



National Unit Specification

General information

Unit title: Financial Services: An Introduction (SCQF level 6)

Unit code: H97V 46

Superclass: AL

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Unit purpose

This Unit is a mandatory Unit in the Financial Services Award at SCQF level 6. It is suitable for learners who wish to pursue a career in Financial Services but it can be taken as a stand-alone Unit for learners who wish to gain an understanding and appreciation of the Financial Services sector.

The Unit is designed to help learners develop knowledge and understanding relating to the purpose, role and activities of the Financial Services sector. Learners will be introduced to the concepts of savings and investment and what this means in relation to the wider economy. Learners will develop their knowledge and understanding of the institutions that comprise the Financial Services sector as well as the job roles that are common to these institutions.

Outcomes

On successful completion of the Unit the learner will be able to:

- 1 Explain the economy in which the Financial Services sector operates.
- 2 Explain the roles and functions of the Financial Institutions operating in the UK Financial Services sector.
- 3 Investigate job roles and career development opportunities within the Financial Services sector.

Credit points and level

1 National Unit credit at SCQF level 6: (6 SCQF credit points at SCQF level 6)

National Unit Specification: General information (cont)

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Recommended entry to the Unit

While entry is at the discretion of the centre, learners would normally be expected to have attained the following or equivalent.

- ◆ National 5 English/Communication/Literacy
- ◆ National 5 Mathematics/Lifeskills Mathematics

Core Skills

Opportunities to develop aspects of Core Skills are highlighted in the Support Notes for this Unit specification.

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

Context for delivery

If this Unit is delivered as part of a Group Award, it is recommended that it should be taught and assessed within the subject area of the Group Award to which it contributes.

The Assessment Support Pack (ASP) for this Unit provides assessment and marking guidelines that exemplify the national standard for achievement. It is a valid, reliable and practicable assessment. Centres wishing to develop their own assessments should refer to the ASP to ensure a comparable standard. A list of existing ASPs is available to download from SQA's website (<http://www.sqa.org.uk/sqa/46233.2769.html>).

Equality and inclusion

This Unit Specification has been designed to ensure that there are no unnecessary barriers to learning or assessment. The individual needs of learners should be taken into account when planning learning experiences, selecting assessment methods or considering alternative evidence.

Further advice can be found on our website www.sqa.org.uk/assessmentarrangements.

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

Explain the economy in which the Financial Services sector operates.

Performance Criteria

- (a) Explain how income and expenditure contribute to the operation of the economy
- (b) Explain how investment and capital contribute to economic growth
- (c) Explain the relationship between the price level and the nominal interest rate
- (d) Explain the importance of assessing financial risk and enhancing financial stability

Outcome 2

Explain the role of the Financial Institutions operating in the UK Financial Services sector.

Performance Criteria

- (a) Explain the role of Retail and Corporate/Business Banks
- (b) Explain the role of Building Societies
- (c) Explain the role of Insurance Companies

Outcome 3

Investigate job roles and career development opportunities within the Financial Services sector.

- (a) Investigate job roles found within organisations that make up the Financial Services sector
- (b) Research potential career development opportunities that exist within organisations that make up the Financial Services sector

National Unit specification: Statement of standards (cont)

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Evidence Requirements for this Unit

Evidence is required to demonstrate that learners have achieved all Outcomes and Performance Criteria.

Written and/or oral recorded evidence is required to demonstrate that the learner has met the requirements of all the Outcomes and Performance Criteria. The Outcomes for this Unit may be assessed individually.

The assessment for Outcome 1 should be carried out under closed-book supervised conditions. The assessment for Outcome 2 should be carried out under open-book supervised conditions.

Outcome 1

Learners should:

- ◆ Provide an illustration of the circular flow of income and expenditure and explain how this contributes to economic growth.
- ◆ Define wealth and savings and provide an illustration of how wealth and savings combine to create investment and capital.
- ◆ Explain the influence of the price level and the nominal interest rate.
- ◆ Describe how savings are used to finance investment through the process of borrowing and lending. Learners should make reference to financial risk and financial stability.

Outcome 2

Learners should:

- ◆ Explain the role of a retail bank.
- ◆ Explain the role of a corporate/business bank.
- ◆ Explain the role of a building society.
- ◆ Outline the characteristics of three products/services that retail banks, corporate banks or building societies offer their customers.
- ◆ Explain the role of an insurance company and outline the characteristics of **two** products/services that they offer to customers.

Outcome 3

Learners should:

- ◆ Investigate **four** job roles that exist within the Financial Services sector and describe the responsibilities/duties associated with each role.
- ◆ Research potential career development opportunities available to employees within a Financial Services organisation and map **one** available option.



National Unit Support Notes

Unit title: Financial Services: An Introduction (SCQF level 6)

Unit Support Notes are offered as guidance and 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 provides learners with an introduction to the Financial Services sector. It is important that the learning that takes place is reflective of the contemporary activities of the sector and that this adequately takes account of the financial crisis that occurred in 2008. Particular emphasis should be placed on the current approaches to risk management and financial sustainability.

Outcome 1 will provide learners with an overview of the role that wealth and savings play in the operation of the economy and how this translates into capital and investment, which in turn contributes to economic output. Learners will be introduced to a simple model of an economy using the circular flow of income and expenditure, including injections and withdrawals, and how this is used to calculate economic output in terms of a country's Gross Domestic Product (GDP). Learners can be introduced to the value of assets and to the role of savings as a source of funds to finance investment. Additionally, the influence of the price level and the interest rate will assist learners' comprehension of savings and investment decisions. For example, learners should appreciate that the price level should be used to calculate the 'real interest' rate and that the price level affects the value of disposable income in relation to the goods and services that can be purchased. This Outcome is not intended to provide a comprehensive understanding of the economy, but rather to present a context within which the Financial Services sector operates.

Outcome 1 also introduces the crucial topics of risk and sustainability and this could be raised within the context of the 2008 financial crisis. The effects of long-term investment management in favour of short-term gains may be examined and this could contribute to the learners' understanding of personal financial responsibility.

Outcome 2 provides an overview of the main institutions that operate within the Financial Services sector. Learners will develop knowledge of the products and services that each institution provides such as current accounts, savings and investment products, mortgage products and insurance products. Centres should ensure that teaching and learning reflect the current products that constitute each institution's personal and commercial product provision.

National Unit Support Notes (cont)

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Banking organisations provide similar services, they allow customers to:

- (a) deposit their money securely
- (b) access their money easily
- (c) conduct transactions
- (d) provide additional money to fund large purchases, eg a house

Other services include:

- (a) Foreign business
- (b) Investment management
- (c) Insurance
- (d) Income Tax advice
- (e) Trustee and executorships

The difference between the needs of a personal customer who uses personal banking products (retail banking) and the needs of a corporate/business customer who uses business banking products (corporate banking) should be explained to learners. However, the specialist services provided by non-High Street banks (eg Coutts & Co) need not be covered. Product options for personal and business customers include: overdrafts, personal/business loans, personal/commercial mortgages and these all have different terms and conditions, eg higher interest rates, and fees apply to business products. These products are offered via various delivery channels, eg telephone, branch network and define their relationship with the financial services provider, eg online, face to face. Interest, charges and fees differ according to type of customer and the risk assessment applied to each application. This Outcome should reflect financial services in the 21st century and the advancement of technology, for example online banking and banking on the go (use of apps).

This Outcome should provide the learner with an understanding of the origin of the building society and the changes and demise of societies on our high street. Building societies are mutual organisations, which mean they have no shareholders and operate in the interests of their members. Demutualisation meant that societies could offer various financial products rather than only savings accounts and mortgages. Deregulation of the mortgage market means banks can offer mortgages as well as the building societies.

Outcome 2 also provides learners with an introduction to insurance companies. The companies contribute to society by helping people and businesses manage short-term and long-term risk, provide protection and guard against losses and offer savings and investment products. There are types of insurance which the government require you to have, eg if you have employees you need liability insurance, if you own property your mortgage lender will insist on property insurance. Property insurance covers both buildings and content. It is usual for high item values to be listed separately. Other types of insurance include travel, pet, motor and life. The provision of pensions is also a primary role of insurance companies and with auto-enrolment, ie employers must enrol employees into a workplace pension if they meet the correct criteria. The introduction of the 2015 pension changes means that individuals may access their pension pot subject to the relevant criteria and terms and conditions which apply to different pension schemes. This will impact on how insurance companies do business.

National Unit Support Notes (cont)

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Outcome 3 looks at the job roles that exist within the various financial institutions and the career paths that may be available to employees. Examples of job roles may include:

- (a) Customer Service Officer/Adviser/Agent
- (b) Financial Services Consultant
- (c) Human Resources Manager
- (d) Operations Manager
- (e) Team Leader
- (f) Relationship Manager
- (g) Account Manager
- (h) Compliance Officer
- (i) ICT Systems Developer
- (j) ICT Systems Support Officer
- (k) Marketing Officer

Centres should highlight the difference in the financial services job roles eg:

- (a) Customer facing (Financial Services Consultant) v back office (Operations Manager).
- (b) Internal customer roles (Human Resources Manager) v external customer roles (Relationship Manager).
- (c) Authorised (provision of advice to customer) v non-authorised (product information on an execution only basis).

The way in which financial institutions engage with their customers is increasingly technology driven, and this has led to a demand for ICT professionals who can develop sophisticated, user friendly interfaces that align with customer expectations. In line with the demand for development, the support and maintenance of these systems has also created extensive career opportunities.

Although not exclusively sales driven, the Financial Services sector can profit from selling products/services to both the personal and commercial markets. As a result, their operations will focus on fostering positive relationships and building customer loyalty. Learners will discover that, in addition to the career paths listed above, opportunities are also available in the fields of sales and marketing.

Centres can also highlight options for further education, learning and development and additional qualification opportunities in Financial Services, some of which are regulated eg CeMap for mortgage advisors. This builds career opportunities from entry level to management and senior management through Continuous Professional Development (CPD) which is now seen as essential across all Financial Services organisations.

Most Financial Services organisations work with professional bodies who offer programmes of learning to employees. This means continuous development is available in their chosen career which results in raising the standards of professionalism and customer-focussed qualifications within Financial Services. An example of this is the Chartered Banker Institute which offer learning programmes from certificate level to Chartered Banker status through a staged process of study. As a result a Chartered Banker:

- ◆ Has demonstrated and continues to demonstrate standards of professional excellence.
- ◆ Continually develops their skills and knowledge.
- ◆ Complies with the Institute's Code of Professional Conduct.

National Unit Support Notes (cont)

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Guidance on approaches to delivery of this Unit

It is recommended that the Outcomes be delivered in order. It is recommended that learners are given the opportunity to benefit from the involvement of the Financial Services sector by enhancing the teaching and learning that takes place within a classroom setting — this may take the form of guest speakers and visits to the financial institutions themselves.

Outcome 1 presents a context within which the Financial Services sector operates.

In Outcome 2 assessors could discuss the role and function of the different financial institutions working in the UK Financial Services sector along with the products they offer. Learners could gather information about the different products by collecting brochures from the various financial institutions or accessing information on-line and these could be discussed within learner groups.

For Outcome 3 class discussion could take place around the type of job roles available in the different types of Financial Services institutions. Learners could investigate vacancies advertised online or in specialist journals and note the duties and responsibilities aligned to different job roles along with the skills required for the posts.

Career development opportunities within the industry should be mapped out and progression routes discussed, ie what kind of courses can employees study while working; can they take professional body examinations; how do they gain membership of professional bodies such as Chartered Insurers Institute (CII) or Chartered Banker Institute (CBI); can initials be used after name?

Input from individuals working in the Financial Services Sector would be beneficial. They could outline career development opportunities and organisation's expectations of employees where no clear career pathways exist.

Guidance on approaches to assessment of this Unit

Evidence can be generated using different types of instruments of assessment. The following are suggestions only. There may be other methods that would be more suitable to learners.

Centres are reminded that prior verification of centre devised assessments would help to ensure that the national standard is being met. Where learners experience a range of assessment methods, this helps them to develop different skills that should be transferable to work or further and higher education.

Outcomes 1 and 2 may be assessed via extended response questions covering all Performance Criteria. Assessment for Outcome 1 will be carried out under closed-book supervised conditions. Assessment for Outcome 2 will be carried out under open-book supervised conditions. It is recommended that each assessment be completed within 1–1½ hours.

National Unit Support Notes (cont)

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Outcome 3 may be assessed by a project. Where learners have a work placement they may base their investigation on the job roles and career development opportunities within the organisation. Learners may provide evidence for this Outcome by giving a presentation on their findings to the class group.

It is the responsibility of the centre delivering this Unit to ensure the authenticity of learners' work.

Opportunities for 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 Communication Technology (ICT), such as e-testing or the use of e-portfolios or social software. Centres which wish to use e-assessment must ensure that the national standard is applied to all learner evidence and that conditions of assessment as specified in the Evidence Requirements are met, regardless of the mode of gathering evidence. The most up-to-date guidance on the use of e-assessment to support SQA's qualifications is available at www.sqa.org.uk/e-assessment.

Opportunities for developing Core and other essential skills

Core Skills

Learners will be producing written and/or oral communication evidence as part of the assessment and will be carrying out research. This offers opportunities to develop aspects of the Core Skill of *Communication*.

Through using the internet for research purposes, learners will have the opportunity to develop the Core Skill of *Information and Communication Technology (ICT)*.

Learners will also have the opportunity to develop aspects of the Core Skill *Working with Others* during class discussions. If learners have work placements this will further enhance the development of this Core Skill.

Other Essential Skills

Learners may be given opportunities to develop key employability skills, as well as develop an awareness and understanding of citizenship and sustainability. These include the skills of:

Communication
Interpersonal
Flexibility/ability to adapt to different situations
ICT
Team work/group work

Using initiative/being proactive
Problem Solving
Paying attention to detail

Research and investigation
Positive attitude to work
Analysing and Evaluating
Planning and organising
Time management
Adopting professional working standards and practices
Knowledge of chosen job or career path

History of changes to Unit

Version	Description of change	Date

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General information for learners

Unit title: Financial Services: An Introduction (SCQF level 6)

This section will help you decide whether this is the Unit for you by explaining what the Unit is about, what you should know or be able to do before you start, what you will need to do during the Unit and opportunities for further learning and employment.

This Unit will give you an understanding of the purpose and role of organisations working within the Financial Services sector.

Outcome 1 will give you an understanding of how the Financial Services sector operates within the economy.

In Outcome 2 you will learn about the main institutions that operate within the Financial Services sector including retail and corporate/business banks, building societies and insurance companies. You will look at the roles and functions they carry out and the products/services they offer.

In Outcome 3 you will investigate the different job roles which are available within the Financial Services sector. You will also research career development opportunities which may be available within organisations working within the sector.

Outcomes 1 and 2 may be assessed through extended response questions. The assessment for Outcome 1 will be carried out under closed-book supervised conditions and the assessment for Outcome 2 will be undertaken in open-book supervised conditions. Outcome 3 may be assessed by a project.

You will have opportunities to develop the Core Skills of *Communication, Information and Communication Technology (ICT)* and *Working with Others*. In addition, you may develop other employability skills such as time management, using initiative and paying attention to detail.

Progression from this Unit is on to further/higher education courses, training or employment.