

Financial Adviser Apprenticeship Programme



Apprenticeships



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Access to training and development for financial advisers was much more abundant in previous years than it is today. Banks, insurance companies and tied sales operations all ran training programmes, which recruited new advisers to the sector, teaching and coaching on new advisers the knowledge, skills and behaviours required for the profession.



The majority of these points of entry to the profession have now disappeared and only a handful of programmes still exist for recruiting unqualified advisers.

We hope that the new apprenticeships regime could be the best option we have had in years to replenish the profession with the next generation of advisers. An apprenticeship offers 'on the job' training with 'off the job' learning. On the job training is provided by the employer and off the job training provided through a training provider, such as NMBA and, upon completion, the apprentice will have received all the relevant knowledge, skills and behaviours to be a qualified adviser.

NMBA are delighted to now be able to offer apprenticeship training in financial advice and be right at the heart of helping to bring new advisers to our sector.

Financial Adviser Apprenticeship Programme

The New Model Business Academy

The New Model Business Academy was launched in May 2008 as a not-for-profit organisation, dedicated to the training and development of financial advisers and their support staff. The organisation was originally established to support advisers through the transition of the Retail Distribution Review (RDR), but the Academy has now evolved further to become a UK-wide training, development and business support resource for financial services professionals.

Our experience and track record in financial services training and development has provided us with the expertise to offer national apprenticeship training and we are committed to working closely with financial advice firms and apprentices, to offer an end-to-end training solution for bringing new talent to the financial advice profession.

What is an apprenticeship?

An apprenticeship combines practical on-the-job training with off-the-job learning, which helps people gain valuable knowledge, skills and behaviours to develop their career. Apprenticeships are suitable for those who have recently left full time education and are looking to start a new career, as well as those already working, who want to try something completely different or progress their career and improve their future prospects.

An apprentice could be employed as a cost-effective way to improve the productivity of a business, which could also lead to improved skill and talent for the future of an organisation. Taking on apprentices can lead to higher levels of energy and enthusiasm within a business, improving competitiveness and levels of motivation within the workplace.

There are some basic rules that govern what an apprenticeship is:

- The apprentice must be employed in a real job but could be a new or existing employee
- The apprentice must work towards achieving an approved apprenticeship standard
- The apprenticeship training must last at least 12 months
- The apprentice must spend at least 20% of their time on off-the-job training



New apprenticeship changes

The Government has a vision for 2020 and wants to see an increase in the quality and quantity of apprenticeships delivered throughout the country.

In April 2017, the way in which the Government funds apprenticeships changed. Now, all employers with a pay bill of over £3M need to contribute to an apprenticeship levy, which is a substantial change to the way that apprenticeships have been funded in the past.

Within the new funding system, employers who do not contribute to the levy are also allowed to gain access to apprenticeship funding through 'co-investment'. An employer can choose the most appropriate training for their apprentices, through an approved training provider, as well as select an assessment organisation.

Through co-investment, the Government require non-levy paying employers to make a 5% contribution towards the cost of the apprenticeship training and they will pay the remaining 95%, up to the maximum amount of Government funding available for that particular apprenticeship. There are also some financial incentives for apprentices who are aged between 16 and 18 at outset.

Please note that these new apprenticeship changes are currently only available in England. Discussions are continuing

between the government and the Scottish, Welsh and Northern Irish administrations to ensure the new system works for everyone, wherever they are in the UK. Levy contributions from firms in Scotland, Wales and Northern Ireland will be returned to those devolved administrations via the so-called Barnett Formula. This is because skills policy and funding is devolved to the respective administrations.

We have demonstrated our capability to deliver apprenticeship training and are listed on the Register of Apprenticeship Training Providers, which provides assurance to government and employers as to our suitability to deliver apprenticeship programmes. The NMBA Apprenticeship Programme can support a range of apprenticeship requirements from recruitment to funding and the delivery of the apprenticeship training. We can also help to appoint an independent assessor and tailor an apprenticeship solution to meet different requirements.

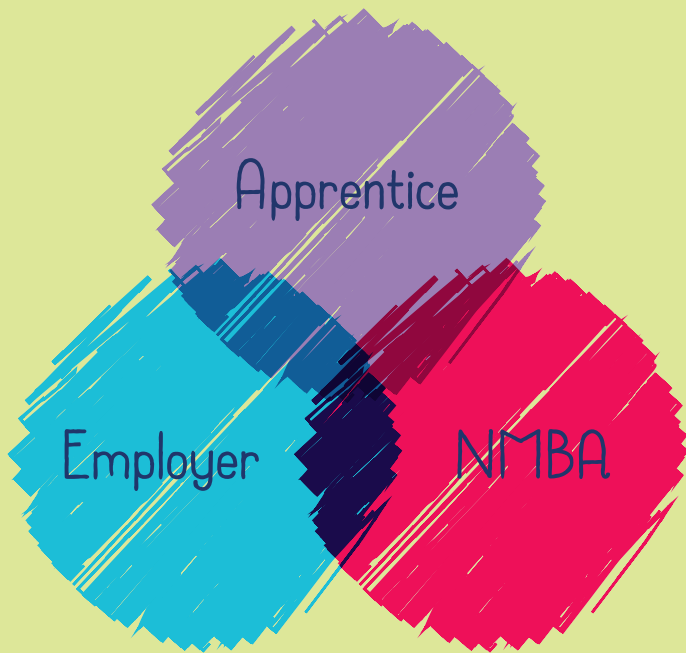
Although NMBA were approved as a registered training provider in March 2017, it was not until December 2017 that NMBA were allocated apprenticeship funding from the Education and Skills Funding Agency (ESFA), which can be used to support employers who do not pay the apprenticeship levy. This funding allowed NMBA to start its apprenticeship training programme in early 2018.



How do apprenticeships work?

Apprenticeships provide a fantastic opportunity to develop a career path in a chosen industry, by combining work-based learning with industry relevant qualifications. The majority of the learning will be within the workplace in a role relevant to the nature of the apprenticeship but will also require an at least 20% to be off-the-job training.

This therefore requires a three-way relationship between the employer, the apprentice and ourselves as the appointed apprenticeship training provider.

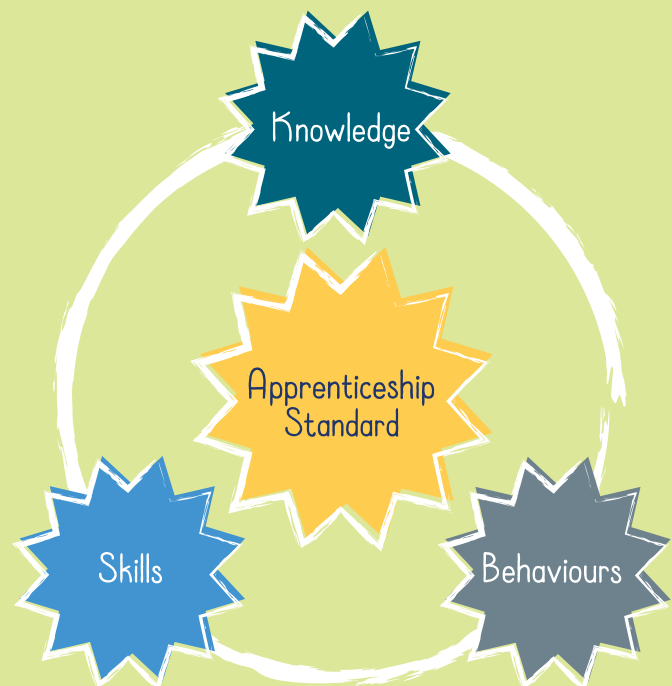


We will aim to build a strong relationship with the employer, and ensure that they are fully equipped to support their apprentice's learning journey. Regular meetings between the three parties will ensure that development plans can be initiated, tailored, monitored and reviewed to maximise success.

Financial services apprenticeships

Within the financial advice sector, the number of advisers has been declining over recent years and this trend is set to continue due to the current age demographics and the limited number of options for entry into the profession. We hope that apprenticeships could provide an excellent opportunity to introduce new people to a career in financial services, as well as develop those already working within the industry.

New apprenticeship 'standards' have been developed by employer groups known as 'trailblazers'. These standards show what an apprentice will be doing and the knowledge, skills and behaviours required by them for a particular role. A number of standards have already been developed within the financial services sector and each of these include an approved assessment plan and funding cap.



NMBA was involved in the trailblazer group for a number of the current standards available and so have close insight to the training, assessment and funding required for each of these particular standards. Although there are a number of approved apprenticeship standards in financial services, our expertise currently focuses on the Paraplanning and Financial Adviser apprenticeship standards.

The Financial Adviser Apprenticeship

The financial adviser role:

Financial advisers provide their clients with specialist advice on how to manage their money. They may be employed in large companies such as banks or within small specialist advice businesses. The role involves building long-term valued relationships with clients, researching the marketplace and recommending the most appropriate products and services available. Financial advisers may specialise in particular products, depending on their clients, such as selling employee pension schemes to companies or offering mortgage, pension or investment advice to private clients. Financial advisers operate in a highly regulated environment and in order to give financial advice, they must have professional qualifications and demonstrate a high degree of integrity, adherence to a code of ethics and be committed to maintaining their professional development and knowledge.

Entry requirements for the Financial Adviser Apprenticeship:

- Qualifications – 5 GCSEs A-C Grades (including maths and English)
- Criteria – be an EEA Citizen and have been ordinarily resident within an EEA country for the previous three years (as at the first day of the apprenticeship)
- Age eligibility – aged 16 – 65
- Job role – work for at least 30 hours per week

Financial Adviser Standard – Level 4

- Duration – 18 months
- Funding band maximum – £9,000 (this is the total cost for the apprenticeship)
- Cost to employer – £450 as a non-refundable payment
- Apprenticeship funding – NMBA will use its funding allocation for the remaining costs
- Further incentives are available for apprentices aged 16 to 18
- Apprentices will obtain knowledge, skill and behavioural competencies
- Qualifications – the apprentice will be required to achieve a level 4 qualification

Qualifications required:

It is a regulatory requirement for financial advisers to have to achieve one of the available Ofqual level 4 qualifications specified by the Financial Conduct Authority in order to be authorised in the role of Financial Adviser. These are available from a range of professional bodies and are specified in the standard. By achieving one of the required qualifications through the apprenticeship, professional registration can be achieved by application to the relevant professional body.

We have chosen to use the Diploma in Regulated Financial Planning qualification, through the Chartered Insurance Institute (CII), for our apprenticeship programme, due to its modular approach to suit those who are inexperienced in the role of a financial adviser.

Apprenticeship assessment

Each apprentice must demonstrate their competence against the defined learning outcomes, through two methods of assessment. Both of these must be passed in order for the apprentice to pass the apprenticeship.

1. **Case study test**
Based on knowledge and skill learning outcomes. This will be assessed by an independent assessment organisation and will carry a weighting of 30%.
2. **Viva based on a portfolio of evidence**
Based on all knowledge, skill and behavioural learning outcomes, a viva will be assessed by an independent assessment organisation and will carry a weighting of 70%.

Assessment gateway

The decision on whether or not the apprentice is ready for end-point assessment will be made by the employer supported by the NMBA.

An apprentice will be put forward for end-point assessment when it is felt that they have achieved the required experience in the work-place to put them in the best possible position to achieve success. This can include but is not limited to:

- Passing the required professional exams (compulsory)
- Completion of training logs which demonstrates they have met the knowledge, skills and behaviours detailed in the standard
- Evidence from performance appraisals conducted by their line manager
- Feedback from progress reviews completed by the training provider

Learning objectives

KNOWLEDGE

Section	Competence	Learning Outcomes: the learner can consistently:
Financial Services Market	The structure of the Financial Services market including: Product Providers' Services, Support Services and Platforms. The role of the Financial Adviser and associated supporting roles (e.g. the role of the Paraplanner). Different customer propositions including independent, restricted and non-advice models.	1. Explain the structure of the financial services market. How providers, support services and platforms function to meet obligations towards consumers
		2. Explain the role of the financial adviser and Paraplanners, support service roles and administration in addressing financial needs of consumers
		3. Explain the different customer propositions such as independent, restricted and non-advised
Regulatory and Compliance	The Financial Services regulatory framework, and the ethics and key principles of the advice process. The requirements and practical implications of the Statements of Principles for approved persons (APER) and the Fit and Proper Test for Approved Persons (FIT).	4. Explain the Regulatory Framework, Code of Ethics and Principles for Financial Advice
		5. Explain client relationships, regulated advice standards, and the adviser's responsibilities in terms of these
		6. Explain the responsibilities of approved persons and the need for integrity, competence and fair outcomes for clients. This includes the Statement of Principles for Approved Persons (APER) and the Fit and Proper Test for Approved Persons (M)
		7. Explain the Principles for Business and the obligations these place on firms
Products and Financial Planning Tools	Financial products and financial planning tools (e.g. Cash flow modelling). How to analyse which features and benefits of the relevant financial products are appropriate to the clients' specific needs and objectives.	8. Explain how Training & Competence and CPD activities are an integral part of becoming and remaining a regulated adviser
		9. Explain the products and tools that are applicable to their licence
		10. Explain the range of savings and investment products, main tax wrappers and main features of protection products available
		11. Detail and explain the features and benefits of the client recommendation
		12. Explain how the features and benefits align with client objectives (M)
		13. Understand and Utilise the appropriate tools to support a customer recommendation which includes cash flow modelling, risk profilers and product sourcing tools
Systems and Controls	All systems and controls required to deliver the key objectives for the client, and firm. How these fit within the wider company and the financial advice profession and how they protect the client and the company.	14. Explain the assumptions and risks associated with the financial planning tools
		15. Show a commercial awareness of current market issues and how that can impact on the firm you work for. E.g. potential mis-selling areas
		16. Describe the organisational policies and procedures that apply to the role that are relevant in meeting the financial planning objectives of the client
Understanding Clients' Needs and Objectives	The significance and importance of Knowing Your Client (KYC). How to prioritise a client's needs and objectives. How to assess a client's Attitude to Investment Risk and Capacity for Loss in relation to their needs and objectives.	17. Demonstrate a high level of understanding of how the organisational policies and procedures are utilised to protect the interests of both the client and the organisation
		18. Explain the role of professional indemnity insurance and the consequences on commerciality of getting things wrong
		19. Apply appropriate techniques for asking about the client aims and objectives, their needs and wants, values and priorities
		20. Explain risk, and how the different types of risk apply to clients
		21. Establish the client's risk profile and explain what this means in terms that the client will understand
		22. Explain the different methods that can be used when gathering facts on the client and how different clients may react to that. e.g. paper or electronic fact finds

SKILLS

Section	Competence	Learning Outcomes: the learner can consistently:
Know Your Customer	Make decisions confidently and autonomously in full awareness of the risk/potential external implications attached. Know when to seek further professional input, whilst maintaining high ethical standards and adhering to Treating Customers Fairly requirements.	1. Demonstrates the ability to gather information, find appropriate solutions, and present and explain these simply and clearly, both orally and written
		2. Demonstrates an ability to adapt technical language in a way the customer understands
		3. Demonstrates the ability to identify when specialist assistance is required to achieve the task
		4. Demonstrates the ability to identify, prioritise and address customer needs in accordance with regulatory principles (M)
Customer Service	Proactively and regularly meets the company's stated service/quality assurance standards, including complaints procedures. Consistently support colleagues and collaborate to achieve a successful customer outcome.	5. Demonstrates an understanding of the principles required to be compliant in providing a high quality of service to a customer
		6. Demonstrates an understanding of the company's customer complaints procedures
		7. Demonstrate an ability to collaborate with co-workers productively to achieve specific customer related goals
		8. Demonstrates an ability to develop beneficial and long term professional relationships with internal and external stakeholders
		9. Demonstrates an awareness of their role within the team and their impact on others and the task
Business Development	Develop long term relationships with customers. Create new opportunities for business growth through referrals and networking. Build a new business or sustain and grow an existing business by prioritising workloads and deliver in accordance with the associated business plan.	10. Demonstrate the ability to identify business development opportunities and to take appropriate action to secure new business (M)
		11. Demonstrates an understanding of the ways to develop a sustainable client bank
		12. Demonstrates an ability to build productive relationships with business introducers or professional connections
		13. Demonstrates the ability to prioritise workload to achieve against the business plan
Managing Risk	Apply regulatory requirements both in the role of a Financial Adviser and also as applied to the Company. Maintain, the Fit and Proper person standards as laid down by the relevant regulator(s).	14. Demonstrates adherence to regulatory guidance within both observed client interactions, record keeping and company procedures
		15. Demonstrates an understanding of the processes relating to the assessment of risk and an ability to correctly match solutions taking account of the client's attitude to risk and capacity for loss
		16. Demonstrates an understanding of the importance of adherence to the Fit and Proper standards for individuals holding a control function
Using Systems and Processes	Demonstrate technical proficiency in using the firm's IT systems required to complete the advice process, maintain accurate records, and agree review meetings to sustain the client/adviser relationship. Ensure Data Protection Act is not contravened.	17. Demonstrates an ability to adapt to differing IT systems by applying core knowledge of basic IT conventions
		18. Maintains accurate records
		19. Demonstrate an understanding of the requirements of the data protection act
Communication Skills	Build rapport and communicate with empathy. To present and explain complex information simply and clearly both orally and verbally.	20. Demonstrates the ability to use appropriate communication styles to build rapport with the client. Feels comfortable to challenge where appropriate
		21. Demonstrates the ability to communicate well using a variety of methods

BEHAVIOURS

Section	Competence	Learning Outcomes: the learner can consistently:
Professionalism	Professionalism and an ethical attitude. That technical knowledge is maintained and recorded in line with requirements of the Regulator and Professional Bodies.	1. Demonstrates openness, honesty, transparency and fairness
		2. Works in the clients' best interest (M)
		3. Maintains a record of Continuous Professional Development (CPD) in order to meet regulatory requirements
Adaptability	Behaviours to meet and exceed the requirements of client needs and objectives within the requirements of a continually changing regulatory environment.	4. Demonstrates a flexible approach to meeting client needs in respect of a changing market place
		5. Identifies and reacts to evolving regulatory requirements
		6. Demonstrates the ability to adapt to changing client needs and objectives
Business Orientated	Pro-activeness in considering the commercial demands in a financial advice business and in looking for ways to develop and improve the business model and its service to customers.	7. Demonstrates an awareness of the organisations objectives, and how they contribute to this
		8. Works to a business plan in line with the organisations objectives
		9. Demonstrates an understanding of how the external environment impacts the organisation
Positive Mental Attitude	A proactive 'can-do' attitude in all aspects of work including overcoming challenges and responding to set backs. Self-motivation in achieving the objectives in the role.	10. Plans workloads and meets deadlines
		11. Identifies and communicates ideas for business improvement
		12. Takes ownership and seeks ways in which to develop their own knowledge and skills
Relationship Management and Collaboration	A proactive approach to building and maintaining relationships with both internal and external customers. Consistent support for colleagues and collaborates to achieve team and individual results.	13. Prioritises tasks effectively in order to ensure all objectives are met
		14. Recognises challenges and identifies potential solutions to overcome these
		15. Receives positive feedback
		16. Displays the organisation's core values and behaviours
		17. Demonstrates willingness to receive and act upon feedback
		18. Demonstrates the ability to adapt style when interacting with a range of stakeholders



Learning programme

Training provider responsibilities

NMBA has created an apprenticeship learning programme, designed to meet the required qualification and learning outcome requirements. NMBA will be responsible for conducting the learning programme and developing the apprentices' portfolio to ensure it is comprehensive and meets the required standard. NMBA will facilitate the gateway decision on apprentice readiness in consultation with the line manager and provide tuition for as well as facilitate the case study test and viva to ensure compliance with the Independent Assessor's controlled conditions.

Employer responsibilities

The employer plays a key role in the development of an apprentice and should put time aside to provide dedicated support and mentoring to the apprentice within the workplace. The employer should ensure that the apprentice is given the

right level of support and experience throughout the learning programme and be able to complete the portfolio with the apprentice to the level required. The employer will work closely with the apprentice and therefore be able to agree apprentice readiness for end point assessment through discussion with the training provider.

Apprenticeship journey

The NMBA Apprenticeship Programme will consist of a series of workshops, which apprentices will attend at the NMBA offices in Huddersfield. Other tuition will be conducted on a distance learning basis through webinars and online modules. Access will be provided to online learning tools, which will assist the apprentices to log and document all their learning activity, which will support the gathering of evidence for end point assessment. This apprenticeship training timetable shows the approximate timelines within the learning journey with the various roles involved.

Month	Apprentice	Employer	Training provider	Assessment organisation
0	Understand the job role and apprenticeship commitment	Deliver induction training and understand role in apprenticeship	Explain apprenticeship, roles, timetable and commitments. Completes ESFA admin requirements	–
1 – 12	Studies and takes qualifications	Supports and coaches the apprentice	Supports and trains the apprentice	–
1 – 15	Works to role objectives/ KPIs/training plan	Manages within the normal framework of the business via the businesses' own T&C scheme	Monitors progress; identifies gaps; delivers apprentice learning and support as required. Completes SFA admin requirements	–
13 – 15	Continues building required knowledge, skills and behaviours	'Gateway' to end point assessment: Employer and TP review progress and agree whether Apprentice has achieved competency levels required vs learning outcomes		–
16 – 17	Completes portfolio, submits for assessment	Supports the apprentice in creating the portfolio	Provides guidance to the apprentice to ensure that the portfolio sufficiently evidences competence across the learning outcomes	Assesses portfolio. Arranges VIVA
17 – 18	Participates in VIVA	Discusses grade for apprentice if there is disagreement. Informs apprentice	Discusses grade for apprentice if there is disagreement. When decision is made, checks submission and completes required processing	Carries out Viva. Decides on final result for apprentice. Chairs discussion to finalise grade for apprentice if there is disagreement

CII Level 4 Diploma in Regulated Financial Planning



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Qualification overview

The CII Level 4 Diploma in Regulated Financial Planning is a qualification that develops and assesses the FCA's required technical knowledge and skills for advising on retail investments.

Summary of content

The CII Level 4 Diploma in Regulated Financial Planning meets the FCA's qualification requirements for retail investment advisers, and develops core technical knowledge and financial planning capabilities across six compulsory units. Five of these units cover technical knowledge and application within the specific topic, and the final unit covers the integrated practical application of these technical knowledge and planning skills.

Qualification structure

You will need to complete the following six units:

R01

Financial services, regulation and ethics

R02

Investment principles and risk

R03

Personal taxation

R04

Pensions and retirement planning

R05

Financial protection

R06

Financial planning practice

'The CII Level 4 Diploma in Regulated Financial Planning meets the FCA's qualification requirements for retail investment advisers, and develops core technical knowledge and financial planning capabilities across six compulsory units'

Study time

Specific study time guidelines are provided for each unit on its webpage and in the CII qualifications brochure. The notional Ofqual 'Total Qualification Time' for this qualification is 370 hours. This represents the time a student might typically take to complete the qualification.

Assessment format

Each unit, except for R06 (Financial planning practice), is assessed by a single multiple-choice on screen exam, tested year-round throughout the UK at a choice of over 40 centres.

R06 (Financial planning practice) is assessed by a written examination with pre-released case studies.

The qualification award will be graded fail/pass.



Ongoing professional development

Financial advice is a very highly skilled profession. Not only do financial advice professionals need to learn and retain a large amount of technical information, they also need to adhere to a comprehensive regulatory regime of principles and ethics. Successful individuals will need to have exceptionally strong interpersonal skills in order to build long-term relationships with clients. Additionally, they will need to have business skills in order to run a business profitably and efficiently by developing into a range of markets and adopting methods of best practice where possible.

The financial advice sector has also experienced wide change over recent years. Whether this change has been economic, legislative, regulatory or behavioural, it has often influenced advice professionals to evolve their knowledge, principles and practices. Change has also opened up new opportunities for advice firms to improve their profitability and business efficiencies.

The unique skill set required by advice professionals and the ever-changing industry means that once qualified, all individuals should focus on a wide range of development areas.

CPD requirements

Investment advisers must undertake a minimum of 35 hours Continued Professional Development each year, 21 of which needs to be structured hours.

The Insurance Distribution Directive (IDD) is a regulatory requirement for all staff to complete a minimum of 15 hours CPD each year. For investment advisers the 15 hours of CPD can be included within their annual requirement, but must be annotated as IDD related.

- **Structured CPD** – an activity designed to achieve a defined learning outcome. Examples include: courses, conferences, workshops, web-based events or e-learning.
- **Unstructured CPD** activities have fewer criteria and need only to be relevant to your role and build upon your existing knowledge and skills.
- **IDD CPD** – The IDD requires all insurance distributors to have the appropriate knowledge and ability to perform their roles. This must be supported by a minimum of 15 hours of CPD in each 12 months.

Investment advisers must hold an SPS certificate, which is renewed each year. In order to renew, you need to make an annual declaration stating you have met the CPD requirements. Accredited bodies check these declarations randomly, to ensure compliance to requirements.

The NMBA Professional Development Programme

Due to the requirement for Continuous Professional Development and the need for other ongoing development, NMBA has created a Professional Development Programme, which includes all of the key areas that advice professionals require for their ongoing knowledge, skill and behavioural development.

Within this programme is an NMBA Professional Development Framework, which not only includes technical knowledge, but also covers conduct and ethics, business development, practice management and personal development, all of which should form part of any individual's annual development programme.



NMBA does not intend to offer compliance support services, but does intend to provide financial advice professionals with all the ongoing support they require to improve their individual knowledge and skills and also improve their business practices to achieve profitability and enhanced customer outcomes. This Professional Development Programme therefore ultimately aims to:

- improve the quality of advice received by customers;
- improve the internal and external reputation of the financial advice sector;
- and, improve the sustainability and provision of financial advice for the future.

The NMBA Professional Development Programme offers qualified advisers a range of learning and development events, offering structured CPD, as well as a comprehensive communications programme allowing advisers to learn, develop and stay informed.

'The NMBA Professional Development Programme offers qualified advisers a range of learning and development events...'

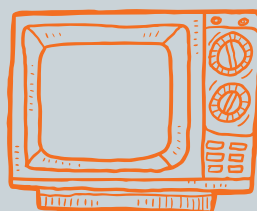
Best Practice Meetings



Business Evolution Forums



NMBA Webinars



Weekly Email Bulletins



Evolve Magazine Publications



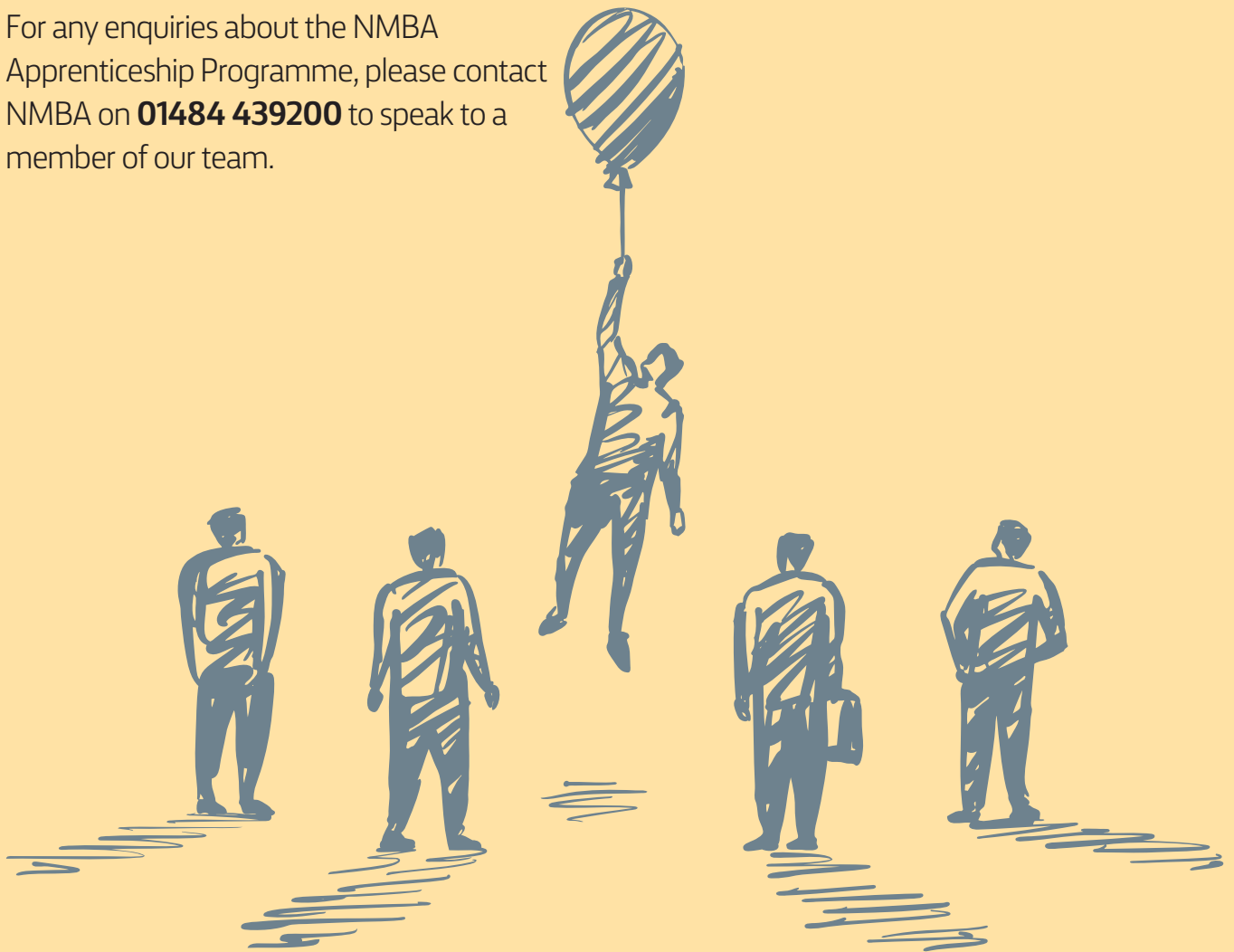
What next for your firm?

If you are interested in taking on an apprentice or applying for an apprenticeship for one of your existing employees, please apply through our website – **www.NMBA.info**. If you are not already a member of NMBA, you will need to register for free to access the website.

For any enquiries about the NMBA Apprenticeship Programme, please contact NMBA on **01484 439200** to speak to a member of our team.

References

This document contains information found from the Government Apprenticeship Standards, which is public sector information licensed under the Open Government Licence v3.0.







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