Occupational Specialist 1 content – Commercial and Retail Banking Analyst

Performance Outcome 1: Operate ethically and professionally in all interactions with customers /clients

Skill content	Knowledge		English, Maths and Digital skills
S1.1 Outline the key features of an ethical and professional culture in retail and commercial banking. **S1.3** Apply the principles of relevant codes of conduct and ethical decision-making models to arrive at appropriate courses of action.	**1.1**	**Culture and conduct in retail and commercial banking**	
	Students should be able to understand		
	1.1.1	The importance of 'culture' in a financial services context:- • Individual behaviour • Organisational culture • Sector culture	
	1.1.2	The importance of 'conduct' and the influences on conduct in a financial services context:- • Fiduciary relationship • Appropriate conduct defined • Codes of conduct • FCA Conduct Rules	
	1.1.3	The importance of 'accountability' in a financial services context:- • Caveat emptor • Accountability of the individual (employees and customers) • FCA's fair treatment of customers • Utmost good faith contracts	
	1.1.4	The regulatory regime that underpins conduct in retail and commercial banking: • Financial Conduct Authority (FCA) • Prudential Regulatory Authority (PRA) • Financial Policy Committee (FPC) • Financial Services and Markets Act 2000 (FSMA) • FCA's consumer credit sourcebook (CONC)	

		• Banking Conduct of Business Sourcebook (BCOBS) • Payment services regulations (PSR) • Competition and Markets Authority (CMA) • General Data Protection Regulation • Consumer Rights Act 2015 • Data Protection Act 2018 (DPA) • Money laundering regulations/ Proceeds of Crime Act 2002	
Skill content	**Knowledge**		**English, Maths and Digital skills**
S1.1 Outline the key features of an ethical and professional culture in retail and commercial banking.	**1.2**	**Ethical decision-taking principles**	
	Students should be able to understand		
S1.2 Identify where common ethical dilemmas and conflicts of interest may arise in retail and commercial banking including the ability to listen to the needs of customers and interpret appropriately.	1.2.1	The importance of 'ethics':- • Ethics versus compliance • General ethical principles and behaviours • Influences on ethical behaviour	
	1.2.2	The role of ethical codes of conduct • Ethical codes of conduct defined • Key elements of an ethical code of conduct • Examples of ethical codes of conduct in retail and commercial banking • Applying an ethical code of conduct	
S1.3 Apply the principles of relevant codes of conduct and ethical decision-taking models to arrive at appropriate courses of action.	1.2.3	The range of retail and commercial banking protections that exist to support the appropriate culture and conduct of organisations and their employees:- • FOS (financial ombudsman service) • FSCS (financial services compensation scheme)	
S1.4 Identify when ethical conflicts and dilemmas should be escalated, and to whom.	1.2.4	The process of ethical decision-making from both the provider and customer perspectives:- • Ethical criteria • Stages of the decision-making process	
	1.2.5	When ethical dilemmas and conflicts of interest might arise and how to deal with them • How ethical dilemmas might arise and how to identify them	

		• Options for dealing with ethical dilemmas • Ethical decision-making models and how to apply them • Conflicts of interest • Types of conflicts of interest • Situations when conflicts of interest might arise and how to identify them • Options for dealing with conflicts of interest • Potential issues where ethical dilemmas and conflicts of interest are not resolved	
	1.2.6	Unethical practices in financial services: • Mis-selling • Insider trading • Misleading advertising • Lack of clarity regarding pricing/fees • Mis-use of customer data	
	1.2.7	How a bank employee has a right and duty to speak up: • The protection available to anyone who speaks up if they see something in the workplace they believe to be unethical or illegal • The role of the Whistleblowing Champion • The Public Interest Disclosure Act (1998) (PIDA)	
	1.2.8	The impact that previous unethical decisions have led to harm being caused to customers and the industry: • The financial crisis and collapse of Northern Rock in 2008 • The selling of mortgages without taking affordability into account • The payment protection insurance (PPI) mis-selling scandal • The collapse of Enron in 2001 • The collapse of Lerman Brothers in 2008 • The securitisation of sub-prime mortgages and how this contributed to the financial crash of 2008 • The payment protection insurance (PPI) mis-selling scandal (2010 – 2019) • Unethical charges applied to mortgages – excessive mortgage arrears fees and exit fees (2002 – 2019)	

		• Mis-selling by banks of ID theft and card protection (2014-15) • Mis-selling by banks of packaged bank accounts including products such as insurance and car breakdown cover (2014-2018)	
Skill content	**Knowledge**		**English, Maths and Digital skills**
S1.1 Outline the key features of an ethical and professional culture in retail and commercial banking.	**1.3**	**The key features of professionalism**	
	Students should be able to understand		
	1.3.1	'Professionalism' in the context of retail and commercial banking environment by reference to: • Acting in a fair and honest way • The interests of customers, colleagues, counterparties • The effects on the wider society • How to ensure employees act professionally	
	1.3.2	The importance of acting professionally to protect the interests of a range of different stakeholders:- • Corporate Social Responsibility (CSR) • Employees • Customers • Suppliers • Shareholders • Regulators	
	1.3.3	The importance of maintaining professional standards • Continuing professional development (CPD)	

		• Reputational issues for retail and commercial banking providers • Legal and compliance issues associated with acting unprofessionally	
	1.3.4	The requirements placed on retail and commercial banking by professional bodies: • London Institute of Banking and Finance • Chartered Banker Institute • Chartered insurance Institute • Association of Corporate Treasurers	
Skill content	**Knowledge**		**English , Maths and Digital skills**
S1.1 Outline the key features of an ethical and professional culture in retail and commercial banking. **S1.3** Apply the principles of relevant codes of conduct and ethical decision-taking models to arrive at appropriate courses of action. **S2.4** Deal with problems/complaints e.g. overdraft charges, fees, bank errors.	**1.4.**	**Complaints handling**	
	Students should be able to understand		
	1.4.1	What constitutes a complaint in the financial services market • Recognising when a customer is complaining • Reasons why retail and commercial banking customers might complain: - Poor service - Fees - Product failure - Processing errors - Delays - Unreliable systems	
	1.4.2	The process for handling complaints of a general nature • Listen to customers • Escalation • Acting professionally • Acting ethically	
	1.4.3	The regulation relating to complaints in the financial services market and the process it underpins • Regulated complaints defined • Process for dealing with regulated complaints • Unregulated complaints defined • Process for dealing with unregulated complaints	

	1.4.4	The role of the Financial Ombudsman Service (FOS) in complaint resolution • How FOS operates • When FOS can be used • What decisions might FOS make • The implications of FOS decisions for the customer and the provider	

PERFORMANCE OUTCOME 2: Explain products and services in retail and commercial banking to internal and external customers/clients

<table>
<tr><th>Skill content</th><th colspan="2">Knowledge</th><th rowspan="2">English, Maths and Digital skills</th></tr>
<tr><td rowspan="5">S2.1 Identify customers'/clients' financial needs including those of vulnerable customers who may need special care or extra time to consider the options most appropriate for them.

S2.2 Explain key features of selected products and services in retail and commercial banking to customers/clients using non-technical language where appropriate.

S2.6 Demonstrate an understanding of the additional or special needs of vulnerable customers e.g. offer more help and support to explain what is on offer, ensure there is an understanding of what they are being offered relevant to their specific needs, appropriate and considered ways of communication.</td><td>2.1</td><td>UK Banking Market</td></tr>
<tr><td colspan="3">Students should be able to understand</td></tr>
<tr><td>2.1.1</td><td>The scope, functions and types of retail and commercial banking providers:-
• Commercial banks:-
- Traditional banks
- Online/digital banks
- Challenger banks
• National, international and global banks
• Fintechs
• Building societies
• Credit unions
• National Savings & Investments
• Investment banks
• Central bank
• Specialist finance providers</td><td></td></tr>
<tr><td>2.1.2</td><td>Different types of financial services customers:-
• Retail – consumer customers
• Sole proprietor (sole trader) – a one person business
• Business banking -
• Partnerships – comprising one or more partners
• Small to medium sized enterprises (SMEs) – limited companies
• Mid-market corporates – large companies
• Multinational corporates</td><td></td></tr>
<tr><td>2.1.3</td><td>The definition of a 'vulnerable' customer and how to deal with vulnerable customers
• Financial Conduct Authority (FCA) definition
• FCA rules regarding vulnerability
• Financial services provider responsibilities when dealing with vulnerable customers</td><td></td></tr>
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S2.7 Identify the competitor landscape for e.g. mortgages, personal loans and credit cards.	2.1.4	The wider mortgage sector and ways of understanding the local mortgage market • The mortgage sector defined • Main providers in the mortgage market • Mortgage market drivers and dynamics • Methods of gathering data on the local mortgage market: - Press - Social media - Mortgage provider websites - Mortgage provider product information - Comparison sites	
	2.1.5	How to identify and review the competitor landscape in relation to retail and commercial banking products • Competitor drivers in retail and commercial banking: - Brand - Reputation - Presence/coverage - Product range - Pricing • Methods of gathering data on retail and commercial banking competitors: - Press - Social media - Mortgage provider websites - Mortgage provider product information - Comparison sites	
Skill content	**Knowledge**		**English, Maths and Digital skills**
S2.1 Identify customers'/clients' financial needs including those of vulnerable customers who may need special care or extra time to consider the options	**2.2**	**Products and services - retail banking**	
	Students should be able to understand		
	2.2.1	The influences on the financial needs of retail banking customers:- • Needs versus wants • Life cycle stages	

most appropriate for them. **S2.2** Explain key features of selected products and services in retail and commercial banking to customers/clients using non-technical language where appropriate. **S2.5** Identify customers' mortgage needs through effective fact-finding techniques and provide solutions thorough research and analysis.	2.2.2	Identifying retail banking customers' financial needs • Fact find • Attitude to risk/risk profile • Needs analysis • Principles of budgeting, creating a budget, interpreting a budget	
	2.2.3	The purpose, uses and features of key retail banking products, including:- • Types of: Delivery channels - Branch-based - Online banking - Mobile banking (banking apps) - Telephone banking - ATMs • Features: xxxx • Types of: Current account services - Balance information - Transaction information - Statements - Inter-account transfers - Debit cards - Packaged accounts (incentives) • Features: xxx • Types of: Payment services - Cash - Online payments - Mobile payments - Bacs - CHAPS - Card payments (credit and debit) - Standing orders - Direct debits • Features: • Types of: Deposit account and savings services - Considerations ○ Interest rates ○ Inflation ○ Accessibility - Deposit account and savings services options ○ Instant access ○ Notice accounts ○ Term accounts	

		o Regular savings accounts o ISA o Online-only accounts • Features: xxx • Types of: Investments - Considerations o Growth o Return o Security - Investment options o Shares o Unit trusts o Open-ended investment companies o Investment trusts o Government backed investments • Features: xxxx • Types of: Lending services - Considerations o Secured versus unsecured o Fixed or variable rates o Interest o Fees - Financing options o Overdraft o Personal loans o Credit cards o Loan o Finance company/retailer finance • Features: xxxx • Types of: Pensions - Defined contribution - Personal pension - Stakeholder pension - Self-invested personal pension (SIPP) • Features: xxxx • Types of: Insurance - Home insurance - Motor insurance - Travel insurance - Income protection - Critical illness - Level term - Decreasing term - Whole of life • Features:	

	2.2.4	The relevant features and different types of mortgage product available to retail banking customers • Fixed rate • Variable rate • Standard variable rate • Tracker • Off-set • Discount mortgages • Capped rate mortgages	
Skill content	**Knowledge**		**English, Maths and Digital skills**
S2.1 Identify customers'/clients' financial needs including those of vulnerable customers who may need special care or extra time to consider the options most appropriate for them. **S2.2** Explain key features of selected products and services in retail and commercial banking to customers/clients using non-technical language where appropriate.	**2.3**	**Products and services - commercial banking**	
	Students should be able to understand		
	2.3.1	The influences on the financial needs of commercial banking customers:- • Type of business • Nature of products/services • Size of business • Life cycle stage	
	2.3.2	Identifying commercial banking customers' financial needs • Principles of business planning • Attitude to risk/risk profile • Needs analysis • Principles of budgeting and cash flow forecasting (creation and interpretation)	
	2.3.3	The purpose, uses and features of key commercial banking products, including:- • Trade and receivable finance • Foreign currency • Letters of credit • Liquidity and cash management • Account structures – start-up / growing • Loans, commercial mortgages, leasing and asset finance • Factoring/debt collection options • Payment services, company cards, mobile banking etc.	

		• Merchant services • Risk management (e.g. helping customers manage foreign exchange or inflation risks)	

Skill content	Knowledge		English, Maths and Digital skills
S2.1 Identify customers'/clients' financial needs including those of vulnerable customers who may need special care or extra time to consider the options most appropriate for them. **S2.2** Explain key features of selected products and services in retail and commercial banking to customers/clients using non-technical language where appropriate. **S2.4** Deal with problems/complaints e.g. overdraft charges, fees, bank errors. **S2.5** Identify customers' mortgage needs through effective fact-finding techniques and provide solutions thorough research and analysis.	**2.4**	**Conveying information to customers and clients**	
	Students should be able to understand		
	2.4.1	Techniques for identifying retail and commercial banking customers' financial needs • Use of questions to gather information from customers • Studying trends and product usage of existing customers • Reviewing budgets and cash flow forecasts to determine future needs • The benefits of different retail and commercial banking products	
	2.4.2	How to select and recommend the most relevant products to solve customers' financial needs • Match product benefits with the needs of retail and commercial banking customers • Retail and commercial banking customer priorities in respect of financial needs • How to make recommendations in various forms: - Verbally - Email - Letter - Report format	
	2.4.3	How to deal with customer problems and complaints regarding banking products • How problems and complaints are likely to arise • Resolving customer problems and complaints • Communicating with customers regarding problems and complaints: - Face-to-face (meeting/online) - Email - Telephone - Letter	
	2.4.4	How to present relevant information, data and facts to different audiences and using different media	

		• Principles of communication • Skills required to present to different audiences • Main media used for presenting information: - Email - Letter - Report format - Meeting (face-to-face/via technology)	
Skill content	**Knowledge**		**English, Maths and Digital skills**
S2.3 Prepare relevant documentation e.g. loan applications, credit assessment reports for accounts.	**2.5**	**Key principles of credit and lending**	
	Students should be able to understand		
	2.5.1	Key principles of credit and lending in relation to retail and commercial banking • Credit risk and credit risk management • Credit scoring • Credit management policies • Lending frameworks	
	2.5.2	Relevant documentation in relation to retail and commercial banking lending related products • Acceptable documents to prove identity and address • Typical information required to open a new retail or commercial bank account • Bank mandates • Limited company formation documents • Typical terms and conditions relating to credit agreements	

PO3: Apply principles of risk management when making recommendations to internal and external customers/clients

<table>
<tr><th>Skill content</th><th colspan="2">Knowledge</th><th rowspan="2">English, Maths and Digital skills</th></tr>
<tr><td rowspan="7">S3.1 Evaluate the level of risk of selected products e.g. a mortgage, an unsecured loan, a small business loan secured on a family property, and services in retail and commercial banking for internal and external customers/clients.

S3.2 Explain potential risks and benefits of selected products and services to internal and external customers/clients.

S3.3 Prepare relevant documentation, for example:
• In terms of personal risk complete score cards, assessment forms or as an advisor with a customer complete a ‘fact find’
• Complete a broad report for a business risk.

S3.4 Identify early warning signs of client vulnerability.</td><td>3.1</td><td>Understanding the key principles of risk management</td></tr>
<tr><td colspan="3">Students should be able to understand</td></tr>
<tr><td>3.1.1</td><td>The key risks for both customers and providers associated with:-
• Payment services
• Lending services (mortgages, loans, overdrafts)
• Payment services
• Online banking
• Savings
• Investments</td><td></td></tr>
<tr><td>3.1.2</td><td>The principles associated with risk management generally
• Risk management process
• Risk management actions</td><td></td></tr>
<tr><td>3.1.3</td><td>The meaning of the following and the implications for customers and providers
• Credit risk
• Interest rate and foreign currency risk
• Market/sector based risk
• Operational risk
• Cyber risk
• Conduct risk</td><td></td></tr>
<tr><td>3.1.4</td><td>Identify early warning signs of customer vulnerability and financial distress
• Formal methods of identification
• Warning signs of vulnerability
• Warning signs of financial distress
• What financial services staff should do when early warning signs of vulnerability and/or financial distress have been identified</td><td></td></tr>
<tr><td>3.1.5</td><td>Methods that financial services organisations use to deal with problem debt
• Undertaking a review with the customer
• Possible solutions for dealing with debt and debt-related issues</td><td></td></tr>
</table>

		• Bank collections department • Bank recoveries department • Independent sources of advice (~~eg~~ Citizens Advice, StepChange, National Debtline)	
	3.1.6	Methods for customers to deal with problem debt • Debt management plan • Debt relief order • Bankruptcy • IVA • Liquidation	
	3.1.7	How financial institutions manage their treasury operations and associated risks • Capital and capital management • Liquidity and liquidity risk • Risks relating to international trade • Credit risk • Managing interest rates and interest rate risk • Operational risk • Settlement risk • Counter-party risk	
	3.1.8	Risk related documentation • Fact find • Risk assessments	

PO4: Analyse financial information and data and present reports to internal and external customers/clients

Skill content	Knowledge		English, Maths and Digital skills
S4.1 Collect and collate financial information and data from a range of sources using appropriate tools and methods to enable analysis e.g. a quick ratio analysis or a SWOT (strengths, weaknesses, opportunities and threats) analysis.	**4.1**	**Sources of financial information and data**	
	Students should be able to understand		
	4.1.1	Data and financial information from a range of sources:- • Financial markets • Financial institutions • Company reports • Credit reports	

Skill content	Knowledge		English, Maths and Digital skills
S4.1 Collect and collate financial information and data from a range of sources using appropriate tools and methods to enable analysis e.g. a quick ratio analysis or a SWOT (strengths, weaknesses, opportunities and threats) analysis. **S4.3** Select and use appropriate tools to perform analysis, diagnosis and make forecasts. **S4.4** Examine large volume of data and establish trends/find patterns. **S4.5** Sense check information and options, review, changes, trends and be able to arrive at insightful conclusions	**4.2**	**Principles and practices for analysing financial information and data**	
	Students should be able to understand		
	4.2.1	How to analyse, interpret and draw conclusions from sources of data and information • Reports from third party data providers • Company financial statements	
	4.2.2	The meaning and calculations of in order to carry out • Time value of money • Cash flow projections • Financial projections	
	4.2.3	How to analyse data and identify trends and patterns • Data analysis • Trend analysis	
	4.2.4	How to draw conclusions from trends and emerging patterns for customers • Retail customers • Commercial banking customers	
	4.2.5	Use analytical tools to aid data analysis to support conclusions decisions and actions • SWOT • PESTEL • Financial ratio analysis - Current ratio - Quick/acid test ratio	

e.g. to spot trends to help customers to remortgage at the best time.		- Profit margins - Interest cover - Gearing - Return on capital employed (ROCE)	
S4.6 Draw conclusions from analysis/interrogation of data and other financial information. **S4.7** Present findings to internal and external customers/clients, as relevant to independent financial advisers, according to guidance from the Financial Conduct Authority, both verbally and in writing taking into account audiences. **S4.10** Carry out financial projections of customer/client and company activities.	4.2.6	Prepare presentations of findings for different audiences • Internal • Customers • Different media	
S4.8 Monitor and test data to check for errors or invalid results.	4.2.7	How to monitor and test data to ensure its robustness and validity • Check for errors • Monitoring techniques • Variance analysis	

Skill content	**Knowledge**		**English, Maths and Digital skills**
S4.2 Maintain customer/ policy records through a relevant IT solution.	**4.3**	**Maintaining customer and account records**	
	Students should be able to understand		
	4.3.1	The importance of maintaining up to date customer and policy records using a relevant IT solution where appropriate • Use of IT for customer records	

		• Potential issues associated with use of technology • Customer relationship management (CRM) • Customer information • Relevant policies • Data protection and confidentiality	