**TRAINING & COMPETENCE PLAN**

**2023**

ABC Financial Planning Ltd

This plan will be effective through 2023.

2022 review

The following planned activities were carried out successfully with no issues carried forward

* KPIs were met
* File reviews were completed with no advice fails
* CPD was completed
* Note – I self-supervise

2023 update – key features

* Ensuring that the requirements of the Consumer Duty initiative are embedded throughout the firm
* Particular attention to the recognition and proper treatment of vulnerable clients by all staff
* The plan does not cater for more than 1 adviser, and does not reflect a training regime for a new recruit. The plan will be amended if any such event unexpectedly took place.

Permissions, Plan basis and plan commitments

No changes

Staff

**Individual responsible for this T & C plan:** James Bond

**Firm Advising Staff Structure**

|  |  |  |
| --- | --- | --- |
| **Name** | | **Job Title and details** |
| James Bond | | Is the Practitioner Chief Executive |
| Job Title | | Managing Director |
| Status | | Competent, Certificated and Senior Manager Function |
| As a shareholder / director, I have opted out of the 121 and development plan elements of the T&C scheme, self-supervising. I am still subject to client file reviews and am subject to my own remedial work, should any be required. | | |
| **Name** | **Job Title and details** | | |
| Moneypenny | Employed, Office manager | | |
| Status | Competent, Conduct Function | | |
| Supervised by James. | | |

## My assessment (self-supervision) functions

#### The following parameters are only applicable in the event a second adviser is recruited, which is not envisaged currently.

#### Self-reflection Skills: To accurately assess my performance in various activities / situations.

#### Training: To identify appropriate training, carry out appropriate CPD and to provide (for my non-advising conduct staff) or facilitate this training.

#### Record Keeping: To maintain appropriate records demonstrating the attainment of the above.

### My advice functions

#### Advice Process: I (and any possible future advisers) must

* Identify and contact potential clients.
* Gather sufficient client information to “know their client” and identify client needs at all points during the advice relationship.
* Analyse information gathered and undertake sufficient research to make suitable recommendations whilst considering the implications of the Consumer Duty.
* Complete all supporting documentation in an accurate manner.

#### Personal Development:

* Attain and maintain competent status as defined by the Regulator and the Firm.
* Maintain performance standards in accordance with those outlined in the Key Performance Indicators section of this plan.
* Via self-assessment, identify CPD needs to maintain and enhance Competent status and undertake appropriate activity to meet those needs.

#### Regulatory Obligations:

* Comply at all times with the requirements of the Financial Services and Markets Act 2000 and the FCA Rules including conduct rules.
* Comply at all times with the Compliance and Training & Competence Procedures of the Firm.
* Keep up to date with relevant regulatory procedures.

### Conduct staff (non-advising) agreed functions

#### Client liaison: Conduct staff will

* Communicate promptly with clients without providing advice to clients.
* Gather sufficient client information from clients to facilitate the agreed ongoing client relationship.
* Process client actions and tasks efficiently.
* Ensure all supporting documentation is populated in an accurate and complete manner.

#### Personal Development:

* Attain and maintain competent status as defined by the Firm.
* Maintain performance standards in accordance with those outlined in Key Performance Indicators agreed with the supervisor.
* Via self-assessment and feedback from the supervisor, identify CPD needs to maintain and enhance Competent status and undertake appropriate activity to meet those needs.

#### Regulatory Obligations:

* Comply at all times with the requirements of the Financial Services and Markets Act 2000 and the FCA Rules including conduct rules.
* Comply at all times with the Compliance and Training & Competence Procedures of the Firm.
* Keep up to date with relevant regulatory procedures.

### My Training Cycle as a competent adviser

Competency

Action Development Plan

### Action Plan

### I undertake a competency self-evaluation, at least annually. This examines my

* Adherence to the KPI benchmarks,
* CPD undertaken over the previous 12 months,
* Adherence to any relevant action plan.
* File review results

The evaluation concludes with an assessment of competency (or otherwise) and a refreshed action plan is then constructed if needed. I then issue myself with a new annual certificate of competency.

### Continuing Professional Development

I undertake a reasonable amount of appropriate Continuing Professional Development.

I update my CPD log from time to time, paying particular attention to the benefit obtained from the activity undertaken.

Minimum CPD requirements are 21 hours structured and 14 hours unstructured but, as a firm, we have agreed that 42 hours will be our minimum level, to accommodate 15 hours of insurance-based CPD.

Pension Transfer Specialists will need to have an additional 15 hours of specific DB pension related CPD activity.

Advisers are required to undertake appropriate CPD in each area where they are licenced to give advice. This should not be a reflection of their advice activities in the market, but rather their licencing scope. I cover the following subjects in any CPD annual cycle;

Technical: Pensions, Investments, Trusts, Tax, Protection, Regulation (including conduct rules)

Skills: Financial planning, Personal and corporate business development,

Note regarding Insurance based CPD:

The following may constitute acceptable content:

* Product knowledge (including investment bonds and WOL plans)
* Product legislation
* Relevant regulations (including ethics)
* Some tax issues (e.g. IHT planning, corporate plans)
* Wills, LPAs, Trusts
* State benefits
* Protection related planning

**File Reviews**

This is an important monitoring tool.

The firm contracts with The Compliance Department to assist with its file monitoring function. The selection of cases is sampled in such a way so as to broadly represent my spread of business, with a bias to higher risk type business, if volumes so dictate.

A threshold sample of low risk cases may be reviewed irregularly to assess process and advice. These usually (but not exclusively) will comprise ISA and GIA top ups.

Files are reviewed to ensure no significant systematic breaches occur. Reviewers feed back findings to me, who must then demonstrate factual explicit evidence supporting the query, or undertake appropriate remedial action if required.

Higher risk types of business are deemed as:-

* Income Drawdown and UFPLS (where income is being drawn)
* Unregulated collective investments (non-mainstream pooled investments)
* Any other complex products including tax incentivised satellite schemes (e.g. an EIS) and structured products

In all new business cases reviewed, a case-by-case File Review Record (this may take various forms including most frequently a report and / or a form) will be used to assess the quality of the client file.

Should any training needs be identified as a result of this consequence the Action Planmay be amended to ensure that remedial training is undertaken successfully.

File reviews focus on client engagement, data gathering, analysis (with heightened focus here on objective setting and risk profile analysis), the suitability of recommendations (see KPIs below) and ongoing support (annual reviews). Money laundering may be assessed where the reviewer deems enhanced due diligence is prudent or the circumstances of the case warrant it.

File reviews attract a grading which is

* 1-Suitable
* 2-Suitable with minor issues
* 3-Suitability unclear
* 4-Unsuitable

Assessment of and threshold for KPIs

### File reviews - advice

The reviewer will assess adviser charging, fact finding, risk profiling, and suitability. Files are graded from unsuitable to suitable (Grades 4-1)

KPI threshold is no below standard files (below standard is grade 3 or 4)

**Product type - Spread**

The new business register maintains an ongoing record of business submitted by Product Area and Product type; i.e. Protection, Retirement Planning, Mortgages and Savings and Investment on a global and per adviser basis.

Because product type is client circumstance related, our view is that it is not in the client’s best interests to force advisers into a quantitative spread. Each adviser is however expected to have a spread of investment and pension related business. It is expected that investment business is broken down into ISAs and OEIC / Bonds. We also expect some protection business.

Product spread is analysed and discussed at 121s.

**Provider Spread**

The new business register maintains a record of business submitted by Product Provider/Lender.

There is no absolute benchmark threshold because the Firm uses a Centralised Investment Proposition – consequently most transactions rest with one provider.

However, it is expected that from time to time the CIP will not fit a client’s circumstance and so this KPI is tested by exception. In these circumstances I will note the proposals submitted to each product provider/lender and justify cases where more than 20% of non-platform based business submitted over any review period is with any one product provider.

**Complaints**

I will investigate all complaints impartially and establish whether a possible training need might be identified.

**Execution Only Transactions**

The firm does not conduct any non-advised sales and does not accept execution only business.

**CPD**

As part of the regulatory requirements (35 hours of which 21 structured), advisers (unless they are only permitted to advise in certain areas through an internal licencing process) are required to demonstrate CPD activity in the following areas

Investments, Pensions, Tax (including IHT), Trusts, Protection, Regulation, Business Development.

This is a requirement even if an adviser focuses on a particular market segment (for example, pensions).

**Annual reviews**

Each adviser is required to complete 95% of annual reviews to the firm’s standard, which requires refreshing data, risk profiling, and continued suitability of previous advice.

Annual reviews are assessed as part of the file review programme and will be examined periodically.

## Limited License Business (Restrictions on business activities)

There are no licence limitations this year.

Non-advising staff

Certain non-authorised staff are required to participate formally in a diluted CPD scheme. The scheme is controlled by the supervisor.

Non-adviser members of the scheme are only required to keep CPD records. They will be supervised and competence will be assessed via 121s.

Each non-advising staff member in the scheme will have his / her own training programme, dependent on the area of advice he / she is involved in. This will be set by the designated supervisor, who may be a line manager rather than the designated supervisor for the regulated scheme. Training is not necessarily a formal course – it should be designed to deliver competency.

Assessment is at least annual, and CPD should comprise at least 15 hours. There is no differentiation between structured and unstructured CPD.

Each year the supervisor will sit with them and set their CPD goals for the year. From time to time the supervisor may delegate supervision to one or more of the main supervisors.

Moneypenny is the only participant in the non-authorised T&C programme in 2023.

Review of this Plan

This is an annual plan. The next date of review is 12 months from the date of this document.

**James Bond (SMF16)**

**January 2023**