

# Chartered Banker

## PROFESSIONAL BANKER CERTIFICATE 2016 MODULE SPECIFICATION

|   |   |
|---|---|
| <b>Title:</b>                                       | <b>Professional Banker</b>  |
| <b>Credit Value:</b>                                | SCQF Level - 7<br>SCQF Credit Points - 13   |
| <b>Aim:</b>   | To provide those new to banking with an overview of the banking profession and enable them to: <ul style="list-style-type: none"><li>• develop the values, attitudes and behaviours set out in the Chartered Banker Code of Professional Conduct;</li><li>• demonstrate a general knowledge of banking practice;</li><li>• relate their banking knowledge to a range of practical banking applications;</li><li>• use a range of banking skills to serve customers, and address routine issues at work;</li><li>• apply their banking knowledge and understanding, and practise their skills to enhance customer service, improve work performance, and develop their professional banking practice.</li></ul>  |
| <b>Access Statement:</b>                            | It is recommended that learners should have previously studied at SCQF Level 5 or above and be working in a bank.   |
| <b>Programme of study to which unit contributes</b> | <ul style="list-style-type: none"><li>• Professional Banker Certificate</li><li>• Professional Banker Diploma</li><li>• Associate Chartered Banker Diploma</li><li>• Chartered Banker Diploma</li></ul>   |
| <b>Learning Outcomes:</b>                           | <b>Knowledge, Understanding and Skills</b><br>On successful completion of this module, students will be able to: <ol style="list-style-type: none"><li>1. explain the evolution, purpose, influences and functions of banking in the UK ;</li><li>2. understand how key regulatory and legal requirements influence the way in which banks operate ;</li><li>3. describe how banking products and services can meet customer needs ;</li><li>4. understand the key principles of credit and lending and how these are used to provide appropriate outcomes for the consumers and the bank.;</li><li>5. describe the role of risk management in banking;</li><li>6. explain the importance of high standards of conduct in banking and the practicalities of applying those standards.</li></ol> |
| <b>Method of Learning:</b>                          | Study Text with optional e-learning support.  |
| <b>Assessment:</b>                                  | One summative on-line objective (multiple choice) assessment.   |

## Learning Outcomes, Assessment Criteria and Content

| Learning Outcomes  | Assessment Criteria   | Indicative Content  |
|--|---|---|
| <b>The Business of Banking and The Economic Environment</b>                              |   |   |
| <p>1. Explain the evolution, purpose, influences and functions of banking in the UK.</p> | <p>1.1 Describe types of banking activity.</p> <p>1.2 Explain the evolution, purpose and functions of the banking sector as financial intermediary.</p> <p>1.3 Explain how a bank operates as a business and its requirement for both liquidity and profitability.</p> <p>1.4 Describe how the political, economic and business environment influences bank operations.</p> | <ul style="list-style-type: none"> <li>• What a bank is / types of banking</li> <li>• The range, purpose and functions of a bank</li> <li>• The UK central bank</li> <li>• How banks operate as a business</li> <li>• Development of banking in the UK</li> <li>• Other providers of financial services and their services:               <ul style="list-style-type: none"> <li>○ Building societies</li> <li>○ Credit unions</li> <li>○ National Savings &amp; Investments</li> <li>○ Merchant banks</li> <li>○ Insurance companies</li> <li>○ Pension funds investment trusts</li> <li>○ Unit trusts</li> </ul> </li> <li>• The economic environment:               <ul style="list-style-type: none"> <li>○ The role of government</li> <li>○ Fiscal and monetary policy</li> <li>○ Inflation and interest rates</li> <li>○ Gross domestic product</li> </ul> </li> <li>• The business environment</li> <li>• Financial markets</li> <li>• The UK as an international financial centre</li> <li>• The influence of the 2008 Global Financial Crisis on banks</li> </ul> |

## Learning Outcomes, Assessment Criteria and Content

| Learning Outcomes  | Assessment Criteria  | Indicative Content  |
|--|--|---|
| <b>The Regulatory and Legal Environment</b>  |  |   |
| <p>2. Understand how key regulatory and legal requirements influence the way in which banks operate.</p> | <p>2.1 Explain the role of financial services regulators in the UK.</p> <p>2.2 Identify the key regulatory and legal requirements that apply to banking.</p> <p>2.3 Explain how banking regulation and legislation influences culture, products and services</p> | <ul style="list-style-type: none"> <li>• Prudential Regulation Authority / Financial Conduct Authority</li> <li>• How regulatory and legal requirements influence the way a bank operates</li> <li>• Regulatory and legal requirements:               <ul style="list-style-type: none"> <li>○ Senior Managers and Certification Regime</li> <li>○ Markets in Financial Instruments</li> <li>○ Capital Requirements</li> <li>○ Consumer Credit</li> <li>○ Payment Services</li> <li>○ Anti-Money Laundering</li> <li>○ Data Protection</li> <li>○ Anti-Bribery</li> </ul> </li> <li>• Banking Conduct of Business Standards</li> <li>• Treating Customers Fairly (TCF)</li> <li>• Corporate governance</li> <li>• The banker/customer relationship</li> <li>• The role of compliance and risk teams</li> <li>• Law of contract; agency</li> <li>• Negotiable instruments</li> <li>• Sole traders, partnerships and limited companies</li> </ul> |

## Learning Outcomes, Assessment Criteria and Content

| Learning Outcomes   | Assessment Criteria  | Indicative Content  |
|---|--|---|
| <b>Banking Customers</b>  |  |   |
| <p>3. Describe how banking products and services can meet customer needs.</p> | <p>3.1 Understand the bank customer categories, typical life stage and needs.</p> <p>3.2 Understand banking products and services and how these appropriately meet customer needs.</p> | <ul style="list-style-type: none"> <li>• Types of customer in overview</li> <li>• The common types of retail and business customer.</li> <li>• The customer life cycle</li> <li>• Products and services:               <ul style="list-style-type: none"> <li>○ Deposits</li> <li>○ Savings</li> <li>○ Investments</li> <li>○ Borrowing</li> </ul> </li> <li>• Other services:               <ul style="list-style-type: none"> <li>○ Foreign exchange</li> <li>○ Insurance</li> <li>○ Pensions</li> </ul> </li> <li>• Payment systems:               <ul style="list-style-type: none"> <li>○ Cash</li> <li>○ Cheques</li> <li>○ Debit cards</li> <li>○ Credit cards</li> <li>○ Automated payments</li> </ul> </li> <li>• The evolution of customer channels</li> <li>• The emergence of the Financial Technology (Fintech) sector.</li> <li>• Providing a high quality service</li> <li>• Recognising and adapting services for vulnerable customers,</li> <li>• Recognising a complaint</li> <li>• Handling complaints</li> <li>• Structure/process for dealing with complaints</li> <li>• Financial Ombudsman Service</li> <li>• Financial Services Compensation Scheme</li> <li>• Assisting customers experiencing difficulties</li> </ul> |

## Learning Outcomes, Assessment Criteria and Content

| Learning Outcomes  | Assessment Criteria   | Indicative Content  |
|--|---|---|
| <b>Credit and Lending</b>  |   |   |
| <p>4. Understand the key principles of credit and lending and how these are used to provide appropriate outcomes for the consumers and the bank.</p> | <ul style="list-style-type: none"> <li>• Outline the scope and key principles of The Lending Code.</li> <li>• Describe the factors that influence the interest rates charged by lenders.</li> <li>• Identify key information required in a lending application.</li> <li>• Explain the key principles of credit and lending and how these can be used to make professional and ethical lending decisions.</li> <li>• Describe the attributes of a good security for lending.</li> <li>• Explain why banks use credit scoring when assessing a lending proposition.</li> </ul> | <ul style="list-style-type: none"> <li>• The Lending Code</li> <li>• Lending rates</li> <li>• Lending documentation</li> <li>• The principles of lending:               <ul style="list-style-type: none"> <li>○ The person</li> <li>○ Amount and purpose</li> <li>○ Repayment</li> </ul> </li> <li>• Security               <ul style="list-style-type: none"> <li>○ Reward</li> <li>○ Services</li> </ul> </li> <li>• Credit scoring</li> </ul> |

## Learning Outcomes, Assessment Criteria and Content

| Learning Outcomes                                   | Assessment Criteria  | Indicative Content   |
|---|--|--|
| <b>Risk Management in Banking</b>                   |  |  |
| 5. Describe the role of risk management in banking. | 5.1 Explain what is meant by 'risk' and 'risk management'.<br>5.2 Explain how risks can be identified, assessed, mitigated and monitored.<br>5.3 Identify the characteristics of key risk types.<br>5.4 Understand the role of regulator in risk management. | <ul style="list-style-type: none"> <li>• Risk and risk management</li> <li>• The risk management lifecycle:               <ul style="list-style-type: none"> <li>○ Risk identification</li> <li>○ Risk assessment</li> <li>○ Risk mitigation</li> <li>○ Risk monitoring</li> </ul> </li> <li>• Key risk indicators</li> <li>• Risk register</li> <li>• Types of risk:               <ul style="list-style-type: none"> <li>○ Credit risk</li> <li>○ Regulatory risk</li> <li>○ Operational risk</li> <li>○ Reputational risk</li> </ul> </li> <li>• Regulator's approach to risk management</li> </ul> |

## Learning Outcomes, Assessment Criteria and Content

| Learning Outcomes  | Assessment Criteria  | Indicative Content   |
|--|--|--|
| <b>Conduct and Professionalism in Banking</b>  |  |  |
| <p>6. Explain the importance of high standards of conduct in banking and the practicalities of applying those standards.</p> | <p>6.1 Understand what is meant by ethics and differentiate between a range of ethical theories and approaches.</p> <p>6.2 Explain what is meant by professionalism and differentiate between rules-based and principles-based codes of practice.</p> <p>6.3 Explain the purpose and describe the content of the Chartered Banker Code of Professional Conduct and describe the potential impact of unethical and unprofessional behaviours.</p> <p>6.4 Explain mechanisms for identifying, reporting and resolving ethical dilemmas and conflicts of interest.</p> <p>6.5 Explain what is meant by 'assignment of life policy'.</p> | <ul style="list-style-type: none"> <li>• Regulation and conduct</li> <li>• Ethics and ethical theories</li> <li>• Professionalism</li> <li>• Codes of practice, conduct and ethics; threats and safeguards</li> <li>• The Chartered Banker Professional Standards Board</li> <li>• The Chartered Banker Code of Professional Conduct</li> <li>• Corporate codes</li> <li>• Impact of unethical and unprofessional behaviour</li> <li>• Identifying, reporting and resolving ethical dilemmas and conflicts of interest</li> <li>• Corporate Social Responsibility</li> <li>• The impact of technology and information systems</li> </ul> |