

# **Edexcel Level 4 Certificate for Financial Advisers (QCF)**

## **Specification**

Edexcel NVQ/competence-based qualifications

For first registration January 2011

Issue 2

Edexcel, a Pearson company, is the UK's largest awarding organisation offering vocational and academic qualifications and testing, to employers, training providers, colleges, schools, and other places of learning in the UK, and in over 85 countries worldwide.

Our specialist suite of qualifications include NVQs, Apprenticeships, WorkSkills, Functional Skills, Foundation Learning, as well as our exclusive range of BTECs, from entry level right through to Higher National Diplomas.

This specification is Issue 2. Key changes are sidelined. We will inform centres of any changes to this issue. The latest issue can be found on the Edexcel website: [www.edexcel.com](http://www.edexcel.com)

*References to third party material made in this specification are made in good faith. Edexcel does not endorse, approve or accept responsibility for the content of materials, which may be subject to change, or any opinions expressed therein. (Material may include textbooks, journals, magazines and other publications and websites.)*

Authorised by Martin Stretton  
Prepared by Roger Field

Publications Code N031011

All the material in this publication is copyright  
© Pearson Education Limited 2012

# Contents

---

<b>Qualification title covered by this specification</b>	<b>1</b>
<b>Key features of the Edexcel Level 4 Certificate for Financial Advisers (QCF)</b>	<b>3</b>
What are the benefits of this qualification?	3
Who is this qualification for?	3
What progression opportunities are available to learners who achieve this qualification?	4
<b>What is the qualification structure for the Edexcel Level 4 Certificate for Financial Advisers (QCF)?</b>	<b>5</b>
<b>How is the qualification graded and assessed?</b>	<b>6</b>
Assessment strategy	6
Types of evidence (to be read in conjunction with Annexes D and E)	7
<b>Centre recognition and approval</b>	<b>8</b>
Centre recognition	8
Approvals agreement	8
<b>Quality assurance</b>	<b>8</b>
<b>What resources are required?</b>	<b>8</b>
<b>Unit format</b>	<b>9</b>
<b>Units</b>	<b>11</b>
Unit 1: Engaging the client for financial advice and/or planning	13
Unit 2: Gathering and validating financial information for financial advice and/or planning	19
Unit 3: Analysing the client's financial circumstances for financial advice and/or planning	25
Unit 4: Researching and selecting appropriate solutions to inform recommendations for financial advice and/or planning	31
Unit 5: Advising on appropriate financial solutions and agreeing the next steps for financial advice and/or planning	37
Unit 6: Implementing financial solutions following financial advice and/or planning	43
Unit 7: Reviewing and responding to the client's changing financial needs and circumstances for financial advice and/or planning	49
Unit 8: Maintaining professional development and financial services industry awareness for financial advice and/or planning	55

<b>Further information</b>	<b>59</b>
<b>Useful publications</b>	<b>59</b>
How to obtain National Occupational Standards	59
<b>Professional development and training</b>	<b>60</b>
<b>Annexe A: Progression pathways</b>	<b>61</b>
The Edexcel qualification framework for finance and accounting	61
<b>Annexe B: Quality assurance</b>	<b>63</b>
Key principles of quality assurance	63
Quality assurance processes	63
<b>Annexe C: Centre certification and registration</b>	<b>65</b>
What are the access arrangements and special considerations for the qualification in this specification?	65
<b>Annexe D: Assessment strategy</b>	<b>67</b>
<b>Annexe E: Additional instructions and guidance for centres</b>	<b>73</b>

## Qualification title covered by this specification

---

This specification gives you the information you need to offer the Edexcel Level 4 Certificate for Financial Advisers (QCF):

### Qualification title

Edexcel Level 4 Certificate for Financial Advisers (QCF)

### Qualification Number (QN)

600/0102/1

### Accreditation start date

01/01/2011

This qualification has been accredited within the Qualifications and Credit Framework (QCF) and is eligible for public funding as determined by the Department for Education (DfE) under Sections 96 of the Learning and Skills Act 2000.

The qualification title listed above features in the funding lists published annually by the DfE and the regularly updated website. It will also appear on the Learning Aims Reference Application (LARA), where relevant.

You should use the QCF Qualification Number (QN) when you wish to seek public funding for your learners. Each unit within a qualification will also have a unique QCF reference number, which is listed in this specification.

The QCF qualification title and unit reference numbers will appear on the learners' final certification document. Learners need to be made aware of this when they are recruited by the centre and registered with Edexcel.

This replaces the following qualifications:

**Qualification title**

Edexcel Level 3 Award in Providing Financial Advice  
Edexcel Level 3 NVQ in Providing Financial Advice

<b>Qualification Number (QN)</b>	<b>Accreditation start date</b>	<b>Accreditation end date</b>
500/1890/5	01/06/2007	31/12/2010
500/1444/4	01/11/2006	31/12/2010

# Key features of the Edexcel Level 4 Certificate for Financial Advisers (QCF)

---

This qualification:

- is nationally recognised
- is based on the National Occupational Standards (NOS) for Providing Financial Advice, owned by the Financial Services Skills Council.

The Edexcel Level 4 Certificate for Financial Advisers (QCF) has been approved as a competence component for the Higher Apprenticeship in Advising on Financial Products.

## What are the benefits of this qualification?

This qualification is designed for people who are working as financial advisers and who have already passed a qualification covering the relevant Appropriate Exam Standards to allow them to practise.

For learners, the benefits of this qualification are that it:

- allows them to develop skills that will be useful to them in their day-to-day job role
- attests to their occupational competence, thus enhancing their employability
- motivates by providing them with the opportunity to gain a nationally-recognised Level 4 qualification that demonstrates ongoing professional development.

For employers, the benefits of this qualification are that it:

- can help identify training needs by benchmarking best practice
- motivates staff to perform at a high standard, resulting in better customer satisfaction and improved staff retention
- allows for increased confidence in the performance of staff who have achieved the qualification
- can form the basis for a 'health check' of the organisation's training and competence regime by identifying aspects of employee performance that could be monitored better.

## Who is this qualification for?

The Edexcel Level 4 Certificate for Financial Advisers is not an FSA-approved Appropriate Examination. Instead, the Edexcel qualification assumes that learners have already acquired the relevant knowledge from taking an Appropriate Examination, and assesses learners' ability to apply that knowledge in the workplace.

It is approved for learners aged 16 and above who are already working as financial advisers.

Edexcel's policy is that its qualifications should:

- be free from any barriers that restrict access and progression
- ensure equality of opportunity for all wishing to access them.

**What progression opportunities are available to learners who achieve this qualification?**

Learners who have completed this qualification can progress on to higher level management qualifications, such as the Edexcel Level 5 Award/Certificate/Diploma in Management and Leadership (QCF).

Further information is available in *Annexe A*.

## What is the qualification structure for the Edexcel Level 4 Certificate for Financial Advisers (QCF)?

---

Individual units can be found in the *Units* section.

To achieve the Edexcel Level 4 Certificate for Financial Advisers (QCF), learners must pass **all** of the units listed below.

<b>Unit</b>	<b>Unit title</b>	<b>Credit</b>	<b>Level</b>
1	Engaging the client for financial advice and/or planning	3	4
2	Gathering and validating financial information for financial advice and/or planning	4	4
3	Analysing the client's financial circumstances for financial advice and/or planning	4	4
4	Researching and selecting appropriate solutions to inform recommendations for financial advice and/or planning	4	4
5	Advising on appropriate financial solutions and agreeing the next steps for financial advice and/or planning	4	4
6	Implementing financial solutions following financial advice and/or planning	4	4
7	Reviewing and responding to the client's changing financial needs and circumstances for financial advice and/or planning	4	4
8	Maintaining professional development and financial services industry awareness for financial advice and/or planning	4	4

## How is the qualification graded and assessed?

---

The overall grade for the qualification is a 'pass'. The learner must achieve all the required units within the specified qualification structure.

To pass a unit the learner must:

- achieve **all** the specified learning outcomes
- satisfy **all** the assessment criteria by providing sufficient and valid evidence for each criterion
- show that the evidence is their own.

The qualification is designed to be assessed:

- in the workplace, or
- in conditions resembling the workplace, (where simulation is permitted).

### Assessment strategy

The assessment strategy for this qualification has been included in *Annexe D*. It has been developed by Edexcel in partnership with the Financial Services Skills Council. The assessment strategy includes details on:

- Use of Training and Competence schemes to generate assessment evidence
- Assessment
- Simulation
- Assessment/internal verification models: the standard model and employer-direct model
- Criteria for appointment of assessors and internal verifiers
- Expert witnesses
- Criteria for appointment of external verifiers.

Evidence of competence may come from:

- **current practice** where evidence is generated from a current job role
- a **programme of development** where evidence comes from assessment opportunities built into a current job role as a result of a learning/training programme
- a **combination** of these.

It is important that the evidence is:

<b>Valid</b>	relevant to the standards for which competence is claimed
<b>Authentic</b>	produced by the learner
<b>Current</b>	sufficiently recent to create confidence that the same skill, understanding or knowledge persist at the time of the claim
<b>Reliable</b>	indicates that the learner can consistently perform at this level
<b>Sufficient</b>	fully meets the requirements of the standards.

Additional guidance for centres on implementing this qualification can be found in *Annexe E: additional instructions and guidance for centres*.

### Types of evidence (to be read in conjunction with Annexes D and E)

To successfully achieve a unit the learner must gather evidence which shows that they have met the required standard in the assessment criteria. Evidence can take a variety of different forms including the examples below. Centres should refer to the assessment strategy for information about which of the following are permissible.

- direct observation of the learner's performance by their assessor (O)
- outcomes from oral or written questioning (Q&A)
- products of the learner's work (P)
- personal statements and/or reflective accounts (RA)
- outcomes from simulation, where permitted by the assessment strategy (S)
- professional discussion (PD)
- assignment, project/case studies (A)
- authentic statements/witness testimony (WT)
- expert witness testimony (EPW).

The abbreviations may be used for cross-referencing purposes.

Learners can use one piece of evidence to prove their knowledge, skills and understanding across different assessment criteria and/or across different units. It is, therefore, not necessary for learners to have each assessment criterion assessed separately. Learners should be encouraged to reference the assessment criteria to which the evidence relates.

Evidence must be made available to the assessor, internal verifier and Edexcel standards verifier. A range of recording documents is available on the Edexcel website [www.edexcel.com](http://www.edexcel.com). Alternatively, centres may develop their own.

# Centre recognition and approval

---

## Centre recognition

Centres that have not previously offered Edexcel qualifications need to apply for and be granted centre recognition as part of the process for approval to offer individual qualifications. New centres must complete both a centre recognition approval application and a qualification approval application.

Existing centres will be given 'automatic approval' for a new qualification if they are already approved for a qualification that is being replaced by the new qualification and the conditions for automatic approval are met. Centres already holding Edexcel approval are able to gain qualification approval for a different level or different sector via Edexcel online.

## Approvals agreement

All centres are required to enter into an approvals agreement which is a formal commitment by the head or principal of a centre to meet all the requirements of the specification and any linked codes or regulations. Edexcel will act to protect the integrity of the awarding of qualifications, if centres do not comply with the agreement. This could result in the suspension of certification or withdrawal of approval.

## Quality assurance

---

Detailed information on Edexcel's quality assurance processes is given in *Annexe B*.

## What resources are required?

---

Physical resources need to support the delivery of the qualification and the assessment of the learning outcomes and must be of industry standard. Centres must meet any specific resource and staffing requirements outlined in *Annexe D: Assessment strategy*.

# Unit format

Each unit in this specification contains the following sections.

<b>Unit title:</b>					The unit title is accredited on the QCF and this form of words will appear on the learner's Notification of Performance (NOP).
<b>Unit code:</b>					This is the unit owner's reference number for the specified unit.
<b>Unit reference number:</b>					This code is a unique reference number for the unit.
<b>QCF level:</b>					All units and qualifications within the QCF have a level assigned to them, which represents the level of achievement. There are nine levels of achievement, from Entry level to level 8. The level of the unit has been informed by the QCF level descriptors and, where appropriate, the NOS and/or other sector/professional.
<b>Credit value:</b>					All units have a credit value. The minimum credit value is one, and credits can only be awarded in whole numbers. Learners will be awarded credits when they achieve the unit.
<b>Guided learning hours:</b>					A notional measure of the substance of a qualification. It includes an estimate of the time that might be allocated to direct teaching or instruction, together with other structured learning time, such as directed assignments, assessments on the job or supported individual study and practice. It excludes learner-initiated private study.
<b>Unit summary:</b>					This provides a summary of the purpose of the unit.
<b>Evidence requirements:</b>					The evidence requirements are normally determined by the SSC. Learners must provide evidence for each of the requirements stated in this section.
<b>Recording of evidence:</b>					This provides a summary of the assessment methodology to be used for the unit.
<b>Learning outcomes:</b>	<b>Assessment criteria:</b>	<b>Evidence type:</b>	<b>Portfolio reference:</b>	<b>Date:</b>	
			The learner should use this box to indicate where the evidence can be obtained eg portfolio page number.	The learner should give the date when the evidence has been provided.	
Learning outcomes state exactly what a learner should know, understand or be able to do as a result of completing a unit.		The assessment criteria of a unit specify the standard a learner is expected to meet to demonstrate that a learning outcome, or a set of learning outcomes, has been achieved.		Learners must reference the type of evidence they have and where it is available for quality assurance purposes. The learner can enter the relevant key and a reference. Alternatively, the learner and/or centre can devise their own referencing system.	



# Units



## **Unit 1: Engaging the client for financial advice and/or planning**

<b>Unit code:</b>	PFAFP01
<b>Unit reference number:</b>	A/502/6101
<b>QCF level:</b>	4
<b>Credit value:</b>	3
<b>Guided learning hours:</b>	25

---

### **Unit summary**

This unit is designed for learners who provide financial advice to clients.

The unit covers the candidate identifying and preparing all the necessary information for use in a client appointment, including establishing the appropriateness of the client to an organisation's business criteria, helping the client interpret their objectives and interpreting the client's understanding of and attitudes to risk. The candidate will also undertake the relevant disclosures with the client and make sure the client fully understands the next steps in the process.

### **Evidence requirements**

Assessment must be carried out in a way that is consistent with the requirements outlined in *Annexe D: Assessment strategy*.

To pass the unit, learners must meet all of the assessment criteria.

Before starting work on this unit, learners must have met the requirements of the relevant Appropriate Examination Standards for Retail Investment Advice. Documentary evidence of meeting the requirements (usually a copy of the learner's certificate issued by an approved awarding organisation) must be available for scrutiny by the standards verifier. A list of appropriate qualifications that meet these requirements is available from the Financial Services Skills Council.

Wherever possible, assessment should be carried out holistically. Items of evidence may contribute to the assessment of more than one criterion, both within this unit and across other units, and, wherever possible, centres are recommended to use evidence in this way.

### **Assessment criteria: performance**

All the assessment criteria except criteria 2.2, 2.4, 3.2, 3.4, 4.1, 4.3, 4.5, 5.2, 5.3, 5.4, 5.5, 6.1, 6.3 and 7.2 relate to performance. Evidence for these must come from learners' performance in the workplace.

When determining whether the learner has provided sufficient performance evidence to meet the requirements of the criteria, assessors should be mindful of the complexity of the cases and the range of situations the learner has dealt with.

In assessment criterion 6.2, learners may not actually have the opportunity at their workplace to report suspicions of financial crime. The learner's ability to perform competently in this criterion may, therefore, be evidenced through case study or similar scenario-based assessment.

In assessment criterion 7.1, learners must provide performance evidence of fulfilling all parts of the criterion. 'What-if' questions or other scenario-based assessment cannot be used to meet the requirements of this criterion.

### **Simulation**

With the exception of assessment criterion 6.2 (see above), simulation is not permitted for any of the assessment criteria in this unit. Exercises and simulations carried out in training may be used as evidence to supplement actual performance, but the prime source of evidence must come from the provision of real advice situations (under supervision where appropriate) with real clients.

### **Assessment criteria: knowledge and understanding**

Assessment criteria 2.2, 2.4, 3.4, 4.1, 4.3, 4.5, 5.3, 5.4, 5.5, 6.1, 6.3 and 7.2 relate to knowledge and understanding that must be assessed in addition to assessment of performance. The criteria can be assessed inside or outside the workplace, but the evidence the learners produce must relate to their own work environment. These criteria should preferably be assessed using question and answers, case studies or by professional discussion, and, wherever possible, in association with assessment of performance.

Assessment criteria 3.2 and 5.2 also relate to knowledge and understanding. However, evidence of satisfactory performance in the remainder of the assessment criteria will demonstrate that the learner knows and understands the information covered in criteria 3.2 and 5.2 and, therefore, there is no need for these criteria to be assessed separately from performance.

### **Recording of evidence**

The type of evidence, portfolio reference and date should be entered against each assessment criterion in the table. Alternatively, centre documentation could be used to record this information. Evidence such as documents and materials from the learner's workplace must be left *in situ* in the workplace and not included in a portfolio. The nature and location of the evidence must be recorded in the assessment documents. Centres must ensure that access to the evidence will be permitted for examination by internal and external verification.

## Learning outcomes and assessment criteria

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
1 Be able to identify and prepare all necessary information for use in a client appointment for financial advice and/or planning	<p>1.1 Identify the information required to determine the client's goals, needs and objectives</p> <p>1.2 Identify all relevant information from the client in order to help them interpret and prioritise their goals, needs and objectives</p> <p>1.3 Gather and prepare all necessary information for use during the discussion</p> <p>1.4 Prepare client files containing all the required information in line with organisational and regulatory requirements</p>			
2 Be able to undertake the relevant disclosures with the client for financial advice and/or planning	<p>2.1 Establish that the client or their nominated representative has the capacity and authority to act</p> <p>2.2 Describe the information which must be disclosed when undertaking a first interview with a client, including organisational charging and ongoing review policies</p> <p>2.3 Identify correctly the processes and timescales that need to be advised to the client</p> <p>2.4 Explain the types of special arrangements available to clients unable to act for themselves</p>			

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
	<p>2.5 Communicate the purpose of the discussion, obligations and requirements, and provide the necessary information so that the client understands</p> <p>2.6 Explain clearly to the client how the supplied information from the client is intended to be used</p> <p>2.7 Explain to the client the importance of the client supplying accurate information</p>			
<p>3 Be able to engage with the client for financial advice and/or planning</p>	<p>3.1 Explain complex concepts in a clear and articulate manner so that the client understands</p> <p>3.2 Explain the importance of, and techniques for, effective rapport building with the client</p> <p>3.3 Explain the next steps and the timescales involved, and check the client's understanding</p> <p>3.4 Describe alternative sources of advice and guidance for the client, and how to make an appropriate referral</p> <p>3.5 Demonstrate how to articulate and explain concepts so that the client understands</p>			

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
<p>4 Be able to analyse the client's attitude to risk and appropriateness in line with organisational business criteria for financial advice and/or planning</p>	<p>4.1 Explain the different methodologies which can be used for evaluating the client's understanding of and attitudes towards risk</p> <p>4.2 Use different methodologies to analyse the client's understanding of and attitudes towards risk</p> <p>4.3 Explain how to determine the appropriateness of the client against organisational business criteria</p> <p>4.4 Determine the appropriateness of the client against organisational business criteria</p> <p>4.5 Describe the alternative courses of action available when a client is not appropriate for an organisation</p>			
<p>5 Be able to follow organisational procedures and industry regulations for financial advice and/or planning</p>	<p>5.1 Ensure organisational procedures are followed when preparing for, and undertaking contact with, prospective clients</p> <p>5.2 Describe organisational client acquisition, contact and appointment booking procedures</p> <p>5.3 Describe organisational requirements relating to recording and storing information</p> <p>5.4 Describe organisational requirements relating to the application of ethics, codes, laws and regulations</p> <p>5.5 Explain the regulatory framework as it affects financial advice and the possible effects of not following the regulatory framework</p>			

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
6	Be able to deal with suspicions of financial crime appropriately for financial advice and/or planning	<p>6.1 Identify different types of financial crime and business procedures for reporting suspicions</p> <p>6.2 Report suspicions of financial crime, when relevant</p> <p>6.3 Explain how different types of financial crime could be identified</p>		
7	Be able to work within the limits of personal levels of authority for financial advice and/or planning	<p>7.1 Refer the client to a suitably qualified person who is more able to fulfil the client's needs, when relevant</p> <p>7.2 Outline the limits of personal levels of authority within the job role</p>		

Learner name: \_\_\_\_\_ Date: \_\_\_\_\_

Learner signature: \_\_\_\_\_ Date: \_\_\_\_\_

Assessor signature: \_\_\_\_\_ Date: \_\_\_\_\_

Internal verifier signature: \_\_\_\_\_ Date: \_\_\_\_\_  
(if sampled)

## **Unit 2: Gathering and validating financial information for financial advice and/or planning**

<b>Unit code:</b>	PFAFP02
<b>Unit reference number:</b>	D/502/6110
<b>QCF level:</b>	4
<b>Credit value:</b>	4
<b>Guided learning hours:</b>	35

---

### **Unit summary**

This unit is for candidates offering financial planning advice to clients.

The unit is about identifying and obtaining financial information needed from the client in order to prepare appropriate statements and valuations that illustrate the client's financial situation.

The unit also covers the checking of these statements for errors or any gaps, and finally making and justifying assumptions necessary for shortfall analysis.

### **Evidence requirements**

Assessment must be carried out in a way that is consistent with the requirements outlined in *Annexe D: Assessment strategy*.

To pass the unit, learners must meet all of the assessment criteria.

Before starting work on this unit, learners must have met the requirements of the relevant Appropriate Examination Standards for Retail Investment Advice. Documentary evidence of meeting the requirements (usually a copy of the learner's certificate issued by an approved awarding organisation) must be available for scrutiny by the standards verifier. A list of appropriate qualifications that meet these requirements is available from the Financial Services Skills Council.

Wherever possible, assessment should be carried out holistically. Items of evidence may contribute to the assessment of more than one criterion, both within this unit and across other units, and, wherever possible, centres are recommended to use evidence in this way.

### **Assessment criteria: performance**

All the assessment criteria except criteria 2.1, 2.2, 3.1, 4.1, 4.2, 6.1, 6.2, 6.3, 6.4, 7.1, 7.3 and 8.2 relate to performance. Evidence for these must come from learners' performance in the workplace.

When determining whether the learner has provided sufficient performance evidence to meet the requirements of the criteria, assessors should be mindful of the complexity of the cases and the range of situations the learner has dealt with.

In assessment criterion 7.2, learners may not actually have the opportunity at their workplace to report suspicions of financial crime. The learner's ability to perform competently in this criterion may, therefore, be evidenced through case study or similar scenario-based assessment.

In assessment criterion 8.1, learners must provide performance evidence of fulfilling all parts of the criterion. 'What-if' questions or other scenario-based assessment cannot be used to meet the requirements of this criterion.

### **Simulation**

With the exception of assessment criterion 7.2 (see above), simulation is not permitted for any of the assessment criteria in this unit. Exercises and simulations carried out in training may be used as evidence to supplement actual performance, but the prime source of evidence must come from the provision of real advice situations (under supervision where appropriate) with real clients.

### **Assessment criteria: knowledge and understanding**

Assessment criteria 2.1, 2.2, 4.1, 4.2, 6.2, 6.3, 6.4, 7.1, 7.3 and 8.2 relate to knowledge and understanding that must be assessed in addition to assessment of performance. The criteria can be assessed inside or outside the workplace, but the evidence the learners produce must relate to their own work environment. These criteria should preferably be assessed using question and answers, case studies or by professional discussion, and, wherever possible, in association with assessment of performance.

Assessment criteria 3.1 and 6.1 also relate to knowledge and understanding. However, evidence of satisfactory performance in the remainder of the assessment criteria will demonstrate that the learner knows and understands the information covered in criteria 3.1 and 6.1 and, therefore, there is no need for these criteria to be assessed separately from performance.

### **Recording of evidence**

The type of evidence, portfolio reference and date should be entered against each assessment criterion in the table. Alternatively, centre documentation could be used to record this information. Evidence such as documents and materials from the learner's workplace must be left *in situ* in the workplace and not included in a portfolio. The nature and location of the evidence must be recorded in the assessment documents. Centres must ensure that access to the evidence will be permitted for examination by internal and external verification.

## Learning outcomes and assessment criteria

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
1 Be able to identify and obtain financial information from the client to prepare appropriate statements and valuations for financial advice and/or planning	<p>1.1 Obtain the relevant authorities to access appropriate financial information in respect of the client</p> <p>1.2 Identify the types of information required to establish the client's financial position, and the most effective way to obtain it</p> <p>1.3 Identify and obtain the information necessary for preparing financial statements, covering the client's incomings, outgoings, assets and liabilities and tax position</p> <p>1.4 Identify and obtain the information necessary for preparing financial statements, covering the client's incomings, outgoings, assets and liabilities</p> <p>1.5 Determine the most appropriate way of compiling financial information in order to best inform recommendations</p>			
2 Know how to deal with risks and constraints for financial advice and/or planning	<p>2.1 Explain the different types of risks and constraints that can affect the client</p> <p>2.2 Explain how risks and constraints affecting the client can affect recommendations</p>			

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
<p>3 Be able to compile financial data for financial statements and valuations for financial advice and/or planning</p>	<p>3.1 Explain the methodologies for compiling, formatting and presenting financial data for the purposes of financial statements and valuations</p> <p>3.2 Compile financial data for financial statements and valuations using organisational information technology systems and bespoke software packages</p> <p>3.3 Determine the most appropriate way of compiling financial information to best inform recommendations</p>			
<p>4 Be able to check these statements for errors, identify any gaps, and obtain further information where required for financial advice and/or planning</p>	<p>4.1 Explain how to validate the accuracy of financial information provided by the client</p> <p>4.2 Explain the most appropriate sources which can be used to corroborate financial information</p> <p>4.3 Prepare appropriate financial statements and valuations and check for errors</p> <p>4.4 Identify any gaps or concerns relating to the financial information provided by the client</p> <p>4.5 Identify and obtain additional information or obtain clarification from an appropriate source where information is insufficient to determine the client's financial circumstances</p>			

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
	<p>4.6 Identify and seek out additional or supporting information that will more accurately illustrate the client's financial circumstances</p> <p>4.7 Make and justify any assumptions necessary for shortfall analysis</p>			
<p>5 Be able to prepare client files containing required information in line with organisational and regulatory requirements for financial advice and/or planning</p>	<p>5.1 Prepare client files containing all the required information in line with organisational and regulatory requirements</p>			
<p>6 Be able to follow organisational procedures and industry regulations for financial advice and/or planning</p>	<p>6.1 Explain organisational client acquisition, contact and appointment booking procedures</p> <p>6.2 Explain organisational requirements relating to recording and storing information</p> <p>6.3 Explain organisational requirements relating to the application of ethics, codes, laws and regulations</p> <p>6.4 Explain the regulatory framework as it affects financial advice</p> <p>6.5 Make sure organisational procedures are followed when preparing for, and undertaking contact with, prospective clients</p>			

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
7	Be able to deal with suspicions of financial crime for financial advice and/or planning	7.1 Identify different types of financial crime and business procedures for reporting suspicions 7.2 Report suspicions of financial crime, when relevant 7.3 Explain how different types of financial crime could be identified		
8	Be able to work within the limits of personal levels of authority for financial advice and/or planning	8.1 Refer the client to a suitably qualified person who is more able to fulfil the client's needs, when relevant 8.2 Outline the limits of personal levels of authority within the job role		

Learner name: \_\_\_\_\_ Date: \_\_\_\_\_  
 Learner signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Assessor signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Internal verifier signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 (if sampled)



In assessment criterion 7.2, learners may not actually have the opportunity at their workplace to report suspicions of financial crime. The learner's ability to perform competently in this criterion may, therefore, be evidenced through case study or similar scenario-based assessment.

In assessment criterion 8.1, learners must provide performance evidence of fulfilling all parts of the criterion. 'What-if' questions or other scenario-based assessment cannot be used to meet the requirements of this criterion.

### **Simulation**

With the exception of assessment criterion 7.2 (see above), simulation is not permitted for any of the assessment criteria in this unit. Exercises and simulations carried out in training may be used as evidence to supplement actual performance, but the prime source of evidence must come from the provision of real advice situations (under supervision where appropriate) with real clients.

### **Assessment criteria: knowledge and understanding**

Assessment criteria 1.1, 1.2, 1.3, 2.3, 3.1, 3.2, 3.3, 4.1, 4.2, 6.2, 6.3, 6.4, 7.1, 7.3 and 8.2 relate to knowledge and understanding that must be assessed in addition to assessment of performance. The criteria can be assessed inside or outside the workplace, but the evidence the learners produce must relate to their own work environment. These criteria should preferably be assessed using question and answers, case studies or by professional discussion, and, wherever possible, in association with assessment of performance.

Assessment criteria 5.3 and 6.1 also relate to knowledge and understanding. However, evidence of satisfactory performance in the remainder of the assessment criteria will demonstrate that the learner knows and understands the information covered in criteria 5.3 and 6.1 and, therefore, there is no need for these criteria to be assessed separately from performance.

### **Recording of evidence**

The type of evidence, portfolio reference and date should be entered against each assessment criterion in the table. Alternatively, centre documentation could be used to record this information. Evidence such as documents and materials from the learner's workplace must be left *in situ* in the workplace and not included in a portfolio. The nature and location of the evidence must be recorded in the assessment documents. Centres must ensure that access to the evidence will be permitted for examination by internal and external verification.

## Learning outcomes and assessment criteria

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
1 Be able to use information gathered to analyse the client's financial arrangements for financial advice and/or planning	<p>1.1 Explain the methods used for conducting shortfall analysis</p> <p>1.2 Explain the typical factors that can cause change in the client's financial circumstances</p> <p>1.3 Explain the typical needs faced by clients in a financial services environment</p> <p>1.4 Carry out shortfall analysis</p> <p>1.5 Analyse and assess the suitability of the client's existing financial circumstances</p> <p>1.6 Establish the client's tax position</p>			
2 Be able to check the client's needs, priorities and expectations are realistic	<p>2.1 Challenge the client's needs, priorities and expectations</p> <p>2.2 Estimate if the client's needs, priorities and expectations are realistic</p> <p>2.3 Explain how to establish and verify current and ongoing affordability</p> <p>2.4 Analyse the amounts the client can afford alongside the benefits they seek, to determine what is feasible</p>			

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
<p>3 Be able to evaluate the client's understanding of and attitudes to risk</p>	<p>3.1 Explain the different types of risks and constraints that can affect the client</p> <p>3.2 Explain how different types of risks and constraints can impact on recommendations</p> <p>3.3 Explain the different methods which can be used for evaluating the client's understanding of and attitudes towards risk</p> <p>3.4 Use different methodologies to analyse the client's understanding of and attitudes towards risk</p> <p>3.5 Ascertain the client's understanding of and attitudes to risk</p> <p>3.6 Verify the client's understanding of and attitudes to risk</p> <p>3.7 Re-confirm the client's understanding of and attitudes to risk</p>			
<p>4 Be able to identify whether the client is appropriate for business</p>	<p>4.1 Explain how to determine if a client is appropriate to the organisation's business criteria</p> <p>4.2 Explain the alternative courses of action available where a client is considered not appropriate to the organisation's business criteria</p> <p>4.3 Assess whether the client is appropriate to the organisation's business criteria, and recommend an alternative course of action where this is justified</p> <p>4.4 Identify risks and constraints affecting the client that will impact upon recommendations</p>			

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
5 Be able to help the client to prioritise their financial needs and the possible solutions.	5.1 Prepare a prioritised assessment of the client's financial needs and the possible solutions 5.2 Refer the client to an appropriate alternative source of advice and guidance 5.3 Describe how to make an appropriate referral to an alternative source of advice and guidance			
6 Be able to follow organisational procedures and industry regulations for financial advice and/or planning	6.1 Explain organisational client acquisition, contact and appointment booking procedures 6.2 Explain organisational requirements relating to recording and storing information 6.3 Explain organisational requirements relating to the application of ethics, codes, laws and regulations 6.4 Explain the regulatory framework as it affects financial advice 6.5 Make sure organisational procedures are followed when preparing for, and undertaking contact with, prospective clients			
7 Be able to deal with suspicions of financial crime	7.1 Identify different types of financial crime and business procedures for reporting suspicions 7.2 Report suspicions of financial crime, when relevant 7.3 Explain how different types of financial crime could be identified			

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
8 Be able to work within the limits of personal levels of authority	8.1 Refer the client to a suitably qualified person who is more able to fulfil the client's needs, when relevant 8.2 Outline the limits of personal levels of authority within the job role			

Learner name: \_\_\_\_\_

Date: \_\_\_\_\_

Learner signature: \_\_\_\_\_

Date: \_\_\_\_\_

Assessor signature: \_\_\_\_\_

Date: \_\_\_\_\_

Internal verifier signature: \_\_\_\_\_

Date: \_\_\_\_\_

*(if sampled)*



When determining whether the learner has provided sufficient performance evidence to meet the requirements of the criteria, assessors should be mindful of the complexity of the cases and the range of situations the learner has dealt with.

In assessment criterion 4.1, learners may not actually have the opportunity at their workplace to report suspicions of financial crime. The learner's ability to perform competently in this criterion may, therefore, be evidenced through case study or similar scenario-based assessment.

In assessment criterion 2.1, learners must provide performance evidence of fulfilling all parts of the criterion. 'What-if' questions or other scenario-based assessment cannot be used to meet the requirements of this criterion.

### **Simulation**

With the exception of assessment criterion 4.1 (see above), simulation is not permitted for any of the assessment criteria in this unit. Exercises and simulations carried out in training may be used as evidence to supplement actual performance, but the prime source of evidence must come from the provision of real advice situations (under supervision where appropriate) with real clients.

### **Assessment criteria: knowledge and understanding**

Assessment criteria 1.6, 2.2, 2.3, 2.5, 2.6, 3.2, 3.3, 3.4, 4.2, 4.3 and 5.2 relate to knowledge and understanding that must be assessed in addition to assessment of performance. The criteria can be assessed inside or outside the workplace, but the evidence the learners produce must relate to their own work environment. These criteria should preferably be assessed using question and answers, case studies or by professional discussion, and, wherever possible, in association with assessment of performance.

Assessment criteria 1.7 and 3.1 also relate to knowledge and understanding. However, evidence of satisfactory performance in the remainder of the assessment criteria will demonstrate that the learner knows and understands the information covered in criteria 1.7 and 3.1 and, therefore, there is no need for these criteria to be assessed separately from performance.

### **Recording of evidence**

The type of evidence, portfolio reference and date should be entered against each assessment criterion in the table. Alternatively, centre documentation could be used to record this information. Evidence such as documents and materials from the learner's workplace must be left *in situ* in the workplace and not included in a portfolio. The nature and location of the evidence must be recorded in the assessment documents. Centres must ensure that access to the evidence will be permitted for examination by internal and external verifiers.

## Learning outcomes and assessment criteria

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
<p>1 Be able to investigate and evaluate financial products and services relevant to the client's needs, financial circumstances and attitudes to risk for financial advice and/or planning</p>	<p>1.1 Investigate appropriate financial products and services as possible solutions for the client's needs</p> <p>1.2 Evaluate proposed financial solutions and their suitability for the client's attitudes to risk, requirements, goals, needs and objectives</p> <p>1.3 Verify that the client can afford and sustain the proposed financial solutions</p> <p>1.4 Determine the allocation of the client's assets which are most appropriate to the client's attitudes to risk</p> <p>1.5 Select the most appropriate financial solutions that take into account the client's needs, existing arrangements, attitudes to risk, and affordability</p> <p>1.6 Explain how to evaluate the suitability of financial products and services</p> <p>1.7 Outline the techniques used for conducting efficient research</p>			

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
<p>2 Be able to determine and select financial products and services to support recommendations, including alternatives or additional solutions that may benefit the client for financial advice and/or planning</p>	<p>2.1 Identify alternative or additional solutions, when appropriate, that may benefit the client</p> <p>2.2 Identify where to obtain reliable, current and effective information about the financial products and services authorised to provide</p> <p>2.3 Explain the features, benefits and risks of the financial products, services and providers available to the organisation</p> <p>2.4 Identify the appropriate options for the allocation of the client's assets</p> <p>2.5 Explain current tax rules, their potential impact on the client, and the implications of financial solutions where appropriate</p> <p>2.6 Describe how to measure the suitability and affordability of recommendations</p>			
<p>3 Be able to follow organisational procedures and industry regulations for financial advice and/or planning</p>	<p>3.1 Explain organisational client acquisition, contact and appointment booking procedures</p> <p>3.2 Explain organisational requirements relating to storing and maintaining information</p> <p>3.3 Explain organisational requirements relating to the application of ethics, codes, laws and regulations</p> <p>3.4 Explain the regulatory framework as it affects financial advice</p> <p>3.5 Make sure organisational procedures are followed when preparing for, and undertaking contact with, prospective clients</p>			

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
4	Be able to deal with suspicions of financial crime	<p>4.1 Report suspicions of financial crime, when relevant</p> <p>4.2 Identify different types of financial crime and procedures for reporting suspicions</p> <p>4.3 Explain how different types of financial crime could be identified</p>		
5	Be able to work within the limits of personal levels of authority	<p>5.1 Refer the client to a suitably qualified person who is more able to fulfil the client's needs, when relevant</p> <p>5.2 Outline the limits of personal levels of authority within the job role</p>		

Learner name: \_\_\_\_\_ Date: \_\_\_\_\_

Learner signature: \_\_\_\_\_ Date: \_\_\_\_\_

Assessor signature: \_\_\_\_\_ Date: \_\_\_\_\_

Internal verifier signature: \_\_\_\_\_ Date: \_\_\_\_\_  
(if sampled)



## **Unit 5: Advising on appropriate financial solutions and agreeing the next steps for financial advice and/or planning**

<b>Unit code:</b>	PFAFP05
<b>Unit reference number:</b>	M/502/6497
<b>QCF level:</b>	4
<b>Credit value:</b>	4
<b>Guided learning hours:</b>	35

---

### **Unit summary**

This unit is for learners working within financial advice and/or planning. The unit is about preparing clear and concise recommendations for the client based on suitable financial solutions.

### **Evidence requirements**

Assessment must be carried out in a way that is consistent with the requirements outlined in *Annexe D: Assessment strategy*.

To pass the unit, learners must meet all of the assessment criteria.

Before starting work on this unit, learners must have met the requirements of the relevant Appropriate Examination Standards for Retail Investment Advice. Documentary evidence of meeting the requirements (usually a copy of the learner's certificate issued by an approved awarding organisation) must be available for scrutiny by the standards verifier. A list of appropriate qualifications that meet these requirements is available from the Financial Services Skills Council.

Wherever possible, assessment should be carried out holistically. Items of evidence may contribute to the assessment of more than one criterion, both within this unit and across other units, and, wherever possible, centres are recommended to use evidence in this way.

### **Assessment criteria: performance**

All the assessment criteria except criteria 5.1, 5.2, 6.1, 6.2, 6.3, 6.4, 7.1 and 8.1 relate to performance. Evidence for these must come from learners' performance in the workplace.

When determining whether the learner has provided sufficient performance evidence to meet the requirements of the criteria, assessors should be mindful of the complexity of the cases and the range of situations the learner has dealt with.

In assessment criterion 7.2, learners may not actually have the opportunity at their workplace to report suspicions of financial crime. The learner's ability to perform competently in this criterion may, therefore, be evidenced through case study or similar scenario-based assessment.

In assessment criteria 2.2, 3.1, 5.3 and 8.2, learners must provide performance evidence of fulfilling all parts of each criterion. 'What-if' questions or other scenario-based assessment cannot be used to meet the requirements of these criteria.

### **Simulation**

With the exception of assessment criterion 7.2 (see above), simulation is not permitted for any of the assessment criteria in this unit. Exercises and simulations carried out in training may be used as evidence to supplement actual performance, but the prime source of evidence must come from the provision of real advice situations (under supervision where appropriate) with real clients.

### **Assessment criteria: knowledge and understanding**

Assessment criteria 5.1, 5.2, 6.2, 6.3, 6.4, 7.1 and 8.1 relate to knowledge and understanding that must be assessed in addition to assessment of performance. The criteria can be assessed inside or outside the workplace, but the evidence the learners produce must relate to their own work environment. These criteria should preferably be assessed using question and answers, case studies or by professional discussion, and, wherever possible, in association with assessment of performance.

Assessment criterion 6.1 also relates to knowledge and understanding. However, evidence of satisfactory performance in the remainder of the assessment criteria will demonstrate that the learner knows and understands the information covered in criterion 6.1 and, therefore, there is no need for this criterion to be assessed separately from performance.

### **Recording of evidence**

The type of evidence, portfolio reference and date should be entered against each assessment criterion in the table. Alternatively, centre documentation could be used to record this information. Evidence such as documents and materials from the learner's workplace must be left *in situ* in the workplace and not included in a portfolio. The nature and location of the evidence must be recorded in the assessment documents. Centres must ensure that access to the evidence will be permitted for examination by internal and external verification.

## Learning outcomes and assessment criteria

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
1 Be able to prepare recommendations for the client based on identified financial solutions for financial advice and/or planning	<p>1.1 Compile recommendations for the client in line with organisational requirements, covering all of the information that must be issued to the client, as well as any options explored and discounted</p> <p>1.2 Present recommendations for the client clearly, concisely and in line with organisational requirements</p>			
2 Be able to explain to the client the features, benefits and risks of these recommendations, along with their suitability and affordability	<p>2.1 Explain clearly how recommendations will impact on the client's requirements, goals, needs, objectives and financial circumstances in light of their risk profile</p> <p>2.2 Explain any conditions and implications applying to the recommendations, disclosure requirements and the client's rights</p> <p>2.3 Verify the client's understanding of the information communicated, including the risks of following an alternative course of action</p>			
3 Be able to revise recommendations in line with any additional information provided by the client for financial advice and/or planning	<p>3.1 Revise recommendations in line with any additional information provided by the client</p>			

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
4 Be able to record the client's decision and explain the risks associated with following an alternative course of action for financial advice and/or planning	4.1 Obtain a decision from the client in response to recommendations 4.2 Record the recommended solutions and clearly explain the next steps in the process with agreed timescales 4.3 Identify to the client the risks they face should they elect to follow an alternative course of action			
5 Be able to determine whether a future review is appropriate and explain the next steps for financial advice and/or planning	5.1 Explain the typical factors that can cause changes in the client's financial circumstances 5.2 Explain the typical factors that influence whether a future review with the client is appropriate 5.3 Determine whether a future review of the client's financial circumstances will be necessary and, where appropriate, agree a review schedule			
6 Be able to follow organisational procedures and industry regulations for financial advice and/or planning	6.1 Explain organisational client acquisition, contact and appointment booking procedures 6.2 Explain organisational requirements relating to recording and storing information 6.3 Explain organisational requirements relating to the application of ethics, codes, laws and regulations 6.4 Explain the regulatory framework as it affects financial advice 6.5 Make sure organisational procedures are followed when preparing for, and undertaking contact with, prospective clients			

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
7 Be able to deal with suspicions of financial crime for financial advice and/or planning	7.1 Identify different types of financial crime and business procedures for reporting suspicions 7.2 Report suspicions of financial crime, when relevant			
8 Be able to work within the limits of personal levels of authority for financial advice and/or planning	8.1 Outline the limits of personal levels of authority within the job role 8.2 Refer the client to a suitably qualified person who is more able to fulfil the client's needs, when relevant			

Learner name: \_\_\_\_\_

Date: \_\_\_\_\_

Learner signature: \_\_\_\_\_

Date: \_\_\_\_\_

Assessor signature: \_\_\_\_\_

Date: \_\_\_\_\_

Internal verifier signature: \_\_\_\_\_

Date: \_\_\_\_\_

(if sampled)



## **Unit 6: Implementing financial solutions following financial advice and/or planning**

<b>Unit code:</b>	PFAFP06
<b>Unit reference number:</b>	A/502/6499
<b>QCF level:</b>	4
<b>Credit value:</b>	4
<b>Guided learning hours:</b>	28

---

### **Unit summary**

This unit is for learners offering financial advice and/or planning.

The unit covers following up on advice and recommendations to make sure that the appropriate financial solutions are properly implemented.

### **Evidence requirements**

Assessment must be carried out in a way that is consistent with the requirements outlined in *Annexe D: Assessment strategy*.

To pass the unit, learners must meet all of the assessment criteria.

Before starting work on this unit, learners must have met the requirements of the relevant Appropriate Examination Standards for Retail Investment Advice. Documentary evidence of meeting the requirements (usually a copy of the learner's certificate issued by an approved awarding organisation) must be available for scrutiny by the standards verifier. A list of appropriate qualifications that meet these requirements is available from the Financial Services Skills Council.

Wherever possible, assessment should be carried out holistically. Items of evidence may contribute to the assessment of more than one criterion, both within this unit and across other units, and, wherever possible, centres are recommended to use evidence in this way.

### **Assessment criteria: performance**

All the assessment criteria except criteria 1.3, 2.3, 5.2, 5.4, 7.1, 7.2, 7.3, 7.4, 8.1, 8.3 and 9.2 relate to performance. Evidence for these must come from learners' performance in the workplace.

When determining whether the learner has provided sufficient performance evidence to meet the requirements of the criteria, assessors should be mindful of the complexity of the cases and the range of situations the learner has dealt with.

In assessment criterion 6.1, learners may not actually have the opportunity at their workplace to take corrective action where inaccurate documents have been received. The learner's ability to perform competently in this criterion may, therefore, be evidenced through case study or similar scenario-based assessment.

In assessment criterion 8.2, learners may not actually have the opportunity at their workplace to report suspicions of financial crime. The learner's ability to perform competently in this criterion may, therefore, be evidenced through case study or similar scenario-based assessment.

In assessment criteria 3.3, 6.2 and 9.1, learners must provide performance evidence of fulfilling all parts of each criterion. 'What-if' questions or other scenario-based assessment cannot be used to meet the requirements of these criteria.

### **Simulation**

With the exception of assessment criteria 6.1 and 8.2 (see above), simulation is not permitted for any of the assessment criteria in this unit. Exercises and simulations carried out in training may be used as evidence to supplement actual performance, but the prime source of evidence must come from the provision of real advice situations (under supervision where appropriate) with real clients.

### **Assessment criteria: knowledge and understanding**

Assessment criteria 1.3, 5.4, 7.2, 7.3, 7.4, 8.1, 8.3 and 9.2 relate to knowledge and understanding that must be assessed in addition to assessment of performance. The criteria can be assessed inside or outside the workplace, but the evidence the learners produce must relate to their own work environment. These criteria should preferably be assessed using question and answers, case studies or by professional discussion, and, wherever possible, in association with assessment of performance.

Assessment criteria 2.3, 5.2 and 7.1 also relate to knowledge and understanding. However, evidence of satisfactory performance in the remainder of the assessment criteria will demonstrate that the learner knows and understands the information covered in criteria 2.3, 5.2 and 7.1, and, therefore, there is no need for these criteria to be assessed separately from performance.

### **Recording of evidence**

The type of evidence, portfolio reference and date should be entered against each assessment criterion in the table. Alternatively, centre documentation could be used to record this information. Evidence such as documents and materials from the learner's workplace must be left *in situ* in the workplace and not included in a portfolio. The nature and location of the evidence must be recorded in the assessment documents. Centres must ensure that access to the evidence will be permitted for examination by internal and external verification.

## Learning outcomes and assessment criteria

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
1 Be able to make sure that the appropriate documentation is completed and authority gained from the client	<p>1.1 Identify the documentation that must be issued to the client</p> <p>1.2 Make sure the appropriate documentation is completed with the necessary authority obtained from the client</p> <p>1.3 Outline the circumstances under which liaison with the client's legal and tax advisers would be needed</p> <p>1.4 Provide the client with sufficient time and opportunity to check their understanding and accuracy of formal documentation requiring the client's signature</p>			
2 Be able to produce reports containing complex information for financial advice	<p>2.1 Produce concise and comprehensive reports, in line with organisational procedures</p> <p>2.2 Use organisational information technology systems and bespoke software packages to produce reports</p> <p>2.3 Outline the different methodologies for communicating and articulating complex information in reports, in line with organisational requirements</p>			

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
3 Be able to ensure required documentation and records are completed	3.1 Accurately complete the necessary documentation for business submission 3.2 Maintain appropriate records 3.3 Make records available for inspection on request, in line with agreed timescales and regulatory requirements			
4 Be able to make changes to the client's existing holdings	4.1 Agree changes to existing holdings with the client 4.2 Make sure that the necessary changes are made to the client's existing holdings, as agreed by the client			
5 Be able to deal with queries and requests from the client regarding financial advice	5.1 Deal with queries and transaction requests from the client in a timely manner, and in line with the organisation's procedures 5.2 Outline the processes involved when instigating changes to the client's existing holdings 5.3 Explain to the client the implications of changes to the client's existing holdings 5.4 Outline the timescales involved when instigating changes to the client's existing holdings			
6 Be able to receive and issue documentation	6.1 Confirm the accuracy of documentation received from providers and, where necessary, take corrective action 6.2 Issue appropriate documentation to the client when required, and ensure that follow up procedures are in place			

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
7 Be able to follow organisational procedures and industry regulations for financial advice	7.1 Explain organisational client acquisition, contact and appointment booking procedures 7.2 Explain organisational requirements relating to recording and storing information 7.3 Explain organisational requirements relating to the application of ethics, codes, laws and regulations 7.4 Explain the regulatory framework as it affects financial advice 7.5 Make sure organisational procedures are followed when preparing for, and undertaking contact with, prospective clients			
8 Be able to deal with suspicions of financial crime	8.1 Identify different types of financial crime and business procedures for reporting suspicions 8.2 Report suspicions of financial crime, when relevant 8.3 Explain how different types of financial crime could be identified			
9 Be able to work within the limits of personal levels of authority	9.1 Refer the client to a suitably qualified person who is more able to fulfil the client's needs, when relevant 9.2 Outline the limits of personal levels of authority within the job role			

Learner name: \_\_\_\_\_  
Learner signature: \_\_\_\_\_  
Assessor signature: \_\_\_\_\_  
Internal verifier signature: \_\_\_\_\_  
(if sampled)

Date: \_\_\_\_\_  
Date: \_\_\_\_\_  
Date: \_\_\_\_\_  
Date: \_\_\_\_\_



When determining whether the learner has provided sufficient performance evidence to meet the requirements of the criteria, assessors should be mindful of the complexity of the cases and the range of situations the learner has dealt with.

In assessment criterion 3.3, learners may not actually have the opportunity at their workplace of dealing with a complaint. The learner's ability to perform competently in this criterion may, therefore, be evidenced through case study or similar scenario-based assessment.

In assessment criterion 6.2, learners may not actually have the opportunity at their workplace to report suspicions of financial crime. The learner's ability to perform competently in this criterion may, therefore, be evidenced through case study or similar scenario-based assessment.

In assessment criteria 3.2, 4.1, 4.4 and 7.1, learners must provide performance evidence of fulfilling all parts of each criterion. 'What-if' questions or other scenario-based assessment cannot be used to meet the requirements of these criteria.

### **Simulation**

With the exception of assessment criteria 3.3 and 6.2 (see above), simulation is not permitted for any of the assessment criteria in this unit. Exercises and simulations carried out in training may be used as evidence to supplement actual performance, but the prime source of evidence must come from the provision of real advice situations (under supervision where appropriate) with real clients.

### **Assessment criteria: knowledge and understanding**

Assessment criteria 1.4, 1.5, 2.3, 3.4, 4.2, 5.2, 5.3, 5.4, 6.1, 6.3 and 7.2 relate to knowledge and understanding that must be assessed in addition to assessment of performance. The criteria can be assessed inside or outside the workplace, but the evidence the learners produce must relate to their own work environment. These criteria should preferably be assessed using question and answers, case studies or by professional discussion, and, wherever possible, in association with assessment of performance.

Assessment criteria 4.3 and 5.1 also relate to knowledge and understanding. However, evidence of satisfactory performance in the remainder of the assessment criteria will demonstrate that the learner knows and understands the information covered in criteria 4.3 and 5.1, and, therefore, there is no need for these criteria to be assessed separately from performance.

### **Recording of evidence**

The type of evidence, portfolio reference and date should be entered against each assessment criterion in the table. Alternatively, centre documentation could be used to record this information. Evidence such as documents and materials from the learner's workplace must be left *in situ* in the workplace and not included in a portfolio. The nature and location of the evidence must be recorded in the assessment documents. Centres must ensure that access to the evidence will be permitted for examination by internal and external verification.

## Learning outcomes and assessment criteria

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
1 Be able to evaluate the performance and continuing suitability of previous recommendations to the client's current financial situation for financial advice and/or planning	<p>1.1 Undertake periodic reviews of the client's financial holdings in line with the client agreement and accurately determine their performance</p> <p>1.2 Evaluate with the client whether previous recommendations continue to be suitable to their current financial situation</p> <p>1.3 Explain the review schedule as agreed with the client</p> <p>1.4 Explain the typical factors that can justify the need for a review with the client</p> <p>1.5 Explain how to review and measure the suitability of the client's existing holdings</p>			
2 Be able to explain to clients what their rights and obligations are when their financial circumstances have changed	<p>2.1 Explain the client's rights and any obligations as a result of a change to their financial circumstances</p> <p>2.2 Explain the options available to the client as a result of a change to their financial circumstances</p> <p>2.3 Explain the typical factors that can cause change in the client's financial circumstances</p>			

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
3 Be able to take appropriate action in the event of policy cancellations or complaints	3.1 Investigate policy cancellations 3.2 Take action where justified that is appropriate and within organisational and regulatory procedures 3.3 Provide information where appropriate in response to a complaint received from the client, and within organisational and regulatory procedures 3.4 Explain organisational and regulatory procedures for dealing with policy cancellations and complaints			
4 Know how to refer a client to a more suitably qualified person who is more able to fulfil the client's needs	4.1 Identify a suitably qualified person, more able to fulfil the client's needs, where this is appropriate 4.2 Explain alternative sources of advice and guidance for the client 4.3 Explain how to make an appropriate referral when justified 4.4 Refer the client to a person more able to fulfil the client's needs when this is justified			
5 Be able to follow organisational procedures and industry regulations for financial advice	5.1 Explain organisational client acquisition, contact and appointment booking procedures 5.2 Explain organisational requirements relating to recording and storing information 5.3 Explain organisational requirements relating to the application of ethics, codes, laws and regulations			

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
	<p>5.4 Explain the regulatory framework as it affects financial advice</p> <p>5.5 Make sure organisational procedures are followed when preparing for, and undertaking contact with, prospective clients</p>			
6	<p>6.1 Identify different types of financial crime and business procedures for reporting suspicions</p> <p>6.2 Report suspicions of financial crime, when relevant</p> <p>6.3 Explain how different types of financial crime could be identified</p>			
7	<p>7.1 Refer the client to a suitably qualified person who is more able to fulfil the client's needs, when relevant</p> <p>7.2 Outline the limits of personal levels of authority within the job role</p>			

Learner name: \_\_\_\_\_ Date: \_\_\_\_\_

Learner signature: \_\_\_\_\_ Date: \_\_\_\_\_

Assessor signature: \_\_\_\_\_ Date: \_\_\_\_\_

Internal verifier signature: \_\_\_\_\_ Date: \_\_\_\_\_  
(if sampled)



**Unit 8: Maintaining professional development and financial services industry awareness for financial advice and/or planning**

**Unit code:** PFAFP08

**Unit reference number:** T/502/6503

**QCF level:** 4

**Credit value:** 4

**Guided learning hours:** 30

---

**Unit summary**

This unit is suitable for learners providing financial advice and/or planning to clients. It encourages a proactive approach to the candidate's own professional development in undertaking activities to develop and keep abreast of changes to financial services as a whole.

**Evidence requirements**

Assessment must be carried out in a way that is consistent with the requirements outlined in *Annexe D: Assessment strategy*.

To pass the unit, learners must meet all of the assessment criteria.

Before starting work on this unit, learners must have met the requirements of the relevant Appropriate Examination Standards for Retail Investment Advice. Documentary evidence of meeting the requirements (usually a copy of the learner's certificate issued by an approved awarding organisation) must be available for scrutiny by the standards verifier. A list of appropriate qualifications that meet these requirements is available from the Financial Services Skills Council.

Wherever possible, assessment should be carried out holistically. Items of evidence may contribute to the assessment of more than one criterion, both within this unit and across other units, and, wherever possible, centres are recommended to use evidence in this way.

**Assessment criteria: performance**

All the assessment criteria except criteria 1.1, 1.2 and 1.3 relate to performance. Evidence for these must come from learners' performance in the workplace.

This unit requires the learner to provide evidence of maintaining professional development and financial services awareness. In order to do so, the evidence of competent performance must be gathered by the learner over a reasonable period of time: sufficient for the assessor to be able to make a reliable judgement that professional development and financial services awareness has been maintained. This may vary with the circumstances of the learner and the nature of the work being carried out. Centres should discuss the time period required with their standards verifier at an early stage in the learner's programme.

### **Simulation**

Simulation is not permitted for any of the assessment criteria in this unit. Exercises and simulations carried out in training may be used as evidence to supplement actual performance, but the prime source of evidence must come from real working situations in the sector.

### **Assessment criteria: knowledge and understanding**

Assessment criteria 1.1, 1.2 and 1.3 relate to knowledge and understanding that must be assessed in addition to assessment of performance. The criteria can be assessed inside or outside the workplace, but the evidence the learners produce must relate to their own work environment. These criteria should preferably be assessed using question and answers, case studies or by professional discussion, and, wherever possible, in association with assessment of performance.

### **Recording of evidence**

The type of evidence, portfolio reference and date should be entered against each assessment criterion in the table. Alternatively, centre documentation could be used to record this information. Evidence such as documents and materials from the learner's workplace must be left *in situ* in the workplace and not included in a portfolio. The nature and location of the evidence must be recorded in the assessment documents. Centres must ensure that access to the evidence will be permitted for examination by internal and external verification.

## Learning outcomes and assessment criteria

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
1 Understand the importance of professional development	<p>1.1 Explain the principles that underpin professional development</p> <p>1.2 Explain how own personal values, career and personal goals relate to the job role and professional development</p> <p>1.3 Explain how to set objectives which are specific, measurable, achievable, realistic and time-bound</p>			
2 Be able to develop a personal professional development plan	<p>2.1 Evaluate current and future requirements of the work role taking into account changes to financial services industries and the objectives of the organisation</p> <p>2.2 Analyse gaps between the requirements of the job and current personal knowledge, understanding and skills, ie strengths and weaknesses</p> <p>2.3 Seek constructive and effective feedback on own performance over time</p> <p>2.4 Discuss and agree with the relevant person/s the type of development activities that can be undertaken to address identified gaps in own knowledge, understanding and skills</p> <p>2.5 Compile a development plan which addresses these within an appropriate timescale</p>			

Learning outcomes	Assessment criteria	Evidence type	Portfolio reference	Date
3 Be able to maintain up-to-date knowledge of financial services for financial advice and/or planning	3.1 Identify appropriate networks and sources of financial services industry related knowledge 3.2 Maintain up-to-date knowledge of financial products and services appropriate to the organisation 3.3 Review developments in the financial services industry on a regular basis			
4 Be able to respond to changes to legislation, regulations and codes of practice	4.1 Review regulations, legislation and codes of practice for the organisation so that correct procedures are being followed 4.2 Prepare for and implement changes to working practices in response to forthcoming changes to working practices 4.3 Maintain up-to-date knowledge of the consequences of non-compliance with regulations and legislation that affect the organisation			

Learner name: \_\_\_\_\_ Date: \_\_\_\_\_

Learner signature: \_\_\_\_\_ Date: \_\_\_\_\_

Assessor signature: \_\_\_\_\_ Date: \_\_\_\_\_

Internal verifier signature: \_\_\_\_\_ Date: \_\_\_\_\_  
*(if sampled)*

## Further information

---

Our customer service numbers are:

BTEC and NVQ	0844 576 0026
GCSE	0844 576 0027
GCE	0844 576 0025
The Diploma	0844 576 0028
DiDA and other qualifications	0844 576 0031

Calls may be recorded for training purposes.

## Useful publications

---

Related information and publications include:

- *Centre Handbook for Edexcel QCF NVQs and Competence-based Qualifications* published annually
- functional skills publications – specifications, tutor support materials and question papers
- *Regulatory Arrangements for the Qualification and Credit Framework* (published by Ofqual, August 2008)
- the current Edexcel publications catalogue and update catalogue.

Edexcel publications concerning the Quality Assurance System and the internal and standards verification of vocationally related programmes can be found on the Edexcel website.

NB: Some of our publications are priced. There is also a charge for postage and packing. Please check the cost when you order.

## How to obtain National Occupational Standards

To obtain the National Occupational Standards for financial advice, go to [www.ukstandards.org.uk](http://www.ukstandards.org.uk)

## Professional development and training

---

Edexcel supports UK and international customers with training related to NVQ and BTEC qualifications. This support is available through a choice of training options offered in our published training directory or through customised training at your centre.

The support we offer focuses on a range of issues including:

- planning for the delivery of a new programme
- planning for assessment and grading
- developing effective assignments
- building your team and teamwork skills
- developing student-centred learning and teaching approaches
- building functional skills into your programme
- building effective and efficient quality assurance systems.

The national programme of training we offer can be viewed on our website ([www.edexcel.com/training](http://www.edexcel.com/training)). You can request customised training through the website or by contacting one of our advisers in the Training from Edexcel team via Customer Services to discuss your training needs.

The training we provide:

- is active
- is designed to be supportive and thought provoking
- builds on best practice
- may be suitable for those seeking evidence for their continuing professional development.

## Annexe A: Progression pathways

### The Edexcel qualification framework for finance and accounting

Level	General qualifications	Diplomas	BTEC vocationally-related qualifications	BTEC specialist/professional qualifications	NVQ/competence
5					
4					Edexcel Level 4 Certificate for Financial Advisers (QCF)
3		Edexcel Level 3 Principal Learning in Business, Administration and Finance	Edexcel BTEC Level 3 Certificate/Subsidiary Diploma in Personal and Business Finance (QCF)	Edexcel BTEC Level 3 Award in Financial Services Regulation, Ethics and Trends (QCF)	Edexcel Level 3 Certificate for Mortgage Advisers (QCF) Edexcel Level 3 Award/Certificate/Diploma in Providing Financial Services (QCF) Edexcel Level 3 Diploma in Accounting (QCF)

<b>Level</b>	<b>General qualifications</b>	<b>Diplomas</b>	<b>BTEC vocationally-related qualifications</b>	<b>BTEC specialist/ professional qualifications</b>	<b>NVQ/ competence</b>
<b>2</b>		Edexcel Level 2 Principal Learning in Business, Administration and Finance		Edexcel Level 2 Award in Money and Finance Skills (QCF)	Edexcel Level 2 Award/Certificate/ Diploma in Providing Financial Services (QCF) Edexcel Level 2 Certificate in Accounting (QCF)
<b>1</b>		Edexcel Level 1 Principal Learning in Business, Administration and Finance		Edexcel Level 1 Award in Money and Finance Skills (QCF)	

## Annexe B: Quality assurance

---

### Key principles of quality assurance

- A centre delivering Edexcel qualifications must be an Edexcel recognised centre and must have approval for qualifications that it is offering.
- The centre agrees, as part of gaining recognition, to abide by specific terms and conditions relating to the effective delivery and quality assurance of assessment. The centre must abide by these conditions throughout the period of delivery.
- Edexcel makes available to approved centres a range of materials and opportunities to exemplify the processes required for effective assessment and provide examples of effective standards. Approved centres must use the guidance on assessment to ensure that staff who are delivering Edexcel qualifications are applying consistent standards.
- An approved centre must follow agreed protocols for: standardisation of assessors; planning, monitoring and recording of assessment processes; internal verification and recording of internal verification processes and dealing with special circumstances, appeals and malpractice.

### Quality assurance processes

The approach to quality assured assessment is made through a partnership between a recognised centre and Edexcel. Edexcel is committed to ensuring that it follows best practice and employs appropriate technology to support quality assurance processes where practicable. The specific arrangements for working with centres will vary. Edexcel seeks to ensure that the quality-assurance processes it uses do not inflict undue bureaucratic processes on centres, and works to support them in providing robust quality-assurance processes.

The learning outcomes and assessment criteria in each unit within this specification set out the standard to be achieved by each learner in order to gain each qualification. Edexcel operates a quality-assurance process, designed to ensure that these standards are maintained by all assessors and verifiers.

For the purposes of quality assurance, all individual qualifications and units are considered as a whole. Centres must be committed to ensuring the quality of the units and qualifications they offer, through effective standardisation of assessors and internal verification of assessor decisions. Centre quality assurance and assessment processes are monitored by Edexcel.

The Edexcel quality-assurance processes will involve:

- gaining centre recognition and qualification approval if a centre is not currently approved to offer Edexcel qualifications

- annual visits to centres by Edexcel for quality review and development of overarching processes and quality standards. Quality review and development visits will be conducted by an Edexcel quality development reviewer
- annual visits by occupationally competent and qualified Edexcel Standards Verifiers for sampling of internal verification and assessor decisions for the occupational sector
- the provision of support, advice and guidance towards the achievement of National Occupational Standards.

Centres are required to declare their commitment to ensuring quality and appropriate opportunities for learners that lead to valid and accurate assessment outcomes. In addition, centres will commit to undertaking defined training and online standardisation activities.

## Annexe C: Centre certification and registration

---

Edexcel Standards Verifiers will provide support, advice and guidance to centres to achieve Direct Claims Status (DCS). Edexcel will maintain the integrity of Edexcel QCF NVQs through ensuring that the awarding of this qualification is secure. Where there are quality issues identified in the delivery of programmes, Edexcel will exercise the right to:

- direct centres to take action
- limit or suspend certification
- suspend registration.

The approach of Edexcel in such circumstances is to work with the centre to overcome the problems identified. If additional training is required, Edexcel will aim to secure the appropriate expertise to provide this.

### **What are the access arrangements and special considerations for the qualification in this specification?**

Centres are required to recruit learners to Edexcel qualifications with integrity.

Appropriate steps should be taken to assess each applicant's potential and a professional judgement should be made about their ability to successfully complete the programme of study and achieve the qualification. This assessment will need to take account of the support available to the learner within the centre during their programme of study and any specific support that might be necessary to allow the learner to access the assessment for the qualification. Centres should consult Edexcel's policy on learners with particular requirements.

Edexcel's policy on access arrangements and special considerations for Edexcel qualifications aims to enhance access to the qualifications for learners with disabilities and other difficulties (as defined by the 1995 Disability Discrimination Act and the amendments to the Act) without compromising the assessment of skills, knowledge, understanding or competence. Please refer to *Access Arrangements and Special Considerations for BTEC and Edexcel NVQ Qualifications* for further details ([www.edexcel.com](http://www.edexcel.com)).



## Annexe D: Assessment strategy

---

The purpose of this assessment strategy is to ensure that the Edexcel Level 3 Certificate for Mortgage Advisers (QCF) and the Edexcel Level 4 Certificate for Financial Advisers (QCF) are subject to consistently rigorous and fair assessment. It is also designed to ensure that individuals who make judgements about competence are both qualified and competent to do so.

The assessment strategy addresses issues of:

- 1 Use of Training and Competence schemes to generate assessment evidence
- 2 Assessment
- 3 Simulation
- 4 Assessment/internal verification models: the standard model and employer-direct model
- 5 Criteria for appointment of assessors and internal verifiers
- 6 Expert witnesses
- 7 Criteria for appointment of external verifiers.

### **1 Use of Training and Competence schemes to generate assessment evidence**

- 1.1 The competence of employees working within the sector is overseen by the statutory regulator through its Training and Competence (T&C) regime. The senior management of each organisation has ultimate responsibility for ensuring the competence of the organisation's employees and its statutory obligations. Organisations are required to operate T&C schemes, which are in place to assess the ability of each employee to do his or her job. To this end assessment systems for the Level 3 Certificate for Mortgage Advisers and the Level 4 Certificate for Financial Advisers should integrate into organisations' models for developing and recognising competence of their workforce.
- 1.2 Under T&C requirements, the evidence used by organisations for recognising the competence of their workforce must be generated and collected through working as a trainee adviser under supervision, with real clients. Assessment for the Level 3 Certificate for Mortgage Advisers and the Level 4 Certificate for Financial Advisers must be based upon the assessment and evidence used in the organisation's T&C scheme. There are, therefore, only a very few situations where the simulation can be accepted. Guidance on simulation is given in section 3, below.

- 1.3 Before learners begin the Edexcel Level 3 Certificate for Mortgage Advisers and the Edexcel Level 4 Certificate for Financial Advisers, centres must ensure that the following conditions are met:
- (i) Financial advisers and trainee financial advisers undertaking these qualifications have already been assessed in a manner approved by the regulator as meeting the Appropriate Examination (ApEx) Standards. Evidence of this must be available for external verification.
  - (ii) Learners' knowledge and understanding of the ApEx standards content is current. In particular, centres must be mindful of how long it has been since the qualification covering the ApEx content was gained by the candidate, and any significant changes to regulation, legislation and the market place and products that have taken place since the qualification was gained.
- 1.4 It is important for centres to understand that the qualification covering the ApEx standards cannot contribute to the assessment of the knowledge/understanding in the assessment criteria required within the Edexcel Level 3 Certificate for Mortgage Advisers and the Edexcel Level 4 Certificate for Financial Advisers.

## 2 Assessment

- 2.1 With a very few exceptions (identified in the assessment guidance for each unit), simulation is not allowed as the prime form of evidence for any of the assessment criteria dealing with performance. Evidence arising from simulated activities in training may only be used as evidence to support the prime source of evidence, which should derive from working with real clients in real situations concerning the provision of advice, even if under training. For further information, see *3. Simulation* below.
- 2.2 Although individual QCF units define specific learning outcomes and assessment criteria, it is not a requirement that QCF units be taught and assessed individually. Assessors are strongly advised to look for opportunities to use one piece of evidence to address learning outcomes and assessment criteria in more than one unit. For example, evidence meeting the requirements of being able to follow organisational procedures and industry regulations may be used in several different units.
- 2.3 Within the learning outcomes for the units, there is generally a mix of assessment criteria that relate to performance and those that relate to knowledge/understanding. These will be identified in each unit, and specific evidence requirements stated for each.

- 2.4 The prime source of evidence should always come from assessments carried out under the T&C assessment process of the employer. This should consist of:
- (i) Observation by the candidate's supervisor, including reports and the feedback derived from these.
  - (ii) Expert witness testimony relating to learner performance in the workplace, provided by qualified and competent advisers, as per required by the organisation's T&C scheme.
  - (iii) Products of work done in the workplace, eg file notes, reports, correspondence. Wherever possible, all evidence should be left in the candidate's workplace (usually in the organisation's T&C files) and should not be kept in a portfolio, particularly where these are confidential. Centres must ensure that external verifiers have full access to all evidence and assessment records. Centres may take necessary actions to ensure data protection, and that client's details and any other sensitive information is protected, providing that the assessment process is auditable.
  - (iv) Witness testimony, including interviews with learners' clients carried out by the assessor
  - (v) Learner reflective accounts
  - (vi) Professional discussion between the assessor and the candidate, accurately recorded (either written or sound recording is permissible)
  - (vii) Oral or written questioning, with questions and answers recorded by the assessor or candidate
  - (viii) Assignments and projects related to the learner's work environment.

### 3 Simulation

- 3.1 Where simulation is permitted, this is identified within the relevant unit.
- 3.2 Simulation is only allowed:
- *in situations* where learners have to demonstrate that they can address any variance to, or rejection of, their recommendations by a customer; or
  - *in situations* where the candidate would rarely have an opportunity to evidence (eg identification and reporting of financial crime); or
  - to corroborate or support workplace assessment in instances that are permitted within the employer's T&C scheme and where that regime has been endorsed by the FSA. Examples of this would include role-play-based customer interviews and subsequent documentation which have been completed for the purposes of formal T&C scheme assessment requirements. Such evidence is to be used only as supporting evidence and it

should not be used in place of on-the-job assessment, but can be used to provide additional and therefore supplementary data.

3.3 Where simulation is used, it must be designed to ensure that:

- the learner is required to use materials and equipment found and used within the workplace environment
- the learner is provided with information, advice and guidance in line with that which would be provided in the workplace environment in that context
- the learner is required to carry out actions and responsibilities which would normally be delegated to someone competent in the occupational area within the workplace environment
- the physical environment and situation replicates the workplace environment
- other people with whom the candidate interacts in performing the activity behave 'in character' for the given situation.

3.4 In all cases, the centre should agree its plans for simulation with the external verifier to ensure that it is satisfactory

#### 4 Assessment/internal verification models: the standard model and employer-direct model

4.1 The **standard** model of assessment/verification requires assessors and internal verifiers to hold appropriate qualifications for assessors/internal verifiers. For further information about these, see section 5 below.

4.2 Under the standard model, assessors and internal verifiers may be:

- directly employed in the same organisation as the learner (for example, the learner's supervisor and second-line supervisor/compliance function); or
- employed by an external organisation such a training provider. In such cases, the assessor is required to make use of expert witness testimony from the learner's supervisor (see section 6). However, the final decision regarding the validity and reliability of the assessment rests with the centre's assessor.

4.3 The **employer-direct** model of assessment/verification recognises that managers and supervisors may have developed equivalent skills and understanding through the employment context to enable them to take on assessor and internal verifier roles without holding the specified qualifications for assessors and/or internal verifiers.

- 4.4 Under the employer-direct model, all assessment and internal verification will be carried out by the employer itself. Normally, assessment will be carried out by the learner’s supervisor (under the requirements of the organisation’s T&C scheme) and internal verification by the second-line supervisor or the organisation’s compliance department.
- 4.5 The employer-direct model may only be used with specific approval from Edexcel in advance. Before approval is granted, the employer will be required to demonstrate that its internal systems, training and procedures map fully to the QCF assessor/verifier qualifications that are required under the standard model (see section 5.1 below).

## 5 Criteria for appointment of assessors and internal verifiers

5.1 Requirements for assessors under each model are as follows:

Standard model	Employer-direct model
<p>Assessors must:</p> <ul style="list-style-type: none"> <li>• hold or be working towards an appropriate qualification [D32; D33; A1; Level 3 Award in Assessing Competence in the Work Environment (QCF)]</li> </ul> <p>Internal verifiers must:</p> <ul style="list-style-type: none"> <li>• hold or be working towards an appropriate qualification [D34; V1; Level 4 Award in the Internal Quality Assurance of Assessment Processes and Practice (QCF)]</li> </ul>	<p>Assessors and internal verifiers must:</p> <ul style="list-style-type: none"> <li>• have completed the company’s in-house training scheme which has been confirmed by Edexcel as providing the equivalent level of rigour and robustness to the assessor qualifications</li> </ul>
<p>Under both models, assessors and internal verifiers must also:</p> <ul style="list-style-type: none"> <li>• have credible up-to-date technical competence, developed through at least <b>one</b> of the following: <ul style="list-style-type: none"> <li>– expertise gained in experience of working in the occupational area</li> <li>– achievement of a qualification<sup>1</sup> which meets the ApEx requirements in the role covered by the qualification</li> <li>– experience in supervising people who perform the role covered by the qualification</li> <li>– experience gained in providing training in a workplace context for those who perform the role covered by the qualification</li> </ul> </li> <li>• have a thorough understanding of the relevant appropriate exam standards and of the qualification that they are assessing</li> <li>• continue their personal and professional development to support their technical and occupational expertise.</li> </ul>	

<sup>1</sup> This should be an exam that is (or has been) on the Appropriate Exam list

## **6 Expert witnesses**

- 6.1 Expert witnesses are only relevant under the standard model where the assessors are external to the employer.
- 6.2 An expert witness is defined as the supervisor assessing the learner's competence under the employer's T&C scheme.
- 6.3 Other people, such as colleagues, can provide testimony, but are considered to be 'witnesses' rather than 'expert witnesses'.

## **7 Criteria for appointment of external verifiers**

- 7.1 Edexcel will ensure that external verifiers comply with the following criteria. External verifiers must:
  - have experience of working within the financial services industry
  - demonstrate a commitment to maintaining their knowledge of the industry
  - have sufficient understanding of the subject area to judge evidence within the qualification
  - understand the structure, content and evidence requirements for the qualification
  - be independent of the centres that they are verifying
  - hold or be working towards an appropriate external verifier award.

# Annexe E: Additional instructions and guidance for centres

---

## 1 Centres using the standard assessment model with assessors from outside the learner's organisation

### 1.1 Introduction

The standard model of assessment and internal verification is described in *Annexe D*, section 4.

This guidance below is relevant only to centres (usually colleges or training providers) using the standard model that are external to the organisation where the learner works, ie they are brought in from outside to carry out assessment. These will be referred to as 'training centres'. The organisation for which the learner works will be referred to as 'the employer'. Other centres should refer to the guidance in section 2, below.

### 1.2 Initial review of the employer's T&C scheme

Before enrolling candidates, training centres should confirm that the employer operates appropriate assessment and recording systems (or that their systems can be easily modified to meet these requirements). This will require the training centre's assessors to inspect the employer's T&C assessment process at the earliest possible stage.

At this stage, providers should be able to make a preliminary general judgement as to:

- whether the assessment process is capable of providing valid evidence that learners meet the assessment criteria within the qualification
- the completeness and accuracy of the recording process
- the authenticity of the evidence used
- the availability of evidence for verification purposes.

It is recommended that training providers ask the T&C supervisor to confirm that the employer's advisers are assessed against each of the assessment criteria listed for the relevant units. The assessor should ask what evidence there is of the assessment taking place and where the evidence of assessment for each adviser can be found. This will make ongoing assessment of each adviser much more straightforward since it will identify if any evidence cannot be supplied (and, therefore, the criteria will not be met) and, if it can be supplied, will help assessors and verifiers to access the evidence.

If the review of the employer's T&C assessment process shows the organisation is not carrying out assessments that would meet the requirements of the assessment criteria, or if the evidence is not kept or cannot be located, it is possible the employer is not compliant with regulatory requirements. In such cases, the employer may be able to rectify the situation and action should be noted as to how this is to be done.

In some cases, however, where the review indicates serious failure of the employer to meet compliance requirements, it would be advisable not to start advisers on the qualification until the organisation takes the actions needed to ensure they are compliant.

External verifiers will be asked to ensure this process has been carried out.

### **1.3 Use of T&C scheme to generate evidence**

The National Occupational Standards (NOS) upon which this qualification is based were designed to mirror the regulatory T&C requirements and current industry best practice, eg as relates to customer care and administrative efficiency. This means that if an organisation's T&C process meets regulatory requirements, then the evidence generated of that (records of observations of advisers, case study material, etc) will meet many of the relevant criteria in the qualification. In view of this, at the earliest possible stage in the programme, assessors should review a sample of assessments made by the T&C supervisors for regulatory purposes and match these against assessment criteria to identify where gaps may occur and where therefore additional evidence may be required. This will give an early opportunity to request that changes are made to ensure T&C assessments produce evidence which will meet the requirements of the qualification.

### **1.4 Role of the assessor and internal verifier**

The role of the training centre's assessor then becomes one of continuing to review the assessments made by the employer's T&C supervisors to ensure consistency both across different supervisors within the organisation and over time.

The training centre's internal verifier should carry out normal quality assurance functions, concentrating upon ensuring consistency of approach across each assessor and across different employers.

Training centres should preferably not require organisations to produce or build 'portfolios' for each candidate. The evidence should be available, but may be in locations to serve the T&C regime's purpose. A record of where each item of evidence is to be found must be kept to ensure that verifiers are able to carry out normal verification sampling of evidence against standards. Records of assessment and of the evidence used for assessment, however, must remain available for a period of three years.

## 2 Financial institutions carrying out their own assessment and internal verification

### 2.1 Introduction

The standard and employer-direct models of assessment and internal verification is described in *Annexe D*, section 4.

The guidance below applies both to employer-direct centres and to those centres using the standard model where assessment is carried out by the learner's own supervisor. For the purposes of this annexe, both of these will be referred to below as 'employers'.

### 2.2 Initial review of the employer's T&C scheme

Employers in the mortgage/financial advice sectors should already be operating a T&C process that is compliant with regulatory requirements. The National Occupational Standards (NOS) upon which this qualification is based were designed to mirror the regulatory T&C requirements and current industry best practice, eg as relates to customer care and administrative efficiency. This means that if an employer's T&C process meets regulatory requirements, then the evidence generated of that (records of observations of advisers, case study material, etc) will meet many of the relevant criteria in the qualification. In some cases, however, employers may have to provide further evidence of advisers meeting some criteria that are not strictly part of T&C requirements (see 2.4 below).

As a starting point, the employer should conduct a review to confirm that the assessment and recording systems and the evidence available meet the requirements of the qualification. This should be done by comparing the requirements of the qualification against the employer's T&C process. It will identify:

- whether or not the assessment process is capable of providing valid evidence that learners meet the assessment criteria within the qualification
- the completeness and accuracy of the recording process
- the availability and location of evidence for verification purposes.

External verifiers will be asked to ensure a review has been carried out and that:

- the compliance function confirms that the organisation's advisers are assessed against each of the criteria listed for the relevant units

- the evidence of assessments taking place should be noted, as should the location of the evidence of assessment for each adviser. This will make ongoing assessment of each adviser much more straightforward since it will indicate if any evidence cannot be supplied. The review will also help reference evidence for external verification purposes. If the comparison shows that evidence for some of the assessment criteria are met by normal T&C assessments, it gives the organisation a starting point for seeking the necessary additional evidence.

### **2.3 Use of T&C scheme to generate evidence**

Organisations will not be expected or required to produce or build 'portfolios' for each candidate. The evidence must be available, but may be in locations to serve the T&C regime's purpose (eg T&C files for each adviser). A record of where each item of evidence is to be found must be kept to ensure that external verifiers are able to carry out normal verification sampling of evidence against standards. Such a record must be kept for each of the centre's advisers undertaking the qualification. Records of assessment and of the evidence used for assessment, however, must remain available for a period of three years.

### **2.4 Assessment and internal verification**

The adviser's first-line supervisor normally carries out T&C assessment. The first-line supervisor, therefore, is fulfilling the function of the assessor (or 'expert witness', where the employer is using the standard model – see Annex D, sections 4.2 and 6).

As noted above, all criteria in the qualification covering regulatory requirements should be covered by the organisation's T&C process, so, providing all the evidence associated with this is available, no further assessment of these areas will be required. However, some aspects may not be fully covered by the organisation's T&C assessments. These areas will have been identified by the initial review described in 2.2. In such cases, additional assessment may be needed and this should be carried out by the first-line supervisor, following the requirements and guidelines of good practice for assessment and assessment planning.

In employer centres, the compliance function is generally responsible for quality assurance of the T&C assessment process. This covers all aspects expected in internal verification (standardisation of assessment, training of the first-line supervisors in assessment requirements, sampling and verifying the assessment decision etc). Records will normally be kept of this process. The compliance function, therefore, is fulfilling the function of internal verification.

## **2.5 External verification**

External verifiers will require to see the records of the internal verification process, including records of planning, the sampling of assessment decisions, feedback to first-line supervisors on assessment decisions, CPD records of first-line supervisors and compliance staff, records of meetings with first-line supervisors and records of standardisation taking place, etc. Records of this 'internal verification' function being carried out must remain available for a period of three years.

Publications Code N031011 January 2012

For more information on Edexcel and BTEC qualifications please  
visit our website: [www.edexcel.com](http://www.edexcel.com)

Pearson Education Limited. Registered in England and Wales No. 872828  
Registered Office: Edinburgh Gate, Harlow, Essex CM20 2JE. VAT Reg No GB 278 537121