

Have you thought about...
**a career in
financial advice?**





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What is financial advice?

Money is important to almost everyone and understanding how money works can help people achieve their goals in life. Money is also a sensitive subject and people tend to be private about how they manage their financial affairs. Whether saving to buy a house, planning for retirement or protecting loved ones in the event of illness, there will be many reasons why it is important to plan how money can be used to meet various life objectives.

Managing money can often be simple and straightforward, and it can come naturally to some too. However, many people lead busy lives and do not have the time or expertise to manage their financial affairs effectively. Financial planning can also be extremely complicated, depending on each individuals' financial circumstances and future aspirations, and financial advice may be required in order to help people make the right financial decisions.

Financial advice can be provided to individuals who need help with identifying their goals and then prioritising them into a long-term plan to achieve their financial objectives over a period of time. Those who try to plan their finances without the assistance of professional support may risk making the wrong financial decisions, which could cause major financial consequences. Financial advice can therefore provide people with confidence that their finances are being managed effectively and maximise the chances of meeting their financial goals and objectives for the future.

People may need help with planning their finances during different stages of their lives from helping with budgets, paying off student loans after graduating or paying for care in old age. Financial planning is important throughout all life stages and generally, the earlier one starts to properly plan their finances the more beneficial their plan will be.

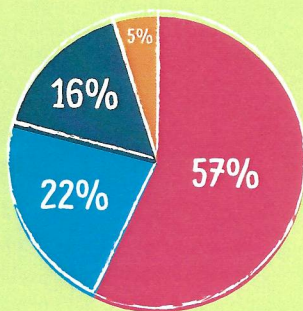
The UK financial advice sector is made up of around 25,000 financial advisers. There are a range of financial advice firm sizes varying from smaller businesses with just one financial adviser up to firms with several hundred financial advisers and support staff. Most firms, even those with one adviser, are likely to have a number of support staff to carry out certain back-office functions leaving the advisers to focus on their client relationships. Each adviser is likely to have between 100 and 200 long-term clients, who they deal with on at least an annual basis and ensure that their financial plans are updated with any changes in their circumstances.

A career in financial advice will involve working with people, understanding their current circumstances and then helping them manage their financial affairs to achieve their long-term goals and aspirations. It involves solving complex financial problems, researching different options and using a range of interpersonal skills to communicate recommendations to customers. A career in financial advice has great earnings potential, utilises a whole range of knowledge, skills and behaviours and is, most of all, an incredibly rewarding profession.

What do existing advisers think about a career in financial advice?

In 2017, we surveyed our membership around what they like about being a financial adviser, what their clients value and what tips they would give to someone training to become an adviser:

What do you like most about your job?



- 57%** Meeting and Helping Clients
- 22%** Problem Solving and Challenges
- 16%** Freedom/Flexibility
- 5%** Money/Financial Rewards

Organising peoples' lives, problem solving, helping people in crisis.

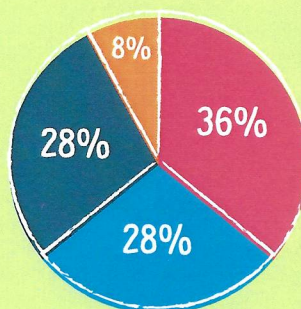
Great financial planning can change lives.

Flexibility and knowing that giving good advice can make a difference to a client's financial circumstances.

Meeting different clients and sharing their experiences.

Seeing people and solving problems.

What do your clients most appreciate about your service?



- 36%** Trust/Honesty
- 28%** Expertise/Knowledge
- 28%** Availability for Meetings
- 8%** Time Savings

I am always there for them!

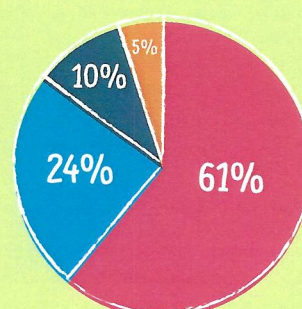
My knowledge and professionalism.

I care about them!

Simplifying complex issues and sorting out their finances.

Direct access to me whenever they need me.

What tips would you give to a new adviser?



- 61%** Focus on personal skills with clients
- 24%** Focus on knowledge and qualifications
- 10%** Be patient in your development
- 5%** Keep good records

Every day is different. There is a lot more to the profession than just passing exams!

Treat clients how you would like to be treated!

Make sure the client knows you are working for them and they are not just a number!

Never stop the desire to continue learning and developing.

Work hard and do the things you say you're going to do.

Adviser profile

Sophia Harris

Adviser, Allied Financial Services

'I wanted a long career in an industry where I could constantly learn and progress, and where there were good earning potentials.'



Did you always want a career in financial advice?

I actually used to want to be a vet – so, I'm afraid not!

What attracted you to the sector?

I wanted a long career in an industry where I could constantly learn and progress, and where there were good earning potentials.

What's been your career path so far?

I started working for Halifax the bank when I was 17, moved on to advising on bank accounts, loans, savings etc. and then decided to see if they would put me through my financial adviser qualifications, which they did, and I eventually became a financial consultant.

I then decided to start studying the Diploma qualification when that was released and was made redundant from the Halifax when I was 25.

I accepted the job at Allied Financial Services since my boss was so enthusiastic and supportive and I knew I would have a life-long career here.

What do you like most about life as an adviser?

I love talking to my clients every day and going to see them for appointments. I enjoy helping them work out their financial situation and how I can help them achieve financial goals in the future.

I like that I organise my own time and diary which gives me some flexibility!

And which elements do you find most challenging?

I think probably the constant changes in the industry and with regulation (not something we can get around).

I used to find being a young female adviser challenging since clients assumed I didn't have a clue what I was talking about. But now I've been with Allied for three and a half years I have built up plenty of knowledge and confidence!

What have been the biggest changes to financial advice during your time within the profession?

I started with Allied just as all the pension changes came into place, so really it was all I ever knew from a whole of market pension point of view, but this was a huge change for clients!

Why do you believe it's so important that young advisers join the finance advice sector?

Because even advisers have to retire sometime! And they need younger advisers with experience to hand over their client banks to, and to know that their clients will be well looked after.

What advice would you give to someone considering a career in financial advice?

I would say if you enjoy speaking to people all day then do it. You have to take a genuine interest in your clients' lives and financial goals and plans for the future.

'I love talking to my clients every day and going to see them for appointments. I enjoy helping them work out their financial situation and how I can help them achieve financial goals in the future.'

The role of a financial adviser

Financial advisers provide their clients with specialist advice on how to manage their money. They may be employed in large companies such as banks or within small specialist advice businesses. The role involves building long-term valued relationships with clients, researching the marketplace and recommending the most appropriate products and services available. They will have an in-depth understanding of financial products and markets and hold regular meetings with their clients to ensure that any changes in circumstances are reflected and incorporated into their financial plans for the future.

Financial advisers may specialise in particular products, depending on their clients, such as advising on employee pension schemes for companies or offering mortgage, pension or investment advice to private clients. Financial advisers operate in a highly regulated environment and in order to give financial advice, they must have professional qualifications and demonstrate a high degree of integrity, adherence to a code of ethics and be committed to maintaining their professional development and knowledge.

Some of the key tasks that a financial adviser will undertake can be seen below:

- contact new and existing clients to arrange meetings;
- conduct client meetings either at an office premises or at a location suitable for the client;
- review each client's individual financial circumstances and gather an in-depth understanding of each client's financial goals and objectives;
- use technology to research the marketplace and provide clients with information and options to meet their requirements;
- deliver a comprehensive long-term financial strategy for each client;
- utilise wider resources and specialisms, where required, to meet the holistic financial requirements of each client;
- conduct regular reviews for each client, ensure any changes are incorporated into their financial plan and their strategy is kept up-to-date.

'Financial advisers operate in a highly regulated environment and in order to give financial advice, they must have professional qualifications and demonstrate a high degree of integrity, adherence to a code of ethics and be committed to maintaining their professional development and knowledge.'



Qualification requirements



It is a regulatory requirement for financial advisers to have to achieve one of the available Ofqual level 4 qualifications specified by the Financial Conduct Authority (FCA) in order to be authorised in the role of financial adviser.

The Financial Conduct Authority are responsible for the regulation of the Financial Advice sector, therefore they dictate what level of qualification an adviser must have, as well as what processes must be followed to ensure compliance and good client outcomes.

Although many qualifications are specifically designed for financial planning, there are also other areas in which advisers can continue their qualification progress, including specialist qualifications around pensions, investments and long-term care. There are also options for non-advising professionals, such as administrators and paraplanners, whereby qualifications can support career development and progress towards becoming a financial adviser where desired.

It may be appropriate for people aspiring to become a financial adviser to study a degree qualification at university, which meets the appropriate qualification requirement. Some university degrees that don't fully meet the appropriate qualification requirements may give partial exemption to some parts of the qualifications needed, but additional qualifications will still need to be gained to become fully qualified.

The most common route to the appropriate qualification is through a professional or accredited body. The most popular qualifications are as follows:

- **Chartered Insurance Institute**
 Diploma in Regulated Financial Planning – designation DipPFS
- **Chartered Institute for Securities and Investment (CISI)**
 Investment Advice Diploma – designation ACSI
- **The London Institute of Banking & Finance**
 Diploma for Financial Advisers – designation DipFA

Many of these qualifications are modular and involve passing a number of individual units to reach the overall qualification. The NMBA Apprenticeship Programme uses the CII Diploma in Regulated Financial Planning as the qualification route for new entrants into the financial advice profession. This is due to the modular format of the qualification, which is well suited to people new to the industry.

CII Level 4 Diploma in Regulated Financial Planning



Chartered
Insurance
Institute
Standards. Professionalism. Trust.

Qualification overview

The CII Level 4 Diploma in Regulated Financial Planning is a qualification that develops and assesses the FCA's required technical knowledge and skills for advising on retail investments.

Summary of content

The CII Level 4 Diploma in Regulated Financial Planning meets the FCA's qualification requirements for retail investment advisers, and develops core technical knowledge and financial planning capabilities across six compulsory units. Five of these units cover technical knowledge and application within the specific topic, and the final unit covers the integrated practical application of these technical knowledge and planning skills.

Qualification structure

You will need to complete the following six units:

R01
Financial
services,
regulation
and ethics

R02
Investment
principles
and risk

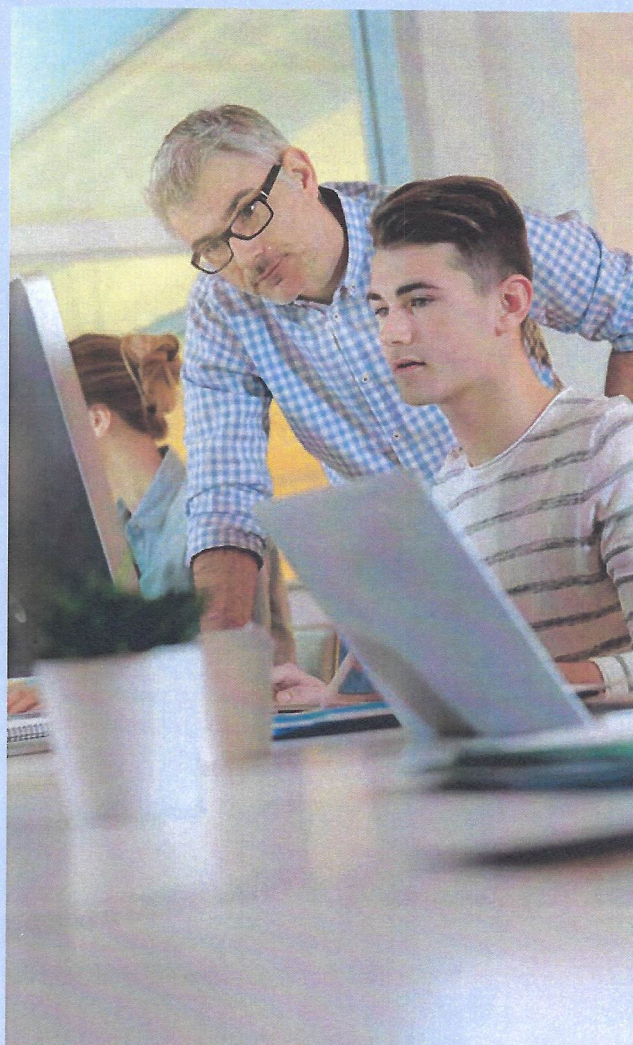
R03
Personal
taxation

R04
Pensions and
retirement
planning

R05
Financial
protection

R06
Financial
planning
practice

'The CII Level 4 Diploma in Regulated Financial Planning meets the FCA's qualification requirements for retail investment advisers, and develops core technical knowledge and financial planning capabilities across six compulsory units'



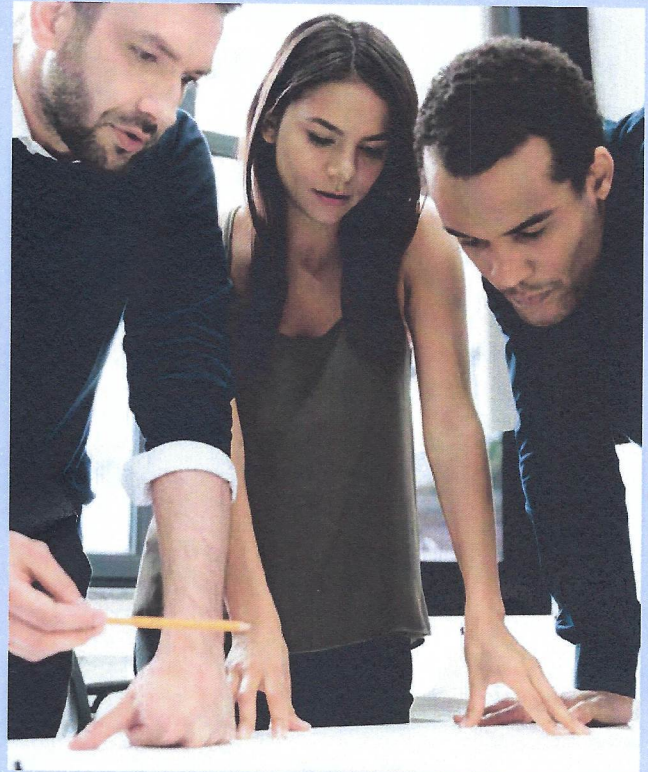
Assessment format

Each unit, except for R06 (Financial planning practice), is assessed by a single multiple-choice on screen exam, tested year-round throughout the UK at a choice of over 40 test centres.

R06 (Financial planning practice) is assessed by a written examination with pre-released case studies.

The qualification award will be graded fail/pass.

Knowledge, skills and behaviours required



As well as the basic qualification requirements, financial advisers need to achieve and maintain an appropriate level of knowledge, a range of skills and specific behaviours to be successful:

Knowledge	Skills	Behaviours
Financial services market	Know your customer	Professionalism
Regulatory and compliance	Customer service	Adaptability
Products and financial planning tools	Business development	Business orientated
Systems and controls	Managing risk	Positive mental attitude
Understanding clients' needs and objectives	Using systems and processes	Relationship management and collaboration
	Communication skills	

Other roles in financial advice



Administrator

This is an entry level role which provides the foundation knowledge skills and experience for progression into a number of career paths including senior administrator, paraplanner, financial adviser or mortgage adviser.

Initially, this role includes tasks such as:

- Providing general office administrative support including filing/scanning/photocopying, banking/post/franking, processing premium payments, answering the telephone, note/message taking.
- Maintaining customer/policy records through the customer management system and associated IT solutions.
- Supporting the account handling team in delivering a full customer service proposition in a professional, timely and efficient manner.
- Transacting with insurers and customers accordingly.

Paraplanner

Due to recent regulatory changes, there is an increasing demand for professionally qualified technical support in financial advice businesses. The role of the paraplanner is to assist the financial adviser in researching, analysing and preparing compliant financial reports for clients that verify the recommendations made in accordance with the company investment philosophy. It should also be noted that the paraplanner role is distinctly different from the role of a financial adviser.

The tasks of a paraplanner may include:

- Preparing and maintaining the client file- confirm risk profile and client objectives with the adviser/planner, identify information to compile a cash flow analysis.
- Preparing recommendations- identify areas for planning, undertake research to find appropriate solutions to present to the adviser/planner, consider current and future asset allocations and investment strategy for the client, prepare draft recommendations and reports to be signed off by the adviser/planner.
- Implementing recommendations- prepare suitability letters, complete application forms, ensure all compliance paperwork is in order, implement investments or financial plans as appropriate.
- Review client files, portfolios, products and processes- attend and organise client meetings, review portfolios, allocations and risk profiles, initiate review meetings.

There is now a clearer distinction of the role of the paraplanner, which can be recognised upon the completion of specific qualifications and the achievement of other knowledge, skill and behavioural competencies. Achievement of these qualifications and competencies would demonstrate full competence as a fully qualified paraplanner. Upon completion, there is the potential to develop further into the role of 'senior paraplanner', which requires a broader level of industry experience and further qualifications. The senior paraplanner role delivers a higher level of technical and specialist support to the financial adviser, whilst also contributing more strategically to the business's investment philosophy, processes or other technical, compliance or managerial roles within the sector.



Workplace Pensions Administrator

Workplace Pensions Administrators play a critical role in managing the day-to-day operation of workplace pension schemes. A Workplace Pensions Administrator is likely to be involved in a variety of tasks supporting more senior administrators. This may include, but is not limited to:

- Producing quotations and setting up benefits for members including retirement, death and leaving service before retirement, transfers into or out of the workplace pension scheme.
- Maintaining workplace pension scheme cash books; reconciling bank statements; preparing cash-flow forecasts.
- Collating information and drafting administration reports for clients.
- Maintaining and updating member records for example revised salary data, changes of address or marital status.
- Responding to workplace pension scheme specific enquiries from members, including fund valuation requests, information on investment options; clarification of the benefits payable under the workplace pension scheme.

Workplace Pensions Consultant

Organisations of all shapes and sizes require specialist support when selecting and running workplace pension schemes and this is often provided by Workplace Pensions Consultants. A Workplace Pensions Consultant is likely to be involved in a variety of client support activities including governance, strategy and management, working in a team supporting more experienced colleagues. Tasks may include, but are not limited to:

- Assisting/advising pension scheme sponsors and Trustees as subject matter experts, pulling together the many complex and interrelated areas of pensions regulation, strategy, implementation and governance of the scheme.
- Inputting into and setting the agenda for Trustee meetings, working in collaboration with appointed legal advisers, actuaries, investment advisers, auditors and regulatory bodies.
- Assisting in communications to pension scheme members, complaints management, project management and negotiations with sponsoring employers.
- Assisting in the governance of a pension scheme – this may include the maintenance of a risk register, business plan, member nominated trustee election process, dispute resolution process and Trustee knowledge and understanding.

Earnings

Typical earnings for roles within financial advice could be approximately:

Administrator	£15,000 to £20,000
Paraplanner	£25,000 to £40,000
Trainee Financial Adviser	£20,000 to £30,000
Workplace Pensions Administrator	£20,000 to £75,000
Fully Qualified Financial Adviser	£30,000 to £50,000
Experienced Qualified Financial Adviser	£50,000 to £250,000

Earnings in London could increase figures by 10% to 20%.



Next steps... if you are interested in a career in advice



If you think that a career in financial advice is for you, then you could join a larger firm who has their own training and development programme or alternatively join a smaller firm and enrol into an Apprenticeship Programme.

An apprenticeship combines practical on-the-job training with off-the-job learning, which helps people gain valuable knowledge, skills and behaviours to develop their career. Apprenticeships are suitable for those who have recently left full time education and are looking to start a new career, as well as those already working, who want to try something completely different or progress their career further and improve their future prospects. Being an apprentice doesn't mean earning an apprentice wage, many of our apprentices earn more than £20,000 per year, with their expected earnings more than doubling once they are fully qualified.

NMBA's experience and track record in financial services training and development has provided us with the expertise to offer national apprenticeship training and we are committed to working closely with financial advice firms and apprentices, to offer an end-to-end training solution for bringing new talent to the financial advice profession.

To find out more about the NMBA Apprenticeship Programme, register on our website at www.NMBA.info or contact NMBA on 01484 439200 to speak to a member of our team.



In order to find an apprenticeship in England, visit www.findapprenticeship.service.gov.uk, enter the key words 'Financial Adviser', the postcode area and range you are looking for, and apply for the roles you are interested in.

About the New Model Business Academy

The New Model Business Academy was launched in May 2008 as a not-for-profit organisation, dedicated to the training and development of financial advisers and their support staff. The Academy aims to improve professionalism in the financial advice sector, develop the quality of financial advice provided to customers, improve the reputation of the advice profession and support the sustainability of the advice industry for the future.

The financial advice sector has undergone substantial change over recent years, in the form of legislation and subsequent regulatory updates, initiated by the Retail Distribution Review (RDR), which was implemented at the end of 2012. These changes have generally resulted in positive outcomes for customers, but have also fundamentally evolved the role of financial advisers and the operations of their businesses.

For almost the last decade, the NMBA has been instrumental in supporting its members through the challenges they have faced, whilst developing their knowledge, skills and behaviours to make them better at delivering financial advice to their individual and business customers.

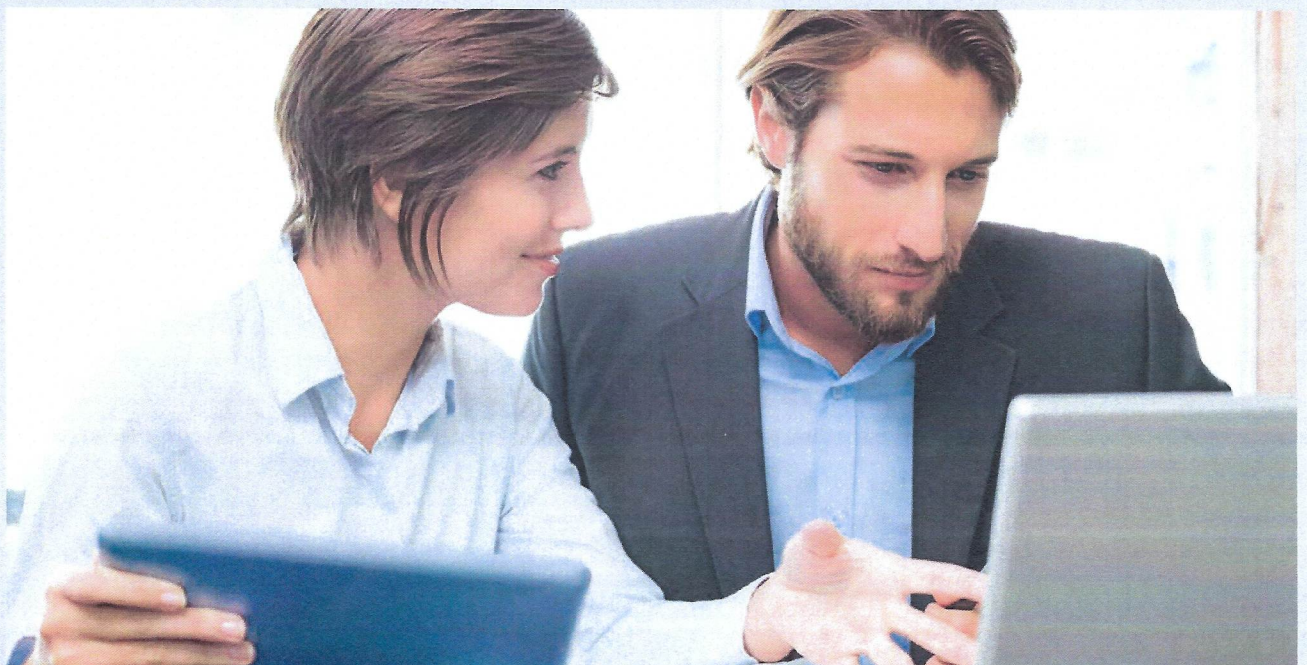
With changes in legislation and people living longer, the demand for financial advice has increased over recent years, providing an excellent opportunity to those wishing to choose a career in financial planning.

To find out more, contact NMBA on info@nmba.info or **01484 439200**.

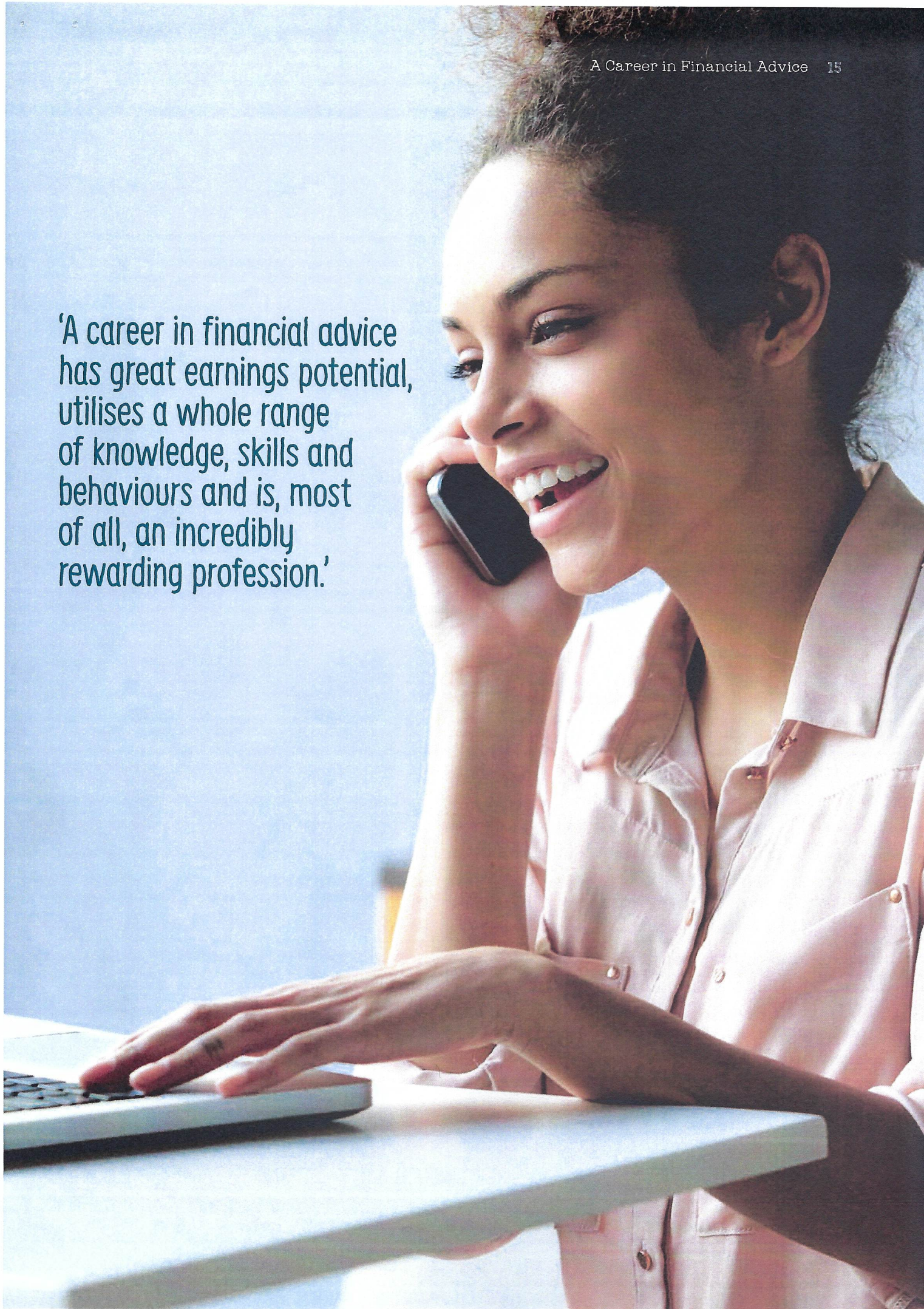
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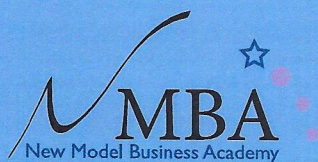
References

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