



National Unit Specification: general information

UNIT Financial Services: Markets, Products and Regulation
(SCQF level 6)

CODE F396 12

SUMMARY

This is an introductory Unit intended for candidates who have no prior knowledge or experience of financial services. It will provide candidates with a knowledge and understanding of the financial services sector and its product range as well as the financial services regulatory framework. On completion of this Unit candidates will be able to identify the providers of financial services; financial services customers and the key institutions in the financial services sector. Candidates will also be able to investigate the nature, range and characteristics of financial services products including savings, borrowing and insurance products.

This Unit is suitable for candidates who:

- ◆ are undertaking the study of this subject for the first time
- ◆ wish to embark on a career in the financial services sector
- ◆ seek a knowledge and understanding of financial services

OUTCOMES

- 1 Investigate the financial services markets and key institutions.
- 2 Investigate the nature and characteristics of financial services products or particular financial services institutions.
- 3 Investigate how financial services regulation affects selected financial services products.

RECOMMENDED ENTRY

Entry is at the discretion of the centre.

Administrative Information

Superclass: AL

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CREDIT VALUE

1 credit at Higher (6 SCQF credit points at SCQF level 6*).

**SCQF credit points are used to allocate credit to qualifications in the Scottish Credit and Qualifications Framework (SCQF). Each qualification in the Framework is allocated a number of SCQF credit points at an SCQF level. There are 12 SCQF levels, ranging from Access 1 to Doctorates.*

CORE SKILLS

There is no automatic certification of Core Skills in this Unit.

This Unit provides opportunities for candidates to develop aspects of the following Core Skills:

Communication (SCQF level 6)

Problem Solving (SCQF level 6)

These opportunities are highlighted in the support notes of this Unit Specification.

National Unit Specification: statement of standards

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Acceptable performance in this Unit will be the satisfactory achievement of the standards set out in this part of the Unit Specification. All sections of the statement of standards are mandatory and cannot be altered without reference to SQA.

OUTCOME 1

Investigate financial services markets and key institutions.

Performance Criteria

- (a) Identify and describe key financial services institutions.
- (b) Identify and describe the market for financial services products offered by these financial services institutions.

OUTCOME 2

Investigate the nature and characteristics of financial services products of particular financial services institutions.

Performance Criteria

- (a) Identify and explain the nature and characteristics of a current account product and a short and long term savings product.
- (b) Identify and explain the nature and characteristics of a short, a medium and a long term borrowing product.
- (c) Identify and explain the nature and characteristics of an insurance product.

OUTCOME 3

Investigate how financial services regulation affects selected financial services products.

Performance Criteria

- (a) Identify and describe the role of the Financial Services Authority in the regulation of selected financial services products.
- (b) Identify and describe current legislation concerning the regulation of selected financial services products.

National Unit Specification: statement of standards

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EVIDENCE REQUIREMENTS FOR THIS UNIT

Evidence is required to demonstrate that candidates have met the requirements of all Outcomes and Performance Criteria.

Written and/or recorded oral evidence is required which demonstrates that the candidate has achieved Outcomes 1 and 2 to the standard specified in the Outcome and Performance Criteria. Candidates should provide evidence relating to **THREE** financial institutions of differing characteristics and their products.

Written and/or recorded oral evidence is required which demonstrates that the candidate has achieved Outcome 3 to the standard specified in the Outcome and Performance Criteria. Candidates should provide evidence relating to **ONE** effect of current legislation on **TWO** financial services products each of which should be of a different nature.

Candidates should be asked to provide evidence on their own at an appropriate point in the Unit when they have acquired appropriate knowledge and understanding and undertaken the investigative work required. Centres must ensure that the evidence submitted is the work of individual candidates.

The Assessment Support Pack (ASP) for this Unit provides sample assessment materials and illustrates the standard to be applied and the breadth of coverage required. Centres wishing to develop their own assessments should refer to the Assessment Support Pack to ensure a comparable standard.

National Unit Specification: support notes

UNIT Financial Services: Markets, Products and Regulation (SCQF level 6)

This part of the Unit Specification is offered as guidance. The support notes are not mandatory.

While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 40 hours.

GUIDANCE ON THE CONTENT AND CONTEXT FOR THIS UNIT

This Unit is an optional Unit in the National Certificate in Business at SCQF level 6 but can also be taken as a free-standing Unit.

It is designed as an introductory Unit for candidates who wish to gain knowledge and understanding of the financial services sector, perhaps because they are considering employment in this sector. The Unit is also suitable, therefore, for candidates who may be contemplating further study in financial services.

The Unit covers the financial services sector and its products and provides a good basis for exploring the factors which underpin the provision of financial services in the UK. The areas covered are: the financial services market and key institutions; the nature range and characteristics of financial services products and the financial services regulatory framework.

Candidates will develop knowledge and understanding of the financial services sector — the providers of financial services to include the traditional high street banks and building societies and the evolving providers of the supermarkets, credit unions, high street retailers and internet-based providers — together with identifying customers who use financial services products and evaluating the products available. Candidates will also cover the regulatory framework that the financial service providers operate within. Current legislation should include: Financial Services Markets Act 2001 and relevant Codes of Practice.

GUIDANCE ON LEARNING AND TEACHING APPROACHES FOR THIS UNIT

The Unit should be approached holistically so that candidates develop an understanding of the relationship between market (customer) demands, the products provided by the financial institutions and the control systems which exist. Delivery in the order of the outcomes would be appropriate, with a linking of content between Outcomes 2 and 3.

Outcomes 2 and 3 allow for a linking of delivery eg short term borrowing products such as credit cards being subject to the legislative requirement that they are only available to those aged over 18. Candidates should be introduced to a wide variety of financial services providers and their product ranges. Candidates should be encouraged to consider the benefits to the individual of money management skills and savings plans — both long and short term. Candidates should also understand the economic benefits of the financial services sector to the UK as a whole and to Scotland in particular.

Research tasks should be used to gather information either through direct contact with financial services providers or by internet research. Candidates should also be encouraged to keep up to date with the financial services sector via the business section of newspapers and current affairs programmes.

National Unit Specification: support notes (cont'd)

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Research activity could be based around group or pair working to enable the development of Core Skills.

Visiting speakers from a financial service organisation can be used to enhance candidates' learning.

OPPORTUNITIES FOR CORE SKILL DEVELOPMENT

This Unit can provide candidates with opportunities to develop aspects of the Core Skills of Communication. Depending on the learning and teaching approaches adopted it could also provide opportunities for developing aspects of the Core Skill of Working with Others. This is because it provides opportunities for investigation in pairs or in small groups.

GUIDANCE ON APPROACHES TO ASSESSMENT FOR THIS UNIT

Opportunities for the use of e-assessment

E-assessment may be appropriate for some assessments in this Unit. By e-assessment we mean assessment which is supported by information and communications technology (ICT), such as e-testing or the use of e-portfolios or e-checklists. Centres which wish to use e-assessment must ensure that the national standard is applied to all candidate evidence and that conditions of assessment as specified in the Evidence Requirements are met, regardless of the mode of gathering evidence. Further advice is available in *SQA Guidelines on Online Assessment for Further Education (AA1641, March 2003)*, *SQA Guidelines on e-assessment for Schools (BD2625, June 2005)*.

It is recommended that a holistic approach is taken in the assessment of this Unit.

A portfolio is most likely to generate sufficient evidence to meet the Outcomes and Performance Criteria for this Unit and would be appropriate to a holistic approach.

As it would be anticipated that an assessment activity of this nature would require a certain amount of work to be carried out in the candidates own time and without supervision, controls to measure authenticity should be in place. A short oral questionnaire could be used at the time of submission to authenticate work and evidence of research material used could also help.

It is suggested that candidates conduct research on at least three financial services institutions and their products. Candidates should choose three institutions of differing characteristics eg a high street bank, an online provider and a credit union. In order to meet the criteria for Outcome 1 in the identification of financial services institutions, candidates should give a brief summary of the organisation, to include where their services are offered to customers.

National Unit Specification: support notes (cont'd)

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Candidates should then use their chosen institutions as a source to address the remaining content requirements of the Unit. From the chosen institutions candidates' should investigate the nature and characteristics of:

- ◆ a current account
- ◆ a short and a long term savings account
- ◆ borrowing products of short, medium and long term
- ◆ an insurance product

It is suggested at least one example of each product is covered. In each case candidates should also refer to the market for the product.

In addition candidates should demonstrate awareness of the role of the Financial Services Authority and one effect of current legislation and/or relevant Codes of Practice on 2 of the chosen financial services products which should be of a different nature.

CANDIDATES WITH DISABILITIES AND/OR ADDITIONAL SUPPORT NEEDS

The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments, or considering alternative Outcomes for Units. Further advice can be found in the SQA document *Guidance on Assessment Arrangements for Candidates with Disabilities and/or Additional Support Needs* (www.sqa.org.uk).