

## Institute challenges FCA's view of professionalism

**18 October 2018**

Responding to a speech earlier this week, on trust and ethics provided by the FCA's Chief Executive Andrew Bailey<sup>1</sup>, Simon Thompson, CEO of the Chartered Banker Institute, calls on the FCA to do more to publicly support the Chartered Professional bodies as an independent source to prove honesty and good intent of individuals, whilst demonstrating that their members have relevant knowledge and skills.

In welcoming Mr Bailey's remarks that trustworthiness can only be achieved if good intentions and honesty are supported by relevant knowledge and skill, Mr Thompson challenges the FCA to go further and use the word "professionalism" to describe what he is referring to. When Mr Bailey speaks of trust in his speech, he notes that "Trust [...] has a moral and ethical dimension to it, and it involves commitment. To be trustworthy we have to meet our commitments to others [...] Trustworthiness demands 2 things: knowledge and skill; and good intentions and honesty". The work of our Chartered Banker Professional Standards Board's (CB:PSB) professional standards (standards of conduct and expertise) addresses this for individual bankers. Moreover, being a member of a Chartered professional body is an achievement signifying the type of ongoing personal commitment to high levels of knowledge, skills and behaviour that go beyond the minimum standards required by regulators and better meet the expectation of trust as described by Mr Bailey.

Customer support for enhancing professionalism in banking is demonstrated in surveys conducted by YouGov, which found 88% of customers say all bankers should pass professional banking exams and 84% of customers would rather be a customer (of a bank) where all staff had passed banking exams<sup>2</sup>.

As Andrew Bailey stated in 2016, when he was Deputy Governor for Prudential Regulation and Chief Executive Officer of the Prudential Regulation Authority: "Embedding professionalism at the heart of the banking system is a key driver for

<sup>1</sup> <https://www.fca.org.uk/news/speeches/andrew-bailey-trust-ethics-regulators-perspective>

<sup>2</sup> Chartered Banker Institute/YouGov 'Qualifications' Survey 13<sup>th</sup>-16<sup>th</sup> March 2015, 2076 UK Adults

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cultural change,” so we urge him and other senior regulators to restate these beliefs and publicly acknowledge and support the work professional bodies, such as ours, are contributing, particularly at the individual actor level. By comparison, Wayne Byres, Chairman of the Australian Prudential Regulation Authority stated at the Financial Services Institute of Australia’s (FINSIA) Summit last week that, “A stronger focus on professionalism can only be beneficial for all stakeholders.”

**Simon Thompson Chief Executive of the Chartered Banker institute commented:**

*“To ensure that banks and bankers work in the interests of society and achieve good outcomes for customers, we need to return to the idea that banking is a profession, with the public interest at its heart. Despite progress over the past decade, regulators, policymakers and the banking industry could and should do more to enhance and sustain professionalism - one of the strongest defences we have against potential future misconduct and to prevent future financial crises.”*

**[ENDS]**

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