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APRIL 2024

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How to contact us

Phone 01361 315 003
Or
Email office@t-cnews.com

Join our T&C Group on Linkedin
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2be Development Consultancy Limited
12a Gourlay's Wynd, Duns, TD11 3AZ
Telephone 01361 315 003
Email editor@t-cnews.com
Web site www.t-cnews.com

W Welcome to the April edition of T-CNews. Much activity remains focused on the requirements of Consumer Duty as we move towards then time when closed products and services become subject to the regulations and firms having to produce their first annual board reports. Becoming a brighter blip on our radars are the development of AI based tools and the ever rising threat of cyber security. We have a good range of other articles this quarter designed to challenge our thinking on key aspects of our day to day working lives. Enjoy. Jeff Abbott

Cyber security training doesn't work!

By Adrian Harvey from Elephants Don't Forget

A somewhat contentious title to this month's article. However, please don't shoot the messenger – this is the reality! With household name firms getting hacked and ransomed – apparently at an alarming rate – cyber security is no longer the "problem of the techies in IT"; it is now the number one risk facing the Board.

Cyber security insurance premiums haven't just "gone up with inflation". They have, in many instances, increased tenfold or more. And that's for firms who haven't made a claim, are ISO 27001 certified, and do all the right things! For firms who are less diligent, goodness only knows what premium increases they now face – if indeed they even bother (or can afford) to insure themselves. Some firms' customers demand they have insurance, so they have no choice but to pay the escalating premiums, passing on the costs to the eventual customer(s).

In 2023, Royal Mail, Twitter (X), T-Mobile, and even the British Library were taken down by a crippling ransomware attack that rendered their online and onsite services inoperable.[1] The list goes on – and is formidable. In fact, GOV.UK estimate that, across all UK businesses, there were approximately 2.39 million instances of cybercrime and approximately 49,000 instances of fraud as a result in the last 12 months.[2]

Looking at the organisations listed above (and there are many more), it is ridiculous to think that they would have dismissed cyber security as an unrealistic threat, didn't i nvest in the latest technology, didn't repeatedly train their employees, and didn't run a variety of ongoing ad hoc simulations. Of course, they would have! So how come they still got breached?

According to a 2023 report by UK Parliament, an estimated (and alarming) 95% of successful cyber-attacks are facilitated inadvertently due to human error. This includes 'active' errors, such as opening attachments in malicious emails, and 'passive' errors, such as using weak passwords [3]The really ironic thing is that the majority (78%) of Chief Information Security Officers (CISOs) in the UK agree that human error is their organisation's biggest cyber vulnerability.[4]

How are statistics like these even credible? How is it that employees – despite receiving (often) repetitive and continual training – still manage to make what many analysts would regard as remedial cyber security errors, inadvertently exposing the employer to increased risk and – depending on the sophistication of the hacker in question – provide an open door into the employer's data and systems?

One answer is **ownership**. Quite simply, employers have viewed cyber security as an "IT issue" and assigned the IT function with the problem of solving it. Certainly, cyber defence technology plays a part in a robust cyber security strategy, but in and of itself, it is not the definitive answer to countering a rapidly escalating and ever-changing risk.

> “How many employees would regard themselves as being “at war” with cyber criminals?

Another answer is **complacency**. With IT “owning the issue”, (and let’s face it, it’s an issue that many regard as “technically sophisticated” and don’t profess to understand), the rest of the business can seemingly relax, safe in the knowledge that the experts have it covered.

Another answer might be **impact**. We all know a successful cyber-attack is disastrous to any business. Yet, many executives are insulated and far removed from these often-theoretical risks until it happens to them and their business – and by then, it’s too late!

Finally, let’s address the answer of **training**. The cyber security employee training strategies deployed by most employers are completely ineffective. No matter how well the IT function deploys technology to shield the employer, incompetent employees are going to continue to leave the door open and put the business at risk. The data speaks for itself. Nine out of ten successful attacks occurred not because the IT function didn’t have the right software and policies in place, but because an employee left a metaphorical door wide open for a hacker to walk through and raid the business.

So, why is cyber security training not working?

There isn’t a single silver bullet. The reasons are interrelated and need to be viewed holistically. But if I had to summarise what is wrong with 99.9% of employer cyber security training regimes, I would say it entirely ignores the job to be done and focuses on the **wrong outcome**.

The job to be done is to transition what is, in reality, a firm’s biggest Achilles heel – its workforce – into a constantly vigilant first line of defence.

How many employees would regard themselves as being “at war” with cyber criminals? Ignoring those specialist roles in IT, I would suggest almost none. This is the bar you need to exceed. You need each and every employee to understand that you are *literally* at war with these criminals. Employees need to be constantly vigilant, question everything they do, always be on their guard and remain constantly suspicious.

All a bit dramatic? Have a chat with an executive or senior manager of a business that has been subject to a successful cyber-attack; they are highly likely to use similar language. They know first-hand just how damaging an attack can be. Some firms will have faced financial ruin as a result – with all employees losing their livelihoods. Try telling these people that referring to cyber security as a war is “being a bit dramatic”.

So, you need to train your employees. Now, you will argue you have already done so, yet I will keep coming back to the point about **outcomes**. If you are not training for the right outcomes required, your training will fundamentally not work. You need to teach employees the theory, but you also need to ensure they translate theory into in-role competence – and you need to verify that competence is being maintained. Cyber security awareness needs to be made personal and relevant to each individual to ensure that processes and policies are adhered to. C-Suite must lead by example and have a zero tolerance for anything other than complete buy-in and support of every individual in the firm. Remember: it only takes one single tired, stressed, lazy or slack employee to open the door to your firm.

So, the question is: just how does a firm go about completely transforming the culture of the business in relation to cyber security? How can we solve the problems discussed above and work to maintain a constant state of appropriate employee vigilance?
At Elephants Don't Forget, we would suggest the following are pre-requisites to achieving this objective:

1. C-Suite buy-in and leadership.
2. Stop ticking boxes.
3. Continually test relevant competence.
4. Make it intensely personal.
5. Make it your number one mission and not the latest management fad.

Talk about the war, all the time.

So where does training fit in? I haven't even listed employee training as a pre-requisite. That is because traditional training really has very little to do with the above six points. What is required is a completely different approach.

1. C-Suite buy-in and leadership.

If employees do not see their leaders treating this subject with at least the same degree of seriousness that they are being asked to, they won't go to war. It is simply unacceptable that senior managers and leaders pay lip-service to cyber security, deferring training to their executive assistants to do on their behalf, pulling rank and breaching policies because it is easier – and they can. These actions and activities completely undermine an authentic and robust cyber-defence strategy. How can you go to war if the generals and senior ranks don't even participate!

2. Stop ticking boxes.

Far too much emphasis is placed on the **completion of training** and pointing to near-perfect, or, indeed, perfect-post-training test results, to prove learning has occurred. Obviously, learning has not occurred. If the brain learned in that way, we wouldn't bother sending our children to school for 12 years! We would all be subject matter experts in any subject we choose, simply by consuming some training and taking a little test at the end. Pretty much every employee and manager knows this is the case – and every L&D professional has known forever! But firms have been caught up in a race to the bottom, preferring to measure lowest cost of training delivery over the desired competency outcome.

3. Continually test relevant competence.

Authentic competence is rarely assessed. Certainly, it is not continually assessed by all firms. By continually, I mean habitually. Cyberthreats evolve daily, thus assessment of employee competence needs to follow suit. This must happen if the employer is to be confident that every employee is competent and therefore able to form part of an effective first line of defence within the firm.

4. Make it intensely personal.

We pay attention to what is personal to us. Historically it has been expensive and time-consuming to entirely personalise employee training. But personalise it you must. Equally, presenting examples of cyber-attacks in firms that have no relevance to an employee's day-to-day work is unlikely to register. Why not use examples from your own business. You probably harvest and prevent numerous attacks every week. Share these cases with your employees in a meaningful and personalised way.

5. Make it your number one mission and not the latest management fad.

Eon, the German energy giant, had an employee safety issue. They solved it by making sure that the number one agenda point for **EVERY** meeting and staff gathering, whatever the subject, was employee safety. The program was called "One", in reference to the number one agenda point. Eon went to war on unsafe working practices and soon became renowned as perhaps the safest working environment within the industry. What gets measured continually gets done.

6. Talk about the war, all the time.

You can't pick and choose. You are at war now, whether you like it or not. If the war was less latent and more physical, then the idea that it wasn't a source of continual dialogue in the business would be unfeasible. Everybody would be talking about it all the time.

Elephants Don't Forget can help…

All of this is possible with the help of Artificial Intelligence (AI) called Clever Nelly. The AI in Clever Nelly enables employers, large and small, to treat every employee as an individual to ensure that theoretical training is genuinely learned and retained, and that this is then translated into genuine in-role subject-matter competence.
In addition, Clever Nelly assists senior leaders to reinforce the seriousness of the war and to overtly lead by example. Nelly allows any business to share examples of real-life attacks in their own world, and, because she is "always on", the war is kept front of mind for every employee.
Clever Nelly is easy to deploy and manage, low cost, award-winning and – best of all – it only takes about one minute of every employee's working day to engage with. In a war, nobody is too busy to spend one minute to make sure they are not the weakest link within the firm.
And, of course, Nelly is agile and hard-working and can concurrently address a number of learning issues an employer may have, including compliance, performance improvement and employee risk reduction.
You could wait for a cyber-criminal to successfully attack your business before you accept you are at war and respond accordingly. Or you can get on the front foot and solve what is undeniably the biggest threat your business faces today: the lack of engagement and competence of your employees.

1. https://www.infosecurity-magazine.com/news-features/top-cyber-attacks-2023/
2. https://www.gov.uk/government/statistics/cyber-security-breaches-survey-2023/cyber-security-breaches-survey-2023
3. https://commonslibrary.parliament.uk/research-briefings/cbp-9821/
4. https://www.statista.com/statistics/1259552/ciso-human-error-organization-cyber-vulnerability-by-country/

Don’t jump in with FOMO – think about what you really need from AI in to find the right solution for Quality Assurance

By Joseph Twigg, CEO at Aveni

> “In the next few years, it is predicted that Generative AI will enable compliance to be hundreds of times faster and cheaper, and beyond that enhance the entire workflow of the organisation

There is a growing perception that because Generative AI has gained so much public profile that every single function in every industry needs to immediately move to some new, entirely unrecognisable way of working. But the reality is, as much as we're evaluating the technology itself, we also need to evaluate how people, processes and data can or can't work with it.

The financial advice sector is no stranger to long-standing, inherited challenges borne from a sluggish reaction to rapid technological advances, ever-evolving population demographics and volatile economic conditions. As a result, the industry continues to suffer from systemic productivity and efficiency issues.

This is reinforced by the FCA’s dogged determination to make Consumer Duty its flagship regulation, forcing companies to up their risk and compliance game. This has been highlighted by the high profile news of provisions being set aside for potential client refunds, fines distributed and a number of Dear CEO letters from the FCA. Many small advisory firms that sell-up or leave the market often cite the cost of compliance and ever-increasing regulatory burden as a key factor. This is forcing companies to measure, record, analyse and report on much more data than before. The only economically feasible way this can happen is if companies use technology.

Quality Assurance (QA) processes are typically chronically inefficient. Despite client calls having to be recorded for many other areas of the financial services industry, it isn’t actually a legal requirement for financial advice. Typically, when calls are recorded and quality checked, only a round 1-2% of calls are ever reviewed, and when they are, they’re a randomly sampled call which may or may not contain an issue. However, with AI’s ability to listen to and monitor calls, companies can now not just put an end to random sampling and manual review but they can scale their compliance function economically.

Every customer call can be run through an AI platform, which will automatically assess and flag any risks such as customer vulnerability, complaints, expressions of dissatisfaction or even agent conduct issues. The platform can complete a ‘pre-execution’ check for advisers for 100% of their clients. Any high-risk cases can be triaged to a QA assessor for human review allowing companies to address any issues before they escalate. Importantly, it also allows companies to keep a proper record of customer communications and issues and a way to pull reports for the regulator to prove the efficacy of their frameworks and Consumer Duty initiatives.

and cheaper, and beyond that enhance the entire workflow of the organisation. But, and this is a big one, there must be consideration before the money is spent.

In a 2023 survey Risk Officers prioritised the following in terms of spend: staff training (89%); technology to monitor customer data (77%); and ability to automate the quality assurance process (70%). The investment in technology was considered much more imperative compared to a 41% desire to hire more staff across quality assurance and customer service (41%).

A clear understanding of the needs in the business and particularly in the QA function needs to be agreed and then the right questions must be asked before the investment is undertaken. That is often where challenge lies and businesses are jumping in without considering some fundamentals.

There are so many different applications out there, but a vertical solution catered to financial services, where there is a specialised Large Language Model which incorporates the right tone and topics to provide the required level of detail in the regulated setting can make a significant difference to finding the 'right' tool rather than an 'average' one.

Questions to be considered are also important, and while this list is not exhaustive it contains some fundamental points before the leap into an AI technology investment are made:

- What are we trying to achieve – compliance effectiveness, productivity, accuracy, removal of administrative burden, insight, greater inclusion of customer voice?
- Do we build our own product offering on top of one of these large generic foundational models?
- Do we partner with an expert to build completely bespoke functionality or do we go down the product route? Do we find products and services?
- Is this solution geared towards our sector?
- Do we go with a larger tech stack provider kind of service?
- What does good looks like for using AI functionality?
- What investment do we have to make and where will the cost savings be?
- How much training will our staff require to use it?

Positively, there is very real traction across the market with a lot more specialised solutions being developed – models trained for specific purposes on very specific data sets with a lot of accuracy. This is the much-needed growth of vertical AI, and this is going to be super important to ensure compliance is made easier, more transparent and gives the QA function, advisers, paraplanners and functions the tools and support it requires.

Will mortgage prisoners be saved by the FCA 'closed book' Consumer Duty rules?

Nick Baxter
Baxters Business Consultants

> The suggestion is that these rules, which come into force in July this year, will finally rescue mortgage prisoners

We have heard about the plight of mortgage prisoners for well over a decade now. Much has been written about their woes ever since this cohort of borrowers became locked into their existing mortgage arrangements, without the ability to remortgage, when many types of mortgage products were withdrawn after the global financial crash in 2008/2009. Their situation then got a whole lot worse with the renewed focus on "responsible lending" as part of the Mortgage Market Review, which was implemented in 2014. The more robust affordability assessments, enhanced interest rate stress tests and revised interest only rules shut down any optimism of early relief, via a remortgage, for these borrowers.

But within mortgage prisoner groups there is hope again. The FCA 'closed book' Consumer Duty rules, i.e., rules for mortgages that were sold before the 31 July 2023, but have not been marketed or sold to new customers since, are now less than four months away from implementation deadline.

The suggestion is that these rules, which come into force in July this year, will finally rescue mortgage prisoners.

Those who dismiss the plight of mortgage prisoners and suggest there is no evidence of harm within closed mortgage books need to understand the FCA's own analysis on closed mortgage book interest rates. The FCA showed, November 2021, 1) 50% of closed-book mortgages were charging an interest rate of 3% or less, compared with 82% of those in the then active market and 2) 47% of closed-book mortgages charged between 3% and 5%, compared with 17% in the then active market.

Additionally, documents held within the House of Commons library highlight the costly position of mortgage prisoners. These suggest, *"A mortgage prisoner with an average mortgage of £165,000 has overpaid in interest between £25,000 and £45,000 over the last decade. If they had been offered a reasonable interest rate from the beginning, many homes would not have been repossessed and many thousands of families could have avoided other debt and paid down the capital on their mortgage."*

Be in no doubt, there is a real negative impact on many lives! Just after the FCA implemented special affordability arrangements designed to help mortgage prisoners remortgage, it estimated that there were about 250,000 borrowers whose mortgages were in closed mortgage books or held by a creditor not regulated by the FCA.

So why is there hope? In a recent speech, the FCA Executive Director of Consumers & Competition, warned firms of the need for them to focus on providing fair value in closed mortgage books. He said, *"We know many firms have applied their laser focus on open book products ahead of the Consumer Duty coming into force. But the clock is also ticking for closed products which will come under the scope of the Consumer Duty at the end of July."*

The mortgage media is full of articles suggesting that the potential Consumer Duty difficulties within closed book are so great that we may even see a flurry of closed books coming to the market. That might be the case, but it doesn't solve the problem – it simply transfers the issue to another company. The acquirer will still need to undertake a root and branch re-think around the way fair value is assessed within the closed book and how acquired portfolios are integrated into existing holdings, ensuring that one group of borrowers is not disadvantaged or that fair value is ignored for that cohort.

Closed book fair value assessments will need careful thought and the clock is already ticking – time is now very short.

And if anyone forgot, Consumer Duty comes with its own, new, Principle for Business, *"A firm must act to deliver good outcomes for retail customers"*.

So, the pressure is on, there is only around 4 months left to 'right any wrongs'.

Nick Baxter is a Partner with Baxters Business Consultants. Baxters Business Consultants is a business consultancy offering training, marketing and expert witness services within the lending industry

How apprenticeships are a win-win for learners and employers

By Chris Tynemouth, CSA Interim Head of Marketing & Events

"Businesses need new skills at a rate faster than I've ever seen before – which means they need to help their employees evolve via upskilling and internal mobility. In years past, companies might have relied more on talent acquisition to "buy" the new skills they needed, but that strategy no longer works in isolation for today's labour market and business environment."

These are the words of LinkedIn VP of Talent Jennifer Shappley, reflecting within the October 2023 Global Talents Trends report on the importance of upskilling and the changing approach now seen by many businesses when it comes to filling skills gaps within their organisational structure.

The area of recruitment and retention remain at the very top end of the challenges faced by companies and their HR departments, with 38% of employers having 'hard-to-fill' vacancies (Labour Market Outlook Winter 2023-24, CIPD).

The Credit Services Associations (CSA), through its role as an industry Trade Association and also as an Approved Apprenticeship Training Provider, is aware of the challenges faced by many of its members when it comes to filling vacancies with suitably trained individuals in what is a highly-regulated sector. The CSA is also aware of the importance of keeping the skills and knowledge of staff up-to-date in order to not only improve engagement, but with an eye to use this upskilling in order to promote from within – as Shappley refers to in the opening quote.

The CSA is benefitting from this approach themselves through an existing member of staff's journey where he is undertaking an apprenticeship as part of his role within the company.

Jamie Skiggs is Digital Learning Coordinator at the CSA, and the idea of him undergoing an apprenticeship was first mentioned soon after he joined in early 2021. "A colleague suggested that it may be beneficial to have someone from the CSA enrolled in an apprenticeship programme to enable us to learn new skills and then apply them to our role", explains Jamie.

"Through the previous experience of family members and from my role within the Learning & Development department at the CSA, I already understood that many of the common assumptions surrounding apprenticeships – such as them only being for school-leavers – are completely false, and that people of any age can benefit from them.

"Since then, apprenticeships have grown in popularity and I think that more people are seeing the advantages to this route of learning."

With the combination of learners wishing to find an alternative to university education, to have the opportunity to 'earn while you learn' and also recognising the opportunity to upskill or even reskill when already in a role, apprenticeship starts have seen a 7% increase between August and October 2023 compared to the same period from the previous year (Apprenticeships, Academic Year 2023/24, GOV.UK).

Through assignments and projects that form part of his Level 5 Learning & Development Consultant/Partnership apprenticeship, Jamie has already applied his new knowledge and understanding to practical effect within his role, such as playing a bigger part in the planning and creation of the CSA's own online training products.

Jamie says: "The boundaries between my 'normal' work and tasks that form part of my apprenticeship are actually quite blurred, which is a good thing as it shows that the learning element of my qualification seamlessly fits into the practical day-to-day requirements of my role.

"The initial plan was to meet my 'off-the-job' training requirement [20% of the work week to be spent on training] through spending one day a week exclusively on my learning, but because the learning and practical side of my role became so naturally connected I found that meeting that 20% target was not a problem at all – especially when you factor in things like webinars and other events count towards the target".

With Jamie approaching his End Point Assessment (EPA), he already has some plans for how to apply his new skills. 86% of learners state that apprenticeships helped them to develop skills relevant to their organisation (Understanding apprenticeship benefits and funding, GOV.UK), and Jamie has devoted some of his time on the course looking at the rise of AI and its potential implications and uses for CSA member firms, as well as how it could be harnessed in the world of training.

"I'm planning on engaging with our members and taking a look at what role AI could play in our industry, and I also have some plans for future modules of our Collections Learning Initiative (CLI) product."

Reflecting on Jamie's experience over these past 18 months, CSA Director of Learning & Development Fiona Macaskill said: "Jamie's apprenticeship journey is the perfect example of how this route of training is mutually beneficial to both the learner and the employer.

"Through his apprenticeship Jamie has learned new skills, built on existing ones, and has had the opportunity to be part of an engaging and interesting experience. The CSA, in return, benefits from having a member of staff who now possesses additional specialist knowledge that can be practically applied directly into our work as a trade body and training provider, knowledge which may have otherwise required us to hire an additional member of staff".

Credit Services Association (CSA) website: https://www.csa-uk.com CSA Learning website: www.csa-uk.com/csa-learning

Nurturing your journey: A soulful guide to flourishing in financial services

By Michelle Hoskin, Founder and CEO Standards International

The magical profession of financial services, where dreams are woven and futures shaped, there exists a guiding light—a beacon of wisdom and compassion. Michelle Hoskin, who has been supporting advisers and planners for over 25 years in this dynamic realm, offers profound insights into the emotional depths of success. Let's embark on a heartfelt exploration, drawing inspiration from Michelle's teachings to cultivate resilience, empathy, and authenticity in our journey.

'After working with financial planners and advisers and their businesses for over two decades now, I often reflect on my work and my experiences and gather my thoughts as to why personal and business development is so hugely important, and why our clients come back to this key focus time and time again.

Discover Your Calling

I've said it for many years but working in financial services is like a calling! No question. You can't and won't survive if this is ever just a job for you. How do I know? Well I would encourage you to close your eyes and listen to your inner voice, the voice that speaks reason to you when you've had a touch day, when things don't go to plan and the responsibilities and challenges just get too much!

That voice is what continues to ignite your passion? So, embrace the journey of self-discovery, for it is within the depths of that voice that your true calling awaits. I say this often to remind us that our purpose transcends titles and accolades—it resides in the profound impact we make on the lives of others and whilst I am not and have never been a planner or adviser – I hear the same voice and feel the exact same desire to keep going and keep pushing past the challenges of changing the world.

Over the years it has been in the quiet moments of introspection, where I have unearthed my deepest passion —to guide and inspire fellow business owners in their quest for excellence. It wasn't just about profits or prestige—it was about fostering growth, nurturing dreams, and building a community rooted in mutual support and understanding. With each step forward, I embraced the inherent vulnerability of pursuing my passion, knowing that true fulfilment lies in aligning my actions with my calling, the results of which I may never see in my lifetime! If ever that was a bittersweet pill to swallow.

Cultivate Compassion

Beyond the client services, strategies and the regulatory requirements lies the beating heart of business—the people connection.

Cultivate compassion in your interactions with all those around you, seeking to understand the hopes, fears, and aspirations is the magic ingredient to keeping your passion and enthusiasm going.

Compassion transcends transactions—it fosters trust, strengthens relationships, and creates a sense of belonging. For me, compassion is the cornerstone of meaningful connections, guiding us to embrace the richness of human experience with open hearts and open minds.

In my journey as a coach and consultant, I've learned to approach each interaction with profound compassion, recognising the story and the journey of every individual I have ever encountered. A few years ago, one of our clients, a budding and enthusiastic entrepreneur was grappling with self-doubt and uncertainty and as a result simply kept on getting in her own way. After spending time listening to her and asking those deep and meaningful questions that I could ask did she share with me the inner workings of her limiting beliefs and as is often the case, I was then reminded of the transformative power of compassion and understanding. Through that patient listening and empathetic guidance, we navigated through the challenges together, she then emerged stronger and more resilient than before, powered up to take one of the biggest steps of her professional career. It was a humbling reminder that true success is not measured in profits alone—it is found in the depth of human connection forged through powerful relationship but on trust and friendship.

Cultivate Authenticity

Who are you when you peel back the layers of pretence and embrace the raw beauty of real authenticity. Do you share your story—your triumphs, your trials, and the lessons you have learned along the way or do you keep them to yourself – fearful of being exposed and showing the true version of you?

Vulnerability is not a sign of weakness—it is a testament to our humanity and our strength. It, forges bonds of trust and authenticity that breaks down barriers. I often tell my clients and urge people to embrace their true selves, for it is in authenticity that our greatest strength lies.

In a world that often demands conformity, I've learned to celebrate my own uniqueness with unapologetic authenticity. From my quirks and idiosyncrasies to my deepest fears and insecurities, I wear my heart on my sleeve, inviting others to do the same. It is through moments of vulnerability that true connections are forged, transforming strangers into confidants and colleagues into comrades. As I walk this path with integrity and authenticity, I am reminded that the most powerful stories are those written with the ink of vulnerability and authenticity – am I wrong?

Nurture Resilience

In the face of adversity, let resilience be your guiding light. Embrace challenges as opportunities for growth, knowing that every setback is a stepping stone towards greater resilience and wisdom. Resilience is not the absence of struggle—it is the courage to persevere in the face of adversity, emerging stronger and more resilient than before.

Throughout my career, I've witnessed the transformative power of resilience in the lives of my clients. From unexpected setbacks to unforeseen challenges, they navigated through the storm with unwavering courage and resilience, emerging triumphant on the other side. It is in moments of adversity that our true strength is revealed, reminding us that within every challenge lies the seeds of opportunity and growth.

Cherish Connection

Beyond business transactions lies the essence of human connection as mentioned above—the bonds of friendship, mentorship, and collaboration that enrich our lives and nourish our souls. Cherish these connections with gratitude and humility, knowing that it is through the support of others that we find strength and inspiration. I encourage you to cultivate meaningful connections, for it is in the tapestry of relationships that our true legacy is woven.

As I reflect on my own journey, I am filled with profound gratitude for the connections that have shaped my path. From mentors who offered guidance and wisdom to colleagues who shared in both triumphs and tribulations, each connection has enriched my life in ways I could never have imagined. It is through the tapestry of relationships that our true legacy is woven, spanning generations and touching lives with the gentle embrace of compassion and kindness.

Embrace the Journey

In the ebb and flow of life, embrace the journey with open arms and open hearts. Celebrate the highs, navigate the lows, and cherish the moments of joy and laughter along the way. True success is not merely a destination—it is found in the richness of the journey itself, in the lives touched and the hearts uplifted along the way.

As I journey forward with gratitude and humility, I am reminded that true success is not measured in profits or accolades—it is found in the depth of human connection, the resilience of the human spirit, and the unwavering commitment to authenticity and empathy. With each step forward, I embrace the journey with open arms and open hearts, knowing that the greatest rewards are found in the moments of connection, compassion, and love shared along the way.

I hope when people interact with me and my business, they feel motivated, excited and can feel the authenticity because that's what makes our little business so precious. When we take our clients through our programmes, it's not just a script we follow, we delve deep, create a connection, and get very real with what's what and that's why working with someone on the outside who can look in with a fresh pair of eyes, can propel them personally and professionally than doing it solo.

Do we need a more modern approach to addressing T&C?

Al Haughton,
UKGI Learning Solutions

> step back and think about how we get better at defining the true value of insurance as a service, and how we train our staff to understand the value of their service, and how 'value' can be achieved

In a previous article, we looked at the FCA's focus on fair value and how regulated firms should invest in training to highlight the value they add within the distribution chain. However, in our work auditing the robustness of T&C schemes, we are finding that many firms are still not getting this right.

It is clear that the FCA will expect firms' T&C schemes to deal with and deliver its expectations in relation to customer outcomes under the Consumer Duty, so:

- unfairness;
- customer service;
- customer vulnerability; and
- fair value.

The Regulator views T&C from the perspective of compliance with the relevant principles and the outcomes which firms will deliver to customers, as well as the specific rules and guidance. Consequently, it is appropriate for firms to view their T&C arrangements from a similar standpoint. The key outcomes the FCA wants to see delivered to customers are those set out under the Consumer Duty, which is a wide-ranging, all-encompassing piece of regulation. As such, practical and proportionate approaches are required for its implementation, and that includes T&C.

Looking at these subjects listed above, how does a firm meet the challenges of 'training in' vulnerability awareness, an appropriate service ethic, and an understanding of fair value? And what is the value to you of training, in relation to delivering value to customers? Let's look at each of these themes.

Customer vulnerability

Customer vulnerability is again going to be an issue that the FCA focuses on in 2024. In particular, in addition to considering how firms address vulnerabilities it has identified, it may start to look at what actions firms are taking to identify, monitor and support customer status change over time – so moving in or out of vulnerability.

The FCA's view is that, and for firms seeking to ensure vulnerable customers achieve appropriate outcomes, it is not good enough that firms just have a customer vulnerability policy. This policy needs to go further than acquiring the customer, and also go further than any internal Vulnerability Champion or customer vulnerability team. Every employee who interacts with customers in any way will need to understand the policy and be able to spot vulnerability.

Firms will need to evidence that:

- they screen their portfolios for vulnerability status change;
- their policies ensure that vulnerable customers get good outcomes; and
- that staff understand (so have been trained) about vulnerability status change and how to identify it.

Firms who have carried out some vulnerability training (hopefully not to just 'tick a box') may well themselves be vulnerable in the event of any FCA attention if their vulnerability training is not properly equipping customer-facing and customer-interactive staff.

Customer service

The FCA is increasingly talking about a link between appropriate levels of service (and also sensible and understandable information and communications) and the value that customers achieve from the products and services they buy. This is demonstrating the FCA's view that the four Consumer Duty outcomes are not silo requirements but are interlinked.

According to The Institute of Customer Service's July 2023 UK Customer Satisfaction Index (UKCSI), 2023 saw record low levels of customer satisfaction across all sectors (not just financial services). However, unlike other sectors, good levels of customer service are now enshrined in Consumer Duty regulation.

Firms which review the way that staff go about delivering their service, the speed and effectiveness of that service, as well as the ability to carry out what the customer requests, are likely to be able to demonstrate that their service offering leads to good service outcomes. In turn, that will assist firms in demonstrating that they are providing value to their customers.

The concept of value

The FCA defines fair value as the relationship between the overall price to the customer and the quality of the product(s) and / or services provided.

Fair value is a key element of Consumer Duty, and the subject of much FCA talk in the last twelve months. Recent communications from the FCA highlight that the regulator is likely to focus heavily on the value of products and services in 2024. So, it's important that we all take some time at the start of this year to step back and think about how we get better at defining the true value of insurance as a service, and how we train our staff to understand the value of their service, and how 'value' can be achieved.

Whilst it's easy to think that the FCA is purely targeting remuneration structures and the actual cost of insurance to the end consumer (i.e., estimating the monetary worth of the product), it is also important to consider the bigger picture in terms of what value means in terms of the service that is provided around the product being sold. When we start to define the value of what our industry does, it becomes easier to correlate value with end cost, which is no different to how any other business in any other industry calculates its pricing and margins for growth. How you measure and define your true value is for your Board or most senior management meetings, it relates to how you run your business and define your culture. It can be a challenge, but we would urge you to begin this process if you haven't already.

Future proof your T&C scheme

Some firms may be tempted to add a whole section to their T&C scheme to make a mirror image of the Consumer Duty requirements. Firms must, though, remember that the FCA talks about proportionality, so Schemes should allow for the various stages of development of all of those that come under the requirements.

Firms should perhaps not measure success of T&C by the number of T&C Scheme breaches that are recorded, or the failure of some staff to meet development targets. Under the Consumer Duty, and thinking about and focussing on outcomes, perhaps take the time to consider the positive consequences of the firm's actions and the actions of the staff in implementing the Consumer Duty regime. Recognise the people who take the time to identify and systems and controls which address any unintended consequences that arise.

There are many estimates and numbers published each week about the talent management crisis within the world of insurance. The workforce is shrinking, and we are struggling to bring in the next generation of insurance talent. This is causing a bottleneck of workloads as firms look to attract less experienced employees and this puts the whole distribution chain at risk of errors and poor service due to a lack of competency at the right levels.

We would encourage firms to look at their diversity and inclusion initiatives to focus on how they attract a more diverse workforce. As well as a focus on gender balance, firms should be looking at other inclusion factors such as disability.

Diverse workforces are like kaleidoscopes—each fragment contributing to a richer whole. Consider the benefits:

- Consumer Insight: Diverse teams decode consumer behaviour, expanding our reach across markets.
- Talent and Productivity: Inclusion fuels productivity, igniting innovation.
- The Skilled Professional Shortage: Our industry grapples with a talent gap. Demand outpaces supply. Attracting fresh talent is a challenge.
- The Unexpected Entrants: Many of us stumbled into this industry, not by design but by fate. Our diversity lies in our varied paths.

T&C finds itself at a crucial tipping point for regulated markets. We have never had so much choice in how we can access training and learning, however, far too many firms are not thinking hard enough about 'the why'. It's imperative that we approach it with a long-term lens of investment in the future for a whole host of reasons. Whether your focus is on vulnerability, service, fair value or DE&I, it's imperative that firms begin to collect and interrogate management information effectively so that they can make better informed decisions. Learn to challenge what the MI is telling you, and build the outputs into your T&C initiatives to drive positive change.

Zoom new features

By Paul Archer from Archer Training

Whilst we were all sleeping or enjoying being with people in a real-world setting, Zoom has been busy bringing in some neat new features to take your online events to a new level. I've tried them out, so here's my summary of five with a snippet of how I've used them. In no particular order.

Waiting Room Conundrums.

Have you ever waited in the room wondering when you'll be let in? I'm sure you've multi-tasked whilst doing so, but Zoom now allows you to record a quick video clip of yourself alongside a slide or two and play this in the waiting room. There is nothing revolutionary about it, but Zoom does all the video's recording, rendering and storing in its "cloud", so there is no need to do anything else. I did one last week, which was pretty clunky, so I now prefer to record my video in-house and upload it to Zoom's waiting room.

Avatar Heaven

This one has been around for a while, and I always thought it was a gimmick. Earlier this week, though, I used it alongside a countdown clock. During the break, I switched to the avatar mode by right-clicking and selecting avatar. Then, I fired up the countdown with a ten-minute timer. I left it showing for everyone to see and, when the time was up, morphed into the real Paul and continued unabated. It worked well. I'm a fan and have more hair.

Chat Facelift

The chat box can come alive with a large audience, and Zoom has given it a facelift. Each chat entry is not like a mini social media posting. You can change the text to suit it and add images. Then, others can comment next to the posting, give a thumbs up, or place a smilie next to your entry. Again, it is a bit gimmicky, but we tried it with a group exercise earlier this week. I asked them to do a little bit of research into a topic and then present it back on chat and "pimping" it up a little. They did; others commented and added all sorts of emojis and social acknowledgements—a great exercise.

Self-Directed Study

An interesting new feature is polling and asking the group to vote accordingly. Zoom will automatically set up breakout rooms with people in the room based on their choice in the poll. For example, what is your favourite pastime – sport, fishing, gardening, or none? Zoom will create breakout rooms for each pastime and allocate people to them automatically from their vote. I haven't used this one yet.

Summary Comes Alive

This is my favourite. Hit the button when you start, and Zoom will monitor the conversation throughout the meeting. When you finish, Zoom's AI will produce an excellent summary of exactly what was said and agreed upon with an intelligent action plan. It doesn't merely recreate the transcript; that's easy; it reads it and uses its intelligence to produce an insightful summary

AI Companion She wants to be your friend. Another feature to click on when you start and this will become your best friend. You can ask Zoom questions, and it'll answer from its transcript reading. I used this earlier this week. One of the group joined us 15 minutes late from their break as she had an important errand to run. She asked Zoom to "catch me up", and Zoom told her exactly what had happened in the meeting without interrupting the flow. Very clever. I like Zoom because these new features are easy to find and use, unlike its competitors, where you need a degree in advanced maths to figure it out. The best analogy is when you first took delivery of your new iPhone. It was just intuitive and easy to use

Paul Archer is the author of nine books. His latest book, "Mortgage Advising – The New Rules" was published in March 2022 and is available on Amazon

Watch Paul in Action on his YouTube Channel by going here http://www.paularcher.tv

His LinkedIn Profile can be found here http://www.paularcher.uk and he welcomes your link

Equity release still needs a trust and reputation makeover

Henry Tapper
Chair, Age Wage

Viewers of daytime TV are assailed with three types of adverts - cruises for the confident, funeral plans for the morbid and lifetime mortgages for the skint. Older people watch a lot of TV in the daytime. Funeral plans and cruises are doing fine, but equity release sales have fallen through the floor. At a time of soaring costs of living, we have to ask "what's happened to equity release".

According to Carlton Hood, CEO of Responsible Life (now part of Royal London) money released to homeowners through lifetime mortgages fell off a cliff from £6.2bn in a year prior to 2022 to £2.6bn a year later. That is not a numerical palindrome, that's a fact. Demand for equity release has fallen off a cliff - one of the reasons that Responsible Life is now part of Royal London.

Carlton is a man with a strong moral compass and with Jim Boyd (CEO of the Equity Release Council) represents for me the new face of a part of the retirement industry that has had a bad reputation.

I saw evidence of both the worst and best of what equity release could do when a close relative mortgaged her home following the death of a partner so she could continue to afford to live in it. She is not in care; she is resilient and she is happy (well into her 90s). That is down to an excellent IFA, an insurance company that knew what it was doing and a lot of patience from the rest of the family as we had to endure the bad behaviour of a previous insurer. There are still too many arbitrary rules surrounding the underwriting of these mortgages, principally around property. People are not selling their properties; they are simply putting a charge on them which will be redeemed on death or renewed by those to whom the property passes.

There is still work to be done so that older people find the taking out a lifetime mortgage less stressful. The standards of advice and underwriting are not consistent, disclosure of costs is not always what it should be and communications with customers can be pretty poor. Things are improving but as we found, standards are still variable. Getting a good experience should not be hit or miss.

But let that pass, that is not the reason that sales of lifetime mortgages have plummeted, the reason for that is that the cost of financing has increased as interest rates have increased.

It seems odd and perhaps wrong that demand for mortgages and the need for lifetime income are not better linked. There is no doubt that the cost of money will continue to remain much higher going forward than we enjoyed in the last decade and if we continue to consider a mortgage an unacceptable way to release badly needed money from otherwise illiquid assets, we deny the people who matter - those in later stages of life, the freedom from financial worry, that equity release can bring.

People should not be required to "hold on" till rates fall. We should be giving people the opportunity to release now and reset later.

Ultimately, the roll up of the mortgage is creating a debt for the next generation but that debt comes with an asset attached, a house that is (by the nature of underwriting) full of equity.

The real losers from the collapse of equity release sales are people like my elderly relative who are now being advised that the cost of money is too high and that they should go hungry rather than pass inherited debt to those in the will. For no good reason other than I made the arrangements for an IFA to visit my mother and make her happy, I have been asked onto the Trust/Reputation Panel at the Equity Release Summit 2024.

My expertise is in pensions. Most of my peers are now pensioners and most are enjoying a decent retirement living standard. But when I go to church, I am with people from east London, most of whom do not have a pension. They are largely first- or second-generation immigrants from Africa, Asia and the Caribbean. Many struggle to pay their rent, the lucky ones struggle to pay their mortgage and those later in life who pay neither rent nor mortgage tend to be pensioners. Sadly, few of them have pensions but they do have houses.

Private pensions may have failed them or they may have failed to get to grips with private pensions. Either way, they do not appear to conform to the description of boomers as “the lucky generation”. Most are struggling either awaiting the payment of state pension or in receipt of a benefit that hardly covers their food and energy costs.

They are people for whom equity release may be the right product but for whom the “trust and reputation” of secondary lenders is in short supply.

We are a long way from reaching large parts of the population with lifetime mortgages. More must be done to unlock the income my fellow church-goers need.

This is an uncomfortable subject, but it's one that we should be talking about because the people who are on the other side of this argument are not financial advisers or insurance companies or younger relatives, the people who are on the wrong side of this argument are the homeowners who typically have the most need and the least say.

What skills are you passing on?

By Jane Pitt from RedTree Training

> "Under a watchful eye, they are learning when to speak up and when to keep their views to themselves, when it is appropriate to ask a question, how to speak so someone listens, and how to alter your conversation and tone to suit the audience

There has been much talk in my house of late about the impact that Artificial Intelligence (AI) is potentially going to have on different jobs as our boys are considering their first steps into the working world. This discussion has also encompassed whether it is still worth investing in a degree or should they consider a more practical apprenticeship. In my mind, apprenticeships are about passing on skills and expertise developed over a lifetime of working whereas degrees mostly focus on the attainment of knowledge. Currently, both my boys are part time apprentices in my husband's mechanical services company learning the basics of the different trades from guys who have honed their skills over the last 40 years. They fit it in around their college studies with no expectation on them to follow in their father's footsteps.

Having seen my husband successfully train many apprentices over the years, I know that it is not always an easy route. However, many of the challenges faced by apprentices, or anyone entering the workplace for the first time, are not related to how to use a tool, be it a drill or an application on a computer, but more related to the stuff that happens on the periphery. And that is where I come into the picture. Just like my husband, my toolbox is also filled with a vast array of useful knowledge, skills and expertise gathered over my many years of working in Financial Services. So, whilst he has been showing them how to make electrical connections and flare pipe joints, I have been passing on some of my own tools of the trade, focusing on the following three key areas.

1. Communication – yep, communication really is king in my book but for those entering the workplace for the first time, it's not all about learning how to use 'open' or 'closed' questions, but more about how to successfully interact with a diverse mix of people. For my boys, they are meeting those facing all sorts of personal challenges, those that appear to see themselves as superior, and those who choose to live a very different lifestyle to the one they have been brought up in. They've had a quick lesson in Behavioural Quartiles - learning how it is always better to respond politely when someone chooses to be rude and the trick of speaking quietly when someone chooses to shout so that they have to listen to the response.

We have taught them an assortment of practical word patterns to use, such as how to ask people to move. I know it sounds very trivial but I'm sure there is someone who springs to mind in your office for whom you would rather find a work around than having to ask them to change something about their workspace. Now imagine being 17 years old (again) and having to ask that person to move so you can clean the filter in the air conditioning unit above their desk. Bet you would have loved to have a few word patterns in your back pocket?

And of course, we cannot forget how they are picking up some great conversational skills – especially during the tea breaks. Under a watchful eye, they are learning when

it is appropriate to ask a question, how to speak so someone listens, and how to alter your conversation and tone to suit the audience.

2. Resilience –I am aware there is a general perception that trades can be a tad direct in their approach but if like me you prefer authenticity over fabrication, then this isn't a problem. However, the transition from the protection of the classroom environment to the realities of the working one can be a hard one if you are not prepared.

Resilience is about being able to bounce back and isn't a simple, single dimension of personality but rather a number of distinct elements with some common themes that means we can increase our levels of personal resilience, without having to increase the number of personal challenges thrown at us to overcome.

We are showing them how to acknowledge and face up to differences; to behave appropriately and treat each situation individually. Just because one person from one profession has treated them in a certain way that day, doesn't mean that everyone in that profession will do the same next time. Helping them to understand that how people behave towards them is a reflection of how they are feeling and often has nothing to do with what or how they have said something.

And as you'd expect from a trainer, I always ask them to think about what lessons can be drawn from their experiences and how they can use it to strengthen their 'learning muscle'. I want to pick out how they have still made a difference, even when the other person cannot see it – such as by leaving them breathing cleaner air. Not everyone will see the worth of their job that day, but my boys will know their worth in the job they have done.

3. Organisation – by this I mean planning, structuring, arranging, managing and co-ordinating. To the trades, this is something that happens day in day out on nearly every job they perform. They need to make sure the right tools and materials are on site at the right time so the work can proceed as intended. Delays cost money, but so does attempting to store materials on site before they are needed; it is a delicate balancing act.

As an apprentice, you are expected to have the right tools ready for the engineer as they are needed and anticipate their next step so you can fetch the right materials, and have them to hand as they need to be used. Without knowing it, they are learning the fundamentals of project management. They are learning how to be agile and how to pivot when something doesn't go quite to plan. I am showing them how I use the same thought process when implementing a learning strategy, so they understand what a valuable and transferrable skill they are developing. They are experiencing first-hand the impact of not being organised and having things ready when needed – an experience that I know isn't an enjoyable one so it is something they prefer not to repeat that often.

Irrespective of the career pathway they choose, we do know that they are picking up some valuable knowledge along with a big dose of life skills whilst they make that decision. Maybe one day, they may actually appreciate it too!

Advice v Guidance

By Tony Catt from The Catt's Eye View

This has been a question that the financial services industry has been struggling with over the years. What is the difference between advice and guidance? Where does one cross into the other? Do consumers understand the difference? Where do we need to go for one or the other? Does anybody care?
In December 2023, the FCA produced a policy paper DP23/6 covering "Advice Guidance Boundary Review.
Individuals have more choice than ever about how to save and invest their money. Developments in technology have facilitated greater consumer access to information and ability to exercise control over their investments. Meanwhile, pension freedoms have given individuals the flexibility to manage their financial futures in a way that works best for their personal circumstances and goals.
However, the FCA knows that a majority of people are not accessing traditional channels of support such as regulated financial advice to help them make financial decisions. This means that the provision of financial advice is often out of reach for all but the already wealthy. I want to change this and ensure that a much broader range of consumers are empowered to proactively manage their finances.
This review builds on previous Government and FCA work to improve support for consumers. The Retail Distribution Review and Financial Advice Market Review enhanced the quality of financial advice and provided greater certainty for firms. While these have been welcome steps, there is still a long way to go to address this issue and ensure that consumers can access support that works for them.
Everyone should have access to financial advice.
The overall picture is that consumers can find it difficult identifying that they need support and when they do, their needs are not being fully met. While not everyone will want or need support, many consumers could be missing out on the value support can provide – a situation commonly known as the 'advice gap'.
8 In practice there is not a single advice gap representing one problem, but multiple gaps covering overlapping problems. There are various drivers that may lead to the advice gap.

- A consumer wants advice but may be unwilling to pay for it or might be reluctant to pay for professional advice without being confident about its quality or value.
- A consumer wants advice but may be unable to afford it.
- A consumer who has never invested before may need support to make an investment decision but is unsure where to start.
- Firms want to warn a retail customer of potential harms but may perceive that they would need to give advice to do so.

In 2021, the FCA set out its vision, under its Consumer Investments Strategy, to develop a consumer investments market in which consumers can invest with confidence, understanding the risks they are taking and the regulatory protections offered.
The FCA is mindful there is a lot of regulatory reform that could impact on or inform this review. There have been relevant initiatives that are likely to interact with this review.

- **Smarter Regulatory Framework (SRF)**: The Financial Services and Markets Act 2023 repeals retained EU law for financial services. The Government intends to deliver a SRF for financial services which is tailored to the UK.
- **ISA simplification**: At Autumn Statement 2023, the Government announced changes to simplify ISAs and provide more choice, meaning it will be easier for people to choose the best ISA accounts for their needs and move money between them. This involves digitalising the ISA reporting system to make it more effective.
- **Compensation Framework Review (CFR)**: The FCA wants to ensure that the compensation framework continues to provide appropriate consumer protection with costs distributed across industry levy payers in a fair and sustainable way, while making sure the regime is proportionate and drives the right consumer behaviour.
- **Disclosure Reform**: As part of SRF, the Government will repeal the Packaged Retail and Insurance-based Investment Products (PRIIPs) regulation and the FCA will be designing a new disclosure framework.
- **Pensions dashboards**: The FCA, working with other Government and regulatory partners, is keen to see a pensions system that provides good products, supports consumer decision-making and ensures strong confidence in pensions.
- **Pension engagement trials**: The FCA is working with industry to run field trials to explore effective touchpoints for engaging consumers with their pension.
- **Retirement Income Advice Review**: The FCA's thematic review of the market is currently in progress. This discovery work is exploring how advisers are delivering initial and ongoing advice on retirement income and whether this is leading to good outcomes for consumers.
- **'Helping savers understand their pension choices'** consultation: The Department for Work and Pensions (DWP) has recently published their consultation response on proposals relating to the support and products to be made available to members of occupational pension schemes when they access their pensions.

Section 149 of the Equality Act 2010 requires the Government and the FCA to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities.

> “The overall picture is that consumers can find it difficult identifying that they need support and when they do, their needs are not being

However, an analysis of the FCA’s latest Financial Lives survey (FLS)
2022 Consumer Investments Report and Pensions (accumulation and decumulation) report highlighted that:

- Women were less likely than men to:
  ◊hold any form of investment (34% vs 50%)
  ◊have received financial advice in the last 12 months (7% vs 10%)
  ◊be highly engaged with their DC pension (17% vs 32%)
  ◊agree that they are confident in their own abilities to find financial products and services that are right for them (61% vs 72%)
- People from a minority ethnic background were less likely than people from a non- minority ethnic background to:
  ◊hold any form of investment (39% vs 42%)
  ◊have received financial advice in the last 12 months (4% vs 9%)
  ◊be highly engaged with their DC pension (21% vs 26%)

The FCA’s evaluation of the impact of RDR and FAMR found that most people are comfortable making less complex financial decisions themselves, such as taking out a cash ISA, without getting advice or more specific support. But for decisions consumers see as more complex, such as deciding to invest in a stocks and shares ISA (S&S ISA), most would value some support. Unsurprisingly, the evaluation found that, as the level of complexity inherent in the financial decision increases, the perceived need for support among consumers also increases.

Lack of appropriate support may be leading consumers to make decisions which are not in their best interests. These include:

- Consumers do not understand or are disengaged with their pensions making them unprepared for retirement.
- Consumers holding savings in cash, who are at risk of having the purchasing power of their money eroded over time by inflation.
- Consumers are not investing enough in their pensions to meet their financial goals.
- Consumers are making uninformed decisions when accessing their pension savings.
- Consumers are turning to high-risk investments, including speculative investments, without a sufficient understanding of the risks.
- Consumers risk getting ‘advice’ from unregulated sources often through social media.

The UK market for financial support services focuses either on giving holistic advice or factual information and guidance.

- **Holistic advice**: This is a regulated activity. A firm wishing to give holistic advice would need to be or become FCA authorised, obtain the regulatory permission to undertake the regulated activity of advising on investments and meet the requirements for firms undertaking this activity. Holistic advice is where an adviser considers a consumer’s overall financial circumstances and objectives before making recommendations to meet their objectives.
- **Information and guidance**: Consumers use a broad range of information and guidance from not-for-profit, public-sector providers and the commercial sector to help them make financial decisions. These services do not make a personal recommendation. Instead, they typically give generic, factual information.

Proposals to close the gap.

Further clarifying the boundary (proposal 1): This would provide FCA-authorised firms with greater certainty that they can give more support to consumers without providing a personal recommendation under the existing framework.

Targeted support (proposal 2): This option would rethink the way that financial support is delivered to consumers.

Simplified advice (proposal 3): In November 2022, the FCA set out proposals for a simplified advice regime ‘Broadening access to financial advice for mainstream investments’ (CP22/24). It aimed to provide straightforward, one-off investment advice to consumers with less complex needs.

The FCA wants to ensure that targeted support is widely accessible to the mass market and so benefits the widest range of consumers. To achieve this, the FCA want to establish a new standard which has a proportionate approach to gathering more limited customer information, consistent with ensuring the support is appropriate to a broader target.

We do need the Consumer Duty, after all!

You get no R&R with Risk and Resilience

By Bea Stafford from 1st Risk Solutions

"Oops, we spillled our data all over the internet," said nobody this week. But it happens, and far more often than is to effected customers.
We might savour the embarrassment of the super-rich when their tax dodging is exposed by the Pandora Papers, the biggest leak of financial data in history. But we're less comfortable when it's our data, or that of our clients, that's being paraded in public. Or, with more sinister overtones, on the dark web.
Data spills are just one of the crises you face right now. Holding information too tightly can be just as damaging, as Facebook found out when a whistle-blower went public with word of all the information the social media giant isn't choosing to share. And as Facebook also discovered, it doesn't matter a dot how much data you're holding, if no one can access it. Recently we even saw major supermarkets unable to process any home delivery orders. It's hard to put a number on the damage, both in lost revenue and in reputation, of their massive network of products disappearing from the internet for six hours.
If all that wasn't enough to worry about, your business also faces the old-fashioned risks of flood, fire and theft. UK businesses are learning the hard way that tropical downpours are no longer limited to the tropics, as flash flooding associated with climate change becomes more common in London and other cities.
Managing risk and resilience will continue to keep you busy, and even keep you awake at night. How, then, do you secure some R&R when there's so much at stake?

Preparing to beat the averages

Whatever your business, and particularly if you're in financial services, you understand numbers. Risk is all about numbers.
UK businesses and individuals reported losing £2.3 billion to fraud in 2023. And Cybercrime cost the UK economy £30.5 billion last year, hitting 1.5 million businesses, according to a study by internet service provider Beaming.
Cybercrime is just one area of risk. The averages say your business is going to get hit by something that does damage. Effective risk management is about doing what you can to dodge those bullets for as long as possible. But even Neo in the Matrix couldn't escape everything coming his way, and neither will you. This is where resilience kicks in – the capacity to absorb crisis damage with minimal impact.
Risk management may not be as exciting as a Hollywood movie, but it's not something you want to take your eyes off.

Four steps to improve your risk assessment process

Winning at risk demands that you have a robust methodology. It requires research and planning, along with developing and implementing a strategy. In short – it's damn hard work. And that's just to set it up.
There are four ways you can make this process easier and

Broaden the conversation

Go beyond asking your C-suite execs to put together a list of risks. They can't see everything, so you need to involve more people. Asking your staff on the ground to identify possible risks (having educated them on what a risk might look like), moves risk management from theory to be much more practical.

Keep it light

When was the last time you got excited about attending a risk assessment meeting? But it needs to be done, and you want anyone involved to be alert and imaginative. Perhaps holding a risk assessment party is taking it a little too far, but by keeping the process fun you're more likely to stimulate creativity and bring new insights into possible risk areas.

Beware of data overload

The weight and range of data can become a real drag on the risk assessment process. Analysis is important, but what you want is to enable high-quality decision-making that takes into account information that's both quantitative and qualitative. Scoring risk factors will always have an element of subjectivity.

Look forward more often than looking back

Past experience and history information will always help inform the risk assessment process, but just as technology and the commercial environment evolve, so too do risks. Stay in touch with the wider economy, commercial trends and regulatory developments, as well as best practices for risk and resilience project management.

Nurture a culture of resilience

Building resilience isn't just about protecting your business against potential harms. Truly resilient businesses are consistently high performers.

If risk is about dodging bullets, then resilience is how well you respond to taking a hit.

Because you will get hit.

Resilience is the capacity of your business to absorb stress, recover its core functions and thrive despite circumstances having changed due to a crisis or disaster. Businesses, including those in financial services, don't usually have a handle on measuring resilience. Risk is easier to capture with numbers – probabilities of something going wrong and estimates of potential damage. But resilience is harder to express. One approach is to war game or model potential scenarios and work through the possible outcomes. However, the value of this depends entirely on the nature of the crisis being mocked up, while in reality the disaster could be something quite unpredictable and have very different impacts from those modelled.

Nurturing resilience is about infusing strength into day-to -day systems and processes. It's not a plug-in or a set of tools to call on in an emergency.

There are six foundational principles built into businesses that absorb stress well, and can even turn an apparent disaster to their advantage. These are:

Being prudent – where leadership accepts that something will eventually go wrong, and puts contingency planning in place.

Adding redundancy – creating buffers to absorb shocks, such as multiple layers of controls.

> "If risk is about dodging bullets, then resilience is how well you respond to taking a hit

Fostering diversity – encouraging multiple ways of thinking and working across the organisation.

Build-in modularity – meaning the failure of an individual element doesn't cascade across the whole.

Open to adaptation – a flexible approach gives space for the continual development of processes and structures.

Embedded in the broader ecosystem – remaining aligned to the economy, society, supply chains and other external systems that the business is part of.

Building resilience isn't just about protecting your business against potential harms. Truly resilient businesses are consistently high performers.

Resilience isn't a skill. You can't run a training course in it. But you can, through policy, strategy and practice, develop a culture of resilience.

Get Yourself Some R&R

A governance, risk and compliance (GRC) solution, should be designed specifically to manage risk and help with regulatory compliance while streamlining processes and reducing costs.

In short – it's designed to deliver resilience.

The intuitive GRC toolset includes:

- Risk and control self-assessment
- Regulatory rule mapping
- Issue and risk events
- Policy attestation
- Automated reporting

Compliance approval

It needs to be flexible enough to meet any organisation's operational risk and compliance framework. With the added benefit of being more efficient and less expensive than the spreadsheet-based processes many organisations still use.

This approach makes it easier for them to manage risk and resilience, and as a result, you get more R&R time!

Integrity, Integrity, Integrity

By Derek Davies

I previously wrote an article entitled *It's Just Human Nature*, with examples I had come across of advisers who had decided it was easier to fast-track any cases they had erred on, by adding their own embellishments, rather than going back to see a client, or contacting the Compliance team, to correct any mistakes.

I now work for a provider of regulatory information and part of my role is to review announcements from regulators around the world, on enforcement action taken against firms and advisers. These highlight similarities between the problems that regulatory regimes of different countries encounter, and the commonality of some of the less than appropriate actions by individuals.

These cases generally relate to activities undertaken as part of an adviser's role, or at the firm level, in relation to clients, whether this be related to administrative errors, or more serious issues such as dishonesty, forgery, lying, fraud or theft. Normally, such cases come from the various countries across the globe where their regulatory regimes are still developing.

However, I came across a case recently from an authority with a well-developed regulatory regime that piqued my interest. This was because it came from a different angle, with certain actions in an individual's private life being the source of concern, rather than those in the work environment. The reaction of relevant regulator was interesting, and matched the actions that I believe that the FCA would also have taken in the UK.

Background

The case concerned an individual who held the functions of Head of Compliance and Money Laundering Reporting Officer, and as a Permitted Person, licensed to undertake certain investment business for clients.

The regulatory issues that were identified did not relate to any of these roles directly but, outside of their work environment, they were found guilty of a criminal offence of perverting the course of public justice, which was deemed to involve dishonesty.

The individual concerned had been going through contested divorce proceedings, which can be both stressful and emotional, regardless how much the parties might agree. However, the individual's solution to a monetary issue was, during the maintenance proceedings as part of the divorce, to deliberately alter three separate estate agent property valuations for the family home, reducing the values provided. They had then referred to those altered figures, in sworn evidence, knowing those altered valuations would be used in those proceedings, thereby misleading the Court.

When the changes the individual had made were challenged in Court, their actions were exposed, and the individual was subsequently charged. In the later trial they then admitted their guilt, which resulted in the Court sentencing them to spend a number of weeks in jail.

Investigation

This led to the relevant regulator beginning an investigation into the circumstances of the case. Based upon discussions held with the individual and an assessment of the evidence, the regulator concluded the actions that had led to the criminal conviction evidenced dishonesty, and that this was consistent with a lack of integrity.

The regulator therefore prohibited the individual from performing any controlled functions and/or key person roles, and from performing any controlled function in relation to any regulated activity. Also issuing them with a prohibition from being a member of the governing body of any scheme.

Dishonesty, forgery and lying to a Court isn't a good record for anyone involved in providing advice, let alone for a Head of Compliance, or a person acting as a Money Laundering Reporting Officer. However, these were things that had occurred in the individual's private life, not in their work environment, so should the relevant regulator have taken such an approach to what was, in fact, a private matter?

I suspect that the answer from the regulators point of view would potentially be a resounding **Yes** because who is to say that having been successful in being dishonest with the Court in a private matter, there may not be a temptation to try to bend the rules in their work environment?

However, there is a psychological premise that suggests it is possible for individuals to have different moral codes for distinct parts of their lives, This individual might therefore have had very different moral scruples in their working life, faced with the demands of those roles, than were shown in their personal life in these divorce proceedings. But if you were a regulator, would you take the chance?

Ramifications

The irony is that through what might have been simply a private error of judgement to save money on maintenance payments, the individual involved had lost their livelihood, had been found guilty of a crime, and spent time in prison. There would also have been repercussions in their private life as, to use a hackneyed phrase, they would have found out who their loyal friends were.

As for the future, this individual will have to declare this when seeking future employment, and their previous firm would have to include the details in the references they provide, for roles inside or outside financial services. This means the effects of their error of judgement could last many years.

Training & Competence Issues

There are T&C and Compliance issues with such cases, not just because some firms require either the T&C or the Compliance teams to provide input to reference requests for previous employees, to confirm their integrity.

Another T&C specific issue is that, if someone with such a conviction came back to a role where they were providing advice in the future, how should a T&C Supervisor document their assessment of the risks posed by the individual in their client facing work? In addition, how should they demonstrate proportionality to a regulator? However, both observations fall into the adage of shutting the stable door once the horse has bolted. The more immediate question is, how much effort should a T&C supervisor put into ensuring that those they have under their wing understand the pitfalls and penalties associated with the judgements they make, and the actions they take, both inside and outside of a work environment.

> "the regulator concluded the actions that had led to the criminal conviction evidenced dishonesty

This individual undertook a course of action that led a regulator to question their overall integrity, in view of the positions they held, but what other forms of offence could blight a promising career?

Every edition of the tabloids can provide stories of alcohol fuelled events, road rage and neighbour disputes in people's private lives that have escalated to a police intervention, and/or to criminal proceedings that might, in turn, affect someone's working life, if they have a criminal record. Many of these would also have been a result of the individuals making emotional, rather than rational decisions, at a time of stress.

In terms of responsibility, while T&C Supervisors are not always the line manager of those that they supervise, where this is the case, they should collaborate with the relevant manager to ensure that they are both aware of any potential issues, inside or outside of work, so that they can be adequately managed. This includes T&C Supervisors asking relevant questions as part of their 1 to 1 meetings with supervisors, to ensure that there are no problems that need to be addressed.

In short, T&C Supervisors are part of the in-house prevention mechanism, like an employee's line manager, if these roles are separate. Their documentation of 1 to 1's, especially relating to employee responses to questions about issues they are encountering either in or outside of work, is important evidence. This is not only to evidence the level of care provided for each employee for which they are responsible, but because it can also function as a form of defence for the firm, if any subsequent action proves necessary.

Bank ring-fencing five years on

By Ian Ashleigh from Compliance Matters

The global financial crisis that began in 2007 led to a number of changes in the structure of the largest banks in the UK. In addition to the introduction of the Senior Managers and Certification Regime, the concept of ring-fencing retail deposits from riskier banking activities, such as investment banking was introduced.

Under the Financial Services (Banking Reform) Act 2013 (FSBRA), since 1st January 2019, the largest UK banks are required to separate core retail banking services from their investment and international banking activities. This applied to all banks with core retail deposits of more than £25 billion.

In addition to providing the statutory footing for the regime, FSBRA also set out a requirement for the government to commission an independent review of the regime within two years of it coming into full effect. This review, undertaken by a panel of independent experts led by Sir Keith Skeoch (the Panel), launched in February 2021 and delivered its final report in March 2022.

Inside the ring-fence

The aim of ring-fencing is to protect the core retail banking services on which customers rely from risks associated with riskier activities outside the ring-fence which include investment banking and wealth management. It is intended to improve the resilience of the largest UK banks. It also seeks to ensure that if a large bank were to fail, there would be minimal disruption to banking services used by individuals and small businesses in the United Kingdom.

Retail banking includes essential products like Savings Accounts, Current Accounts, and Debit Cards. Financial assistance products like Credit Card and Loans are included under Retail Banking. Services like personal investment banking and personal wealth management fall under retail banking.

Retail banking will also include savings accounts and other personal financial services. The bank may offer deposit accounts, cash ISAs and other savings products. The bank may offer investment products like personal pensions, stocks & shares ISAs and investment bonds. Some banks deal only with very wealthy (high net worth) individuals, these are known as private banks, they would still need to be ring-fenced under the FSBRA if they have retail deposits in excess of the threshold and may be outside the revised threshold discussed below.

The provision of credit cards, personal loans and mortgages are also inside the ring-fence.

Outside the ring-fence

Investment banking in this context is the division of a bank or financial institution that serves governments, corporations, and institutions by providing underwriting (capital raising) and mergers and acquisitions (M&A) advisory services. Investment banks act as intermediaries between investors (who have money to invest) and corporations (who require capital to grow and run their businesses).

You can see that investment banking is more risky than retail or personal banking, which is why, after the financial crash, the Bank of England ringfenced retail banking from investment banking. Investment Banks are outside of the ring-fence.

Full-service banks offer the following services:

- Underwriting: capital raising and underwriting groups work between investors and companies that want to raise money or list on a stock exchange via an initial public offering (IPO). This function serves the primary market or "new capital".
- Mergers & Acquisitions (M&A): advisory roles for both buyers and sellers of businesses, managing the M&A process from start to finish.
- Sales & Trading: matching up buyers and sellers of securities in the secondary market. Sales and trading groups in investment banking act as agents for clients and also can trade the firm's own capital.
- Equity Research: the equity research group helps investors make investment decisions and supports trading of stocks.
- Asset Management: managing investments for a wide range of investors including both institutions and individuals, across a wide range of investment styles.

The five-year review

In 2023, the PRA commissioned its first five-year review of the ring-fencing rules the results of which were presented to HM Treasury in December 2023 and published in January 2024.

The conclusion of the review was that in general, the rules are performing satisfactorily. There were four areas where the PRA identified potential improvements:

- **Rules relating to the provision of services to Ring-Fenced Bodies (RFB) from non-ring-fenced parts of a group**. There is potential overlap with other PRA rules relating to securing operational continuity in resolution and the operational resilience of banks. The PRA considers that the rules could be better aligned with existing processes that banks must follow to identify how important business functions depend on resources and services elsewhere in a group, and to focus more directly on the core activities and essential business of RFBs.
- **Rules relating to arm's length transactions**. The requirement to transact only on an arm's length basis remains essential. However, the frequency with which RFBs must review their internal policies underpinning how this is operationalised could be reviewed on grounds of proportionality. They consider there may be potential to reduce this frequency subject to any necessary safeguards.
- **Modifications of rules relating to governance arrangements**. Rules in this area have been extensively modified to tailor them to the circumstances of individual RFBs. Where further changes are needed, on application from RFBs, they will consider maintaining the modifications for longer periods before the changes expire. In addition, they consider that there may be scope to re-assess the level of consolidation at which some of the governance rules apply with a view to simplifying the requirements on firms.

"The conclusion of the review was that in general, the rules are performing satisfactorily

- **Rules relating to regulatory reporting**. They have identified one annual regulatory report which they think may be unnecessary given the materiality of the amounts that have been reported since the regime came into effect. This relates to tax exposures for which an RFB may be liable in relation to the business of a non-ring-fenced body (NRFB). Some reports will be in scope of the Banking Data Review.

The Edinburgh Reforms

On 9th December 2022, as part of the Edinburgh Reforms, the government announced its intention to consult on a series of near-term reforms to the ring-fencing regime, broadly taking forward the Panel's recommendations.

The government announced that these reforms would:

- Take banking groups without major investment banking operations out of the regime. This would remove a barrier to growth for smaller banks and support domestic competition.
- Update the definition of a Relevant Financial Institution (RFI) to remove
- barriers that prevent some small businesses from accessing financial services.
- Remove blanket geographical restrictions on ring-fenced banks (RFBs), helping UK banks to compete internationally and supporting UK businesses operating abroad.
- Take forward technical amendments outlined in the Panel's recommendations to improve the functioning of the regime, removing unintended consequences, and providing benefits for the sector and the economy.
- Review and update the list of activities which RFBs are restricted from carrying out in order to assess whether certain activities could in the future be undertaken safely and improve the supply of financial services to consumers and businesses.
- Increase the deposit threshold – i.e., the point at which ring-fencing applies to banks – from £25 billion deposits to £35 billion deposits. This announcement went beyond the Panel's recommendations as the government considers that the appropriate deposit level has increased since it was first determined.

These proposals were out to consultation with the Government introducing Secondary Legislation to implement the reforms during 2024.

Firms having to take a long hard look in the mirror over fees and interest payments

By Philip Masey from Wizard Learning

Many changes to the financial industry have been implemented because of the new Consumer Duty regulations that came into force July 2023. In preparation for the new rules, a focus point for the regulator has been the issue of how much pension and investment firms are charging their customers for ongoing advice. This has been at the forefront of the FCA's agenda since December 2022, when they set out in a letter their intention to undertake some investigative work on the matter. Specifically, they noted concern that advice firms were not fully considering the "relevance, nature and cost of these ongoing services" for their clients.

In a further letter, published in January 2023, the FCA tried to get ahead of the issue by providing some guidance as to how firms should operate under the incoming Consumer Duty regulations. However, in December 2023, 6 months after the regulations came into force, the FCA held a Consumer Duty webinar where they expressed concerns that clients are still being charged for services they were not receiving.

Now, the FCA has written to 20 of the largest advice firms requesting details of their delivery of ongoing services which clients are being charged for after the initial advice has been given. They want to know if any changes have been implemented after the Consumer Duty regulations clients that are due a review of the continuing suitability of their advice, how many clients have received a review and how many clients have received a refund of their fees when a review has not taken place.

The FCA's reason for collecting this data is to evaluate "what, if any, further regulatory work it may undertake in this area". Once all the responses to the letter have been collected and assessed, the FCA hopes to provide a further update on the matter. They have also stressed that the firms surveyed have been chosen to achieve a broad scope review of the entire market and not because of any specific concerns relating to those firms.

This crackdown on fees being charged forms part of the regulator's commitment to drive higher standards of consumer protection across the industry. Consumer Duty regulations demand that firms act in good faith towards consumers, avoiding causes of foreseeable harm while enabling and supporting clients to meet their financial objectives.

The FCA believes that in the past, firms have been overcharging for the management of funds and that these fees are not only unfair, but often miscommunicated or misrepresented to clients. As a result of this, the regulator has put pressure on St James' Place to review its own charging structure, calling the existing framework vague and unduly expensive.

> “This crackdown on fees being charged forms part of the regulator’s commitment to drive higher standards of consumer protection across the industry

In response, the firm has announced a swathe of changes to its charges for new investment bonds and pensions. This is the biggest overhaul of fee structures in the firm’s history and clearly driven by a desire to abide by the obligations set out in the Consumer Duty rules.

It is not only management fees that are under scrutiny though, with sharp focus being turned to companies that may be wrongly withholding interest payments on clients’ cash assets held. From December 2021 to August 2023, the Bank of England Monetary Policy Committee raised their base interest rate 14 consecutive times, bringing it to 5.25%, its highest level since the financial crash of 2008. As a result, the FCA launched a probe in July of last year to examine whether firms are unjustly withholding interest payments on their customers cash balances.

The probe found that the amount of interest pension and investment firms were earning on client’s cash balances had “increased substantially” during the last couple of years and the FCA has promised to “intervene” if they find that this interest gain is not being passed onto consumers.

Sheldon Mills, the FCA’s executive director for consumers and competition, wrote a letter of warning to the industry highlighting some of the probe’s findings. He explained that the FCA has reviewed 42 self-invested pension and investment platforms, finding that many had retained “some” of the interest earned on client’s cash balances, labelling this both unfair and ill-communicated. He outlined that in June 2023, the firms surveyed had earned a total of £74.3 million in interest revenue from client’s cash.

The FCA had previously cautioned firms that the practice of retaining interest on client’s balances could be a breach of the “fair value” requirement set out in the Consumer Duty rules. Shockingly, almost 75% of the firms examined during this probe were found to have kept around half of any interest earned on client’s cash assets and of those who kept this interest, almost two thirds of those firms were also charging a fee to use their platforms. This process has been named as “double-dipping”, a process that the FCA has been highly critical of and will be intently monitoring to try and abolish.

Importantly, the regulator has also criticised the way in which this interest retention is communicated to clients, claiming that “it is not disclosed in a way that facilitates consumer understanding”. This is clearly another breach of Consumer Duty rules, as customer understanding is one of the outcomes firms must adhere to. Firms are obliged to ensure consumers are equipped to make good decisions with information made available at the appropriate time and they are required to make sure this information is easily understandable.

The FCA set a deadline for the end of February for companies to address their failings, demanding that all of their practices are clearly communicated, balanced and of fair value to their clients. Sheldon Mills has promised that “if they don’t, [the FCA will] intervene”.

When CPD simply is not… CPD

By Andy Snook from Performance Evaluations

Recently I witnessed what I would consider to be the wrong approach to Continuous Professional Development from both the firm and the individuals themselves. The firm's only interest was that it could demonstrate that CPD was being undertaken, with little regard to the needs of individuals and at best a token monitoring of CPD, and the individuals saw it as a barrier to work and had little interest in personal development, or in some cases, little effort to meet the required CPD for their specialism.

This, in my experience, is not unusual. Across the various firms that I have worked with over the years and more recently, working within the industry apprenticeship scheme, one common factor stands out amongst them all. That CPD is very often being done for the sake of just the recording the hours required, undertaken sporadically and not continuously, and very often not for any apparent development.

It is time we did something about this. When I see a firm or an individual that tries to get all the required CPD into one short period of time to get it over and done with, or another that allows individuals to do what CPD they want when they want as long as they complete the required hours, I have to challenge the culture in which they are working.

Irrespective of all the demands and changes in our industry, for CPD it is time to get back to basics and look at exactly what we are doing here.

Continuous Professional Development. Three words of which, when the definition of each is reviewed, should direct our understanding of what it is, how it should be done, and why it should be done. Starting with the interpretation of those three words.

For Continuous you could have "to show that the action is continuing," or "without pause or break."

For Professional you could have: "relating to work that needs special training or education," or "having the type of job that is respected because it involves a high level of education and training." Finally, for Development you could have "the process in which someone or something grows or changes to become more advanced," or "Improvement of a skill, ability, quality etc."

Depending on your own interpretation, broadly that means that some form of acquiring knowledge or understanding to conduct in a professional capacity should be undertaken or a regular basis.

This should be embedded in our T&C Schemes. We need to demonstrate how we get individuals to competency and how that competency is maintained. Then look at what the individuals are doing and how we are monitoring it. How many individuals are just doing the hours because they must. How many are gaining something from the CPD they undertake? And how many are undertaking CPD activities on a regular or continuous basis? Do we leave it up to them to source their own CPD, or do we take some responsibility as a firm and help individuals professionally develop? Even though CPD is an individual's responsibility, why would a firm not feel a responsibility to ensure that everyone is undertaking the right CPD for their personal development, and that it is being undertaken regularly?

It is not as though there is a shortage of CPD events. Nor are they particularly difficult to arrange or register for. Many are online these days, and many offer the opportunity to review a recording if the actual event does not suit the diary.

One of the best T&C Schemes that I have seen included a dedicated CPD programme. To cover the "Continuous" element CPD was a Key Performance Indicator with a minimum of three hours per month per individual and an additional hour per month for the specialists. Not much time out of the working month really. The firm then sourced at least two CPD events a month, usually an hour in length, from a range of providers to maximise various products, solutions, and views, and this was offered to all individuals undertaking CPD. The topics covered the varying development or knowledge needs of the individuals. It also ensured that IDD CPD was undertaken even where little or no protection business was being written. A necessity these days when the bulk of many firms' business is retirement planning or growing wealth. The other two hours were left to the individuals' discretion. And it worked well. Individuals met their CPD requirements on a regular basis. Individuals progressed in knowledge and understanding, even the most experienced ones.

For me it is all about the right approach to a necessity of our industry. Things never stop changing and we should never stop changing too. We say that we keep up our knowledge and understanding. The question is do we do this regularly or sporadically. And if it is the latter, are we missing a trick here? Are we doing Continuous Professional Development, or just ticking another box?

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