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- established in 1875, is the only banking institute in the UK
- develops and promote professional standards for bankers
- offers qualifications for all levels - from school pupils to senior bankers
- is committed to sharing expertise with policy makers to raise professional standards in the banking sector
- commissioned YouGov research which confirmed strong public demand for professionally qualified bank staff

The Chartered Institute of Bankers in Scotland

Our recommendations to rebuild public confidence in banks and bankers

Act swiftly to embed a strong culture of professionalism in the banking industry, before we return to “business as usual.”

Adopt a judgments-based approach to regulation and supervision, which will only succeed if:

- Major changes are made to the way banks and regulators recruit and train their staff, to allow for sufficient numbers of qualified, experienced banking and risk management professionals able to exercise professional judgement in the public interest.
- General principles of prudent banking underpin the judgments-based approach, rather than prescriptive formulae. For example, bad lending decisions occurred at both low and high loan-to-value ratios.

Proposed changes to the regulatory architecture alone will be insufficient to improve public confidence in the banking sector - building confidence and trust in the professional integrity and competence of individual bankers, from Customer Service Officers to Chief Executive Officers, is also crucial. Customers need confidence in the professionalism of retail bank staff and regulators, policy-makers and the public need to be confident in the professional judgement exercised by senior bank executives.

To achieve this, Government and regulators should:

- Place greater emphasis on the role of shareholders and senior bank executives in managing their institution prudently, rather than relying on regulators to set overly-prescriptive rules
- Work with professional bodies and other stakeholders to develop and agree set(s) of professional standards and monitor compliance with these - supported by a Professional Standards Board, along the lines suggested by the Future of Banking Commission
- Introduce compulsory, on-going ethical and professional training and qualifications for banking industry employees
- Require senior staff and supervisors to positively encourage the development of higher ethical, professional and technical standards within their firm.

Ensure better consumer protection and improve financial stability by making financial education more widely available not only in schools, but also libraries, other council-run facilities and workplaces.

About The Chartered Institute of Bankers in Scotland

“Rebuilding the banking industry’s human capital is as important as restoring its financial capital.”

Established in 1875, we are the **oldest banking institute in the world** and the only remaining banking institute in the UK. We develop and promote professional standards for bankers and provide professional qualifications for the financial services industry in the UK and overseas.

With high professional standards, strong ethics and proven technical expertise, **Chartered Bankers are the future leaders of the profession**. We currently have around 9,000 members, including 4,000 Chartered Bankers. We offer a range of qualifications for all levels - from school pupils and those returning to work after a career break, to senior bankers.

As a Chartered, independent professional education body, we have a statutory duty to work in the **public interest**. We are committed to working with banks, governments, regulators and professional bodies to raise professional standards across the banking sector and share knowledge.

A YouGov survey we commissioned in September 2010 reflects the strong public demand for professionalism in the banking sector: **73%** of (over 2,000) respondents throughout Great Britain and **across gender, age and social demographics stated the availability of professionally qualified staff as important** to them when visiting a bank branch. This reinforces our 2009 YouGov survey, in which **88%** of respondents **agreed that “all bankers should take professional banking exams”**.

Our **policy expertise** covers a range of education and financial services issues, including: implementing cultural change and embedding professional integrity and ethics; innovation in learning; financial capability; professional standards and financial regulation.

For over a decade we have managed the Financial Education Partnership - a pioneering, industry-led initiative to promote **financial capability** in schools and colleges. We are also part of the new European Financial Education Partnership (EFEP), working with partners in nine European countries and with financial support from the European Commission’s “Comenius” programme.

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