

The Chartered Body Alliance Response to the FCA Future Approach to Consumers

The Chartered Bodies Alliance welcomes the FCA's *Future Approach to Consumers*. Professional bodies such as ours have a key role to play in helping to build confidence and trust in the sector. We do this through guidance, professional membership, codes of conduct, professional qualifications and standards, and, where appropriate, by issuing Statements of Professional Standing. Those adhering to our codes not only exceed regulatory requirements but do so in a way that addresses the spirit as well as the letter of the rules. Together this should enhance and sustain public confidence that they are dealing with suitably knowledgeable and competent professionals, that they can trust.

Information about the background and ongoing work of the Chartered Body Alliance can be found in the [Annex](#) to this paper.

General Comments

It is our belief that good outcomes for consumers will be achieved, at least in part, through ongoing support for initiatives to increase and strengthen professionalism in the sector. Professional bodies, such as those forming the Chartered Body Alliance, create vital communities, in which professionals can develop a variety of approaches to consumer issues based on shared good practice. This is particularly important for issues that depend on strong levels of empathy with consumer groups such as vulnerable consumers, where traditional frameworks of rules and qualifications need to be augmented by skills that are less technically focused. Focusing on consumer outcomes is a good approach to raising standards, and we encourage greater emphasis on why focusing on consumer outcomes is so important for everyone working in the sector.

The 2018 Edelman Trust Barometer Global Report¹ shows that Financial Services is still the least trusted industry globally and trust in financial services has stagnated, with no increase in the past year. Therefore, there is clearly still work to be done to rebuild and retain trust in financial services. Professional bodies such as ours can contribute to increased trust and innovative approaches to meeting consumer needs through the creation of metrics.

Professional bodies regularly carry out research amongst both consumers and professionals, and this research can help build a picture of both levels of trust amongst the public and the commitment of professionals to standards of conduct. For example:

- In May 2017, CISI published research on levels of financial trust in consumers in relation to financial advice²;

¹Source: Edelman Trust Barometer Global Report 2018: download [here](#)

² Source: CISI YouGov Ethics Survey 2017, for more information follow [this link](#)

- In July 2017 the Chartered Banker Institute published its first Index of Professionalism³ which compared the level of professional pride that members and non-members of professional bodies take in their work, with implications for the role that professionalism has to play in developing new approaches to consumer issues;
- The Chartered Insurance Institute is also currently developing a trust index, focussing on retail and SME general insurance, in order to inform the debate around improving public trust, which will be published later in 2018.

Furthermore, we look forward to sharing our ongoing work with the FCA and to have this recognised by regulators; we would argue that our work and the work of similar bodies at the individual actor level is increasingly important and as such would benefit from greater recognition by the regulators as we develop further these indices of pride in the sector. If those working within the sector are not proud of who they are and what they are doing, they are unlikely to consistently deliver positive outcomes for their customers.

Specific Comments

Q2. Do you agree that firms have a responsibility to take reasonable steps to identify the signs of vulnerability, and to have processes in place to take appropriate action where they have identified a consumer with a particular need and at a particular risk of harm?

As an Alliance we echo the detailed response given by our colleagues at the CII. Firms do have a responsibility to vulnerable consumers; serving vulnerable members of the public will both greatly increase the potential market for firms and encourage greater trust amongst the public as a whole.

Q5. What further metrics would you use? Are there any specific data sources or tools that may be of benefit?

As mentioned in our opening comments, professional bodies, such as ours, are already measuring levels of trust and confidence which may be helpful in measuring consumer outcomes. A common thread from this research, and that of others, is that reasonable responsibility on the part of the consumer will be significantly enhanced where they are engaged with professional staff that are qualified and knowledgeable and can help them understand the impact of their choices. We therefore suggest that the FCA also focus on simple, externally verifiable measures that relate to positive changes in culture and increasing levels of professionalism within the sector. Our Alliance is already working on developing and improving these measures and would welcome the opportunity to discuss our work in this field further with the FCA.

³ Source: The Chartered Banker Professionalism Index 2017: [download here](#)

Annex 1 – The Chartered Body Alliance

Recognising our primary duty to the public of enhancing and sustaining professionalism in financial services, three of the leading Chartered professional bodies in the sector (the Chartered Insurance Institute, Chartered Institute for Securities & Investment and the Chartered Banker Institute) launched the Chartered Body Alliance in March 2017.

The Chartered Body Alliance strongly believes that by working together the alliance will achieve greater public benefit, continuing to raise professionalism and trust across financial services by promoting high standards of knowledge, skill, integrity and behaviour.

While the activities of each body focus on different areas of financial services, between them they cover a wide range of activities including wealth management, insurance, financial planning, banking and capital market activities.

The Alliance’s joint membership of almost 200,000 professionals have much in common, and by working together can demonstrate a substantial collective commitment to enhancing professionalism and improving public confidence and trust in financial services.

For more information please visit: www.charteredbodyalliance.org

About the Chartered Banker Institute

The Chartered Banker Institute (“the Institute”) is the oldest professional banking institute in the world.

The Institute was founded in 1875, 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 qualifications for retail, commercial and private bankers in the UK and overseas, and offering professional membership to qualified individuals. The Institute currently has over 30,000 members.

About the Chartered Institute for Securities & Investment (CISI)

The CISI’s mission is to help members attain, maintain and develop their knowledge and skills and to promote the highest standards of ethics and integrity in the securities and investment industry.

Based in the City of London, the CISI is a global organisation with representative offices in financial centres such as Dublin, Barcelona, Singapore, Hong Kong, Manila, Dubai, Mumbai and Colombo. We work in close cooperation with regulators, firms and other professional bodies worldwide and over 40,000 examinations were sat in 80 countries in the last twelve months.

With 45,000 members in 104 countries the CISI is the professional body which sets examinations and offers qualifications for those working or looking to establish a career in the financial planning, wealth management and capital markets industry.

About the Chartered Insurance Institute (CII)

The CII is the largest professional body for the Insurance and Financial Planning professions, with 125,000 members located across 143 countries.

Our purpose is to build public trust in insurance.

We do this through the provision of insightful leadership, relevant learning, and an engaged membership.