

# Stand out

for all the right reasons

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# Corporate Chartered status – recognising professional excellence

The professionals have become more professional. Now is the time to have your investment and achievements recognised.

The Retail Distribution Review, the effects of the economic downturn and the far-reaching changes announced in the Budget have forced the industry to raise its game.

Many firms have responded by developing their most important resource – their people. They have invested to raise standards of knowledge, capability and ethical practice. At an individual level this has typically involved Personal Finance Society (PFS) membership, study for professional qualifications and continuing professional development.

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#### **Demonstrate your professionalism**

Many financial planners aspire to use designatory letters and titles as a badge of their professionalism, the pinnacle being ‘Chartered Financial Planner’ status.

Corporate ‘Chartered Financial Planners’ status allows firms to demonstrate the same professional commitment. Chartered firms must ensure staff members acquire and retain the necessary knowledge and skills to deliver

the highest quality advice. They must also work in an ethical manner that places clients’ interests at the heart of the advice they give.

Granted by the Privy Council, the Chartered title gives financial planning firms parity with other professionals, such as accountants and solicitors. And with fewer than 300 firms of ‘Chartered Financial Planners’, it remains an exclusive and valuable distinction. It carries weight with other professional firms, distinguishes planners from their competitors and peers and strengthens bonds of confidence and trust with consumers.

#### **Attract the best talent**

It also helps firms attract and retain the best staff. Talented professionals want to work for ambitious, principled organisations, and corporate Chartered status is a clear indicator of the professional standing of a potential employer.

Genuine professionalism has never been so valued – or so necessary. The Chartered titles awarded by the CII are steeped in history but they remain the “gold standard” of excellence and integrity.

## Corporate Chartered status in practice

Having satisfied the acceptance criteria for Chartered status, financial planning firms are eligible to describe themselves as 'Chartered Financial Planners'. This means they can hold themselves out as being dedicated to the highest levels of customer advice, service and ongoing support through a commitment to standards of technical and ethical excellence.

On a practical level this typically involves:

- Using the term 'Chartered Financial Planners' on all business materials including business cards, stationery, promotional literature and company signage
- Describing themselves in these terms in any communications they produce
- Displaying certification at each of their branches highlighting their Chartered status
- A listing on the CII's publicly searchable online Chartered firm directory. This includes details of the classes of business dealt with, together with contact details.

The CII provides Chartered firms with a suite of communication tools to help them promote their status. Full guidelines can be found at [www.cii.co.uk/charteredcomms](http://www.cii.co.uk/charteredcomms)

The Chartered scheme is underpinned by comprehensive monitoring and disciplinary procedures to ensure compliance with the scheme rules and the maintenance of standards. Non-compliance with the specified requirements of corporate Chartered status results in a refusal to award it or its withdrawal.

## Applying for corporate Chartered status

The qualifying criteria for Chartered Financial Planners status have been devised to recognise professional best practice.

There are three requirements:

- Meet the definition of an organisation carrying on business as a financial planner
- Satisfy the eligibility criteria required of a Chartered firm both at application and on an ongoing basis
- Payment of an admission and annual renewal fee.

### Definition of a financial planning firm

Financial planning firms are organisations "who are carrying on business as providers of financial planning services."

### Eligibility criteria

The following is a summary of the Chartered status eligibility criteria (full information outlining each in detail, including guidance where applicable, can be found at [www.cii.co.uk/chartered](http://www.cii.co.uk/chartered)):

### Compulsory criteria

These six criteria must be met by applying firms:

1. A minimum of one of the firm's board (or highest management team\*) members must personally hold the CII Chartered Financial Planner title.
2. The entire board or highest management team, together with a minimum of 90% of customer-facing staff, must be members of the CII/PFS.
3. The firm must have an appropriate professional development programme in place.
4. The firm must have in place core values and business practices that align with the CII Code of Ethics.
5. A full financial planning service must be offered (in the case of a specialist advice firm a satisfactory referral procedure must be in place) and access to a Chartered Financial Planner must be available.
6. One of the firm's board or highest management team (who must personally, hold the Chartered Financial Planner title), must take on the role of Responsible Member. This person is principal point of contact on Chartered status with responsibility for the application, renewal and for any related issues in the intervening period.

\* **Note:** where the principal business of the company or partnership is not financial planning and a specialist division has been created for the purpose of managing this part of the business, the CII may, at its discretion, recognise a member of the highest management team appointed to run that division.



### Additional discretionary criteria

Having met the obligatory criteria, firms may choose from a range of discretionary criteria. Each element has an associated value in the form of points, with a minimum of 50 points overall required. These criteria cover a range of practices and behaviours recognised as evidence of a commitment to professionalism.

The full points total can be attained if 50% of the board or highest management team are themselves holders of the Chartered Financial Planner title or equivalent (comparable titles from other awarding bodies may be recognised – terms and conditions apply).

The range of alternative criteria that would be considered includes:

- Percentage of board or highest management team individually holding the Chartered Financial Planner title (25-50 points)
- Percentage of board or highest management team individually holding the Diploma in Financial Planning (10-15 points)
- Percentage of financial advisers individually holding the Chartered Financial Planner title (10-30 points)
- Percentage of financial advisers individually holding the Diploma in Financial Planning (10-30 points)
- Percentage of non-advisory customer-facing staff individually holding a CII qualification (10 points)
- Potential recognition of additional rationale to support the Chartered application detailing relevant processes which are not already included in the criteria above (5 points)

### Annual fee

A fee is payable to cover the cost of administering, monitoring and enforcing the Chartered scheme:

Number of staff employed	Annual fee
Up to 10	£500
11 – 50	£1,000
51 – 250	£1,500
251+	£2,000

### Further information

Full details, including the full eligibility criteria, application guidance and documentation and a series of FAQs, can be found at [www.cii.co.uk/chartered](http://www.cii.co.uk/chartered)

To discuss the Chartered Financial Planners title please contact CII Customer Service at:

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## Benefits of Chartered status to firms of financial planners

- **Sharpens competitive edge** – exclusive status gives holders an edge over competitors, both with consumers and with business partners such as accountants/solicitors who refer business
- **Enhances business performance** – access to PFS/CII membership services will enhance staff knowledge and skill-sets, improving their ability to work effectively
- **Promotes and supports regulatory compliance** – Chartered firms will inevitably develop a ‘compliance culture’ by adhering to the professional requirements inherent in maintaining Chartered status
- **Provides tangible evidence of professional status** – holders can use the Chartered marque on company signage, stationery and promotional literature, with certificates for display in all premises and a listing on a publicly-searchable Chartered firm database
- **Helps attract and retain talent** – Chartered status is a clear indicator of the professional standing of a potential employer. Employees like to work for the best companies, and Chartered firms are viewed as “best of breed” in their market sectors

“ It is crucial that financial planning firms seek to raise levels of consumer trust in the sector and enhance the way they are perceived by their customers. The attainment of Corporate Chartered status is an ideal way to further this objective. Independent research shows that consumers attach real value to a Charter marque. They clearly see it as an objective measure of a business's professionalism, commitment to quality and adherence to ethical standards. Becoming a Chartered firm demonstrates that awardees have every right to lay claim to genuine professional status. ”

**Paul Lothian BA (Hons), ACII, APFS**

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