



Consultation Paper 18/19: Introducing the Directory

Response by the Chartered Body Alliance

About the Chartered Body Alliance

The Chartered Body Alliance was founded in March 2017 by three of the leading Chartered professional bodies in the financial services sector (the Chartered Insurance Institute, Chartered Institute for Securities & Investment and the Chartered Banker Institute).

The Chartered Body Alliance works together to achieve greater public benefit, continuing to raise professionalism and trust across financial services by promoting high standards of knowledge, skill, integrity and behaviour.

The FCA Directory

While we welcome the FCA's proposals in CP 18/19, we understand that part of the rationale for the Directory is that it will be useful to a broad variety of users, including the Public, the industry/profession and the regulator. That being the case, we believe that the most important of these is the Public, who are also the group with the least knowledge of the information which might be contained in the Directory and the significance thereof. Accordingly, we believe that the layout and content should be designed primarily with Public access, use and benefit to the fore. To that end, we believe that it is vital that the Directory explains in clear language who is directly authorised by the FCA and who is "approved" by their employer under rules put in place by the FCA. This information should explain clearly who is required to have a qualification, who sets the standards of these qualifications and how the professional bodies accredited by the FCA ensure that the standards of retail advisers are achieved, monitored and maintained.

We therefore believe that the proposed Directory has two crucial omissions in terms of the information presented:

- 1) It does not reference whether an individual holds a valid Statement of Professional Standing (SPS), and with which Accredited Body.
- 2) It does not include fields to show an individual's professional affiliations, such as professional body membership and standing, or achievement of a professional standard.

We believe that these are important factors for the public to evaluate when considering their options for the provision of financial services.

Accordingly we have produced below a facsimile of how we believe this additional information would be displayed.

We hope these comments are helpful – please do not hesitate to get in touch with us if you have any questions or comments. Our detailed answers to the questions can be found below.

Consultation Questions

Q1: Do you agree with the proposed scope of the Directory? If not, which individuals should be additionally included or taken out?

Yes.

Q2: Do you agree that the proposed information should be published on the Directory?

In addressing this question, we believe that predominantly the public interest lies in knowing that the Directory person is authorised to do their role, and suitably qualified to do so. We agree that all the information proposed for the directory should be included. In addition, we believe that to provide reassurance to consumers, the Directory should also include:

- a financial adviser's SPS status, and the name of the professional body awarding the SPS
- information about the Directory Person's professional affiliations, i.e. with which body, their grade and status.

This would have advantages for consumers, who would have a clear indication about the adviser's ability to practise and also have a clear signpost to further information about the individual from the professional body itself – for example, information about further qualifications and specialisms on the professional body's website.

It would have operational advantages for professional bodies, who would be able to use the information in the Directory to determine where they could go for further information about an adviser who was moving from one professional body to another, in order to investigate whether it was appropriate to grant that individual an SPS.

Q3: Do you agree that the Directory user interface should display information stored on the FS Register and the new Connect database? If not, how should these datasets interact?

Yes, we agree that the Directory interface should provide the information stored on the FS Register and the new Connect database.

Q4: Do you agree that the search parameters should return a broader range of results than the current FS Register?

Yes, this would make the Directory more useful for consumers.

Q5: Do you agree with the proposed number of business days for reporting when an individual begins undertaking a relevant role, when their circumstances change or when they cease to perform a relevant role? If not, what timeframe do you think would be more suitable?

A timeframe of one business day is very tight and could mean that firms fail to comply because of operational issues such as problems with computer systems, or that they fail to verify all the information thoroughly before reporting because of the pressure of the reporting deadline. A deadline of five working days would be more reasonable and would be unlikely to influence outcomes for consumers.

Q6: Do you agree with the proposed timing of commencement and transitional arrangements? If not, which timeframes would be more appropriate?

Yes, this timescale is reasonable.

Q7: Do you agree that our proposed measures for ensuring data accuracy are appropriate? If not, please provide details of any additional measures you believe should be taken.

Yes, we agree that the measures are reasonable.

We note that the draft rules state that, 'It is the responsibility of a firm to ensure that any information that it reports about relevant Directory persons is accurate and complete.' While we agree that firms have a responsibility to take reasonable steps to ensure data is accurate and complete, and have measures in place to verify information that is given to them, it is also true that individuals have a responsibility to disclose information accurately, and to communicate openly with the regulator and their professional body. This is in line with conduct rules in the senior managers and certification regime: (1) You must act with integrity and (3): You must be open and cooperative with the FCA, the PRA and other regulators. These responsibilities are particularly relevant when individuals move between firms, and tight deadlines for regulatory reporting are in place. We would therefore suggest that any finalised policy and guidance relating to the Directory retains a focus on individual accountability.

Q8: Do you have any feedback on this CBA?

The one-off costs of £10.6 million, and the ongoing costs of £5.1 million are very high, and are significantly greater than the costs of maintaining existing adviser databases in the private sector. Given that these costs will ultimately be borne by consumers, we would urge the FCA to learn as much as possible from existing providers when drawing up its detailed plans.

Q9: Do you agree that these proposals would not result in any direct discrimination against any of the protected groups? Please provide any additional feedback you believe is relevant.

Yes.

Figure 4: Individual screen

FINANCIAL CONDUCT AUTHORITY

**BANK OF ENGLAND
PRUDENTIAL REGULATION AUTHORITY**

Visit

FCA [↗](#)

PRA [↗](#)

Home / Search results / Surname / Fatima Surname

The Directory

Enter a company's or individual's name, role, firm reference number or location and click 'search'

[Advanced search](#) ▼

⌂ Back to results
Save as PDF
Print page

Fatima Surname IRN: 0004 i
Current i

Individual notices

P Prohibitions apply

AP Approved by regulator

C/A Other-Certified/ Assessed by the firm

CQ Deals with clients and holds relevant qualifications

SPS Statement of Professional Standing (SPS) is required for the role

Associations with firm(s)

Fatima Surname Wealth Management Ltd	FS Wealth Management Ltd
Contact details	
Firm telephone 00 000 0000	Firm email Contact@Surname.com
Location Scunthorpe	Firm website www.fatimasurname.com
Distance 1.1 miles	View Map

Current role(s)

Role:	Client dealing
Start date:	02 September 2017
Types of business undertaking:	
Safeguarding and administering investments or holding client money	
Functions requiring qualification	
SPS status	An SPS [is/is not] required for this role
Start date:	End date: 01 September 2017
Safeguarding and administering investments or holding client money	
CF30 - Customer function	

Details last updated on: 02 September 2017 i

P Prohibitions apply

This is an individual who we have prohibited from performing all or certain functions in relation to all or certain regulated activities.

AP Approved by regulator

Individual has been approved by the FCA or PRA and FCA to perform their role. This concerns Approved Persons and Senior Manager roles.

C/A Other-Certified/ Assessed by the firm

The individual has been assessed or certified by the firm to perform the relevant role or function.

CQ Deals with clients and holds relevant qualifications

The individual is performing a role in which they deal with customers or their property and requires a specific qualification to do so.

SPS Holds a Statement of Professional Standing (SPS)

This individual holds a Statement of Professional Standing which is required for their current role(s), covering the following fields:
- Derivatives

PB Holds Membership of a Professional Body or Bodies

This individual holds the following professional body memberships:
- Associate Member of Professional Body 1
- Chartered Member of Professional Body 2

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.