



Learning Outcome

Assessment Criteria

Indicative Content

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1 5 Questions	Understand the purpose and structure of the UK financial services industry.	1.1	Describe the function of the financial services industry in the economy.	1.1.1	The function of the financial services industry in the economy – transferring funds between individuals, businesses and government – risk management.
		1.2	Describe the main institutions and organisations of the UK financial services industry.	1.2.1	The main institutions and organisations – markets, retail institutions and wholesale institutions.
		1.3	Describe the roles of the EU and UK government on the UK financial services industry.	1.3.1	The role of the EU and of the UK government regulation, taxation, economic and monetary policy, provision of welfare and benefits.
2 7 Questions	Understand the main financial asset classes and their characteristics.	2.1	Describe the main financial asset classes and their principal characteristics.	2.1.1	Cash deposits.
				2.1.2	Government securities – conventional and index-linked – and corporate bonds, investment grade and high-yield.
				2.1.3	Equities.
				2.1.4	Property – residential, buy-to-let and commercial.
3 6 Questions	Understand the main financial services product types and their functions.	3.1	Describe the main financial services product types and their functions.	3.1.1	Direct investments – cash, government securities and corporate bonds, equities and property.
				3.1.2	Collective investments – structure, tax and charges – Open Ended Investment Companies (OEICs), unit trusts, Undertakings for the Collective Investment in Transferable Securities (UCITS), investment trusts and companies, offshore funds and Tax incentivised saving, e.g. ISAs.
				3.1.3	Life and protection products.
				3.1.4	Mortgages and other loans – residential, buy-to-let and commercial.
4 6 Questions	Understand the purpose of the main areas of financial advice.	4.1	Describe how the main areas of financial advice apply to customer needs.	4.1.1	Budgeting.
				4.1.2	Protection.
				4.1.3	Borrowing and debt.
				4.1.4	Investment and savings.
				4.1.5	Retirement planning.
				4.1.6	Long-term care planning.
				4.1.7	Estate planning.

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5 6 Questions	Understand the process of giving financial advice, including the importance of regular reviews of the consumer's circumstances.	5.1	Explain the process of giving financial advice, including the role of guidance and the importance of positive customer outcomes.	5.1.1	The relationship between the client and the adviser – agreeing client goals, the adviser's responsibilities with regard to confidentiality, trust, consumer protection and regulatory requirements e.g. client agreement, and statutory status disclosure.
				5.1.2	Fact-finding – gathering the information needed to provide financial advice.
				5.1.3	Identification of needs and possible solutions – factors determining how to match solutions with consumer needs and demands.
				5.1.4	Assessment of affordability and suitability.
				5.1.5	Positive customer outcomes.
				5.1.6	Communication skills – given advice and adapting advice to customers with different capacities and needs, including vulnerable customers.
				5.1.7	The purpose of guidance and advice - their aims, limitations and key differences.
				5.1.8	Identification of attitude to risk and capacity for loss.
				5.1.9	MoneyHelper, its scope and purpose.
		5.2	Explain the importance of regular reviews of the consumer's circumstances.	5.2.1	The importance of regular reviews of the consumer's circumstances and arrangements to monitor the continuing position and advice on appropriate changes.
6 7 Questions	Understand the legal concepts relevant in financial advice.	6.1	Explain the main areas of legal identity for individuals and companies, including arrangements on death and incapacity.	6.1.1	Legal identity – individuals, wills, intestacy, personal representatives and administration of estates, trustees, companies, unincorporated and limited liability partnerships.
		6.2	Describe the basic principles of the laws of agency, contract and ownership of property.	6.2.1	Contract, including capacity to contract.
				6.2.2	Agency.
				6.2.3	Types of property and its ownership.
				6.2.4	Mental capacity, including Powers of Attorney and Lasting Powers of Attorney.
		6.3	Explain the relevant laws and processes of insolvency and bankruptcy.	6.3.1	Insolvency and bankruptcy.

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7 8 Questions	Understand the UK taxation and social security systems and how they affect personal financial circumstances.	7.1	Explain the main features of and applications of Income Tax.	7.1.1	UK Income Tax system – liability to Income Tax, allowances, including dividend allowance and personal savings allowance, reliefs, rates, employed and self-employed income.
		7.2	Explain the main features of and applications of Capital Gains Tax.	7.2.1	Capital Gains Tax (CGT) – liability to CGT, disposals, death, deductions, losses, different rates, main exemptions, Business Asset Disposal Relief and basic calculation of chargeable gains.
		7.3	Explain the main features of and applications of Inheritance Tax.	7.3.1	Inheritance Tax – the nil rate band, rates, transfer of unused nil rate band; allowances and exemptions, potentially exempt transfers (PET) and lifetime transfers, and how the tax is collected and who is responsible for its payment.
		7.4	Explain the main features of Stamp Duty Reserve Tax and Stamp Duty Land Tax.	7.4.1	Stamp Taxes – Stamp Duty, Stamp Duty Reserve Tax and Stamp Duty Land Tax including surcharge.
		7.5	Explain the main features of National Insurance Contributions.	7.5.1	National Insurance.
		7.6	Explain the main State benefits.	7.6.1	State benefits.
8 3 Questions	Understand the impact of inflation, interest rate volatility and other relevant socio-economic factors on personal financial plans.	8.1	Define inflation, disinflation, deflation and the main inflation indices.	8.1.1	Definitions of inflation, disinflation and deflation.
				8.1.2	The main measures of UK inflation, including the differences between them.
		8.2	Explain the impact of interest rates on personal financial plans.	8.2.1	The difference between fixed and variable interest rates and how they affect the affordability, suitability and performance of financial products in both the long and short term.

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9 6 Questions	Understand the main aims and activities of the financial services regime and its approach to ethical conduct by firms and individuals.	9.1	Describe the Prudential Regulation Authority (PRA) and Financial Conduct Authority's (FCA's) main statutory objectives and the main principles and regulations used to achieve these objectives.	9.1.1	The Financial Services and Markets Act 2000 and Financial Services Act 2012.
				9.1.2	The FCA's and PRA's aims and objectives, statutory objectives, role and activities.
		9.2	Describe the regulatory requirements for ethical conduct by firms and individuals.	9.2.1	The FCA's principles for businesses and individuals – how they reflect the need for ethical behaviour by firms and individuals, FCA guidance, Consumer Duty.
				9.2.2	The Senior Manager and Certification Regime, including the Conduct Rules and Statements of Responsibilities.
				9.2.3	The prevention of crime, including market abuse and insider dealing.
				9.2.4	The fit and proper test for individuals.
				9.2.5	Conduct risk and customer outcomes.
				9.2.6	Relevant sources of support, e.g. codes of ethics, good practice and positive customer outcomes.
10 6 Questions	Understand the financial regulators' approach to regulating firms and individuals.	10.1	Describe the financial regulators' approach to risk-based supervision, discipline and enforcement.	10.1.1	Regulated activities and regulated investments.
				10.1.2	Capital adequacy.
				10.1.3	FCA supervision and the risk-based approach.
				10.1.4	Discipline and enforcement, including notification requirements.
		10.2	Describe the FCA's approach to regulating firms and individuals.	10.2.1	Authorisation of firms.
				10.2.2	Different types of financial adviser, their main responsibilities and restrictions.
11 7 Questions	Understand the effect of the FCA's rules on the control structures of firms and their relationship with the FCA.	11.1	Describe control structures and operational requirements of authorised firms and their relationship with the FCA.	11.1.1	The certification regime.
				11.1.2	Advertising and financial promotion rules.
				11.1.3	Reporting and record keeping.
				11.1.4	Training and competence rules.
				11.1.5	Specific rules for independent financial advisers.

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12 15 Questions	Understand how the FCA's Conduct of Business rules apply to the process of advising clients.	12.1	Describe how the FCA's Conduct of Business rules apply to the process of advising clients.	12.1.1	Types of customer including Legal Entity Identifiers.
				12.1.2	Terms of business, client agreements and client money.
				12.1.3	Status disclosure and information about services and remuneration.
				12.1.4	Scope of advice and the range of advice for advisers.
				12.1.5	Advice and know your customer rules.
				12.1.6	Suitability and appropriateness.
				12.1.7	Execution-only sales and insistent client requests.
				12.1.8	Cancellation, including reflective periods.
				12.1.9	Product disclosure, including charges and commissions.
				12.1.10	Regulatory rules for mortgage advice – Mortgages and Home Finance: Conduct of Business Sourcebook (MCOB).
				12.1.11	Regulatory rules for general insurance advice – ICOBS Insurance: Conduct of Business sourcebook (ICOBS).
				12.1.12	Record keeping including conversation recording.
13 6 Questions	Understand how the Anti-Money Laundering rules apply to dealings with private and intermediate clients.	13.1	Explain how current anti-money laundering and proceeds of crime obligations apply.	13.1.1	The definition of financial crime and the proceeds of crime.
				13.1.2	The current Money Laundering regulations – the main offences and penalties, exemptions, and triggers.
				13.1.3	Client identification procedures, including the use of credit reference agencies.
				13.1.4	Record keeping requirements - training and monitoring.
				13.1.5	Types of transaction and reporting procedures.
				13.1.6	Enforcement - addressing and preventing fraud.
				13.1.7	Anti-bribery and corruption and scams.
14 3 Questions	Understand the rules for dealing with complaints and compensation.	14.1	Explain the rules on redress, complaints handling and compensation, and how they apply.	14.1.1	Firms' internal complaints procedures.
				14.1.2	The Financial Ombudsman Service .
				14.1.3	The Financial Services Compensation Scheme.

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15 5 Questions	Understand how the Access to Medical Reports Act 1988 and data protection rules affect the provision of financial advice and the conduct of firms generally.	15.1	Explain the legislation on medical reports and data protection and its impact on firms and the provision of advice to clients.	15.1.1	Definitions in the data protection legislation.
				15.1.2	The data protection principles.
				15.1.3	Enforcement of the data protection legislation.
				15.1.4	Rights of individuals under data protection legislation, including redress.
				15.1.5	Principles of the Access to Medical Reports Act 1988.
				15.1.6	The effects of the Access to Medical Reports Act 1988 upon clients, advisers and life assurance companies.
16 4 Questions	Understand the relevance of other non-tax laws and regulations to firms and to the process of advising clients.	16.1	Explain the relevance of ancillary legislation and regulations in the provision of financial advice.	16.1.1	Consumer Rights Act 2015 and consumer credit legislation.
				16.1.2	The Pension Regulator's rules with respect to pension schemes.
				16.1.3	Stakeholder products.
				16.1.4	The Equality Act 2010.
				16.1.5	The role of the Financial Conduct Authority and Competition and Markets Authority in relation to financial services.