

# Financial services, regulation and ethics

## Purpose

At the end of this unit, candidates will have investigated the:

- purpose and structure of the UK financial services industry;
- how the retail customer is served by the financial services industry;
- regulatory framework, powers and responsibilities to protect the consumer;
- legal concepts and considerations relevant to financial advice;
- Code of Ethics and its impact on the business behaviours of individuals.

Summary of learning outcomes	Number of questions in the examination*
1. Understand the UK financial services industry in its European and global context.	6 standard format
2. Understand how the retail consumer is served by the financial services industry.	12 standard format
3. Understand the legal concepts and considerations relevant to financial advice.	9 standard format
4. Understand the regulation of financial services.	6 standard format
5. Understand the financial regulators' responsibilities and approach to regulation.	29 standard format
6. Apply the principles and rules as set out in the regulatory framework.	4 standard format/ 5 multiple response
7. Apply the regulatory advice framework to ensure fair outcomes for the consumer.	5 standard format/ 8 multiple response
8. Understand the range of skills required when advising clients.	4 standard format
9. Understand the financial regulators' use of principles and outcomes based regulation to promote ethical and fair outcomes.	7 standard format
10. Apply the Code of Ethics and professional standards to business behaviours of individuals.	2 standard format
11. Critically evaluate the outcomes that distinguish between ethical and compliance driven behaviours.	3 standard format

\* The test specification has an in-built element of flexibility. It is designed to be used as a guide for study and is not a statement of actual number of questions that will appear in every exam. However, the number of questions testing each learning outcome will generally be within the range plus or minus 2 of the number indicated.

## Important notes

- Method of assessment: 100 questions: 87 standard format and 13 multiple response questions. 2 hours are allowed for this examination.
- This syllabus will be examined from 1 September 2025 to 31 August 2026.
- Candidates will be examined on the basis of English law and practice in the tax year 2025/2026 unless otherwise stated.
- It should be assumed that all individuals have long-term UK residence status unless otherwise stated.
- This PDF document has been designed to be accessible with screen reader technology. If for accessibility reasons you require this document in an alternative format, please contact us on [online.exams@cii.co.uk](mailto:online.exams@cii.co.uk) to discuss your needs.

- 1. Understand the UK financial services industry in its European and global context.**
  - 1.1 Describe the role, structure and context of the UK and international financial services markets.
  - 1.2 Explain the function and operation of financial services within the economy.
  - 1.3 Describe the role of the Government on the UK financial services industry.
- 2. Understand how the retail consumer is served by the financial services industry.**
  - 2.1 Explain the obligations that the financial services industry has towards consumers.
  - 2.2 Explain consumers' main financial needs and how these may be prioritised and met.
- 3. Understand the legal concepts and considerations relevant to financial advice.**
  - 3.1 Explain the concepts of legal persons, powers of attorney, law of contract and agency, and ownership of property.
  - 3.2 Explain relevant laws governing insolvency and bankruptcy.
  - 3.3 Explain relevant laws governing wills, intestacy and trusts.
- 4. Understand the regulation of financial services.**
  - 4.1 Examine the roles of the PRA, FCA, HM Treasury and the Bank of England in regulating the market.
  - 4.2 Examine the role of other regulatory bodies and sources of additional oversight.
  - 4.3 Examine the statutory framework of regulation including the impact of global regulation and key regulatory directives.
- 5. Understand the financial regulators' responsibilities and approach to regulation.**
  - 5.1 Explain the financial regulators' statutory objectives and how they are structured to achieve these objectives.
  - 5.2 Explain the main principles and rules of the PRA and FCA.
  - 5.3 Explain the approach to risk based supervision, discipline and enforcement, and sanctions to deal with criminal activities.
- 6. Apply the principles and rules as set out in the regulatory framework.**
  - 6.1 Apply the FCA's and PRA's regulatory principles and rules.
  - 6.2 Apply current anti-money laundering, proceeds of crime and data protection obligations.
  - 6.3 Apply the rules of relevant dispute resolution and compensation schemes.
- 7. Apply the regulatory advice framework to ensure fair outcomes for the consumer.**
  - 7.1 Apply adviser responsibilities in terms of client relationships, regulated advice standards, and positive customer outcomes.
  - 7.2 Monitor and review client plans and circumstances.
- 8. Understand the range of skills required when advising clients.**
  - 8.1 Examine the range of skills required when advising clients.
- 9. Understand the financial regulators' use of principles and outcomes based regulation to promote ethical and fair outcomes.**
  - 9.1 Examine the Financial Conduct Authority's Principles for Businesses and the obligations these place on firms.
  - 9.2 Examine the impact of corporate culture and leadership.
  - 9.3 Examine the responsibilities of those under the Senior Managers and Certification Regime (SM&CR) and the need for integrity, competence and fair outcomes for clients.
- 10. Apply the Code of Ethics and professional standards to business behaviours of individuals.**
  - 10.1 Apply the professional principles and values of ethical, inclusive and sustainable advice.
  - 10.2 Identify ethical dilemmas and apply the steps involved in managing ethical dilemmas.
- 11. Critically evaluate the outcomes that distinguish between ethical and compliance driven behaviours.**
  - 11.1 Evaluate the indicators of ethical behaviour and of limiting behaviour to compliance within the rules.
  - 11.2 Critically evaluate the outcomes that distinguish between ethical and compliant behaviours.

## Additional Resources

The following resources may assist you with your studies.

**Note: The examination will test the syllabus alone.**

Supporting information for the syllabus can be found on the unit page via the CII website. The resources found here: [www.cii.co.uk/learning](http://www.cii.co.uk/learning) will help you keep up-to-date with developments and provide a wider coverage of syllabus topics.

Additional reading material can also be found referenced throughout the study text.

It is recommended that you study from the most recent versions of the examination guide.

## Exam preparation

Exam preparation guidance and supporting exam documentation are available via the CII website. [www.cii.co.uk/learning/qualifications/assessment-information](http://www.cii.co.uk/learning/qualifications/assessment-information)

## Learning Support

Financial services, regulation and ethics.  
London: CII. Study text R01.

Audio Revision, E-Learn, Key Facts Booklet, Knowledge Checker and Revision Extra are included with Enrolment plus, or available at an additional cost. (delivered via RevisionMate)

## Supporting exam documents

Tax tables which are provided in your exam can be found here: [www.cii.co.uk/learning/qualifications/assessment-information/before-the-exam/supporting-exam-documents/](http://www.cii.co.uk/learning/qualifications/assessment-information/before-the-exam/supporting-exam-documents/)

## Assessment information

Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:

1. Visit [www.cii.co.uk/qualifications](http://www.cii.co.uk/qualifications)
2. Select the appropriate qualification
3. Select your unit from the list provided
4. Select qualification update on the right hand side of the page

## Examination guide

The examination guide is available on the unit page via the CII website.

If you have a current study text enrolment, the current examination guide is included and is accessible via **RevisionMate** ([ciigroup.org/login](http://ciigroup.org/login)). Details of how to access RevisionMate are on the first page of your study text.