

# Training and competence good practice guide

## Non-Competent Adviser

The firm should assess the qualifications obtained/ required together with previous experience before determining the adviser's status and the scope of activities they can undertake. Development plans should be formalised, implemented and progress monitored.

<b>Indicators for development to competent status</b>	<b>Example benchmarks</b>
<b>These are examples of indicators used by small firms to assess competence</b>	<b>These are good practice examples of minimum standards used to assess competence in small firms</b>
Appropriate exams and regulatory modules studied for and passed. Relevant regulatory module to be passed before starting advising	One year time limit imposed for full appropriate examination passes with documented considered action if not achieved by the adviser
Firm undertakes formal testing for product and market knowledge, regulatory and other legal issues and firm-specific procedures.	70% pass rates for all formal testing undertaken at recruitment and on an annual basis. Training needs identified from errors and put into action plan.
Observed role-plays and accompanied client visits with appropriate frequency to assess skills in assessing client needs and presenting suitable recommendations	Minimum two role plays on recruitment and one month's accompanied client meetings where performance assessed and graded
File monitoring undertaken with appropriate frequency to assess quality of advice provided and the completeness of file documentation	100% file checking for three months with 95% pass rate for development to next level
Management information obtained and analysed to identify progress	Product types, lender spread, take up rate, complaints, ratings on tests, file checks and sales role-plays reflect development.
Training plans implemented and assessed on a regular basis through one-to-ones	One-to-one assessments on a monthly, quarterly, half-yearly or annual basis
Attendance at training events and self training with evidence of understanding of the areas trained to ensure effectiveness.	Testing undertaken on training and pass mark of over 70% required  Training needs identified from errors and input to action plan.
Ongoing fit and proper checks	Credit check on an annual basis and adviser declaration of fitness

## Competent adviser

The firm should decide if the adviser has adequate experience and is suitably qualified when determining adviser status and should satisfy itself on an ongoing and frequent basis of the competence of that adviser

<b>Indicators for ongoing competence</b>	<b>Example benchmarks</b>
An appropriate level of file monitoring is undertaken for each adviser and performance assessed on quality of mortgage business written. Results from file monitoring either confirm continuing competence or trigger action	Firm undertakes 10% file checks per month and rates files accordingly, with action required when standards are not met
Performance in observed client visits or role plays undertaken in mortgage sales	Two observed client visits per year or two role plays per year with suitable passes of 70% in mandatory and non mandatory areas  Any areas for development are logged on a training action plan

Annual knowledge tests for mortgages, firm procedures and regulatory tests	70% pass mark in all formal testing Any areas for development identified from errors are logged on a training action plan
Management information obtained and analysed to indicate risk areas and influence amount of supervision	Product type, take up rate, lender spread, complaints and ratings on tests, file checks and observations reflect risk to the business
Training plans implemented and assessed on a regular basis through one-to-ones	A suitable number of one-to-one assessments are undertaken on a monthly or quarterly basis
Range of ongoing continuing professional development relevant to needs	Continuing professional development reviewed on a quarterly basis.  Ensure that this is tailored to training needs
Ongoing fit and proper checks	Credit check on an annual basis and adviser declaration of fitness

## **Supervisors**

The firm should determine if the supervisor has sufficient knowledge, skills and experience to be assessed as competent to carry out their role. This assessment of competence should be on an ongoing and frequent basis

<b>Indicators for ongoing competence</b>	<b>Example benchmarks</b>
Supervisors are competent to undertake certain areas of supervision	If the firm considers it appropriate, supervisors have at least the same qualifications or more than the advisers they are responsible for  Supervisors must have the necessary coaching and assessment skills  The volume and quality of supervision carried out is reviewed quarterly by a director, other competent supervisor or compliance consultant
Supervisors undertake appropriate continuing professional development to maintain their competence	A director or other competent supervisor undertakes a review of the supervisors' own professional development to ensure it meets training needs
Supervisors have the knowledge, skills and experience to undertake coaching and training	Firms collate feedback on the skills and abilities of the supervisors from third parties or others within the firm on annual basis  Managers observe training sessions provided by supervisors
Annual knowledge tests for mortgages, firm procedures and regulatory tests	70% pass mark in all formal testing  Any areas for development identified through errors are logged in a training action plan
Where qualifications are not required by the firm to supervise, supervisors have the relevant expertise or attend the necessary training	Firms provide training courses for supervisors to attend on a twice-yearly basis to enhance skill, knowledge and expertise
Where compliance consultants audit the firm, this reaffirms the supervisors competence	Firms compare external compliance reports with internal reports on an annual basis  Checks are made on quality of any remedial steps taken