

Response to Consultation Paper on Review of Minimum Competency Requirements

Proposals included in draft revised Requirements

Register and Certificates

Proposal

1. Proposal to allow regulated firms to provide either a copy of the register of accredited individuals to the public on request or to provide each accredited and specified accredited individual with a certificate in a defined format setting out the areas in which the individual has been grandfathered or holds a relevant recognised qualification.

Response

We agree with the concerns raised relating to the security of employees arising from the requirement to make the Register publicly available. Members of the public can access information online through the QFA Register or the Registered Stockbroker Register both of which allow any member of the public to check the status of an individual. Our view is that this type of access addresses the concerns raised relating to security and confidentiality of employees. Also, the proposal to issue a certificate would not arise which we firmly believe would only be burdensome and significantly increase the level of administration involved, with little added value to the consumer.

Additional Proposals

1. Grandfathering

Proposal

Seeking views on a proposal to phase out the Grandfathering arrangements over a four-year period. “We would expect that all those providing services that fall within the scope of the Requirements would hold a relevant recognised qualification by 2015.”

Response

Our strong view is that these individuals who have already been grandfathered should not now be required to achieve a relevant qualification. The grandfathering arrangements were put in place to provide for individuals who had a defined level of relevant industry experience when MCR was introduced in 2007, but did not have the requisite qualification. These individuals already have significant relevant experience and are completing ongoing professional development and therefore we see no merit whatsoever in requesting them to complete examinations.

2. CPD Hours

Proposal

Seeking views on the question of whether or not to reduce the number of CPD hours to be completed for grandfathered individuals who hold a recognised qualification.

Response

Retail Financial Products/Category of retail financial product: Our view is that Category 3, Shares, Bonds and other Investment Instruments and Category 4, Savings, Investment and Pension Products should be merged into one Category, given the significant overlap which arises between these two categories of Retail Financial Products. Our view is that the existence of two such similar categories can give rise to a level of uncertainty and a lack of clarity. We would propose that the instruments should be set out as defined in the relevant legislation/requirements.

Category of specified activity: Acting for or on behalf of a regulated firm in adjudicating on any complaint communicated to that provider by a consumer which relates to advice about a retail financial product given to that consumer or the arranging of a retail financial product for the consumer by an individual acting for or on behalf of that provider. Our view is that the qualifications recognised for this activity are very limited and should be extended to include those individuals who have obtained professional accounting qualifications, for example, ACA or ACCA. We also believe that consideration could be given to restricting this to individuals who hold a minimum of two years post qualification experience.