

Banking Standards Review Consultation Response

I) Executive Summary

1. The Chartered Banker Institute welcomes the publication of the Banking Standards Review Consultation Paper. **We strongly support the overall objective – to contribute to a measurable and continuous improvement in the conduct and culture of banks doing business in the UK and to support high standards in the future.** The Institute has campaigned for many years for the re-emergence of a positive, customer-focused professional culture in banking, and we believe that a new organisation can play an important role alongside regulators and existing professional bodies, including the Institute, in enhancing and sustaining the standards required.
2. **We believe defining and promulgating good practice relating to banks is the most appropriate role for the new body,** rather than duplicating the activities of existing standard-setting and professional bodies. In particular, we believe that the new body should focus on working with banks, not individuals.
3. **We strongly support the proposal that a new banking standards body should have as its members all banks and building societies operating in the UK.** It will also be important to ensure the active participation and support of a wide range of professional bodies, and their members, active in banking.
4. **We support the proposal that the new organisation define metrics against which banks and building societies benchmark,** helping institutions assess their culture, how it is changing, and how it compares against their peers. We feel that this is an area where the new body could play a particularly significant role in raising standards and encouraging a “race to the top”. It would be entirely appropriate that the new body should exercise thought leadership in this area.
5. **We strongly support the proposal that the new body act as a canopy above existing and new professional bodies.** We believe the canopy should focus on validating professional bodies themselves, rather than bodies’ qualification and professional development programmes.

6. **A new body is most likely to succeed, in our view, if it builds on, challenges and supports the activities of the many independent professional bodies, including the Chartered Banker Institute, already working to raise standards across the banking industry in the UK and internationally.** More than 100,000 individuals in UK banking have already made a significant, personal commitment to professionalism by obtaining relevant qualifications and becoming members of a relevant professional body. Since its launch in October 2011, the Chartered Banker Professional Standards Board (CB:PSB) has made significant progress in codifying and implementing professional standards for bankers, with more than 70,000 individuals achieving the Foundation Standard for Professional Bankers to date. 200,000 individuals, including all customer facing staff, will have met the standard by the end of 2015.
7. **We strongly disagree that the new body should accredit banks' training programmes, as this is an activity already undertaken on a considerable scale by existing professional bodies, and others.** We propose that the new body might play a role in validating, benchmarking and/or kite-marking banks' organisational development (OD) programmes, rather than training and development programmes.
8. **We believe that it is inappropriate for the new body to aspire to build individual membership over time.** This would duplicate existing provision, and would conflict with the new body's role as a "canopy body". We recognise that there may be potential benefits to individuals having some form of personal relationship with a new body, and propose that if this is desired then it could take the form of "registration" rather than "membership".
9. **We strongly support the stated desire to avoid duplication or replication of existing activities.** Currently, there are several important areas where the proposals do appear to duplicate existing activities, and we highlight these in our response.

II) The UK Banking Profession

10. Contrary to much public opinion, professional standards in UK banking are not absent; they continue to be defined and promulgated by professional bodies such as the Chartered Banker Institute, Chartered Institute of Securities and Investment, CFA Institute and others. Since its launch in October 2011, the Chartered Banker Professional Standards Board (CB:PSB) has made significant progress in codifying and implementing professional standards for bankers, with more than 70,000 individuals achieving the Foundation Standard for Professional Bankers to date.

11. It is undeniable that professional standards have been deficient, for some time, at an industry level. We believe that the decline in standards and, in particular, the substantial fall in the number of qualified banking professionals in the UK banking industry results from:
 - a) a general change in banking culture from stewardship to sales. In many cases, previous cultural banking norms of thrift, prudence and professionalism were no longer valued or inculcated to the same extent as they had been in the past;
 - b) lack of encouragement and support, including financial sponsorship and the availability of study leave for professional banking qualifications and membership of professional banking institutes from employers, regulators and policymakers¹;
 - c) the increasing career specialism of individuals employed in financial services and lack of demand for well qualified, experienced, generalist bankers with all round experience;
 - d) a shift away from banking as a structured, lifelong career;
 - e) changes in recruitment and on-boarding practices;
 - f) recruitment of non-bankers directly into senior roles requiring knowledge, expertise and experience in banking;
 - g) increased use of technology has reduced the need for highly-skilled qualified professionals exercising professional judgment;
 - h) the seeking of cost efficiencies, including the outsourcing of activities directly linked to customer service and outcomes
 - i) a regulatory focus on firms, not individuals, although more recently approved senior persons have been subject to increased scrutiny; and
 - j) a “tick box” approach to regulation and compliance which devalued professional judgment at all levels, from judging the appropriate amount of capital for an institution to “Know Your Customer” rules.

¹ It is worthy of note that existing UK professional banking qualifications have, in many cases, been adopted overseas by regulators and employers (e.g. in Africa, the Middle-East and South-East Asia in particular) as they are seen to be of a high standard and rigour. It is rather ironic that there has been more support for UK professional bodies overseas than in the UK.

12. The drivers of these and other changes in banking culture do not come entirely from within the banking industry itself, however. Demands from the 1970s onwards for a more innovative banking industry, for an industry more responsive to its customers, and for greater shareholder returns, together with broader societal changes, led in part to the decline of a more traditional banking culture based on stewardship, thrift, prudence and professionalism.
13. The number of qualified banking professionals has fallen substantially both as an absolute number and as a proportion of those employed in the industry over the past 25 years, a significant shift from the days in which all aspiring retail and commercial bank staff were expected to gain their banking qualifications in order to advance their career. In the 1980s, there were more than 100,000 members of what was then the Chartered Institute of Bankers (CIB)², and approximately 10,000 members of the then Chartered Institute of Bankers in Scotland (CIOBS). CIB membership has now fallen to approximately 22,000, with Chartered Banker Institute membership increasing to approximately 15,000. Together with other professional bodies active in the banking sector, such as the Chartered Institute of Securities and Investment, CFA Institute, Chartered Insurance Institute and the International Compliance Association, more than 100,000 individuals employed in UK banking today hold a qualification from and/or are members of a recognized professional body for bankers. This is a substantial number of individuals who have made a personal commitment to professionalism, but still a minority of the approximately 450,000 individuals employed in the sector.
14. This is in contrast to many other professions, such as accountancy, law, teaching, medicine, etc where there is a statutory requirement to meet agreed professional standards and/or hold professional qualifications. This may be because many in the industry, plus policy-makers and regulators, ceased to view banking as a profession. In our view, banking should be a profession and shares the key characteristics of other professions:
 - many interactions between banker and customer are characterized by an asymmetry of information in the bankers' favour;
 - bankers require specialized professional knowledge and skills; and
 - there is a clear public interest in the successful and sustainable operation of the banking system.

² Now IFS University College

15. This view that banking should be a profession is strongly supported by bank customers, 88% of whom believe that all bankers should take professional banking examinations³.
16. Many individuals working in banking are highly trained and do maintain high standards of personal and professional behaviour. There has been, until recently, little encouragement from employers for individuals to gain professional qualifications in banking or become members of a relevant professional body. This is in contrast to most other professions, where membership is either a statutory requirement, or simply “expected” by employers. A new body, strongly supported by all UK banks, could play a very significant role in encouraging individuals to meet and maintain professional standards, gain professional qualifications and become members of relevant professional bodies, helping to ensure individuals knowledge, skills and behaviours are aligned to the wider changes in institutional and industry culture sought.

³ YouGov survey carried out online among 2011 GB adults aged 18+. Data weighted to be representative of GB population. Fieldwork ran from 6-9 November 2009.

III) Response to Specific Consultation Questions

We note that the questions set out in the “Summary of Questions” on pp.23-24 of the Consultation Paper vary, at times, from the questions set out in the Consultation Paper itself. Where this is the case, we have responded on the basis of the question posed in the “Summary of Questions”.

1) Do you agree with the objective to establish a new independent organisation with the aim of defining and raising standards of conduct and competence in banking?

We strongly support the objective, set out on p.4 of the Consultation Paper, that the new organisation will “*contribute to a measurable and continuous improvement in the conduct and culture of banks doing business in the UK, and to support high standards in the future*”. The Institute, and our members, have campaigned for many years for the re-emergence of a positive, customer-focused professional culture in banking, and we believe that a new banking standards body can play an important role alongside the Institute, other professional bodies, regulators and others in enhancing and sustaining the standards required.

We are concerned, however, the objective set out on p.4 is not the same as the objective set in the question above, or objectives mentioned elsewhere in the paper, and would welcome clarity on this specific point as a matter of urgency. We strongly agree with the propositions on p.4 of the Consultation Paper that the new organisation will act as an independent champion for better banking standards in the UK, and that its mission will be to “*define and promulgate good practice in standards of behaviour and competence across the sector*” (our emphasis). Clarity is also needed on the new organisation’s proposed role and the scope of its operations. On p.13, it is proposed that “*the principle role of the organisation is to set standards of competence and behaviour in order to improve customer service.*” Unfortunately, this is again not the same as the proposition set out on p.4, and appears to relate to individuals, not to banks. A survey of Chartered Banker Institute members, conducted in response to the Consultation Paper, found that more than 70% of members believed that the new body should focus on defining and promulgating good practice in standards for banks and bankers, not setting standards for individual bankers.

We believe, therefore, that *defining and promulgating good practice* relating to *banks* (and building societies) is the most appropriate role for the new body. In particular, we believe that the new body should focus on working with banks, not individuals.

We strongly agree with the further propositions on p.4 that the new body will:

- Work with individual banks to assess and encourage their progress in raising the bar;
- Act as a thought leader;
- Make recommendations for further areas of improvement; and
- Provide independent assessments of the progress being made in delivering better services for customers.

We strongly disagree with the proposition on p.4 that the new body will accredit banks' training programmes, for the reasons set out in our answer to Q12, most particularly that this proposal runs counter to the principle that the new body will encourage and strengthen existing practices, not seek to replace them. Should the new body wish to establish an accreditation scheme, we would expect to see it first conduct and publish a rigorous impact assessment, similar to those undertaken by government departments and regulators, setting out why it believes its proposals for and operation of such a scheme would be superior to schemes already in operation.

We propose that, with the objective of contributing *“to a measurable and continuous improvement in the conduct and culture of banks doing business in the UK, and to support high standards in the future”*, the new organisation should be called the “Independent Banking Standards Commission”, “Better Banking Commission” or similar. We believe this to be an appropriate title, as it stresses (a) the body’s independence, (b) the body’s focus on standards for banks and banking, and (c) the use of “Commission” gives the impression of more urgent and continual investigation and action, as opposed to “Board” or “Council”, which gives an impression more of a steady state.

2) Do you agree that there is a case for a collective approach calling for the participation of all banks doing business in the UK?

Yes. **We strongly agree that a collective approach is essential, as raising standards both requires the efforts of all industry participants, and benefits all participants.**

This is why we pioneered the collective approach with the establishment of the Chartered Banker Professional Standards Board (CB:PSB) in 2011. The

CB:PSB is a voluntary initiative supported by eight leading banks in the UK⁴ (encompassing some 77% of the approximately 450,000 individuals working in UK banking) and the Chartered Banker Institute. This collective approach, supported at the highest level by Chairmen and CEOs of CB:PSB member banks, has been extremely effective in encouraging banks to develop, implement and embed a single Code of Conduct and supporting professional standards for individual bankers:

- The Chartered Banker Code of Professional Conduct now encompasses some 350,000 individuals in UK banking; and
- The Foundation Standard for Professional Bankers has been achieved by more than 70,000 individuals to date, and CB:PSB member banks have committed that over 200,000 individuals, including all customer-facing colleagues, will meet the standard by December 2015 .

3) Do you agree with the proposed role of the new organisation to set standards of behaviour and competence for banks and building societies, and to define metrics against which they could benchmark?

Yes. **We strongly support the proposition that the new organisation set relevant standards of behaviour and competence for *banks and building societies*** (our emphasis). Elsewhere in the Consultation Paper, it is suggested that the new organisation should set standards of behaviour and competence for individuals. This runs counter to the principle that the new body will encourage and strengthen existing practices, not seek to replace them, as such standards are already being set, and implemented on a large scale, by bodies including the Chartered Banker Professional Standards Board. Clarity is needed on the new organisation's proposed role and scope of operations to avoid any unintended duplication of existing activities.

We strongly support the proposal that the new organisation define metrics against which banks and building societies benchmark. Indeed, we feel that this is one area where the new body could play a particularly significant role in raising standards and encouraging a "race to the top". We provide more detail in our responses to Qs 13 and 14.

⁴ Barclays, Clydesdale & Yorkshire Bank, HSBC, Lloyds Banking Group, RBS, Santander, Tesco Bank, Virgin Money

4) Do you agree with the proposed scope of the new organisation to include all British banks and building societies, and foreign banks doing business in the UK?

Yes. **We strongly support the proposal that a new banking standards body should have as its members all banks and building societies operating in the UK. In our member survey, 90% of respondents agreed with the proposed scope.** The new body needs to recognize the diversity of size, scope and service offered by banking organizations operating in the UK, and ensure that these are properly reflected in its activities, governance and operations. The new body will also need to consider whether it will include, in its scope, outsourcing partners, including those located outside the UK, providing core banking and customer service functions to UK customers.

We also support the proposal that foreign banks doing business in the UK should join the new organisation. It would be helpful to define whether the scope should include (a) those foreign banks accepting UK deposits, lending to UK retail and business customers, and otherwise providing services to the UK economy, or (b) all foreign banks, including those using London as a base for operations that do not directly impact in a significant way on the UK economy.

5) Do these proposals go far enough to ensure the body has credibility?

Yes – whilst it will always be possible to criticize the new organisation because of its reliance on funding from participating banks, the proposals for a governance structure guaranteeing independence and integrity are, on the whole, credible and robust. We do not support the proposition that recently retired senior bankers should serve on the Board, though; 60% of members who took part in our recent survey felt this was inappropriate. Banking is a fast-moving industry, and knowledge and expertise have limited currency. Whilst we acknowledge the point about ensuring no conflicts of interest, we believe it would be helpful for the Board to include a minority of serving bankers, rather than retired bankers, provided that conflicts are properly declared and managed. In terms of Board membership, we would also like to see a Board reflecting, as far as possible, the diversity of banks' customer bases, and employees.

We also recommend that the new body:

- Consider establishment as a Community Interest Company, rather than as a limited company, to underline the new organisation's public interest role whilst giving it the ability to be flexible and adapt to changing circumstances;
- Secure funding for an initial 3-5 year period from its members, so it is able to plan and develop standards without constantly having to worry about its sustainability;
- Rotate its Board meetings around major cities in the UK, perhaps in conjunction with local thought-leadership events;
- Hold its Board meetings in public (perhaps offering a recording or webcast) of meetings, in line with similar standards bodies; and
- Consider further ways in which it might establish its credentials as a UK-wide body, as opposed to a "City of London" body.

In addition, in order to enhance the new organisation's reputation for being as transparent and open as possible, we propose that, where the new body proposes to undertake activities that may duplicate, replicate or compete with existing activities, it should:

- Conduct a proper, public consultation exercise, allowing sufficient time to promote the consultation to all affected/interested stakeholders and for them to respond; and
- Conduct and publish for public consultation rigorous impact assessments, similar to those undertaken by government departments and regulators.

We also suggest that, in addition to the widespread participation of banks, it will be important to ensure the widespread participation or support of a wide range of professional bodies active in banking – not just those listed in the Consultation Paper. This will ensure the new body has credibility with the more than 100,000 members and students of these bodies working in banking who have already made a significant personal commitment to professionalism. This will ensure (a) a significant number of individuals encompassed by the new body, and (b) access to the professional bodies' expertise, practitioner panels and wide networks of stakeholders.

Securing the support and participation of existing professional bodies should not, in our view, be difficult, but will require:

- The identification of those bodies that will be in scope – in our view, this needs to go beyond those listed in the Consultation paper, to include accounting, actuarial, compliance, customer service, HR, IT and legal bodies who have significant numbers of members active in key roles in the banking industry;
- Publication of detailed proposals for the role of the new body as a “canopy” above existing and new professional bodies; and
- The avoidance of conflicts of interest between the new body and existing professional bodies, by ensuring that the duplication or replication of existing activities is not undertaken.

We are sure that the Treasury Select Committee will be interested in the activities of the new organisation. Political scrutiny may, in our view, lead to a focus on short-term political issues rather than the longer-term task of raising standards, however. **We believe that additional scrutiny might be helpful to the new organisation, and we therefore propose that the new body establish an “Oversight Board” or similar, comprising representatives from the Bank of England and regulators, to whom it might report from a public interest perspective.** In our member survey, more than 75% of respondents considered it appropriate for such an oversight body to be established.

6) Do you agree that the new body should initially work with banks and building societies rather than individuals?

Yes. This is entirely consistent with the stated objective that the new organisation will *contribute to a measurable and continuous improvement in the conduct and culture of banks doing business in the UK, and to support high standards in the future.* It is also entirely consistent with the principle that the new body will encourage and strengthen existing practices, not seek to replace them. We do not believe the new body should work with individuals, either initially or in the future. Nearly 80% of respondents to our member survey agreed that membership of the new body should be for banks and building societies, and not individuals. 75% felt that the new body should not aspire, over time, to individual membership.

On a practical basis, we believe that working with banks and building societies rather than with individual bankers is more likely to help the new body demonstrate its credibility and impact, and make some short-term gains in

raising standards. In particular, we believe the new body should focus its efforts on:

- Recruiting a significant number of banks and building societies as members of the new body (perhaps aiming for institutions with total coverage of 90% or more of the UK bank workforce);
- Identifying standards for institutions and/or individuals currently being set by other bodies and developing, publishing, monitoring and reporting benchmarks and targets for implementation of these;
- Developing criteria and plans for validating/benchmarking banks' organisational development policies, and launching a kitemark programme associated with this;
- Publishing an initial "state of the nation" report, with much greater detail than is currently included in the Consultation Paper, setting out a baseline position for the banking industry, and the metrics on which future progress reports will be assessed;
- Identifying areas where new standards for institutions are required, and publishing plans to develop these;
- Enhancing independent oversight of the CB:PSB, and working with the CB:PSB to enhance its coverage of the total UK bank workforce, and to roll out the CB:PSB's standards;
- Establishing a "canopy" above existing professional bodies, and encouraging the achievement of relevant professional qualifications and membership of professional bodies to institutions; and
- Conducting as many high-profile thought-leadership events as possible, to build awareness of the new body's role as well as how it will work with a wide range of stakeholders to enhance and sustain standards.

What are the pros and cons of aspiring to build individual membership over time?

We believe that it is inappropriate for the new body to aspire to build individual membership over time. Any plans for the new body to do so should, in our view, be subject to:

- Proper public consultation, including substantial consultation with the more than 100,000 individuals in UK banking who are already members of relevant professional bodies, on issues including how the new body might recruit and qualify members, maintain standards via CPD, and oversee member conduct – the current paper lacks any detail on these important issues; and

- Rigorous impact assessment, similar to those undertaken by government departments and regulators before introducing new requirements.

We do not believe the benefits of aspiring to build individual membership over time would outweigh the drawbacks. In particular:

- The new body can play a more substantial and significant role overseeing existing professional bodies, encouraging them to raise standards of behaviour and competence, and encouraging employers to support their staff in achieving relevant qualifications and professional body membership;
- It seems highly unlikely, if only for the reasons set out on p. 20 of the Consultation Paper itself, that a single professional body would be able to serve the needs of a such a wide variety and substantial number of different participants⁵;
- The new body would need very significant resources to recruit and qualify members, maintain standards via CPD, oversee member conduct, and provide the wide range of support services members require. For comparison, the ICAEW has 140,000 members, and a turnover of £83m per year (2012);
- It would create a very considerable conflict of interest between the proposed “canopy body”, and existing professional bodies, if the former were to compete against the latter as well as try to exercise oversight; and
- The proposal runs counter to the principle that the new body will encourage and strengthen existing practices, not seek to replace them, by directly competing against existing professional bodies, which already have more than 100,000 members and students working in the banking sector.

It has been suggested that the new body might seek to recruit only senior individuals as members, either initially or over time. We cannot comment on this proposal without seeing details as to how the new body might recruit and qualify senior individuals as members, maintain standards via CPD, and oversee member conduct. In general, we would note, however, that were any new body to simply “grandfather” in senior individuals, this would run completely counter to any idea of raising standards. We would also question whether this would duplicate the regulatory Approved and Senior Persons regimes and result in confusion.

⁵ Which is why specialist, sectoral professional bodies such as the Chartered Banker Institute, CISI, CII, CFA Institute, ICA, etc currently exist.

We recognise that there are potential benefits to individuals having some form of personal relationship with a new standards body, however, and we propose that this could take the form of “registration” rather than “membership”. In this model, analogous to that in use in other professions such as healthcare⁶, accounting and the FCA “Accredited Body” regime in the retail financial advice sector:

- Individuals meet registration criteria by holding a relevant qualification awarded by a professional body validated by the new standards body;
- Individuals continue to maintain their registration by completing a minimum of 35 hours CPD per year, upholding their professional body’s Code of Conduct, and maintaining “good standing” in their professional body;
- Individuals might receive an annual “Certificate of Registration” or similar from their professional body; and
- The new canopy body might operate some kind of central register of individuals holding such Certificates, perhaps making a central list publicly available.

We would be happy to share the detailed work we have undertaken as to how such as registration scheme could operate with any new organisation, once it has come into existence.

7) In the section titled ‘Ethics’, a case is made for a more pro-active approach to managing ethical issues. Do you agree with this, and if so how should it be done?

We agree that a more pro-active approach to managing ethical issues should be adopted, as we have been campaigning for this for many years. In 2000, the Institute was the first professional body to introduce formal study of professional ethics for bankers. Currently, in addition to a compulsory, Masters-level module for all Chartered Bankers, the Institute offers a wide range of lower-level professional banking qualifications, all of which involve study of professional ethics. All Chartered Bankers are required to participate in ethics refresher training each year in order to meet the Institute’s CPD requirements. The Institute also requires all accredited programmes delivered by banks and third parties, including academic partners, to meet our requirements for coverage and assessment of professional ethics.

⁶ The model of the General Medical Council, which sits as a canopy above 20 Royal Colleges (sectoral professional bodies) provides a helpful example of this. The GMC is not a professional body, it is a regulator, and it does not duplicate the work of the Royal Colleges. Similarly, there is a clear distinction between the Financial Reporting Council and the accounting/actuarial bodies that sit beneath its canopy.

Given the new body's focus on institutions rather than individuals, though, we believe it might be more appropriate for the new body to think in terms of *culture* rather than *ethics*, however. The former is very much the responsibility of the boards and senior management of each bank; the latter is the responsibility of each individual working in banking.

We support the proposal that banks should set up a Board level "ethics" and/or "conduct" committee. In our view, the latter has more merit, particularly if its remit were extended to cover "culture and conduct", and is more likely to play a significant role in raising standards as it goes beyond ethical principles to consider, in much greater detail, how those principles are being embedded in institutional values, attitudes and behaviours. The new body might provide assistance to such committees by providing additional, independent scrutiny of the extent to which values and principles espoused by boards and senior management are reflected in the day-to-day activities, operations and behaviours. Some flexibility may be necessary for smaller organisations, which might find establishing and supporting another Board committee challenging.

We also support the proposal that the new organisation will help set the standard for whistle-blowing arrangements in the workplace, and suggest that perhaps the new body could establish a central whistle-blowing line or similar, as is the case in other industries and professions. We note, however, that whistle-blowing is, by its nature, a reactive approach to ethics (it deals by definition with something that has already gone wrong) and encourage the new body to work with banks and professional bodies to encourage practical study and discussion of, for example, ethical case studies and ethical decision-making frameworks and models. No one body can hope to work alone to raise ethical standards; the new organisation may wish to focus on raising standards of institutional ethics, and overseeing the work of others to raise standards of individual ethics.

8) Do you agree with the proposal to build on best practice as set out in the regulators' guiding principles?

Yes. The new organisation should also build on the work of the Chartered Banker Professional Standards Board (CB:PSB) and existing professional bodies.

9) What would be the best way of assessing the implementation of a bank's Code of Conduct?

Whilst we agree with the contention that, prior to the financial crisis, banks' Codes of Conduct seemed to have little impact on overall behaviour, the proposal that the new organisation will assess the implementation of a bank's Code of Conduct runs, in some important respects, counter to the principle that the new body will encourage and strengthen existing practices, not seek to replace them.

The Chartered Banker Professional Standard Board (CB:PSB) introduced the customer-focused Chartered Banker Code of Professional Conduct in 2011. The Code now covers approximately 350,000 individuals in UK banking. CB:PSB member banks' codes have been benchmarked, assessed and enhanced where necessary against the Code. The CB:PSB already works with its member banks to assess how banks have implemented the Code and, in particular, how aware employees are of the Code. CB:PSB member banks are also required to monitor and take action if there are breaches of the Code, and this is also overseen by the CB:PSB. We do not see, therefore, any need for the new organization to require participating banks and building societies to register their codes again.

10) Do you agree with the agenda outlined in the 'standards of competence' section?

No. **The proposal that the new body set standards of competence for *individuals* conflicts with the proposal set out earlier in the Consultation Paper that the new body set standards of behaviour and competence for *banks and building societies* (our emphasis).** We agree with the earlier proposition that the new organisation should play a *significant role in defining and promulgating good practice in standards of competence and behaviour* (for organisations), but we do not agree that its "*principle role is to set standards of competence and behaviour in order to improve customer service*".

We propose that the new body should focus its efforts on defining and promulgating:

- Standards for good conduct and behaviour for banks, and banking, where these are currently lacking; and
- High-level “standards” (accreditation/validation criteria) for professional bodies operating under its canopy, which in turn may set standards of competence and/or capability and, in some cases, role-related competency standards.

We believe that the new body should use its influence to help shape and promulgate, but should not seek to define or develop itself:

- Existing standards for good conduct and behaviour for banks, and banking, such as the standards developed by the Lending Standards Board, the Fairbanking Foundation, and others;
- Professional standards (standards of professional competence and capability) developed by the Chartered Banker Professional Standards Board (CB:PSB);
- Standards of competence developed by the wide range of professional bodies that might come under the new body’s canopy;
- Customer service standards developed by bodies such as the Customer Contact Association and the Institute of Customer Service; and
- Specific, role-related competency standards developed by regulators, professional bodies, the Financial Skills Partnership and others where these are felt to be required.

We do not believe that there is any realistic benefit or prospect of success in the new organisation attempting to set standards of competence for individuals, for the following reasons:

- There is a considerable degree of confusion in the Consultation Paper, which uses a wide range of terminology to describe standards that the body might define and promulgate⁷. This loose use of terminology in relation to standards needs to be clarified to bring focus to the new body’s proposed objective, role and scope. This is not just a semantic point; standards need to be clearly and carefully defined, designed and drafted if they are to be effective. At its most basic, some of the terminology used relates to standards for organisations, some to standards for individuals, and is used interchangeably;

⁷ This includes: “banking standards”, “professional standards”, “standards of competence”, “competency standards”, “standards of behaviour”, “standards of good conduct”, and “standards of good practice in competence and conduct”.

- There is particular confusion in the paper between “standards of competence” (commonly thought of as entry and assessment criteria for joining a profession) and “competency standards” (which set out what an individual needs to know and be able to do in order to perform a particular job role at the required standard), which seems to be what is being proposed here.
- Competency standards have many significant limitations and, in our view (and the view of many standard-setters and academic commentators) are now seen as an outdated approach – good practice currently tends to refer to standards of capability. Drawbacks with the competency standards approach include:
 - The large number of competency standards required to offer even basic coverage of key areas within banking;
 - A large infrastructure (or a wide range of specialist practitioner and professional body partners) would be required to develop and maintain competency standards, which seems to run counter to the presumption that the new body would be a small, focused organisation;
 - It is very difficult in practice (and of questionable value) to standardize roles across organisations (e.g. a “Risk Manager” in a large global bank will likely have a very different role in practice from a “Risk Manager” in a small building society);
 - Maintaining currency as roles adapt, emerge, merge, and disappear (which happens with great speed in banking);
 - Competency standards require individuals to meet a new standard for each new role; and
 - Competency standards focus too much on the specific requirements for specific roles, while as the Consultation Paper itself points out, individuals should gain a much wider view of banking and its place in society;
- The competency standards approach was considered in detail before being rejected in favour of developing standards of professional capability (encompassing elements of both standards of professional competence and competency standards) by the Chartered Banker Professional Standards Board (CB:PSB). The CB:PSB’s standards, in essence, provide individuals and employers with a framework both for the actions and behaviours valued by banks and their customers (competencies) and the for the development of potential knowledge and skill (capabilities). As the Consultation Paper notes, the CB:PSB is currently defining, developing and implementing professional standards for individual bankers. We see some benefits in the new body potentially having (a) some form of oversight of the CB:PSB standards development process, (b) promulgating the CB:PSB’s standards and (c) potentially, helping to monitor their implementation, but we do not see any reason for a new body to duplicate the CB:PSB’s work by seeking to define or develop such standards itself;

- Should a new body wish to be a standard-setter in its own right, then in our view the desired outcome from an enhanced regime of professional standards for banks, banking and bankers should be to improve outcomes for banks' customers, and for society as a whole, not "to improve customer service"⁸ – these are very different things, requiring very different standards. The former suggests the new body might focus its attention on defining and promulgating standards for banks and banking, which is where we believe the new body would have the greatest impact, rather than on individual bankers; and
- Furthermore, customer service is only one aspect of a banks' operations – standards for other areas such as compliance, risk management, working with counterparties, execution-only services etc also need to be considered.

Finally, the proposal that the new body might set standards of competence and behaviour runs counter to the principle that the new body will encourage and strengthen existing practices, not seek to replace them. Standards of competence and behaviour for individuals are already defined, developed and implemented by a wide range of organisations, including regulators and existing professional bodies. Competency standards have already been defined for many financial services roles, by the Financial Skills Partnership (and their predecessor, the Financial Services Skills Council). There seems to us to be no shortage of existing standards that the new organisation might helpfully promote.

11) Would you support the proposed relationship with the existing professional bodies?

Yes. This is the view of more than 60% of members who took part in our recent survey. **We strongly support the proposal that a new banking standards body should provide a canopy under which other professional bodies would continue to operate and grow.** We believe that a "canopy body":

- Should seek to include, probably following an initial, more focused phase, as wide a range of existing (and, potentially, new) professional bodies active in banking as possible, not just those listed in Appendix A of the Consultation Paper. This would include, for example, professional bodies for accountants, actuaries, compliance professionals, HR professionals, IT professionals, lawyers, and risk professionals who play key roles in enhancing and sustaining a positive culture within the banking industry;

⁸ The Institute of Customer Service and Customer Contact Association, and other specialist bodies, already set standards of customer service that are in wide use in the banking sector in the UK.

- Should look to models such as the Professional Standards Authority/General Medical Council (healthcare/doctors), Financial Reporting Council (accounting, audit and actuarial) and FCA Accredited Body Regime (retail financial advice) to see how a “canopy” model can best challenge, encourage and support professional bodies to raise standards;
- Should set broad quality criteria for accrediting , validating or recognizing⁹ professional bodies under its canopy, so that it may exert influence whilst not causing conflict with Royal Charters, Charity Commission rules, educational regulators and industry regulators such as the FCA;
- Should focus on validating professional bodies themselves, rather than bodies’ qualification and professional development programmes (the specialised, practitioner-led expertise required to develop and oversee professional qualification programmes exists within the specialist professional bodies, and would simply be duplicated by a new canopy body). More than 60% of members participating in our recent survey consider it inappropriate for the new body to accredit individual professional body qualifications;
- Might wish to require an independent, annual audit for each recognized professional body to ensure criteria continue to be met, ideally working with the FCA and other relevant regulators with similar requirements to prevent unnecessary duplication of audit work;
- Needs to recognize the challenge of balancing the desire for enhancing and sustaining common and consistent standards across banking with the differing demands of the many and varied technical specialisms within banking;
- Needs to challenge, encourage and support existing and new professional bodies, but not compete against them in areas such as accreditation of training, and individual membership – the new body must avoid any such conflicts of interest if it is to act as a canopy;
- Could operate some kind of central register of individuals who are members of professional bodies validated by the canopy, as proposed above, perhaps making a central list publicly available. We tested this idea in our recent member survey and almost 60% of participants felt that it might be appropriate for the new body to be responsible for some form of register;
- Could operate some form of centralized disciplinary system on behalf of professional bodies for cases that could not be handled by professional bodies themselves due to a significant public interest or legal risk (as the Financial Reporting Council currently does in for accounting institutes); and
- Will need to consider how non-UK professional bodies and professional qualifications might best be recognised under the canopy, without diluting standards.

⁹ It may be helpful for the new body to avoid using the term “accreditation” in relation to professional bodies to avoid confusion with the FCA’s “Accredited Body” scheme for professional bodies in the retail financial advice sector.

We do not support the proposals that a new body should accredit professional body qualifications, accredit banks' training and development activities, or that a new body should aim to become, in time, a membership organisation for individuals. These proposals duplicate existing activities, and run counter to the principle that the new body will encourage and strengthen existing practices, not seek to replace them.

12) Is the proposal for assessing in-house training sensible and practical?

No. The proposal is neither sensible nor practical – a view shared by the majority of members who took part in our recent survey. **We do not agree in principle with the proposal that a new banking standards body should accredit banks' training and development activities,** for the following reasons:

- Given the enormous scope and diversity of training and development activity in banking, from basic induction training, through customer service training to the development of specialist technical skills (e.g. credit skills, derivatives trading) and executive education, we cannot see how one body could possibly have the expertise to accredit training programmes across all areas of banking, at all levels;
- Robust accreditation of training and development activities requires significant resource (e.g. attendance at delivery sessions) which it is highly unlikely the new organisation will have given the desire for it to be a small, focused body;
- Accreditation of training and development is now often linked to educational awards, requiring specific expertise and/or recognition by bodies such as OfQual and SCQF, and/or as part of a professional qualification programme – on what basis and with what expertise would a new organisation be proposing to accredit programmes, and would the new body be able itself meet the criteria for registering with OfQual and SCQF?;
- Generally accepted good practice in standards-setting and implementation supposes an “open market” in standards accreditation, not a monopoly controlled by the standard-setting organisation itself, which is what is being proposed here¹⁰.

Crucially, the proposal for assessing banks' in-house training runs completely counter to the principle that the new body will encourage and strengthen existing practices, not seek to replace them. Accreditation of banks' training

¹⁰ See, for example “Backing Market Forces: How to Make Voluntary Standards Markets Work for Financial Services Regulation”: British Standards Institution and Chartered Institute of Securities and Investment, November 2013.

and development is already undertaken on a large scale by a very wide range of bodies, including but not limited to:

- Professional bodies specializing in particular parts of the banking and financial services industry, including the Chartered Banker Institute, CISI, CII, IFS School of Finance and International Compliance Association;
- Other professional bodies and similar organisations supporting banks, such as the various accounting institutes, Chartered Management Institute, Chartered Institute of Personnel & Development, Customer Contact Association, Institute of Customer Service, and the Institute of Leadership and Management;
- Academic bodies, particularly universities and other awarding bodies such as City and Guilds; and
- Private sector training providers.

In the retail and business banking sectors, for example, where the Chartered Banker Institute has specific expertise, approximately 20,000 individuals have participated in a training programme accredited by the Institute over the past three years. As part of the accreditation process, the Chartered Banker Institute has a very significant influence over programme content, requiring all programmes accredited by us to contain significant elements of (a) applied professional ethics, (b) core banking skills, and (c) an overview of the “bigger picture” of banking. Indeed, we would not accredit a programme that did not contain these, and similar bodies will have similar requirements.

In addition, existing professional bodies, such as the Chartered Banker Institute, accredit a wide range of third party banking education programmes. In our case, this includes academic programmes offered by leading universities such as Bangor (ranked in the top 15 institutions in the world for banking research), Edinburgh and Nottingham; other institutes operating in the UK such as the International Academy of Retail Banking, and the International Compliance Association; overseas banking institutes such as those in Hong Kong, Ireland, Malaysia and Pakistan; private sector training providers and a wide range of organisations providing CPD training to bankers and other financial services professionals. Each year, many thousands of individuals participate in such programmes accredited by the Chartered Banker Institute alone.

We agree that enhancing the rigour and independence of banks' training and development programmes would be beneficial, and propose that the new body might (a) encourage or require banks' training and development programmes for new staff to be accredited by professional body or other organisation, or linked to a recognized professional qualification for bankers, and (b) require banks to report annually on this as part of the proposed benchmarking process. In addition, the new organisation could, if it wished, establish a central register, or similar, of programmes accredited by recognised professional bodies, to help banks' learning and development teams identify and source relevant, accredited professional training.

We propose that the new body might play a significant role itself in validating, benchmarking and/or kite-marking banks' cultural change and organisational development (OD) programmes, rather than training and development programmes. This would, in our view, sit much more comfortably with the new body's objective of "*... contributing to a measurable and continuous improvement in the conduct and culture of banks ...*", as it would encompass the ways in which banks achieve their long-term, sustainable people and business goals through activities such as:

- Recruitment and induction;
- Leadership programmes;
- Cultural transformation programmes;
- Change and change management programmes;
- Talent management;
- Employee engagement;
- Performance management; and
- Team development.

Validating, benchmarking and facilitating the sharing of good practice in these and similar areas is, we contend, much more likely to have significant impact on banks' overall, organisational culture than the accreditation of training and development. Furthermore, it is an area in which existing professional bodies do not, for the most part, already accredit banks' activities.

Could the new organisation play a helpful role in the certification process?

Possibly, although we believe it is unlikely that regulators will wish to, in effect, “delegate” their decisions regarding certification of individuals to a third party, at least initially. Furthermore, if the regulators did wish to allow third parties to accredit or in some other way approve certification procedures, this would have to be open to all potential certifying bodies, including private sector providers.

We note that regulators now have considerably greater focus on individuals than was the case in recent years, and there is much greater scrutiny of Approved Persons in senior roles, and of individuals seeking Controlled Functions approval. Individuals’ expertise and experience is being assessed by regulators more thoroughly than before. We believe it unlikely that regulators would wish to delegate parts of such approval to a non-statutory body. Even if this were the case, then existing professional bodies would be in a much better position to evidence individuals’ banking knowledge and skills, through qualification and CPD records.

13) Do you think a benchmarking exercise, to help banks identify areas for improvement, would be of value?

We strongly support the proposal that the new organisation will help to develop a common (and challenging) set of benchmarks against which banks can assess their culture, how it is changing, and how it compares against other institutions in their peer group. This proposal fits well with proposals set out elsewhere in the Consultation Paper for thought-leadership, and is also consistent with our proposal, set out above, that the new body might play a significant role itself in validating and/or benchmarking banks’ organisational development (OD) programmes, rather than accrediting training and development programmes.

The new body needs to be aware of and build on/build into its own measures those benchmarks that already exist, however, including:

- Benchmarks and similar indicators published by regulators and bodies such as the Financial Ombudsman Service;
- CB:PSB benchmarks in the areas of implementing and embedding the Code of Conduct, workforce qualifications and some more general trust measures;
- Existing professional bodies’ benchmarks for validating and accrediting the quality of banks’ in-house training;

- HR and other “people” metrics, published by organizations such as the Chartered Institute of Personnel and Development; and
- “Trust” measures for banking and financial services published by the University of Nottingham, Edelman and YouGov, amongst others.

The new organisation will, however, need to be aware of the drawbacks of benchmarking, particularly if benchmarks are published in the form of league tables or similar, or if it makes data available to allow others to draw up such league tables. As we have seen elsewhere, for example in the healthcare and education sectors, league tables can incentivise individual and corporate behaviours which may have the opposite effects of those intended.

14) Are the groups of metrics outlined in the section titled ‘Benchmarking’ the correct ones?

Yes. **Benchmarking, and the proposed categories of “culture”, “competence” and “customer outcomes” fit, we believe, extremely well with our proposal set out above that the new organisation might play a significant role in validating, benchmarking and/or kite-marking banks’ organisational development (OD) programmes.** This fits, in our view, very closely with the new body’s objective of “... *contributing to a measurable and continuous improvement in the conduct and culture of banks ...*”, as they encompass the ways in which banks achieve their long-term, sustainable people and business goals

Would you propose others?

As noted above, we propose that the new body incorporate benchmarks already developed and published by bodies such as the CB:PSB, existing professional bodies, and academic institutions. One set of metrics that we would strongly suggest including, which would fit well with both “culture” and “competence” is of the numbers of staff accredited by, holding professional qualifications from, and/or who are members of recognized professional bodies.

In addition, we believe it would be helpful for the new organisation to bring an international dimension, wherever possible, to the benchmarking exercise, so that the performance of UK banks (e.g. in terms of customer outcomes) can be compared against international peers.

15) Would it make sense for banks to adopt a set of standard questions to add to their existing staff surveys?

Yes, although the new organisation will need to consider whether such surveys should be conducted among all staff, which would include many non-bankers working for banks, not within the scope of the new body, or “qualified banking staff”, who would be.

It might be helpful if the new body could develop, in consultation with its members, generic surveys for smaller institutions which do not yet have these, targeting “qualified banking staff”. The new body could also consider developing similar surveys for members of existing professional bodies too, as part of its “canopy” role.

16) Is self-reporting appropriate?

Yes, supported by independent monitoring and assessment at both institutional and industry levels. This is the approach adopted successfully by the CB:PSB; whilst self-reporting can be challenged, the CB:PSB’s Independent Advisory Panel, comprising representatives of banks’ customers and other stakeholder groups, are able to oversee and influence the rigour of the monitoring and assessment process.

Might other methods deliver better results?

We are not aware of any alternative, non-regulatory methods that would be likely to deliver better results.

17) Are there non-bureaucratic alternatives to the approach outlined in the section titled ‘discipline’ that might work better?

We believe the proposals outlined in this section are sensible, and are very similar in nature to the manner in which the Chartered Banker Professional Standards Board (CB:PSB) monitors and enforces its Code of Conduct and professional standards through its member banks. We strongly agree that the role of the new body should be to identify and champion good practice, not punish wrong doing, which is the role of the regulator.

Is there a role for kite- marking?

As we noted above, **we believe the new organisation might play a significant role in validating, benchmarking and/or kite-marking banks' organisational development (OD) programmes.** This fits, in our view, very closely with the new body's objective of "*... contributing to a measurable and continuous improvement in the conduct and culture of banks ...*".

We do not see a role for the new body in kite-marking whole banks themselves, or products and services. In the case of the former, it seems difficult to us to establish the criteria on which a whole organisation could be objectively judged, and kite-marked. Even if these could be established, and assessed with objectivity, we suspect that the kitemark would soon be called into question by the next "scandal" to be publicly reported. In the case of the latter, standards and a kitemark for simple products and services have already been developed by the British Standards Institution (BSI), and the FCA is active in this area too. The Fairbanking Foundation already awards a kitemark to "fair" products.

If kite-marking is to be used, then it should be used to distinguish excellent practice, rather than "good enough". If all institutions were to receive a kitemark, then it quickly becomes meaningless.

18) Do you agree with the proposition that the new body should aim to become, in time, a membership organisation for bankers to join?

No. **We strongly disagree with the proposition that the new body should aim to become, in time, a membership organisation for bankers to join.** Nearly 80% of respondents to our member survey agreed that membership of the new body should be for banks and building societies, and not individuals. 75% felt that the new body should not aspire, over time, to individual membership.

If were to be the intention, then we would expect to see detailed proposals published for public consultation and scrutiny as to how the new body might recruit, train and qualify individual members, maintain standards via CPD, and oversee member conduct. We would also expect to see the new body conduct and publish a rigorous impact assessment for these proposals, similar to those undertaken by government departments and regulators.

In addition, we perceive the following significant drawbacks with the proposition in general:

- It seems highly unlikely, if only for the reasons set out on p. 20 of the Consultation Paper itself, for a single professional body to be able to serve the needs of up to 500,000 individuals with a very wide variety of backgrounds, seniority, qualifications and specialist needs¹¹;
- The new body would need very significant resources to recruit and qualify nearly 500,000 members, maintain standards via CPD, oversee member conduct, and provide the wide range of support services members require. For comparison, the ICAEW, in the accounting sector, has 140,000 members, and a turnover of £83m per year (2012);
- There is the potential for unfair competition, and potential legal challenge if a body “owned” by the banks required bank staff to join it;
- It would create a very significant conflict of interest between the proposed “canopy body” and existing professional bodies; and
- The proposal runs counter to the principle that the new body will encourage and strengthen existing practices, not seek to replace them, by directly competing against existing professional bodies, which already have more than 100,000 members and students working in the banking sector.

As existing professional bodies already have the mechanisms in place to develop and assess members’ competence, provide and oversee CPD, require adherence to a Code of Conduct and collect membership fees from large numbers of individuals, it does not make sense to us for these activities to be replicated by a new body. Rather, as we proposed above, the new organisation could establish a “registration” system, or similar, analogous to that in use in other professions such as healthcare, accounting and the retail financial advice sector, to (a) ensure a link between individuals and the new body, and (b) encourage individuals and employers to support the attainment of professional qualifications and relevant professional body membership.

19) Should the new organisation aspire to a role as a thought leader in banking, sharing best practice and helping to propose solutions to challenges that arise in the future?

Yes. We strongly agree that the new organisation should aspire to this role, and believe that it is one of the areas where the new body can make a very significant impact in the short-term, alongside benchmarking (the two are intrinsically linked, as benchmarking will influence thought-leadership, and vice-versa).

¹¹ As noted above, the model of the General Medical Council, which sits as a canopy above 20 Royal Colleges (sectoral professional bodies) could provide, in some respects, an example to follow.

In particular, we suggest that the new organisation could:

- Hold regular thought-leadership events around the UK, perhaps in conjunction with consumer and business groups, regulators, professional bodies and others;
- Sponsor academic and applied, practical research into standards and benchmarks, and other topics of relevance, especially seeking international comparators;
- Liaise with regulators and others internationally with an interest in raising banking standards at an international/global level, including bodies such as the Bank for International Settlements, European Commission, Financial Stability Forum and the US SEC.

We also believe the new organisation could play a significant role in contributing to the development of solutions to future challenges that arise where voluntary action by the banking sector, rather than regulatory action, is appropriate.

APPENDIX A – About the Chartered Banker Institute

1. The **Chartered Banker Institute** (“the Institute”) is the trading name of the Chartered Institute of Bankers in Scotland, the oldest banking institute in the world, established in 1875. The Institute is the only remaining professional institute for retail, commercial and corporate bankers in the UK, operates in all UK nations, and has a significant and growing international presence. The Institute has driven an agenda of ethical professionalism throughout its existence; promoting professional standards for bankers, providing professional and regulatory qualifications for retail, commercial and private bankers in the UK and overseas, and offering professional membership to qualified individuals. It is one of very few educational and professional bodies remaining in the UK to focus stringently on professional ethics, values and behaviours for bankers.
2. The Institute received Royal Charters of incorporation in 1976 and 1991. In 2000, approval was received from the Privy Council to award the “Chartered Banker” professional designation to individuals meeting the Institute’s highest standards and qualification requirements for ethical, professional and technical competence. The Chartered Banker Institute is the only body to award this designation.
3. A Chartered Banker is a highly-qualified, professional banker with a detailed knowledge of the modern banking industry, banking operations, and the ethical and professional requirements pertaining to banking. For an individual to become a Chartered Banker requires Masters-level study of modules in: (a) contemporary issues in banking, (b) credit & lending, and (c) risk management, plus a choice of elective modules in subjects including retail banking, corporate banking and private banking. All students must also complete a Masters-level module in Professional Ethics and Regulation.
4. Post qualification, all Chartered Bankers must satisfy the Institute’s Continuing Professional Development (CPD) requirements, including mandatory annual ethics refresher training, to continue to use the “Chartered Banker” designation.

5. Independent, UK wide surveys conducted for the Institute in November and December 2009¹² show remarkable public resonance for the term “Chartered Banker”. 41% of retail customers said they would place more trust in a Chartered Banker to give them financial advice than other well-known designations. 57% of business decision-makers said they would rather be a customer of a bank where their Relationship Manager was a professionally qualified Chartered Banker.
6. In 2000, the Institute was the first professional body to introduce formal study of professional ethics for bankers. In addition to the Chartered Banker qualification, the Institute offers a wide range of lower-level professional banking qualifications, all of which involve study of professional ethics. Currently, there are more 15,000 members of the Institute, and more than 21,000 individuals holding a professional banking qualification from the Institute¹³. In addition, over the past 3 years, a approximately 20,000 have participated in a training programme delivered by an employer, university, college or other training provider, and accredited by the Institute against our professional and qualifications standards.
7. In 2008, the Institute began work leading to the launch of the **Chartered Banker Professional Standards Board (CB:PSB)** in October 2011, drawing on the findings of the Future of Banking Commission and others.
8. The CB:PSB is a unique initiative to enhance and sustain professional and ethical standards in banking in the UK. Its aim is to contribute to the restoration of public trust and confidence in the banking industry and promote a culture of professionalism amongst individual bankers. It is a voluntary initiative supported by eight leading banks in the UK¹⁴ (encompassing some 350,000 individuals working in UK banking – 77% of the approximately 450,000 individuals working in UK banking in total) and the Chartered Banker Institute.

¹² YouGov surveys carried out online among (a) 2011 GB adults aged 18+ (6-9 November 2009) and (b) 1,020 small business decision-makers (December 26-29, 2009). Data is weighted to be representative of the GB population.

¹³ Membership has increased from 8,500 to 15,000 over the past 4 years.

¹⁴ Barclays, Clydesdale & Yorkshire Bank, HSBC, Lloyds Banking Group, RBS, Santander, Tesco Bank, Virgin Money

9. The CB:PSB is developing and supporting the implementation of industry-wide professional standards which set out the knowledge, skills, attitudes and behaviours expected of all bankers. One way in which individuals can demonstrate they have the knowledge and skills to perform their role is through the achievement of vocational or professional qualifications. In order to achieve a CB:PSB professional standard however, individuals must also demonstrate that they continuously exhibit the customer focused, ethical attitudes and behaviours set out in the Chartered Banker Code of Professional Conduct, published by the CB:PSB.
10. In October 2011, the CB:PSB published the **Chartered Banker Code of Professional Conduct** which sets out the ethical and professional attitudes and behaviours expected of bankers. Banks supporting the CB:PSB subscribe to the Code and have implemented and embedded the Code's principles in their organizations, independently monitored by the Institute. At the same time, the CB:PSB published the **Framework for Professional Standards**, setting out how professional standards for bankers would be developed and implemented for the first time in the UK.
11. The Code is supported by a series of professional standards. 73,000 individuals have met the first standard, the **Foundation Standard for Professional Bankers**, and the CB:PSB board has committed that 200,000 staff (including all customer facing employees) will meet it by the end of 2015. The second Professional Standard, the **Leadership Standard for Professional Bankers**, is currently open for public consultation. Intermediate Standards (for specialist roles) will be developed next.
12. The CB:PSB is supported by an **Independent Advisory Panel** comprising representatives of banks' retail, business and corporate customers, and other stakeholders.