

**National Occupational Standards
for
Providing Advice on Savings for Retirement**

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SFR1 Engage with the customer and establish reasons for seeking advice on savings for retirement

Overview

This unit is about getting to know the customer and the circumstances which have led them to contact you and seek advice on savings for retirement. This advice may be in addition to other advice investment advice the customer may require. The emphasis is on ensuring that the customer understands the advice process, its purpose and what they can and cannot expect from you as well as quickly building rapport. It applies to getting to know the customer through gathering relevant information and includes those activities undertaken prior to and during the first interview with a potential customer.

Outcomes of effective performance

You must be able to do the following:

- SFR1/1 introduce yourself to the customer and explain what advice on savings for retirement is
- SFR1/2 explain what preparatory work, if any, the customer will need to do before a formal meeting or telephone call with you
- SFR1/3 explain how long a formal meeting or telephone call is usually expected to last
- SFR1/4 explain what the customer can and cannot expect from, and at the end of, the advice on savings for retirement process
- SFR1/5 explain that information gathered will be completely confidential and only passed to any third party with the customer's prior agreement
- SFR1/6 identify and agree with the customer their objectives and agenda for the meeting or telephone call
- SFR1/7 identify where appropriate the need for a suitable referral in cases outside your competence.

SFR1/8 provide as appropriate information about other service providers that are more appropriate for the customer's need at this stage

SFR1/9 check and confirm the customers' understanding so far

SFR1/10 explain to the customer the likely fee structure or cost structure that may be incurred

Behaviours underpinning effective performance

- You use communication styles that are appropriate to the customer you are dealing with and which foster a two-way discussion.
- You seek to understand your customer's needs and motivations for seeking advice.
- You present information clearly, concisely, accurately and in an understandable way.
- You gather, manage and record information efficiently, accurately, effectively and ethically observing all confidentiality and data protection requirements.
- You act within the limits of your area of competence.

Knowledge and understanding

Savings for retirement advisers need to have a broad knowledge about many subjects, although some to a greater depth than others. Part of the role of the pensions adviser will be to know that where a customer needs any advice beyond their (the adviser's) own competence (such as advice on specific financial products; claiming specific benefits; specialised debt advice; tax or legal advice), the adviser will be expected to assist the customer by helping them find specialised advice by referring them on.

General

1. Understand the main aims and strategies for retirement planning.
2. Demonstrate knowledge of the principles of business ethics and integrity as set by relevant financial codes of conduct.
3. Understand the major life stages/events that can affect finances.
4. Understand the importance of the ownership of assets in improving financial prospects throughout life.
5. Understand the basic principles of relevant taxation, and how to explain them.
6. Know the main types of retirement planning options and solutions available and how they are paid for.
7. Know the key organisations and customer protection bodies and the roles they play within the provision of financial services.
8. Be aware of relevant regulations and legislation applying to advice on savings for retirement.
9. Be able to recognise potential areas of benefits and/or tax credits that might apply to the customer, the conditions applying to them and where to refer the customer to obtain further information.
10. Know how to collect record and interpret the information given so that you can explain things clearly to the customer including what the customer has to do next.
11. Know what your firm's fee structure is.
12. Know what your levels of competence are.

SFR2 Establish the customer's key savings for retirement needs

Overview

This unit is about establishing with the customer what their key needs are for saving for retirement and gathering as much relevant information as is appropriate from them so that the customer is more readily able to identify and discuss these needs and to agree what may need to be addressed. This will include the creation and maintenance of customer records.

Outcomes of effective performance

You must be able to do the following:

- SFR2/1 you establish relationships with customers based on assurances of confidentiality and the open exchange of information
- SFR2/2 encourage the customer to express the nature of their savings for retirement needs and establish if the advice is for them or a third party. In cases where the customer confirms that the advice or information is for a third party you check and confirm that the customer has written authority from or Power of Attorney for the third party on whose behalf the advice is being sought
- SFR2/3 if relevant, you discuss with the customer their issues and needs, their financial circumstances and help them identify what provision they may currently have
- SFR2/4 your assessment of customers' attitudes to risk is based upon the information customers' provide, and your accurate interpretation of relevant risk factors
- SFR2/5 you identify accurately the amounts that your customers can afford, and the benefits they seek
- SFR2/6 you ascertain whether the customer anticipates any changes in the foreseeable future that may affect the area of advice concerned. In particular, where those changes will have an impact on entitlement to state benefits

- SFR2/7 you explain to the customer that your advice is based solely on the information they have been able to provide for you
- SFR2/8 you check that the customer understands their current financial circumstances and the areas you have agreed are to be addressed.

Behaviours underpinning effective performance

- You use communication styles that are appropriate to the customer you are dealing with and which foster a two way discussion.
- You present information clearly, concisely, accurately and in an understandable way.
- You confirm that you are listening through acknowledging points raised and made by the customer by paraphrasing.
- You use a tone of voice, inflexion and both verbal and body language which displays interest in the customer's needs.
- You gather, manage and record information efficiently, accurately, effectively and ethically observing all confidentiality and data protection requirements.
- You act within the limits of your area of competence.
- You carry out tasks with due regard to your organisation's policies and procedures, including those covering health and safety at work.

Knowledge and understanding

Savings for retirement advisers need to have a broad knowledge about many subjects, although some to a greater depth than others. Part of the role of the pensions adviser will be to know that where a customer needs any advice beyond their (the adviser's) own competence (such as advice on specific financial products; claiming specific benefits; specialised debt advice; tax or legal advice), the adviser will be expected to assist the customer by helping them find specialised advice by referring them on.

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7. Know the key organisations and customer protection bodies and the roles they play within the provision of financial services.
8. Be aware of relevant regulations and legislation applying to advice on savings for retirement.
9. Be able to recognise potential areas of benefits and/or tax credits that might apply to the customer, the conditions applying to them and where to refer the customer to obtain further information.
10. Know how to collect record and interpret the information given so that you can explain things clearly to the customer including what the customer has to do next.
11. Know what your levels of competence are.

SFR3 Identify ways of meeting savings for retirement needs for the customer to consider

Overview

This unit is about analysing the savings for retirement needs in the advice on savings for retirement process, explaining the features, advantages and disadvantages of the options open to the customer and checking their understanding of what you have told them. The focus is on the main categories of need: budgeting, protection, savings and investment. However the customer's needs must be their own and any priorities and options presented to the customer should reflect their particular needs.

Outcomes of effective performance

You must be able to do the following:

- SFR3/1 identify under the categories: income and budgeting, protection, savings and investment, the potential options available to the customer which could address their needs
- SFR3/2 discuss the features, advantages and disadvantages of the options identified, including the use of any existing provision the customer has disclosed to you
- SFR3/3 confirm that the customer understands what you have discussed with them so far
- SFR3/4 describe the investment strategy and explain the provisions of the scheme you have proposed
- SFR3/5 you formulate your advice and agree with the customer if any immediate action is required and what that will be.

Behaviours underpinning effective performance

- You use communication styles that are appropriate to the customer you are dealing with and which foster a two way discussion.
- You present the information clearly, concisely, accurately and in an understandable way.
- You confirm that you are listening through acknowledging points raised and made by the customer.
- You use a tone of voice, inflexion and language which displays interest in the customer's needs.
- You gather, manage and record information efficiently, accurately, effectively and ethically observing all confidentiality and data protection requirements.
- You act within the limits of your area of competence.

Knowledge and understanding

Savings for retirement advisers need to have a broad knowledge about many subjects, although some to a greater depth than others. Part of the role of the pensions adviser will be to know that where a customer needs any advice beyond their (the adviser's) own competence (such as advice on specific products; claiming specific benefits; specialised advice; tax or legal advice), the adviser will be expected to assist the customer by helping them find specialised advice by referring them on.

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10. Know how to collect record and interpret the information given so that you can explain things clearly to the customer including what the customer has to do next.
11. Know what your levels of competence are.

SFR4 Identify and agree priorities and options for the customer to enable informed pension choices

Overview

This unit is about identifying and agreeing with the customer what their priorities and options are in such a way that the customer can make an informed choice about what steps, if any, they need or want to take to progress the advice. These steps may take the form of you identifying a suitable referral in cases outside your competence, the customer arranging at their request with your organisation the opportunity to discuss their needs in more detail or the customer taking action by themselves. The options presented should reflect the customer's own aspirations and goals rather than only presenting the customer with options that the adviser thinks are appropriate for the customer's circumstances.

Outcomes of effective performance

You must be able to do the following:

- SFR4/1 explain the retirement savings options you have identified to the customer
- SFR4/2 help the customer clarify their wants and needs in order to understand the options available to them and discuss any possible conflict with their own personal aspirations
- SFR4/3 enable the customer to prioritise and take the course of action that addresses their prioritised needs
- SFR4/4 point out to the customer where additional information may be needed or sought in order to help with further advice
- SFR4/5 explain to the customer where the advice they require is outside of your competence.

Behaviours underpinning effective performance

- You use communication styles that are appropriate to the customer with whom you are dealing, and which foster a two way discussion.
- You present information clearly, concisely, accurately and in an understandable way.
- You confirm that you are listening through acknowledging points made by the customer.
- You use a tone of voice, inflexion and language which displays interest in the customer's needs.
- You identify where the customer's requirements exceed your level of competence.
- You act within the limits of your area of competence.
- You carry out tasks with due regard to your organisation's policies and procedures, including those covering health and safety at work.

Knowledge and understanding

Savings for retirement advisers need to have a broad knowledge about many subjects, although some to a greater depth than others. Part of the role of the pensions adviser will be to know that where a customer needs any advice beyond their (the adviser's) own competence (such as advice on specific products; claiming specific benefits; specialised advice; tax or legal advice), the adviser will be expected to assist the customer by helping them find specialised advice by referring them on.

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5. Understand the basic principles of relevant taxation, and how to explain them.
6. Know and understand the detailed provisions of the savings for retirement arrangements that are available as options to the customer.
7. Know the main types of retirement planning options and solutions available and how they are paid for.
8. Know the key organisations and customer protection bodies and the roles they play within the provision of financial services.
9. Be aware of relevant regulations and legislation applying to advice on savings for retirement.
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11. Know how to collect record and interpret the information given so that you can explain things clearly to the customer including what the customer has to do next.
12. Know where to obtain further information that may be needed by the customer, or where to direct the customer for further advice.
13. Know what your levels of competence are.

SFR5 Review and present information to provide advice on savings for retirement

Overview

This is about the review and presentation you must do to ensure how best to meet customers' needs and wants. It covers assessing the customer's circumstances to identify the most appropriate solution(s), and includes the rationale for selecting some and rejecting others, pulling out the key features of any such solutions in preparation for presenting these to the customer.

Outcomes of effective performance

- SFR5/1 your assessment of customers' needs is accurate and prioritised
- SFR5/2 you explain clearly when you are not qualified to offer the advice required and suggest suitable alternative sources of advice
- SFR5/3 the savings for retirement solutions you select satisfy regulatory requirements
- SFR5/4 you accurately identify and assess savings for retirement solutions to meet your customers' requirements
- SFR5/5 your assessments of possible solutions are valid, logical and take account your client's existing provision, associated risks and affordability
- SFR5/6 you accurately identify information which customers may not understand and prepare an explanation that they will understand
- SFR5/7 give equal weight to all appropriate choices
- SFR5/8 establish how the customer may want the information to be provided to them (e.g. electronically, paper based).

Behaviours which underpin effective performance

- You check the validity and reliability of information about customers and products.
- You make best use of existing sources of product information.
- Your analysis of information is logical and any recommendations are supported by the information available.
- Your assessments of product suitability are fair and are justifiable in terms of the customers' requirements.
- You check that information you prepare for customers is accurate and up-to-date.
- You comply with legal requirements, compliance regulations, organisational policies and professional codes.
- You keep accurate and up-to-date records of your selected solutions, the advice you plan to give and your reasons and assumptions.

Knowledge and understanding

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13. Know what your levels of competence are.

SFR6 Refer the customer to further information or advice on savings for retirement

Overview

This unit is about referring the customer where they can go next to action the information and advice on savings for retirement that you have given. It is about identifying and offering the customer appropriate choices so that they are able to address their needs, and for them to be aware of what costs may be incurred.

Outcomes of effective performance

You must be able to do the following:

- SFR6/1 make clear to the customer what will happen next
- SFR6/2 identify and offer the customer the information they need to access services that could address their needs
- SFR6/3 make clear under what circumstances the customer is likely to incur costs.

Behaviours underpinning effective performance

- You use communication styles that are appropriate to the customer you are dealing with.
- You present the information, clearly, concisely, accurately and in a way that is understandable and acceptable to the customer.
- You use a tone of voice, inflexion and language which displays interest in the customer's needs.
- You act ethically, impartially and in the best interests of the customer at all times with regards to presenting the options open to them to progress the advice.

Knowledge and understanding

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