



Learning Outcome

Assessment Criteria

Indicative Content

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1 5 Questions	Understand the role and value of financial services, including the Life and Pensions sector.	1.1	Identify the key features of the financial services sector and its role in the economy.	1.1.1	Size of the financial services sector and financial contribution to economy.
				1.1.2	Core functions of financial services in the economy (investment chain, risk pooling, payment systems).
				1.1.3	Main institutions and organisations: <ul style="list-style-type: none"> • Outline the existence of financial markets. • Key customer-facing types of institutions and organisations (banks and buildings societies, insurance companies, pension funds, investment funds, different potential structures underpinning them – mutual/non-mutual).
				1.1.4	The tax regime in brief (its purpose in funding public spending, its function in encouraging private provision e.g. pension tax relief, the contribution of the sector to tax revenues e.g. taxable retirement income).
		1.2	Outline key concepts of risk and the social value of insurance.	1.2.1	Definition of risk.
				1.2.2	Typical personal risks and financial consequences (e.g. family's loss of income through illness or death, individual's financial losses or gains through investment risks).
				1.2.3	Social value of insurance (e.g. risk management, risk pooling/peace of mind/financial security).
				1.2.4	State provision: outline concept of State benefits (what it is and what it provides relating to mitigating personal/familial loss of income i.e. unemployment, disability, low income).
				1.2.5	Employer and personal provision of insurance (employee benefits, personal financial choices).

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		1.3	Outline the UK pensions system.	1.3.1	State pension provision: structure; how the amount is set and paid; eligibility (age, contributions); demographic trends and their implications for pensions; limitations (insufficient to meet many people's expectations of living standards so private provision is required).
				1.3.2	Private provision: <ul style="list-style-type: none"> • Incentives and encouragements (auto enrolment and tax relief to encourage private provision). • Description of employer schemes. • Description of personal schemes.
2 3 Questions	Understand typical customer financial needs and expectations.	2.1	Outline the stages of the typical customer lifecycle (the personal financial lifecycle) and associated financial needs.	2.1.1	Broad patterns of customer financial needs and circumstances relating to the stages of the personal financial lifecycle, though individual paths may be very different.
				2.1.2	Typical customer contact and queries at each stage (e.g. product information, fund values, additional cover, nominations).
				2.1.3	Responding to the variation in customer expertise in knowing their needs and the terminology and product types relating to those needs (e.g. by using simple language, readiness to explain, checking understanding).
		2.2	Identify what key information is gathered from a customer to establish their financial needs.	2.2.1	Typical information gathered and its uses: <ul style="list-style-type: none"> • personal information (identity, communication). • needs / objectives (identifying appropriate products or solutions). • query details and changes of information (accurate records). • information relating to the policy (material facts, eligibility).
				2.2.2	Recording of information (typical application form, clear notes).
3 7 Questions	Understand financial protection products and their role in customer solutions.	3.1	Outline the main types of life assurance and their uses.	3.1.1	Term life assurance.
				3.1.2	Whole of life.
				3.1.3	Group life.
				3.1.4	Life-based savings products e.g. endowment policies.
				3.1.5	Typical uses (e.g. mortgage repayment, estate planning).



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		3.2	Outline the main types of health and income protection products and their uses.	3.2.1	Critical illness.
				3.2.2	Income protection.
				3.2.3	Group risk.
				3.2.4	Private medical.
				3.2.5	Long-term care.
				3.2.6	Terminal illness cover.
				3.2.7	Personal accident cover.
				3.2.8	Typical uses (e.g. protection of income, employee benefits).
4 7 Questions	Understand savings and investment products and their role in customer solutions.	4.1	Identify the functions served by savings and investment products.	4.1.1	Main benefits of investment and savings.
				4.1.2	Main uses of savings and investment products separated into short, medium and long-term goals (e.g. emergency fund, significant purchases such as a car, holiday or conservatory, mortgage repayment, retirement, diversification).
		4.2	Outline the main types of savings and investment products and their tax treatment.	4.2.1	Open ended investment companies (OEICs).
				4.2.2	Unit trusts.
				4.2.3	ISAs, JISAs, NS&I.
				4.2.4	Onshore and offshore investment bonds.
				4.2.5	Tax treatment in basic outline.
		4.3	Identify fund types and uses.	4.3.1	Typical fund types / categories in outline (in brief: funds are composed of assets, each fund with its own balance between asset types, each therefore carrying different risks and returns, suitable for different risk appetites and uses).
				4.3.2	Use of funds by life and pensions firms (for their own finances i.e. solvency, for customers e.g. lifestyle in pensions).



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5 7 Questions	Understand pensions and their role in customer solutions.	5.1	Outline the main types of pension and their benefits.	5.1.1	General benefits of pensions as a vehicle for retirement savings, primarily tax treatment (tax relief and tax-free cash).
				5.1.2	Workplace/occupational defined benefit – description and benefits.
				5.1.3	Workplace/occupational defined contribution – description and benefits.
				5.1.4	Personal pension.
				5.1.5	Group personal pension.
				5.1.6	Self-invested personal pension.
				5.1.7	Awareness of other less common types – executive pension plans, small self-administered schemes.
				5.1.8	How customers are assisted to understand their pension and the income it may provide – typical customer documents (e.g. SMPI, benefits statement).
6 3 Questions	Know the main retirement income options.	6.1	Outline the main retirement income options.	6.1.1	Consumer choice and liberalisation of access to pensions: <ul style="list-style-type: none"> • brief explanation that there have been major changes to pension flexibility and that further change may occur such as within secondary annuities so a professional should keep informed. • basic description of the purpose of annuities and the main types. • how defined benefit schemes pay out and how they do not have the same post-55 access options. • access to pension pot from age 55. • drawdown options in outline.
				6.1.2	Other retirement options (delayed, phased, flexi retirement, equity in property, investment income).



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7 4 Questions	Understand how Life and Pensions firms operate.	7.1	Identify definitions and features of different life and pensions distribution and advisory models.	7.1.1	Definitions of direct and indirect sales (including that each may be accessed face-to-face, phone, internet or platform) and their advantages for firms and customers (control, risk, expertise).
				7.1.2	Definition of advised (including definition of independent and restricted) and non-advised with clear, basic examples of what behaviours would count as advice (e.g. actively making a personal recommendation or responding to customer queries about 'which is best'); advantages for firms and customers (control, risk, level of staff and customer expertise).
				7.1.3	MoneyHelper – purpose/target audience, providers and channels.
		7.2	Outline how Life and Pensions firms gain income and maintain financial stability.	7.2.1	Charges for advice: <ul style="list-style-type: none"> • Advantages and disadvantages of commission-based sales. • post-RDR rules. • Fees paid by customer or on their behalf as a benefit from another organisation e.g. membership of a union. • No fees charged – direct provider or non-advised.
				7.2.2	Charges for ongoing service (e.g. fund management).
				7.2.3	Ensuring income and funds are sufficient to pay pensions or claims; underwriting; fund values; sufficient profits for shareholders (or the benefits for customers of a mutual).



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8 8 Questions	Understand key principles of delivering good customer service.	8.1	Outline the main customer service functions and procedures.	8.1.1	Functions relating to gaining or processing new business (e.g. sales, sales support).
				8.1.2	Functions relating to ongoing servicing.
				8.1.3	Functions relating to claims.
				8.1.4	Functions relating to technical and document queries.
				8.1.5	The importance of referral procedures between functions.
				8.1.6	The importance of monitoring and acting on typical service levels.
		8.2	Identify the main communications approaches and their key advantages.	8.2.1	Communication approaches and their advantages in brief, including in terms of customer preferences: <ul style="list-style-type: none"> • telephone. • written (paper and email). • face to face. • online (webchat).
		8.3	Outline the main customer service techniques for: <ul style="list-style-type: none"> • Eliciting information. • Rapport and empathy. • Recognising vulnerable customers. • Clear communication. • Dealing with challenging situations. • Recognising and responding fairly to diversity of backgrounds, characteristics and levels of understanding. 	8.3.1	Ways of gathering information.
				8.3.2	Building customer confidence (active listening, empathy and building rapport).
				8.3.3	Identifying vulnerable customers (e.g. bereavement, illness that may impair understanding, carers) and raising concerns or escalating if there may be a risk of disadvantage of financial loss as a result of vulnerability.
				8.3.4	Dealing with challenging communications (e.g. angry or distressed callers).
				8.3.5	Recognising and responding fairly to diversity of backgrounds, experience and views (e.g. avoiding discrimination such as untested assumptions about customer needs based on characteristics, tailoring communications to the level of customer knowledge).

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		8.4	Outline the role and stages of the complaints process.	8.4.1	What is a complaint and why do they occur (why customers may be dissatisfied, why they may complain).
				8.4.2	The consequences of complaints: <ul style="list-style-type: none"> • Benefits (feedback to improve, opportunity to win back trust, prevention of reoccurrences). • Negative effects (reputational damage if taken to FOS, cost in time and resources to deal with a complaint, FCA action if there is a failure to provide an adequate complaints process).
				8.4.3	The typical complaints process for an individual complaint (acknowledgement, resolution, internal escalation, escalation to FOS).
				8.4.4	Press/media complaints and their potential for reputational damage – handling by a specialist team.
9 6 Questions	Understand ethical, legal and regulatory principles and duties in the context of life insurance and pensions.	9.1	Identify key aspects of legislation: <ul style="list-style-type: none"> • Insurance law. • Data Protection. • Anti-money laundering. • Equality Act. 	9.1.1	Insurance law: <ul style="list-style-type: none"> • Definition of a contract and offer and acceptance. • Capacity to contract. • Insurable interest. • Good faith.
				9.1.2	Data protection legislation (data protection principles, definition of personal and sensitive data).
				9.1.3	Anti-Money Laundering (3 stages of money laundering, duties to report suspicions transactions, importance of identity-checking processes).
				9.1.4	Equality Act (protected characteristics, duty to avoid discrimination in the provision of products and services, e.g. applicability to retirement age).
		9.2	Outline the UK regulators and their role in protecting customers and industry standards.	9.2.1	<ul style="list-style-type: none"> • Financial Policy Committee. • Prudential Regulation Authority. • The Pensions Regulator. • Financial Conduct Authority.
				9.2.2	FCA objectives (consumer protection, integrity of UK financial system, competition).
				9.2.3	Conduct risk and, within this, the Consumer Duty requirements.



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		9.3	Identify the features of professional, ethical and inclusive conduct and the consequences of different standards of conduct.	9.3.1	Definition of professionalism, ethics and methods of maintaining conduct (professional code of conduct, firm's corporate values and behaviours, personal commitment and behaviours).
				9.3.2	Common themes in codes of ethics and conduct (e.g. integrity), including positive customer outcomes.
				9.3.3	Consequences of poor conduct: <ul style="list-style-type: none"> • To customers (inappropriate products, financial loss, loss of trust in the industry). • To firms (complaints, compensation, sanctions, reputational damage, loss of custom). • To the industry (low customer trust). • To individuals (loss of job, fines, criminal charges).
				9.3.4	Consequences of professional conduct: <ul style="list-style-type: none"> • To customers (best outcomes). • To firms (gain and retain customers and reputation). • To individuals (deemed competent, well-positioned to build a strong career). • To the industry (higher customer trust).