Explain what the consumer can and cannot expect from, and at the end of, the generic financial advice process.
5. Explain that information gathered will be completely confidential and only passed to any third party with the consumer’s prior agreement.
6. Identify and agree with the consumer their objectives and agenda for the meeting or telephone call.
7. Identify where appropriate the need for a suitable referral in cases outside your competence.
8. Provide as appropriate information about other service providers that are more appropriate for the client need at this stage.
9. Check and confirm consumer understanding so far.

Behaviours underpinning effective performance

1. You use communication styles that are appropriate to the consumer you are dealing with and which foster a two-way discussion.
2. You seek to understand your consumer’s needs and motivations for seeking advice.
3. You present information clearly, concisely, accurately and in an understandable way.
4. You gather, manage and record information efficiently, accurately, effectively and ethically observing all confidentiality and data protection requirements.
5. You act within the limits of your area of competence.
6. You carry out tasks with due regard to your organisation’s policies and procedures, including those covering health and safety at work.

Knowledge and understanding

A breadth of knowledge

1. Generic financial advisers need to have a broad knowledge about many subjects, although some to a greater depth than others.
2. Part of the role of the generic financial adviser will be to know that where a consumer needs personalised advice beyond their (the adviser's) own competence (such as advice on specific financial products); claiming specific benefits; specialised debt advice; tax or legal advice, the adviser will be expected to assist the consumer by helping them find specialised advice by referring them on.

General

1. Understand what is meant by generic financial 'advice' and the rules that currently apply to the different types of advice.
2. Demonstrate knowledge of the principles of business ethics and integrity as set by relevant financial codes of conduct.
3. Understand the major life stages/events that can affect finances.
4. Understand the importance of the ownership of assets in improving financial prospects throughout life.
5. Understand and explain the basic principles of taxation.
6. Know the main types of financial services options and solutions available and how they are paid for.
7. Know the key organisations and consumer protection bodies and the roles they play within the provision of financial services.
8. Be aware of relevant regulations and legislation applying to Generic Financial Advice.
9. Be able to recognise potential areas of benefits and/or tax credits that might apply to the consumer, the conditions applying to them and where to refer the consumer to obtain further information.
10. Know how to collect, record and interpret the information given so that you can explain things clearly to the consumer including what the consumer has to do next.

Income and budgeting, debt and borrowings

1. Demonstrate and have knowledge of the differences between debt and borrowing, alternative debt remedies and when referral to a specialist debt adviser is needed.
2. Be able to explain the relevance of credit scoring and credit records; understand the basic types of credit arrangement (e.g. credit cards, mortgages) and be able to explain the benefits and risks of borrowing through this method.
3. Have knowledge of basic banking services and products and the benefits they may provide.
4. Have knowledge of the different types of loans (secured, unsecured, Government backed e.g. student) and the potential risks of debt consolidation.
5. Be able to discuss budgeting and the concept of shopping around for better deals on services and products (such as utilities, credit cards and borrowing and general insurances).
6. Know and understand the purpose and principles underpinning mortgage lending and the main features of the principal types of mortgage available to consumers.

Protection

1. Understand the different types of life assurance (including provision for long term care) and how they may apply to the consumer's circumstances.
2. Know the concepts and principles underpinning all insurance contracts and have an awareness of how underwriting works.
3. Know the basic procedures for making insurance claims.
4. Understand the differences in tax treatment for the main types of insurance policy both for premiums paid and in the event of a claim.

5. Have a basic knowledge of death benefits under retirement contracts and other employee protection benefits.
6. Know the main state benefits that may be available including those relating to ill health (incapacity).
7. Know the advantages of having a Will and the main uses of simple trusts.

Savings and investments

1. Be aware of different types of risk including economic, investment, and time, personal and moral.
2. Be able to explain the value of having some provision for emergencies and the different ways it might be achieved.
3. Have a working knowledge of basic banking and National Savings products and the benefits they may provide.
4. Understand and be able to explain at a basic level the different forms of investments including interest bearing products, equities and equity backed products, investment trusts and property and the risks associated with investing in each.
5. Have a basic knowledge of taxation relating to savings products.
6. Be aware of products and services that have a religious/ethical theme such as Islamic finance and ethical funds.
7. Know how to get a state pension forecast (*BR 19 Application for a Retirement Pension Forecast*), what pension credit is and where to find relevant information.
8. Know where to find help and information on contracting back into the state second pension S2P.
9. Have a basic understanding and be able to explain state and non-state pension options.

Healthy, safe and effective working environment

1. Know and understand the main requirements of legislation relevant to the individual relating to health and safety, security and working practices in the workplace.
2. Know and understand the main types of relevant emergency and your organisations procedures for dealing with these.
3. Know and understand the main types of relevant security risk and your organisations policy and procedures for dealing with these.
4. Know and apply your organisations relevant procedures for maintaining equipment and the working environment.

GFA 2 – Establish the consumer’s key financial concerns and gather relevant information

Overview

This unit is about establishing with the consumer what their key financial concerns are and gathering as much relevant information as is appropriate from them so that the consumer is more readily able to identify and discuss these concerns and to agree what may need to be addressed. This will include the creation and maintenance of consumer records.

Outcomes of effective performance

You must be able to do the following:

1. Encourage the consumer to express the nature of their financial concerns and establish if the advice is for them or a third party. In cases where the consumer confirms that the advice or information is for a third party you check and confirm that the consumer has permission from or Power of Attorney for the third party on whose behalf the advice is being sought.
2. You discuss with the consumer their issues and concerns, their financial circumstances and help them identify what provision they may currently have.
3. You ascertain whether the consumer anticipates any changes in the foreseeable future that may affect the area of advice concerned. In particular, where those changes will have an impact on entitlement to state benefits.
4. You explain to the consumer that your advice is based solely on the information they have been able to provide for you.
5. You check that the consumer understands their current financial circumstances and what areas of need you have agreed are to be addressed.
6. Agree with the consumer if any immediate action is required what that will be.

Behaviours underpinning effective performance

1. You use communication styles that are appropriate to the consumer you are dealing with and which foster a two way discussion.
2. You present information clearly, concisely, accurately and in an understandable way.
3. You confirm that you are listening through acknowledging points raised and made by the consumer by paraphrasing.
4. You use a tone of voice, inflexion and both verbal and body language which displays interest in the consumer's needs.
5. You gather, manage and record information efficiently, accurately, effectively and ethically observing all confidentiality and data protection requirements.
6. You act within the limits of your area of competence.
7. You carry out tasks with due regard to your organisation's policies and procedures, including those covering health and safety at work.

Knowledge and understanding

A breadth of knowledge

1. Generic financial advisers need to have a broad knowledge about many subjects, although some to a greater depth than others.
2. Part of the role of the generic financial adviser will be to know that where a consumer needs personalised advice beyond their (the adviser's) own competence (such as advice on specific financial products); claiming specific benefits; specialised debt advice; tax or legal advice, the adviser will be expected to assist the consumer by helping them find specialised advice by referring them on.

General

1. Understand what is meant by generic financial 'advice' and the rules that currently apply to the different types of advice.
2. Demonstrate knowledge of the principles of business ethics and integrity as set by relevant financial codes of conduct.
3. Understand the major life stages/events that can affect finances.
4. Understand the importance of the ownership of assets in improving financial prospects throughout life.
5. Understand and explain the basic principles of taxation.
6. Know the main types of financial services options and solutions available and how they are paid for.
7. Know the key organisations and consumer protection bodies and the roles they play within the provision of financial services.
8. Be aware of relevant regulations and legislation applying to Generic Financial Advice.
9. Be able to recognise potential areas of benefits and/or tax credits that might apply to the consumer, the conditions applying to them and where to refer the consumer to obtain further information.
10. Know how to collect, record and interpret the information given so that you can explain things clearly to the consumer including what the consumer has to do next.

Income and budgeting, debt and borrowings

1. Demonstrate and have knowledge of the differences between debt and borrowing, alternative debt remedies and when referral to a specialist debt adviser is needed.
2. Be able to explain the relevance of credit scoring and credit records; understand the basic types of credit arrangement (e.g. credit cards, mortgages) and be able to explain the benefits and risks of borrowing through this method.
3. Have knowledge of basic banking services and products and the benefits they may provide.
4. Have knowledge of the different types of loans (secured, unsecured, Government backed e.g. student) and the potential risks of debt consolidation.

5. Be able to discuss budgeting and the concept of shopping around for better deals on services and products (such as utilities, credit cards and borrowing and general insurances).
6. Know and understand the purpose and principles underpinning mortgage lending and the main features of the principal types of mortgage available to consumers.

Protection

1. Understand the different types of life assurance (including provision for long term care) and how they may apply to the consumer's circumstances.
2. Know the concepts and principles underpinning all insurance contracts and have an awareness of how underwriting works.
3. Know the basic procedures for making insurance claims.
4. Understand the differences in tax treatment for the main types of insurance policy both for premiums paid and in the event of a claim.
5. Have a basic knowledge of death benefits under retirement contracts and other employee protection benefits.
6. Know the main state benefits that may be available including those relating to ill health (incapacity).
7. Know the advantages of having a Will and the main uses of simple trusts.

Savings and investments

1. Be aware of different types of risk including economic, investment, and time, personal and moral.
2. Be able to explain the value of having some provision for emergencies and the different ways it might be achieved.
3. Have a working knowledge of basic banking and National Savings products and the benefits they may provide.
4. Understand and be able to explain at a basic level the different forms of investments including interest bearing products, equities and equity backed products, investment trusts and property and the risks associated with investing in each.
5. Have a basic knowledge of taxation relating to savings products.
6. Be aware of products and services that have a religious/ethical theme such as Islamic finance and ethical funds.
7. Know how to get a state pension forecast (*BR 19 Application for a Retirement Pension Forecast*), what pension credit is and where to find relevant information.
8. Know where to find help and information on contracting back into the state second pension S2P.
9. Have a basic understanding and be able to explain state and non-state pension options.

Healthy, safe and effective working environment

1. Know and understand the main requirements of legislation relevant to the individual relating to health and safety, security and working practices in the workplace.
2. Know and understand the main types of relevant emergency and your organisations procedures for dealing with these.
3. Know and understand the main types of relevant security risk and your organisations policy and procedures for dealing with these.
4. Know and apply your organisations relevant procedures for maintaining equipment and the working environment.

GFA 3 – Identify and agree priorities and options for the consumer to enable informed financial choices

Overview

This unit is about identifying and agreeing with the consumer what their priorities and options are in such a way that the consumer can make an informed choice about what steps, if any, they need or want to take to progress the advice. These steps may take the form of you identifying a suitable referral in cases outside your competence, the consumer arranging at their request with your organisation the opportunity to discuss their needs in more detail or the consumer taking action by themselves. The options presented should reflect the consumer's own aspirations and goals rather than only presenting the consumer with options that the adviser thinks are appropriate for the consumer's circumstances.

Outcomes of effective performance

You must be able to do the following:

1. Help the consumer identify and express the urgent financial concerns they may have.
2. Help the consumer clarify their wants and needs in order to understand the options available to them and discuss any possible conflict with their own personal aspirations.
3. Enable the consumer to prioritise and take the course of action that addresses their prioritised needs.
4. Point out to the consumer where additional information may be needed or sought in order to help with further advice.
5. Explain to the consumer where the advice they require is outside of your competence.

Behaviours underpinning effective performance

1. You use communication styles that are appropriate to the consumer you are dealing with and which foster a two way discussion.
2. You present information clearly, concisely, accurately and in an understandable way.
3. You confirm that you are listening through acknowledging points made by the consumer.
4. You use a tone of voice, inflexion and language which displays interest in the consumer's needs.
5. You identify where the consumer's requirements exceed your level of competence.
6. You act within the limits of your area of competence.
7. You carry out tasks with due regard to your organisation's policies and procedures, including those covering health and safety at work.

Knowledge and understanding

A breadth of knowledge

1. Generic financial advisers need to have a broad knowledge about many subjects, although some to a greater depth than others.
2. Part of the role of the generic financial adviser will be to know that where a consumer needs personalised advice beyond their (the adviser's) own competence (such as advice on specific financial products; claiming specific benefits; specialised debt advice; tax or legal advice), the adviser will be expected to assist the consumer by helping them find specialised advice by referring them on.

General

1. Understand what is meant by generic financial 'advice' and the rules that currently apply to the different types of advice.
2. Demonstrate knowledge of the principles of business ethics and integrity as set by relevant financial codes of conduct
3. Understand the major life stages/events that can affect finances.
4. Understand the importance of the ownership of assets in improving financial prospects throughout life.
5. Understand and explain the basic principles of taxation.

6. Know the main types of financial services options and solutions available and how they are paid for.
7. Know the key organisations and consumer protection bodies and the roles they play within the provision of financial services.
8. Be aware of relevant regulations and legislation applying to Generic Financial Advice.
9. Be able to recognise potential areas of benefits and/or tax credits that might apply to the consumer, the conditions applying to them and where to refer the consumer to obtain further information.
10. Know how to collect, record and interpret the information given so that you can explain things clearly to the consumer including what the consumer has to do next.

Income and budgeting, debt and borrowings

1. Demonstrate and have knowledge of the differences between debt and borrowing, alternative debt remedies and when referral to a specialist debt adviser is needed.
2. Be able to explain the relevance of credit scoring and credit records; understand the basic types of credit arrangement (e.g. credit cards, mortgages) and be able to explain the benefits and risks of borrowing through this method.
3. Have knowledge of basic banking services and products and the benefits they may provide.
4. Have knowledge of the different types of loans (secured, unsecured, Government backed e.g. student) and the potential risks of debt consolidation.
5. Be able to discuss budgeting and the concept of shopping around for better deals on services and products (such as utilities, credit cards and borrowing and general insurances).
6. Know and understand the purpose and principles underpinning mortgage lending and the main features of the principal types of mortgage available to consumers.

Protection

1. Understand the different types of life assurance (including provision for long term care) and how they may apply to the consumer's circumstances.
2. Know the concepts and principles underpinning all insurance contracts and have an awareness of how underwriting works.
3. Know the basic procedures for making insurance claims.
4. Understand the differences in tax treatment for the main types of insurance policy both for premiums paid and in the event of a claim.
5. Have a basic knowledge of death benefits under retirement contracts and other employee protection benefits.
6. Know the main state benefits that may be available including those relating to ill health (incapacity).
7. Know the advantages of having a Will and the main uses of simple trusts.

Savings and investments

1. Be aware of different types of risk including economic, investment, and time, personal and moral.
2. Be able to explain the value of having some provision for emergencies and the different ways it might be achieved.
3. Have a working knowledge of basic banking and National Savings products and the benefits they may provide.
4. Understand and be able to explain at a basic level the different forms of investments including interest bearing products, equities and equity backed products, investment trusts and property and the risks associated with investing in each.
5. Have a basic knowledge of taxation relating to savings products.
6. Be aware of products and services that have a religious/ethical theme such as Islamic finance and ethical funds.
7. Know how to get a state pension forecast (*BR 19 Application for a Retirement Pension Forecast*), what pension credit is and where to find relevant information.

8. Know where to find help and information on contracting back into the state second pension S2P.
9. Have a basic understanding and be able to explain state and non-state pension options.

Healthy, safe and effective working environment

1. Know and understand the main requirements of legislation relevant to the individual relating to health and safety, security and working practices in the workplace.
2. Know and understand the main types of relevant emergency and your organisations procedures for dealing with these.
3. Know and understand the main types of relevant security risk and your organisations policy and procedures for dealing with these.
4. Know and apply your organisations relevant procedures for maintaining equipment and the working environment.

GFA 4 – Identify ways of meeting financial needs for the consumer to consider

Overview

This unit is about identifying ways of addressing needs identified earlier on in the generic financial advice process, explaining the key features, advantages and disadvantages of the options open to the consumer and checking their understanding of what you have told them. The focus is on the main categories of need: budgeting, debt and borrowing, protection, savings and investment. However the consumer's needs must be their own and any priorities and options presented to the consumer should reflect their particular needs.

Outcomes of effective performance

You must be able to do the following:

1. Identify under the categories: income and budgeting, debt and borrowing, protection and savings and investment, the potential options available to the consumer which could address their needs.
2. Discuss the key features, advantages and disadvantages of the options identified, including the use of any existing provision the consumer has disclosed to you.
3. Confirm that the consumer understands what you have discussed with them so far.

Behaviours underpinning effective performance

1. You use communication styles that are appropriate to the consumer you are dealing with and which foster a two way discussion.
2. You present the information clearly, concisely, accurately and in an understandable way.
3. You confirm that you are listening through acknowledging points raised and made by the consumer.
4. You use a tone of voice, inflexion and language which displays interest in the consumer's needs.
5. You gather, manage and record information efficiently, accurately, effectively and ethically observing all confidentiality and data protection requirements.
6. You act within the limits of your area of competence.
7. You carry out tasks with due regard to your organisation's policies and procedures, including those covering health and safety at work.

Knowledge and understanding

A breadth of knowledge

1. Generic financial advisers need to have a broad knowledge about many subjects, although some to a greater depth than others.
2. Part of the role of the generic financial adviser will be to know that where a consumer needs personalised advice beyond their (the adviser's) own competence (such as advice on specific financial products; claiming specific benefits; specialised debt advice; tax or legal advice), the adviser will be expected to assist the consumer by helping them find specialised advice by referring them on.

General

1. Understand what is meant by generic financial 'advice' and the rules that currently apply to the different types of advice.
2. Demonstrate knowledge of the principles of business ethics and integrity as set by relevant financial codes of conduct.
3. Understand the major life stages/events that can affect finances.
4. Understand the importance of the ownership of assets in improving financial prospects throughout life.
5. Understand and explain the basic principles of taxation.
6. Know the main types of financial services options and solutions available and how they are paid for.
7. Know the key organisations and consumer protection bodies and the roles they play within the provision of financial services.
8. Be aware of relevant regulations and legislation applying to Generic Financial Advice.
9. Be able to recognise potential areas of benefits and/or tax credits that might apply to the consumer, the conditions applying to them and where to refer the consumer to obtain further information.
10. Know how to collect, record and interpret the information given so that you can explain things clearly to the consumer including what the consumer has to do next.

Income and budgeting, debt and borrowings

1. Demonstrate and have knowledge of the differences between debt and borrowing, alternative debt remedies and when referral to a specialist debt adviser is needed.
2. Be able to explain the relevance of credit scoring and credit records; understand the basic types of credit arrangement (e.g. credit cards, mortgages) and be able to explain the benefits and risks of borrowing through this method.
3. Have knowledge of basic banking services and products and the benefits they may provide.
4. Have knowledge of the different types of loans (secured, unsecured, Government backed e.g. student) and the potential risks of debt consolidation.
5. Be able to discuss budgeting and the concept of shopping around for better deals on services and products (such as utilities, credit cards and borrowing and general insurances).
6. Know and understand the purpose and principles underpinning mortgage lending and the main features of the principal types of mortgage available to consumers.

Protection

1. Understand the different types of life assurance (including provision for long term care) and how they may apply to the consumer's circumstances.
2. Know the concepts and principles underpinning all insurance contracts and have an awareness of how underwriting works.
3. Know the basic procedures for making insurance claims.
4. Understand the differences in tax treatment for the main types of insurance policy both for premiums paid and in the event of a claim.

5. Have a basic knowledge of death benefits under retirement contracts and other employee protection benefits.
6. Know the main state benefits that may be available including those relating to ill health (incapacity).
7. Know the advantages of having a Will and the main uses of simple trusts.

Savings and Investments

10. Be aware of different types of risk including economic, investment, and time, personal and moral.
11. Be able to explain the value of having some provision for emergencies and the different ways it might be achieved.
12. Have a working knowledge of basic banking and National Savings products and the benefits they may provide.
13. Understand and be able to explain at a basic level the different forms of investments including interest bearing products, equities and equity backed products, investment trusts and property and the risks associated with investing in each.
14. Have a basic knowledge of taxation relating to savings products.
15. Be aware of products and services that have a religious/ethical theme such as Islamic finance and ethical funds.
16. Know how to get a state pension forecast (*BR 19 Application for a Retirement Pension Forecast*), what pension credit is and where to find relevant information.
17. Know where to find help and information on contracting back into the state second pension S2P.
18. Have a basic understanding and be able to explain state and non-state pension options.

Healthy, safe and effective working environment

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GFA 5 – Refer the consumer to further financial information or advice

Overview

This unit is about informing and assisting the consumer where they can go next to action the information and generic advice that you have given. It defines the end of the advice process. Even where your organisation can provide specific products that may meet the consumer's needs you must make the consumer aware that they are under no obligation to buy products from your organisation and that they may go elsewhere.

Outcomes of effective performance

You must be able to do the following:

1. Make clear to the consumer what will happen next.
2. Identify and offer the consumer the information they need to access providers of services that could address their needs.
3. Make clear under what circumstances the consumer is likely to incur costs either by fees or through product charges and that these can vary from provider to provider.
4. Give equal weight to all appropriate choices.
5. Establish how the consumer may want the information to be provided to them (e.g. electronically, paper based)

Behaviours underpinning effective performance

1. You use communication styles that are appropriate to the consumer you are dealing with.
2. You present the information, clearly, concisely, accurately and in a way that is understandable and acceptable to the consumer.
3. You confirm that you are listening through acknowledging points raised and made by the consumer.
4. You use a tone of voice, inflexion and language which displays interest in the consumer's needs.
5. You act ethically, impartially and in the best interests of the consumer at all times with regards to presenting the options open to them to progress the advice.
6. You follow all legal and organisational requirements relating to the confidentiality of consumer information.

Knowledge and understanding

A breadth of knowledge

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5. Understand and explain the basic principles of taxation.
6. Know the main types of financial services options and solutions available and how they are paid for.
7. Know the key organisations and consumer protection bodies and the roles they play within the provision of financial services.
8. Be aware of relevant regulations and legislation applying to Generic Financial Advice.
9. Be able to recognise potential areas of benefits and/or tax credits that might apply to the consumer, the conditions applying to them and where to refer the consumer to obtain further information.
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3. Have knowledge of basic banking services and products and the benefits they may provide.
4. Have knowledge of the different types of loans (secured, unsecured, Government backed e.g. student) and the potential risks of debt consolidation.
5. Be able to discuss budgeting and the concept of shopping around for better deals on services and products (such as utilities, credit cards and borrowing and general insurances).
6. Know and understand the purpose and principles underpinning mortgage lending and the main features of the principal types of mortgage available to consumers.

Protection

1. Understand the different types of life assurance (including provision for long term care) and how they may apply to the consumer's circumstances.
2. Know the concepts and principles underpinning all insurance contracts and have an awareness of how underwriting works.
3. Know the basic procedures for making insurance claims.
4. Understand the differences in tax treatment for the main types of insurance policy both for premiums paid and in the event of a claim.
5. Have a basic knowledge of death benefits under retirement contracts and other employee protection benefits.
6. Know the main state benefits that may be available including those relating to ill health (incapacity).
7. Know the advantages of having a Will and the main uses of simple trusts.

Savings and investments

1. Be aware of different types of risk including economic, investment, and time, personal and moral.
2. Be able to explain the value of having some provision for emergencies and the different ways it might be achieved.
3. Have a working knowledge of basic banking and National Savings products and the benefits they may provide.
4. Understand and be able to explain at a basic level the different forms of investments including interest bearing products, equities and equity backed products, investment trusts and property and the risks associated with investing in each.
5. Have a basic knowledge of taxation relating to savings products.
6. Be aware of products and services that have a religious/ethical theme such as Islamic finance and ethical funds.
7. Know how to get a state pension forecast (*BR 19 Application for a Retirement Pension Forecast*), what pension credit is and where to find relevant information.
8. Know where to find help and information on contracting back into the state second pension S2P.
9. Have a basic understanding and be able to explain state and non-state pension options.

Healthy, safe and effective working environment

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THE CHARTERED INSURANCE INSTITUTE

42 - 48 High Road, South Woodford, London E18 2JP

tel: 020 8989 8464

fax: 020 8530 3052

email: customer.serv@cii.co.uk

website: www.cii.co.uk

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