

Financial services products and solutions

Objective

At the end of this unit, candidates should be able to demonstrate a knowledge and understanding of:

- key customer needs and the factors that affect these;
- how customers and financial services professionals identify needs and solutions;
- the main protection, mortgage repayment and savings and investment products;
- the main tax wrappers.

Summary of learning outcomes	Number of questions in the examination*
1. Understand protection, investment and pensions needs and the factors that affect them	5
2. Understand the process of identifying appropriate financial solutions	6
3. Explain the main features of protection products	17
4. State the main features of mortgage repayment vehicles and mortgage protection products	5
5. Explain the range of savings and investment products available to customers	22
6. Explain the main tax wrappers available to customers	20

* The test specification has an in-built element of flexibility. It is designed to be used as a guide for study and is not a statement of actual number of questions that will appear in every exam. However, the number of questions testing each learning outcome will generally be within the range plus or minus 2 of the number indicated.

Important notes

- Method of assessment: 75 multiple choice questions (MCQs). 2 hours are allowed for this examination.
- This syllabus will be examined from 1 September 2020 to 31 August 2021.
- Candidates will be examined on the basis of English law and practice in the tax year 2020/2021 unless otherwise stated.
- Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:
 1. Visit www.cii.co.uk/qualifications
 2. Select the appropriate qualification
 3. Select your unit from the list provided
 4. Select qualification update on the right hand side of the page

- 1. Understand protection, investment and pensions needs and the factors that affect them**
 - 1.1 Explain how the personal financial lifecycle, individual circumstances and external factors affect financial needs
 - 1.2 Describe the purpose and the main categories of taxation and their relevance to the life and pensions sector
- 2. Understand the process of identifying appropriate financial solutions**
 - 2.1 Describe sources of information, advice and guidance
 - 2.2 Explain how customer needs and solutions are identified
- 3. Explain the main features of protection products**
 - 3.1 Explain the main types and features of life assurance
 - 3.2 Explain the main types and features of health protection products
- 4. State the main features of mortgage repayment vehicles and mortgage protection products**
 - 4.1 State the use of protection products and repayment vehicles in the context of mortgages
- 5. Explain the range of savings and investment products available to customers**
 - 5.1 Explain the main features of investing in cash, bonds, property and equities
 - 5.2 Explain the main features of collective investments
- 6. Explain the main tax wrappers available to customers**
 - 6.1 Explain the main features of defined contribution and defined benefit pension schemes
 - 6.2 Explain the main retirement options available
 - 6.3 Explain the main features of Individual Savings Accounts
 - 6.4 Describe other tax planning vehicles available

Reading list

The following list provides details of further reading which may assist you with your studies.

Note: The examination will test the syllabus alone.

The reading list is provided for guidance only and is not in itself the subject of the examination.

The resources listed here will help you keep up-to-date with developments and provide a wider coverage of syllabus topics.

CII/PFS members can access most of the additional study materials below via the Knowledge Services webpage at <https://www.cii.co.uk/knowledge-services/>.

New resources are added frequently - for information about obtaining a copy of an article or book chapter, book loans, or help finding resources, please go to <https://www.cii.co.uk/knowledge-services/> or email knowledge@cii.co.uk.

CII study texts

Financial services products and solutions. London: CII. Study text LP2.

Books (and eBooks)

A modern approach to lifetime tax planning for private clients (with precedents). Christopher Whitehouse, Lesley King. Bristol: Jordans, 2016.

CCH Tax planning: individuals 2016-17. Paul Robbins. Kingston: Wolters Kluwer, 2016.

Guide to taxpayers' rights and HMRC powers. 4th. ed. Robert W Maas. Dawn Publishing and Bloomsbury Professional, 2016.

Financial planning with trusts: 2017/18 edition. John Wooley. Chester: Claritax Books, 2017.

Financial services marketing: an international guide to principles and practice. 2nd ed. Christine Ennew and Nigel Waite. Oxford: Routledge, 2013.*

Investments: principles and concepts. Charles P Jones. Wiley, 2014.

Investments. 10th global edition. Zvi Bodie, Alex Kane, Alan J. Marcus. Berkshire: McGraw-Hill, 2014.

The Financial Times guide to investing. 3rd edition. Glen Arnold. FT Prentice Hall, 2014.

Pension magic: how to make the taxman pay for your retirement. 7th ed. Nick Braun. Kircaldy: Tax Cafe, 2017.

Pension tax guide: a tax guide 2017-2018. Robert Gaines. Chester: Claritax Books, 2017.

eBooks

The following ebooks are available through Discovery via www.cii.co.uk/discovery (CII/PFS members only):

Behavioural finance and investor type: managing behaviour to make better investment decisions. Michael M Pompian. Hoboken: Wiley, 2012.

Investor behaviour: the psychology of financial planning and investing. H. Kent Baker. Hoboken, New Jersey: Wiley, 2014.

Factfiles and other online resources

The Insurance Institute of London (IIL) podcast lecture series features leading industry figures and subject experts speaking on current issues and trends impacting insurance and financial services. Available online at <https://www.cii.co.uk/insurance-institute-of-london/> (CII/PFS members only).

Behavioural finance. Nick Edwards.

Critical illness insurance. Andy Couchman.

Equity release. Brad Baker.

Long-term care insurance. Andy Couchman.

Recent developments in investment product design. Nick Edwards.

Recent developments in mortgage product design. Brad Baker.

Recent developments in life product design. Robert Surridge

Forecast reports on life assurance, critical illness insurance, income protection insurance, personal accident and health insurance. Timetric. Available via www.cii.co.uk/forecastreports (CII/PFS members only).

Guaranteed Guidance for retirement. What consumers want. CII Policy and Public Affairs, Nick Hurman. 2014. Available online at www.cii.co.uk/32081.

The Government's retirement freedoms, Pension Wise, and views on preparedness. CII Policy and Public Affairs. Available online at www.cii.co.uk/32998.

Additional articles and technical bulletins are available under the Life and Pensions section of the website at www.cii.co.uk/knowledge/life-pensions.

Journals and magazines

Financial adviser. London: FT Business. Weekly. Available online at www.ftadviser.com.

Personal finance professional (previously Financial solutions). London: CII. Six issues a year. Available online at www.thepfs.org/financial-solutions-archive (CII/PFS members only).

Life insurance international. London: Timetric. Monthly.

Money management. London: FT Business. Monthly. Available online www.ftadviser.com/brand/money-management.

Money marketing. London: Centaur Communications. Weekly. Available online at www.moneymarketing.co.uk.

Pensions age. London: Perspective. Monthly. Available at www.pensionsage.com.

Pensions insight. Newsquest Specialist Media. Monthly. Available at www.pensions-insight.co.uk.

Retirement strategy. Supplement to Money marketing. London: Centaur Communications. Monthly. Also available at www.moneymarketing.co.uk.

Reference materials

Concise encyclopedia of insurance terms. Laurence S. Silver, et al. New York: Routledge, 2010. *

Harriman's financial dictionary: over 2,600 essential financial terms. Edited by Simon Briscoe and Jane Fuller. Petersfield: Harriman House, 2007. *

Financial Conduct Authority (FCA) Handbook. Available at www.handbook.fca.org.uk/handbook.

Lamont's financial glossary: the definitive plain English money and investment dictionary. Barclay W Lamont. 10th ed. London: Taxbriefs, 2009.

"Life, pensions & protection". Chapter: The insurance manual. Stourbridge, West Midlands: Insurance Publishing & Printing Co. Looseleaf, updated.

Prudential Regulation Authority (PRA) Rulebook Online. Available at www.prarulebook.co.uk

St James's Place tax guide. Walter Sinclair. Basingstoke, Hampshire: Palgrave Macmillan. Annual. *

The professional adviser's factfile. Taxbriefs. London: Taxbriefs. Looseleaf, updated.