

It's wicked whispers

The FSA's interim report, along with chatrooms,
has sparked some wild rumours



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It seems that while many advisers either love or hate internet chatrooms, the majority are silently indifferent to them. Until recently I would have fallen into the 'indifferent' category but I have now become alarmed by the way chatrooms can communicate inaccurate information and have it accepted as true. While I am sure that most inaccuracies are unintended, the potential damage they can do is worrying.

So why the sudden alarm and need to write about chatrooms this month? The simple answer is the FSA's retail distribution review and the educational challenges it has given to the majority of advisers.

Following the publication of the interim report the market has largely accepted that advisers will need the CII's diploma, or an equivalent Level 4 qualification. This effectively means the clock is ticking and advisers who are not currently qualified at this level need to start planning how they will move up.

By delaying they both risk reducing the time they will have to complete the diploma and more importantly will have failed to recognise that the purpose of the FSA's drive to Diploma, with a regulatory incentive to go on to CFP and chartered, is to "up-skill" advisers so they give a better service to their clients.

To achieve this up-skilling advisers will need to understand the current qualification landscape and this is

where the chatrooms – or certainly the ones I have recently looked at – are creating concern. Put bluntly, some commentators are, at best, inaccurate and, at worst, barking mad.

I did think of posting comments on the chatroom sites but decided against it as I could imagine a daily flood of unnecessary chit chat. However, I do think it is important the inaccuracies are challenged and, as they cover genuine concerns, I decided to use this column to provide a forum for question and answers on qualifications and the RDR.

Interestingly, many of the comments also appear to be 'anti-CII'. I guess this is inevitable as the CII dominates the provision of financial service qualifications but it does not have a monopoly. However as a member of the CII, and PFS, I am somewhat annoyed by this unfair attack on my professional body.

Here is a selection of the comments made, together with the actual facts:

Chatroom comment: With the interim statement, the FSA has given CII a monopoly.

Reality: The FSA very carefully stated it was looking for qualifications at QCA level 4. While it quoted the CII's diploma as an example, it did not say the CII's diploma is the only option. This said, the FSA is rightly proposing that qualification should be approved at QCA Level 4. The CII's Diploma already is at QCA Level 4 and Chartered Financial Planner is Level 6. I fully expect other awarding bodies will introduce QCA Level 4 approved qualifications in due course.

Chatroom comment: The PFS is no longer independent and is there just to flog CII exams.

Reality: From day one, the PFS has been part of the CII family. Today the PFS is the largest membership body for advisers, planners and those who support the financial advice process. The 24,000 members of the PFS elect their own board of directors who are responsible for the development of the society, including the 20 regions. So, the future of the PFS is set by the membership. As part of the CII family, the PFS has been able to ensure that relevant examina-



tions are developed and introduced and obviously the PFS promotes the exams it has helped develop.

Chatroom comment: The CII is a money-grabbing business that does not care about advisers.

Reality: The CII is a chartered professional body that is owned by and run by its members – including members of the PFS, see above – therefore the needs of the membership are core. The CII operates on a not for profit basis with any surplus put back into developing the profession. Speaking personally, I want my professional body to generate profits so that it can

enhance services and promote PFS membership to the consumer.

Chatroom comment: The CII exams are not relevant to the market.

Reality: At the certificate in financial planning level, the FPC as was, the CII has to follow the syllabus laid down by the FSSC for ‘appropriate examinations’. But the remaining syllabi, including the diploma and advanced diploma papers, are developed by PFS members who are practitioners and expert in their field.

Next month I will look at the work IFP is doing with paraplanners and any additional RDR questions that may crop up.

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