

# 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 appropriate ethical 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 2026 to 31 August 2027.
- Candidates will be examined on the basis of English law and practice in the tax year 2026/2027 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 appropriate ethical 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](https://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 in an appendix within the study text.

If you have a current study text enrolment, the current examination guide is included and is accessible via **RevisionMate** ([www.cii.co.uk/login](https://www.cii.co.uk/login)). Details of how to access RevisionMate are on the first page of your 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: <https://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 and Knowledge Checker are included with Enrolment plus, or available at an additional cost (delivered via RevisionMate).

Revision Extra is available at an additional cost.

## 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/](https://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](https://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.