



MONITORING

MAKING A DIFFERENCE

AIMS

CASE STUDY

PROGRESS

PROFESSIONAL VALUES,
ATTITUDES AND BEHAVIOUR

PROFESSIONAL PATHWAYS

EXTERNAL PERSPECTIVE

LEADERSHIP STANDARD FOR PROFESSIONAL BANKERS

ENHANCE CUSTOMER CONFIDENCE

CHARTERED BANKER CODE OF PROFESSIONAL CONDUCT

FOUNDATION STANDARD FOR PROFESSIONAL BANKERS

IMPLEMENTATION

PROGRESS REPORT 2016

Driving Professionalism

CB:PSB Purpose

“To enhance customer confidence in every banker in every bank in the UK, by:

- Setting out the professional values, attitudes and behaviour expected of bankers in the Chartered Banker Code of Professional Conduct;
- Developing and implementing professional standards for bankers; and
- Providing pathways for bankers to meet and maintain relevant professional qualifications.

Over half of individuals working in the UK for CB:PSB firms have achieved the Foundation Standard – that’s 173,986 individuals. In addition, a further 72,000 individuals working globally for CB:PSB firms have met the Foundation Standard.”

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CB:PSB Driving the Professionalism Agenda

2007/2008

Chartered Banker Institute first discusses creating a professional standards board

2007/2008
Financial
Crisis

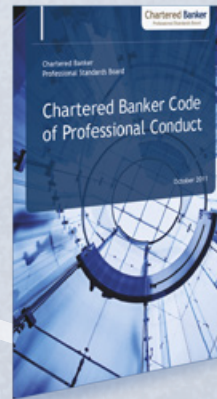
2010

Chartered Banker Institute & banks establish a professional standards Development Board & Committee

June 2010
Independent
Commission on
Banking (ICoB)
established

2011

Chartered Banker Institute and 9 banks launch CB:PSB in October 2011 with Commitment to Professionalism in Banking, Chartered Banker Code of Professional Conduct and Framework



Sept 2011
ICoB
recommendations
published

2012

LIBOR
scandal

Professional Standards
Team recruited

Foundation Standard
for Professional
Bankers published



1st progress review
completed

July 2012
Parliamentary
Commission on
Banking Standards
(PCBS) established

2013

2014

2015

2016

June 2013
PCBS publishes
'Changing
banking for
good'

September 2013
Sir Richard
Lambert Banking
Standards Review
Council (BSRC)
established

December 2013
Banking Reform
Act 2013
becomes law

Over 66,000 bankers
achieved the
Foundation Standard
by July 2013

2nd progress review
completed

Over 185,000
bankers achieved the
Foundation Standard
by December 2014 –
117,716 in the UK and
69,600 globally

Leadership Standard
for Professional
Bankers published



May 2014
BSRC reports



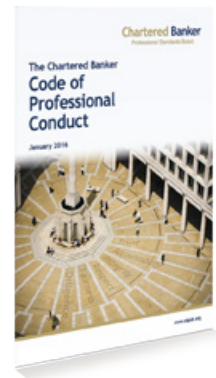
3rd progress review
completed

BSRC becomes
Banking Standards
Board (BSB)

The Leadership
Standard begins
to be piloted in a
number of member
firms in 2015/2016

The CB:PSB
committed to
200,000 staff
meeting the
Foundation Standard
by the end
of 2015

4th progress review
completed



FCA & BSB support
launch of revised
Code & Foundation
Standard

Q1 2016
Validation of 2015
Foundation Standard
achievers

Nearly 250,000
bankers have achieved
the Foundation
Standard

Chairman's welcome

LADY SUSAN RICE CBE



Since 2011, the Chartered Banker Professional Standards Board (CB:PSB) has been at the forefront of the drive to build and demonstrate professionalism in banking. It continues to be the only body creating professional standards of conduct and expertise for individual bankers. Last year, the Board took stock of the progress we've made, refined our purpose and agreed to maintain the momentum of our initiative. Our aims underpin our purpose — to enhance customer confidence in every banker in every bank in the UK — by:

- Setting out the professional values, attitudes and behaviour expected of bankers in the [Chartered Banker Code of Professional Conduct \(Code\)](#);
- Developing and implementing professional standards for bankers; and
- Providing pathways for bankers to meet and maintain relevant professional qualifications.

The purpose signals the CB:PSB's determination to maintain its agenda of embedding professional standards which build on the Code, and our ambition to extend membership to all UK bankers¹. I'm delighted that Sainsbury's Bank and United Trust Bank have recently joined the CB:PSB and, as conversations progress, we look forward to welcoming others. The CB:PSB has made headway in each aspect of its purpose and we will continue to build on these foundations.

At the start of 2016, the CB:PSB published a revised Code. The Code is now fully aligned with the FCA and PRA Individual Conduct Rules (ICR) which Tracey McDermott, Acting CEO of the FCA, welcomed. The Code was also welcomed by Dame Colette Bowe, Chairman of the Banking Standards Board (BSB). The BSB has commissioned research around professionalism in banking and we look forward to seeing how those findings align with our work.

CB:PSB firms have either adopted the Code or ensured it is aligned with their existing Codes, meaning that today roughly 70% of the UK banking workforce is covered by a common Code.

At the same time, the CB:PSB published an updated [Foundation Standard](#) which similarly references the ICR. Taken together, the new Code and Foundation Standard provide a comprehensive way not just to meet, but to exceed the ICR. They also provide commonality in how the Rules can be met across the industry — something which regulators and consumer representatives have welcomed. As the CB:PSB's membership continues to grow, this shared approach will only be strengthened.

I'm delighted that a total of **245,986** bankers—that's **93%** of the 'in scope' population—in the UK and globally have now achieved² the Foundation Standard. This level of attainment reflected firms rolling the Foundation Standard out across their entire UK workforce.

The number of individual bankers in the UK now achieving the Foundation Standard stands at **41%** of the entire UK banking workforce³.

As well as increasing the numbers who achieved the Foundation Standard, some CB:PSB firms have started working towards the [Leadership Standard](#) and expect a number of senior individuals to meet this exacting standard in 2016.

At a time when the industry is aiming to demonstrate accountability and, in turn, restore customer confidence and trust, it's reassuring that professional standards that go beyond regulatory requirements will play such an important role.

We know that our agenda resonates with customers —

Nearly half of UK adults believe the UK banking industry still needs to improve further in making sure all bankers are professionally trained and meet professional standards.

2016 YouGov Report Reputation of Banking

To ensure the CB:PSB listens to the voice of the customer, our independent Advisory Panel, in supporting the development of professional standards, has ensured they're designed with a strong focus on customer outcomes. So that we can engage with an even wider group of 'end users', the Advisory Panel will be superseded in 2016 by a new Stakeholder Forum.

We have also considered how greater independence can be built into the monitoring of our professional standards. To achieve this, we are setting up an Independent Monitoring Panel as well (see the Monitoring section of the report on pages 10–11).

Reinforcing its purpose, the CB:PSB recognises that achievement of a professional standard can be a source of pride for a banker. Over the course of 2015, the CB:PSB and the Chartered Banker Institute defined 'professional pathways' from professional standards to qualifications. These pathways are simple routes showing how an individual banker can use achievement of the Foundation Standard as a step towards gaining a Professional Qualification. We are uniquely placed to support individual bankers, as they work to help rebuild customer trust and confidence.

The CB:PSB is a linchpin initiative in efforts to support the professional development of bankers. The CB:PSB Code and professional standards go beyond regulatory requirements, while they can also help embed the new Individual Accountability Regime. The professional pathways also support the recommendations of the Parliamentary Commission on Banking Standards for an enhanced culture of professionalism in banking.

This Report reflects the CB:PSB's progress and, with the initiative now in its fifth year, looks forward to the next phase of our work as we continue to drive the professional banking agenda. I'm grateful to all who have given their time and commitment to the Board and supporting bodies.

The CB:PSB is successfully delivering its promise to help professionalise banking. Its agenda is also enhancing wider efforts to embed a professional culture in banking; a culture in which customers, colleagues, stakeholders and communities can have confidence, trust and pride.

¹ Individuals working in banks, building societies and credit unions.

² 19,377 individuals — that's 7% of the CB:PSB firms 'in scope' did not achieve the Foundation Standard.

³ PWC/BBA Report Sept 15 <https://www.pwc.co.uk/assets/pdf/total-tax-contribution-of-the-uk-banking-sector-1909.pdf> which states: 'The banking sector employs 425,000 workers which is 1.5% of the entire UK workforce'.

Progress Towards Our Aims

As a result of hard work, commitment and the professionalism demonstrated by colleagues, a total of **245,986** bankers across the UK and globally have now achieved the Foundation Standard. This marks an increase of **31%** on the 2014 figure and is a major milestone in our aim of professionalising banking.

The impact of the CB:PSB is measured against two aims:

- **Help build, over time, greater public confidence and trust in individuals, institutions and the banking industry overall, and enhance pride in the banking profession**
- **Facilitate industry and public awareness and recognition of the standards**

To understand the levels of confidence and trust and awareness of the standards, the CB:PSB again commissioned YouGov to conduct four surveys¹ with separate groups.

Results show bank employees' awareness of the CB:PSB has increased from the inception of the initiative, whilst awareness across other groups has remained broadly at 2013 levels. Confidence and trust amongst UK adults towards individual bankers, institutions and the industry has remained stable. However, 2015 saw some high profile banking scandals that could have detrimentally affected trust. Whilst results cannot be directly attributed to any single factor, without the increased professionalism of front line colleagues, it is possible that these survey results could have been considerably worse, with confidence and trust dropping to previous levels.

Background and context

Rebuilding trust and improving the reputation of banking will take many years, and will involve significant effort from Banking institutions and the industry overall. This is clear when looking at the survey results in the context of the reputation of banking as a whole, and of the financial services industry globally.

The relationship between banks and consumers is showing some signs of improving, and negative perceptions of banks are weakening. For example whilst 42% of UK adults agree that there is a widespread problem of ethics in UK banking, this is down from 80% in August 2012². In addition, consumers are starting to acknowledge that banks have improved somewhat in both their treatment of customers and communications.

However, reductions in negativity tend to translate into increases in neutral sentiment, and have not been mirrored by comparably dramatic increases in positivity towards the banking industry. For example in November 2015, only 20% of consumers agree that high street banks treat their customers fairly, up from 12% in August 2012³. Global consumer trust in the Financial Services sector has increased by 8% since 2012 and it is the only sector that has seen an increase year on year⁴, albeit from a relatively low base.

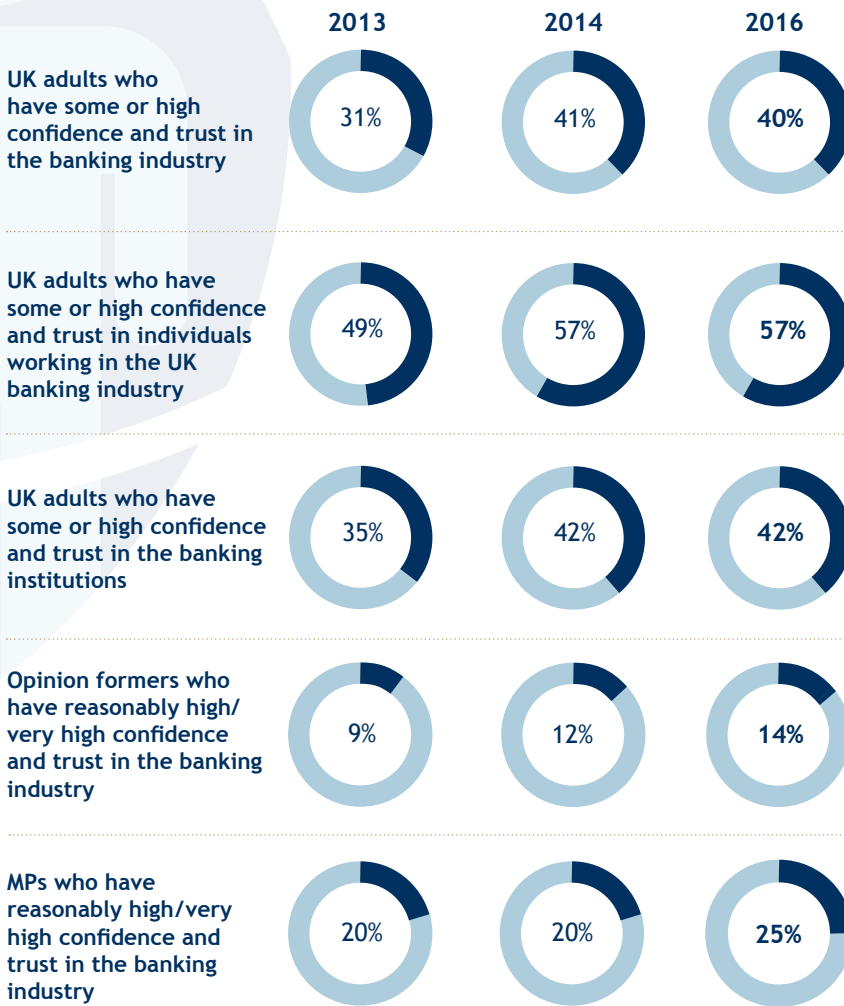
Confidence and Trust

The number of adults who have some or high confidence and trust in Banking institutions, and/or individuals working in Banking, remained static since the last survey. There has been a marginal decline in confidence and trust in the banking industry as a whole. However looking at all three (individuals, institutions, industry) areas, there has also been a marginal decrease in UK adults with no confidence and trust. This trend reinforces the point that, whilst negativity is reducing, this has been replaced by neutrality rather than by an increase in positivity.

Experience of being a customer is a major factor in determining trustworthiness. In terms of rebuilding trust, the 2016 YouGov Report Reputation of Banking survey asked respondents what would make them trust the UK banking industry more. The three most popular responses related to banks' behaviour with customers. 39% of respondents agreed that staff meeting professional standards would make them trust the banking industry more. Therefore as the focus on professional standards continues, consumers should see an improvement in how they are treated. This combined with an increased awareness of the standards, should lead to an improvement in consumer trust in the longer term. MPs' and Opinion Formers' confidence and trust continues to increase, albeit levels are still behind the opinion of UK adults.

¹ All figures illustrated, unless otherwise stated are from four separate surveys collated and analysed by YouGov on behalf of the CB:PSB during January 2016. UK adults, Opinion Formers, MPs and UK Banking Employees were asked their opinion in relation to the baseline measures that were agreed in 2013. The UK adults surveyed (2052) were a representative sample of the UK adult (18+) population. The 107 MPs surveyed represented MPs by party, gender, election cohort and geography. YouGov has built a panel of opinion formers in the UK who take part in online research. These (611) participants are leaders in their field, drawn from business, politics, media, public sector, charities, academia and beyond. The 607 UK Banking employees represent both CB:PSB firms and non CB:PSB firms.

² ³ 2016 YouGov Report Reputation of Banking ⁴ 2016 Edelman Trust Barometer



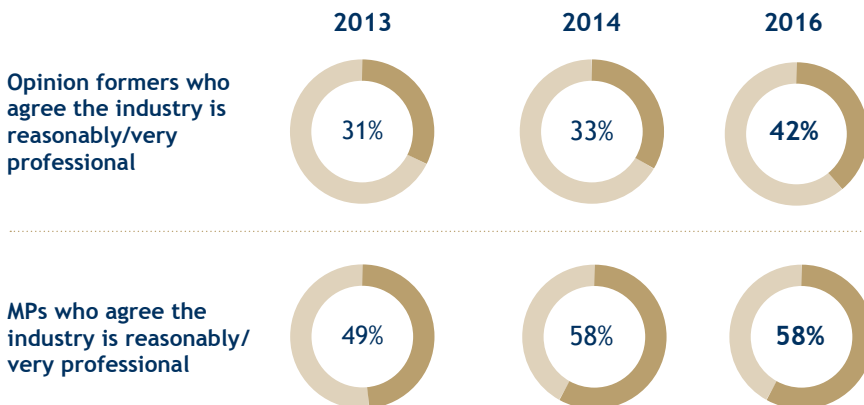
Since 2012, YouGov plc have collaborated with the CB:PSB to provide research data that helps measure the impact of the initiative against its long term aims. Over the period, the data shows that there are encouraging signs around awareness, trust and confidence, particularly during a period of considerable structural change within organisations and the wider industry. YouGov plc look forward to again working with the CB:PSB in 2016 on its professionalism agenda.

Oliver Rowe, Director of Reputational Research, YouGov Plc

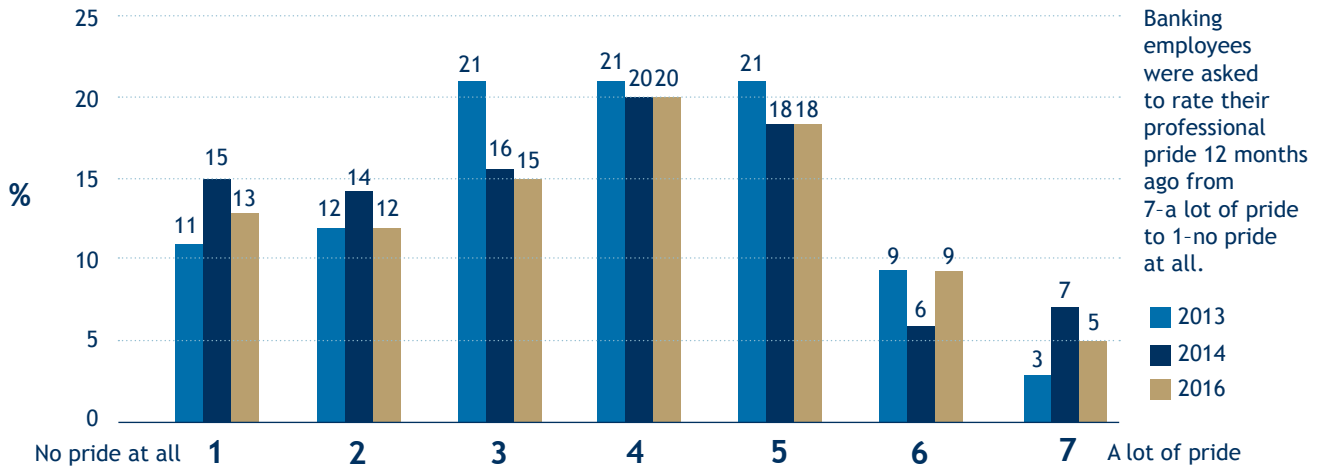


Professionalism

The majority of MPs surveyed agreed that the industry is reasonably/very professional and an increasing proportion of Opinion Formers also agree with this statement.

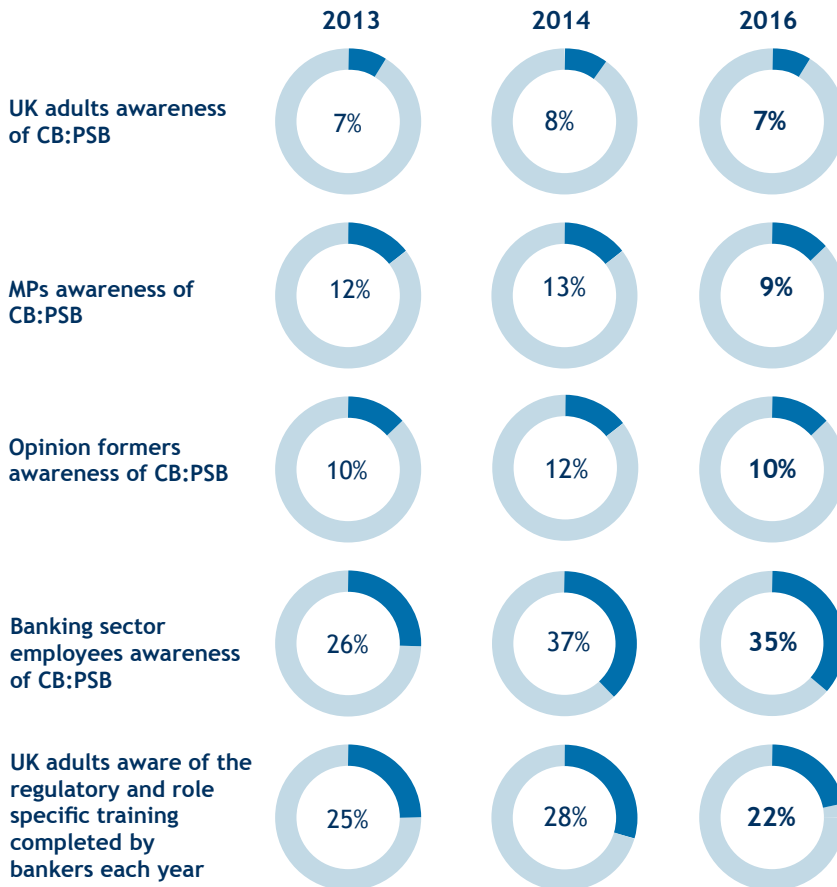


Professional pride amongst bank employees mirrors the trend of consumer trust. Employees are feeling less negative whilst their positive feelings of pride are not increasing at the same pace. High profile negative press continued to affect the professional pride of banking employees, however with the continued efforts of the CB:PSB and CB:PSB firms, we are optimistic that feelings of professional pride can be restored.



Awareness

There has been an increase in awareness of the CB:PSB in banking employees since 2013, offset by awareness declining since 2014 across all other groups surveyed. However, for MPs, the reduction may be due to the change of government in May 2015. It is likely with the level of attention on recent regulatory changes⁵ that the public's awareness of bankers' training in this regard will rise. With the ongoing changes being experienced by the banking industry overall, it will always be challenging to stand out sufficiently from the 'background noise' to ensure that awareness levels increase. The CB:PSB recognises this and continues to seek every opportunity to raise awareness of the ongoing work being done to professionalise banking.



“ I was working in the banking industry when it (CB:PSB) was implemented. Personally, it made me much happier to work in the environment I did, as I'm sure it did for many of my colleagues, and in turn the mood was reflected in our interactions with customers, as we were encouraged to be more customer focused.”

YouGov respondent from UK Adults survey 2016

Looking to the future

It has been another turbulent year for the banking industry, and this has inevitably affected the CB:PSB's impact on increasing confidence, trust and awareness. The CB:PSB is aiming to facilitate culture change; this takes a long time to achieve and is rarely characterised by dramatic changes in the short term. However, there are signs that negativity is decreasing and that over time this will lead to positive improvements.

⁵Senior Managers and Certification Regimes and Individual Conduct Rules

An External Perspective

PROFESSOR ROBIN JARVIS Chair of The Advisory Panel
Robin is Professor of Accounting, Brunel University.



The independent Advisory Panel, representing the view of banks' customers, was set up in 2012. The Panel acts as a critical friend to the CB:PSB and its Board, providing insights, advice and challenges.

The Panel warmly welcomes the implementation of the Foundation Standard to an increased number of bankers in the industry. We have recommended that the Board and CB:PSB firms in 2016 proceed to benchmarking and piloting the Leadership Standard for Professional Bankers.

I have been Chair of the Advisory Panel since its inception. During the past twelve months, my fellow Panel members and I have ensured that the group continues to add real value to the initiative.

The CB:PSB is in a unique position as it is the only body creating and implementing professional standards for individual bankers. By promoting these standards, covering both Professional Conduct and Professional Expertise, the Panel believes customer confidence in the banking profession should be restored. Therefore the Panel wants to see more communications around the objectives and achievements of the initiative, both internally within the banks and externally. To support this an External Communications Working Group was set up towards the end of 2015. The recommendations from this group are currently being developed. The Panel was also part of the consultation process for the revision of the Chartered Banker Code of Professional Conduct and the Foundation Standard, both of which were successfully launched earlier this year.

Monitoring of CB:PSB professional standards has been an area where the Advisory Panel has previously called for greater independence. Over the last year, the Panel has further advocated the concept of independence and supported the creation of a Working Group to consider how greater independence can be built into the monitoring of professional standards. This Working

Group was chaired by my Advisory Panel colleague, Dr Ian Peters MBE and the Panel has supported their findings and recommendations (see the Monitoring section of the report on pages 10–11). My colleagues and I are delighted that the monitoring of CB:PSB professional standards will now be the focus of a new Independent Monitoring Panel (IMP). This should go a long way to enhance independence within the CB:PSB.

One of the other recommendations from the Working Group was concerning the evolution of the CB:PSB governance structure. In this regard I am pleased to confirm a new Stakeholder Forum will replace the existing Advisory Panel. The Forum will engage with a broader range of 'end users', providing an opportunity to cascade information and, more importantly, to seek feedback, opinions and advice.

I am looking forward to Chairing this new Forum. I would like to take this opportunity to thank the Advisory Panel members who have provided advice and support to both me and to the initiative. I hope that a number of these colleagues will continue to support the initiative and join me on the Stakeholder Forum.

ROBIN JARVIS

Thanks are given to the Advisory Panel members for their input and support:

Joanna Elson, Chief Executive,
Money Advice Trust

Matthew Fell, Chief of Staff, CBI

Erin Flood, Senior Policy Advisor,
Federation of Small Businesses

Leon Kamhi, Head of Responsibility,
Hermes Investment Management

Teresa Perchard, Independent
Consumer Advocate

Dr Ian Peters MBE, Chief Executive,
Chartered Institute of Internal Auditors

Graham Rumney, Chief Executive
Officer, R3:Association of Business
Recovery Professionals

Colin Tyler, Chief Executive, the
Association of Corporate Treasurers

CB:PSB Overview

Implementation



Over **500,000 bankers** in the UK and globally are now covered by a **common code of conduct**, the Chartered Banker Code of Professional Conduct (Code).

Around **70%** of the UK banking workforce is covered by this common Code.

In total, **246,000** individuals, **93%** of the 'in scope' population, in CB:PSB firms across the UK and globally met the Foundation Standard in 2015.

10 Foundation Standard eLearning modules, have been developed and include provision of knowledge on Senior Managers and Certification Regime.

Benchmarking of the Leadership Standard continues across CB:PSB firms, with the first bankers due to achieve the Leadership Standard in 2016.

Engagement

CB:PSB **forums** (Board, Committee, Advisory Panel and Implementation Group) met a total of **17 times** in 2015.

CB:PSB Chairman appointed as a Non-Practitioner Member of the **Banking Standards Board (BSB)** in 2015.

FCA/PRA support for revised Code and updated Foundation Standard, aligned to Individual Accountability Regime, in February 2016.

Reviewing Aims measurements in the light of the **Financial Services Consumer Panel** 'Banking Culture' Discussion Paper.



Momentum

CB:PSB initiative has been at the forefront of professionalising banking for **5 years**.

Secured **2** new CB:PSB firms, bringing the **total of firms to 10**, and active discussions underway with a number of potential new CB:PSB firms.

CB:PSB Board agreed a new **'Purpose'**.

CB:PSB firms **'Commitment to Professionalism'** being renewed and secured.



Monitoring



CB:PSB firms completed **24 quarterly monitoring reviews** between April 2015 and March 2016.

Annual monitoring process, including Self and Critical Evaluation, completed by **8** CB:PSB firms.

Over 30 Action Plans and **4 areas of Risk** raised through monitoring addressed by CB:PSB firms.

CB:PSB **Monitoring Working Group (MWG)** included **7 subject matter experts**.

MWG met **5** times during 2015.

5 key recommendations made by the MWG to increase the independence of CB:PSB monitoring of professional standards now being implemented.

A **new CB:PSB Independent Monitoring Panel** to be established in 2016.

Communications



2 CB:PSB publications issued, the revised Code and updated Foundation Standard.

CB:PSB External Communications Working Group (ECWG) included **5 subject matter experts**.

5 key areas of focus recommended by ECWG and approved for progression by CB:PSB Board.

4 YouGov plc Omnibus surveys commissioned, encompassing UK Adults, MPs, Opinion Formers and Banking Employees.

2 CB:PSB Advocacy Events held in September and December 2015 and **CB:PSB Stakeholder Forum Event** planned for 2016.

Increased focus on CB:PSB's **online and social media** 'footprint'.

Challenges Ahead



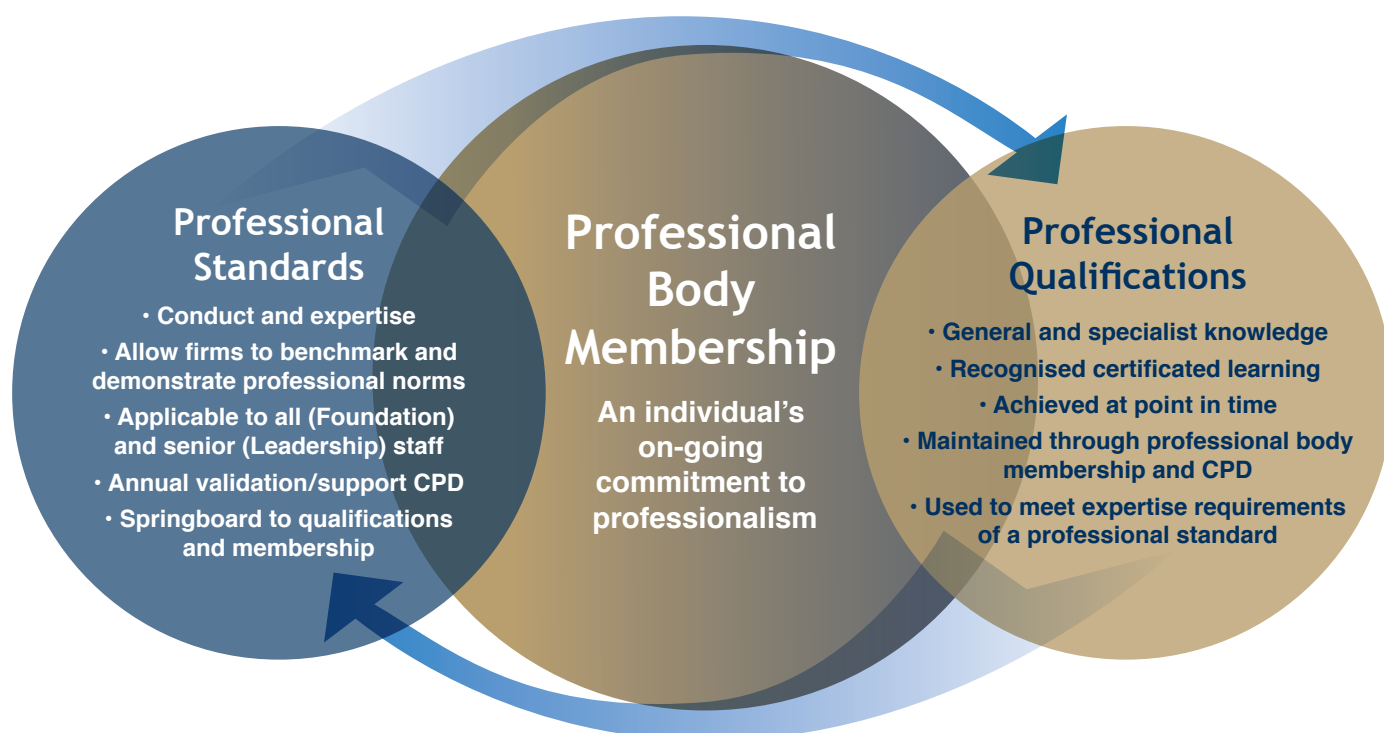
Elements external to the CB:PSB, such as **organisational transformation**, focus on **new regulatory requirements** and possible **'Brexit'**.

Implementation – CB:PSB firm case study

RBS aims to be no.1 for customer service, trust and advocacy by 2020. Membership of the CB:PSB helps support this aim by providing external benchmarks by which it can demonstrate the professionalism of its people and many of the things it already does contribute to achievement of the CB:PSB Foundation Standard.

In 2015, RBS rolled out the Foundation Standard to the majority of UK employees and 94% of in scope individuals have been confirmed as having achieved the standard. Many colleagues from the Personal & Business Banking franchise are also using the learning they undertook to achieve Foundation Standard as building blocks towards gaining the Professional Banker Certificate (PBC). This professional pathway has been

endorsed by the Chartered Banker Institute and CB:PSB. The pathway builds on both Foundation Standard achievement and links recognised qualifications and professional body membership with on-going validation of professional standards – it creates a cycle (see below) which maintains professional knowledge, reinforces conduct and can be sustained throughout a banker’s career.



The Personal & Business Banking Learning team recognised that there was commonality between the learning which was planned for roll out for the Foundation Standard and the requirements for PBC. They already had plans to roll out PBC across their Branch & Private business area and made the smart move to have the modules accredited by the Chartered Banker Institute in order to hit two marks with the one stone.

At the end of March 2016 there were already more than 3,500 individuals who had achieved their PBC with a further 6,000 in progress. There has been really positive

feedback on the flexibility of the programme, with individuals embracing the opportunity to learn, supporting each other and leaders supporting their people.

The groundswell of both collective and individual pride in the achievement is evident. The programme has also helped to break down perceived barriers as it is open to everyone in the participating business areas. For some this has been the first formal education they have completed since leaving school. Professional pathways are a key element of the CB:PSB purpose, and RBS is proud to be the first to embed a pathway from the Foundation Standard.

Implementation – Making a difference

The Foundation Standard for Professional Bankers was published in 2012 and since then CB:PSB firms have been on a journey to implement the Standard to 246,000 colleagues. Whilst each CB:PSB firm has implemented the Standard via different routes, taking account of cultural, infrastructural and strategic contexts, at the heart of their implementation approaches was a consistent commitment to improve professional standards across their workforces.

In January 2016, for the first time, the CB:PSB asked Banking Employees¹: **‘How does the CB:PSB Foundation Standard help you provide a better service to customers?’** Here are some of the responses the CB:PSB received, which illustrate how the Standard is making a difference for individual bankers and their banks’ customers:

“Basic standards and awareness across the bank of professionalism”

‘It gives a structure and a standard that helps do the right thing for customers’

‘More focus is put on helping and meeting customer needs which can be achieved through making the work force more professional’

‘Because it gives me a professional basis to care for my customers’

‘Gives you confidence to show customers you are a professional banker and use ethical practices’

‘It ensures you adhere to the right practices in your working day to enhance the customer experience... maintains focus on customers’

‘Awareness of outcomes, professional behaviours and expectations’

‘By ensuring that the customer is central to all that I do. Making sure that decisions I make now will be right for the customer in the present as well as the future’

‘Ensures you are providing a professional service’

‘Understand the importance of customers and put their needs first’

‘Ensures there is a base level of knowledge and code of standards across my colleagues—I can rely on others better’

¹YouGov plc Omnibus survey carried out 15/01/2016 - 23/01/2016 of 607 individuals, representing both CB:PSB firms and non CB:PSB firms

Monitoring

DR IAN PETERS MBE CB:PSB Independent Monitoring Panel Chair and Chief Executive, Chartered Institute of Internal Auditors



I outlined in the CB:PSB's 2015 Progress Report how important it is that professional standards are effectively implemented and monitored if the CB:PSB is going to achieve its aims of rebuilding trust, confidence and pride in banking.

Last year I chaired the CB:PSB Monitoring Working Group (MWG) whose aim was to look at how the independence of the CB:PSB monitoring process could be enhanced. Following 6 months of challenge and debate, I am confident the MWG recommendations will achieve this aim. My view is that the recommendations are proportionate in terms of time commitment and cost, and are a good fit with the CB:PSB monitoring model and its ambitions for greater independence.

I am particularly pleased that the CB:PSB Board has approved the MWG's key recommendation to create an Independent Monitoring Panel (IMP). Comprising appropriately skilled and experienced members, the IMP will monitor the effectiveness of CB:PSB standards implementation and the extent to which CB:PSB aims are being delivered. I am looking forward to Chairing the IMP and believe that the panel will ensure a stronger focus on monitoring and assurance at the CB:PSB Board.

The evolving process

As the Foundation Standard becomes business as usual for CB:PSB firms, and the Leadership Standard is implemented, it is important that the monitoring process remains independent and fit for purpose.

Last year saw the establishment of a Monitoring Working Group (MWG) to look at how to increase the independence of the monitoring process. MWG members were drawn from CB:PSB firms, the CB:PSB independent customer-focused Advisory Panel and the CB:PSB Professional Standards Team (PST).

The key MWG recommendation was the establishment of an Independent Monitoring Panel (IMP), to provide more transparency about the ongoing work to improve professionalism in banking. As confirmed in his introduction, Dr Ian Peters will Chair the panel, and members are being recruited from a variety of

backgrounds. The IMP will be fully operational by October 2016, and should be in a position to make their first recommendations early in 2017.

The MWG was reassured by the rigour of the monitoring process in many CB:PSB firms. It found, however, that internal assurance was not always consistent, at an appropriate level or completed in a timely manner. In order that the IMP can have complete confidence in reported numbers, internal assurance has now been explicitly added to the monitoring process. CB:PSB firms have also been requested to adhere to the monitoring best practice provided in the [Framework for Professional Standards](#). To support CB:PSB firms and the PST, there will also be a stronger focus on monitoring, assurance and data governance from the CB:PSB Board.

The monitoring process

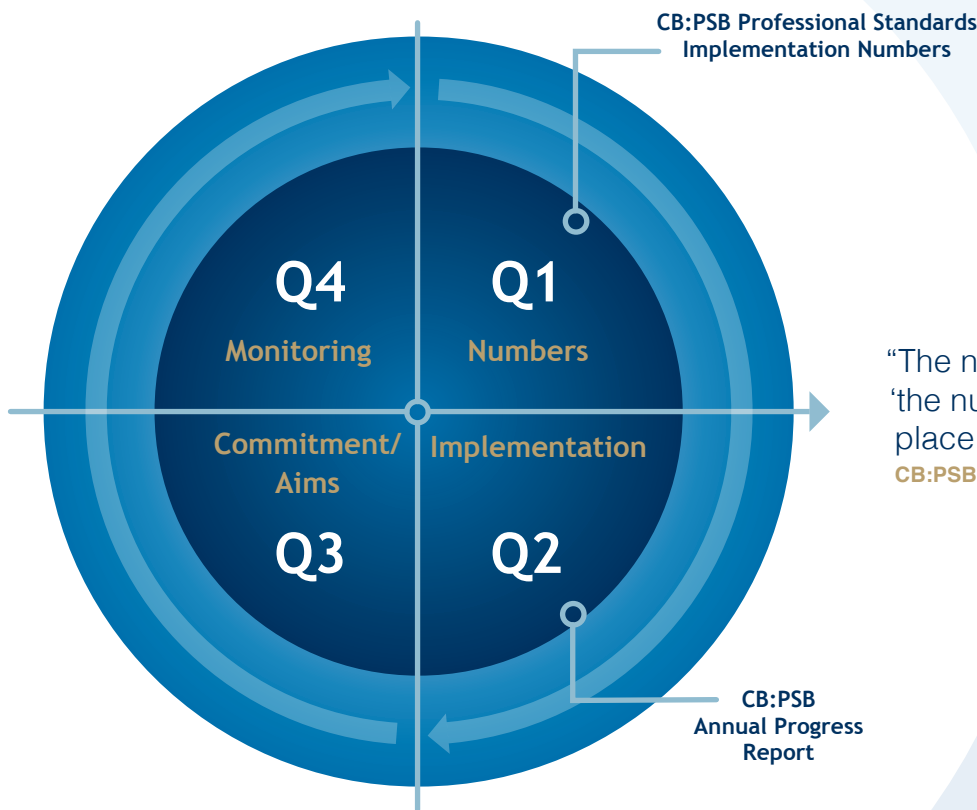
Historically, the annual monitoring process focused on:

- the number of individuals achieving, or not achieving, the Foundation Standard; and
- whether any aspect of implementation or monitoring had changed or was anticipated to change.

As a result of consultation with CB:PSB firms, a quarterly monitoring approach (as outlined below) now supports the annual monitoring process. After a successful initial

pilot phase, this approach was rolled out to all CB:PSB firms, and will run in full in 2016–17.

The new approach has a clearly defined expectations matrix, focused on a different area each quarter. Each quarter, firms confirm that there are no material changes. If there have been changes, firms confirm that CB:PSB is already aware. Action Plans or Risks are highlighted if necessary and a quarterly grading is provided that reflects expectations.



“The new process will ensure ‘the numbers’ are in a better place come Q1”
CB:PSB Firm Implementation Lead

Q1 focuses on the number of colleagues that have achieved the Foundation Standard and, in due course, the Leadership Standard.

CB:PSB firm’s monitoring returns for 2015 confirmed that **245,986**—up **31%** from 187,000 in 2014—individual bankers achieved, in full, the Foundation Standard’s Professional Conduct and Expertise Requirements.

Over half of individuals working in the UK for CB:PSB firms have achieved the Foundation Standard – that’s **173,986** individuals.

In addition, a further **72,000** individuals working globally for CB:PSB firms have met the Foundation Standard.

7% (5% in 2014) of individuals did not meet the Foundation Standard’s Professional Conduct and/or Expertise Requirements.

In Q2 2016, CB:PSB will issue an Annual Monitoring Progress Review Report to all CB:PSB firms.

Driving Professionalism Forward

SIMON THOMPSON Chief Executive of the Chartered Banker Institute and Chair of the Professional Standards Committee



The CB:PSB's 2016 Progress Report sets out continued and impressive progress for our initiative, with nearly a quarter of a million individuals achieving the Foundation Standard for Professional Bankers in 2015. The initiative has also recently received significant endorsements from regulators and others for the publication of the revised Chartered Banker Code and Foundation Standard, aligned with the UK's new regulatory requirements.

Working with our colleagues at the Chartered Institute of Securities and Investment (CISI), we are aligning achievement of standards, qualifications, CPD and membership to help individuals and employers demonstrate competence, and fitness and propriety, to meet the requirements of the PRA and FCA's new Certification Regime.

These have been significant achievements, but still represent only the first few steps on our drive towards the re-professionalisation of the UK banking industry. For customers to have confidence in banks and bankers, and for our colleagues to have pride in their professionalism, we must continue to push the professionalism agenda forward, collectively and in our individual institutions. Looking ahead, this will involve the continued implementation of the Foundation Standard and the rollout of the Leadership Standard. It will also involve Foundation Standard achievers joining the pathways to professionalism we have established, linking the Standards with recognised professional qualifications and membership of the Chartered Banker Institute.

This will help us raise the profile of the CB:PSB and its work, both within the banks and, increasingly, with customers. Increasing the visibility of the CB:PSB beyond the informed stakeholder community is important, but it is not an end in itself. Rather, we want customers and colleagues to be aware of the CB:PSB's professional standards for bankers, and the achievement of these by ever increasing numbers of bankers—so that customer confidence and trust in bankers' competence and behaviour can be enhanced and sustained and colleagues' pride in their professionalism can be restored.

We were delighted to welcome two new members to the CB:PSB this year—United Trust Bank and Sainsbury's Bank—and my colleagues and I are already working with them to embed the Chartered Banker Code and Foundation Standard. I hope the year ahead will see a number of other institutions, new challenger banks and some of the more established banks and building societies who are not yet members of the CB:PSB join too, so that we can continue to drive professionalism forward across more of the banking industry. We will be seeking, therefore, a renewed Commitment to Professionalism from the industry, to reinforce the CB:PSB's momentum and future plans.

Whilst the CB:PSB, established in 2011, anticipated the current focus on culture and conduct in banking from policymakers, regulators and others, we cannot work alone and are delighted to work closely with other bodies in the emerging banking standards landscape, particularly the regulators and the Banking Standards Board. Raising and sustaining standards is, like the CB:PSB itself, a collective endeavour, and we will only drive professionalism forward by supporting each other on our journey.

Simon Thompson.

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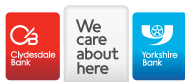
Head of Transformation UK
HSBC Bank plc

Transition of new Board member in progress

Clydesdale and Yorkshire Banks and
Lloyds Banking Group

We would like to thank the following former Board members for their contribution: Ulf Bengtsson, Lloyds Banking Group; Mark Burton, Barclays PLC; Graham Lindsay, Lloyds Banking Group; Byron Rienstra, Barclays PLC; Mark Smith, HSBC Bank plc; Steve Townsend, Tesco Bank and, in particular, Tim Boag, Royal Bank of Scotland; Kevin Page, Clydesdale and Yorkshire Banks; and Steve Pateman, Santander UK, who have been involved with the CB:PSB since it was founded in 2011.

CB:PSB Firms



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