

Foundation Standard for Professional Bankers

NOVEMBER 2018

Requirements

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Foundation Standard for Professional Bankers

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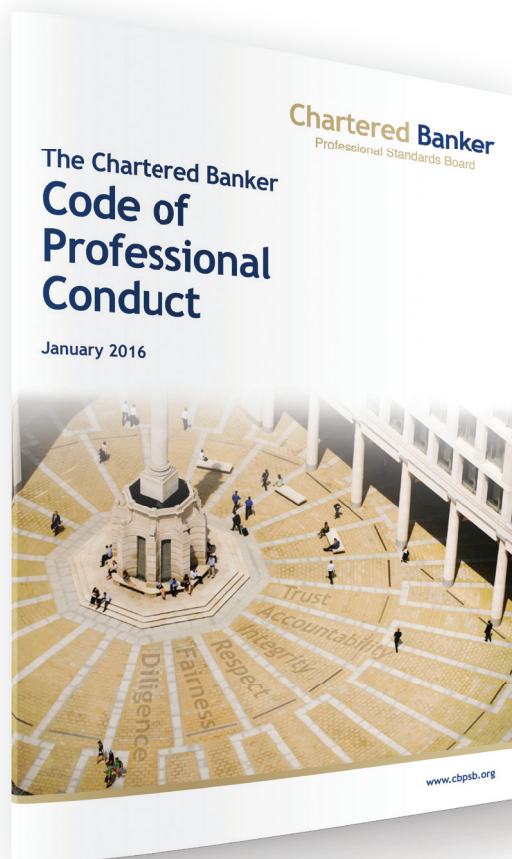
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Overview

Introduction

The Chartered Banker Professional Standards Board (CB:PSB) was launched in October 2011. It aims to enhance and sustain a strong culture of ethical and professional development across the UK banking industry by developing a series of professional standards which are underpinned by the Chartered Banker Code of Professional Conduct (the Code).

Complementing a series of more recent reforms led by government, regulators and the industry itself, the CB:PSB intends to help build, over time, greater public confidence and trust in individuals, institutions and the banking industry overall, and enhance pride in the banking profession.



The Code, which all CB:PSB firms subscribe to, sets out the values, attitudes and behaviour expected of all professional bankers. The Code is consistent with the terminology in the FCA/PRA Individual Conduct Rules. It exceeds regulatory requirements by setting out how individuals should follow best practice and demonstrate their personal commitment to professionalism in banking, by:

- 1 treating all customers, colleagues and counterparties with respect and acting with **integrity**;
- 2 developing and maintaining their professional knowledge and acting with **due skill, care** and **diligence**; considering the risks and implications of their actions and advice, and holding themselves accountable for them and their impact;
- 3 being **open** and **cooperative** with the **regulators**; complying with all current regulatory and legal requirements;
- 4 paying **due regard to the interests of customers and treating them fairly**;
- 5 **observing** and demonstrating **proper standards of market conduct** at all times;
- 6 acting in an honest and trustworthy manner, being alert to and managing potential conflicts of interest; and
- 7 treating information with appropriate confidentiality and sensitivity.

The FCA/PRA Individual Conduct Rules (published in July 2015) wording is shown in **bold**.

Overview

Overview of the Foundation Standard

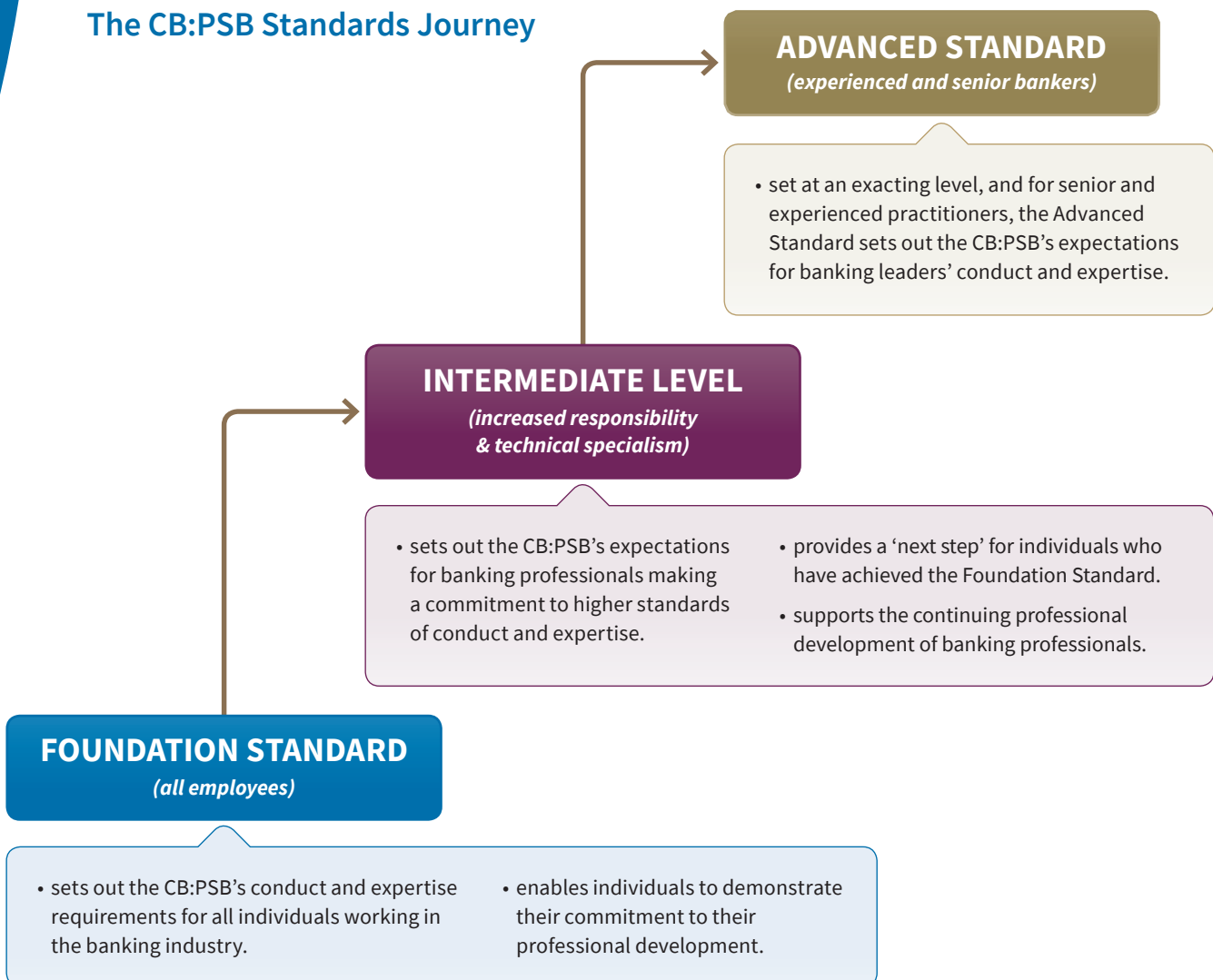
The Foundation Standard sets out the CB:PSB's expectations of all individuals in relation to the Professional Conduct and Professional Expertise required by such individuals to apply the Code on a day-to-day basis. Those meeting the Foundation Standard are able to demonstrate their commitment to their professional development which, in turn, should enhance and sustain public confidence and trust in banks and bankers, and pride in the banking profession.

The Foundation Standard was initially published in July 2012.



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The CB:PSB Standards Journey



Overview *Continued*

Applies To

The Foundation Standard sets out the basic Professional Conduct and Professional Expertise requirements for all those working in the banking industry.

The Foundation Standard is primarily written for CB:PSB member firms and their staff. It may also be helpful to a wide range of stakeholders who support and value the development of Professional Conduct and Professional Expertise in the banking industry, including:

- **professional bodies;**
- **universities, colleges and business schools;**
- **training providers;**
- **organisational development consultancies;**
- **employers;**
- **regulators; and**
- **government authorities and stakeholders.**

Format

The Foundation Standard is set out in two separate documents:

- a) REQUIREMENTS** — outlines the Professional Conduct and Professional Expertise needed to meet the Standard and ensure that an individual has the ability to perform their role. Professional Performance Outcomes illustrate the required level of workplace competence.
- b) GUIDANCE** — explains how the Requirements may be met on an annual basis in terms of learning and development activities, assessment and experience. The provision of Guidance seeks to ensure consistency, as far as possible, in implementation of the Foundation Standard.

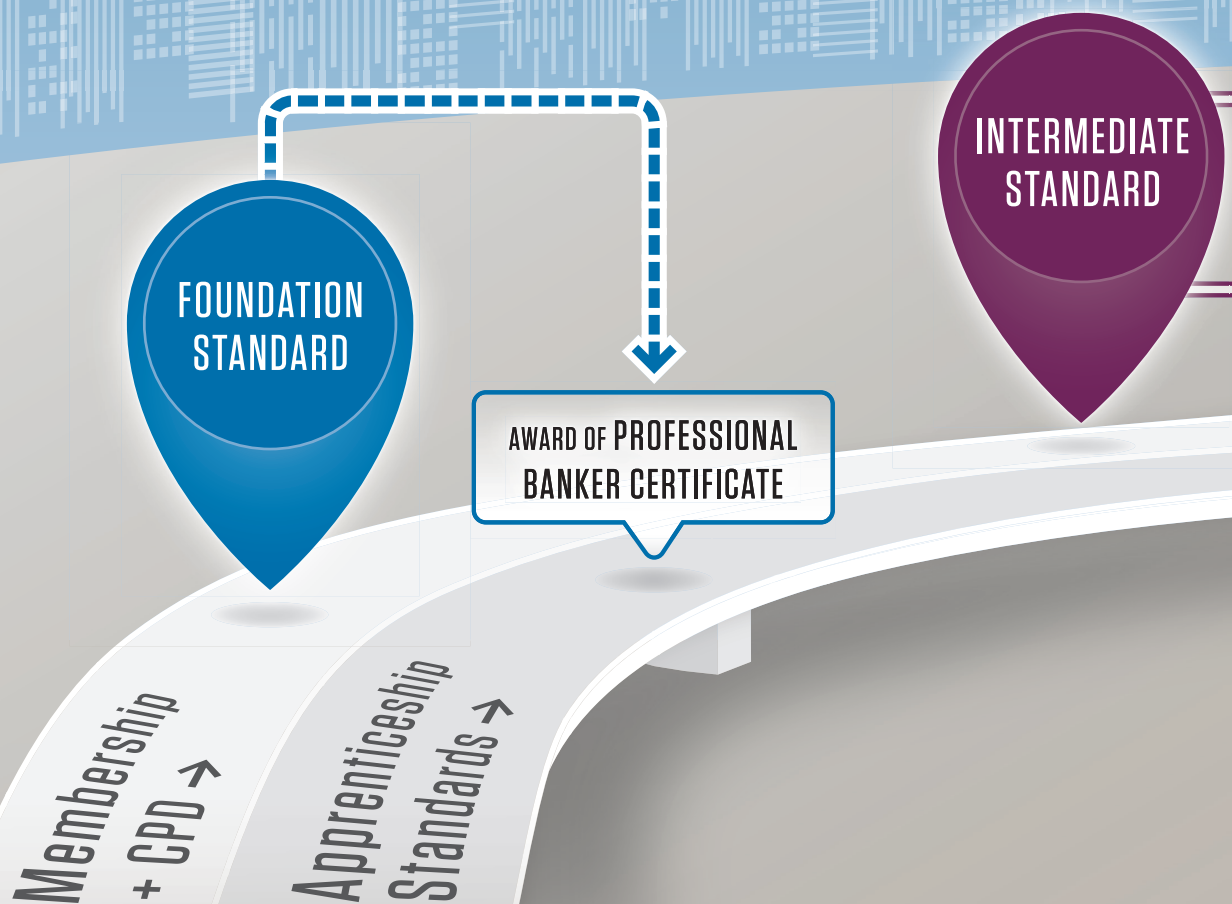
The CB:PSB recognises that it is for member firms to determine how the Foundation Standard may be best implemented and sustained in their organisation, consistent with the Requirements and Guidance. The Professional Standards Team will provide advice and assistance to CB:PSB member firms seeking to implement the Foundation Standard.



Professional Pathways

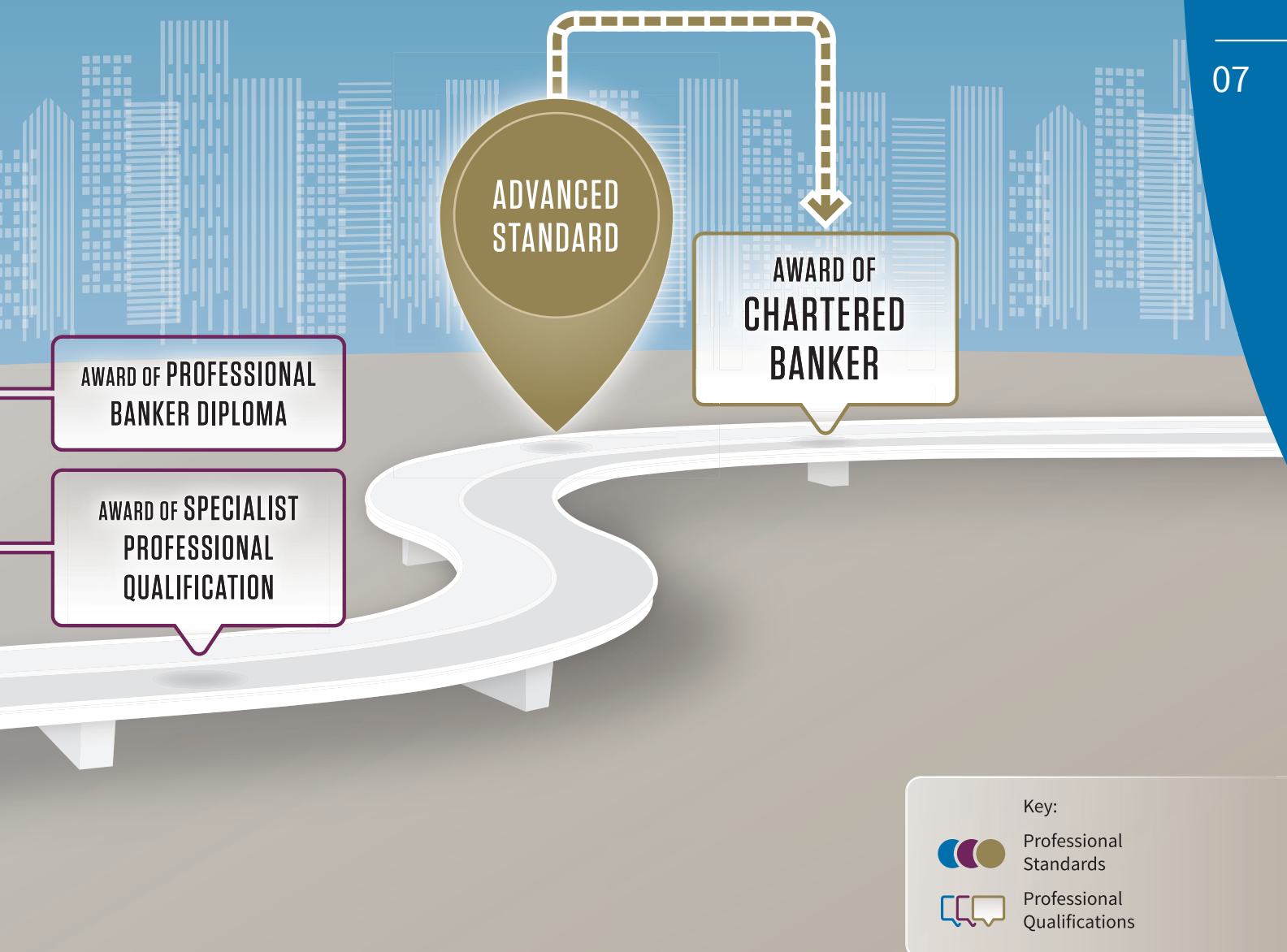
CB:PSB firms and the Chartered Banker Institute have developed pathways which link professional standards to professional qualifications and professional body membership. This facilitates the on-going professional development of the banking workforce and is a key determiner in rebuilding the banking profession. Research shows that customers value professional standards¹ and expect their bankers to be professionally qualified².

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Professional Banker Certificate

On achievement of the Foundation Standard, individuals may progress to the Professional Banker Certificate (PBC) and Certificated membership provided by the Chartered Banker Institute. For CB:PSB member firms, an accredited pathway to PBC will build on a firm's approach to the Foundation Standard and provide an accelerated route to professional qualification and membership.



¹ YouGov 'Reputation of Banking' survey – Sample size: 2,106 adults, Fieldwork was undertaken between 27th and 31st October 2016.

² Chartered Banker Institute/YouGov 'Qualifications' survey – Sample size: 2,076 GB adults, Fieldwork was undertaken between 13th and 16th March 2015.

Professional **Conduct** Requirements

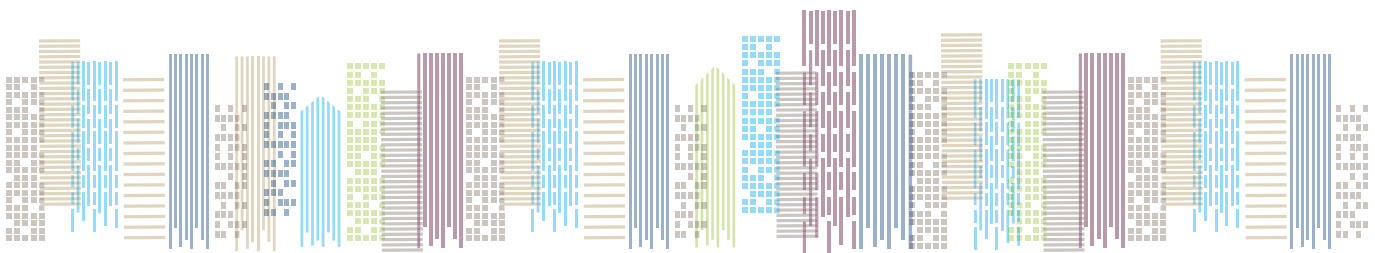
Professional Conduct Requirements

Individuals should demonstrate professional conduct, as described below, relevant to their role, function and organisation:

- a) Exhibit an understanding of banking and the economic and business environment, applying it in day-to-day activities and interactions and effectively communicating how these factors may impact on customers' needs and plan.
- b) Inform customers, counterparties and others of their banks' products and services in an effective and professional manner.
- c) Identify and effectively communicate the basic and more complex needs of customers, counterparties, colleagues or others, and escalate issues where necessary.
- d) Effectively and accurately articulate decisions and the decision-making process.
- e) Apply the core principles set out in the Chartered Banker Code of Professional Conduct, the Individual Conduct Rules and other relevant employer or professional codes.
- f) Apply relevant regulatory and legal requirements.
- g) Maintain information with appropriate confidentiality and sensitivity.
- h) Identify and mitigate risks.
- i) Recognise dilemmas and conflicts of interest and communicate these to others who may be able to help resolve them.
- j) Deal with complaints in a fair, efficient and consistent manner, using internal processes and sign-posting external mechanisms as necessary.
- k) Exhibit an understanding of banks' social responsibilities and the impact of unethical and unprofessional behaviour, applying it in day-to-day activities and interactions.

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Professional **Expertise** Requirements

Professional Expertise Requirements

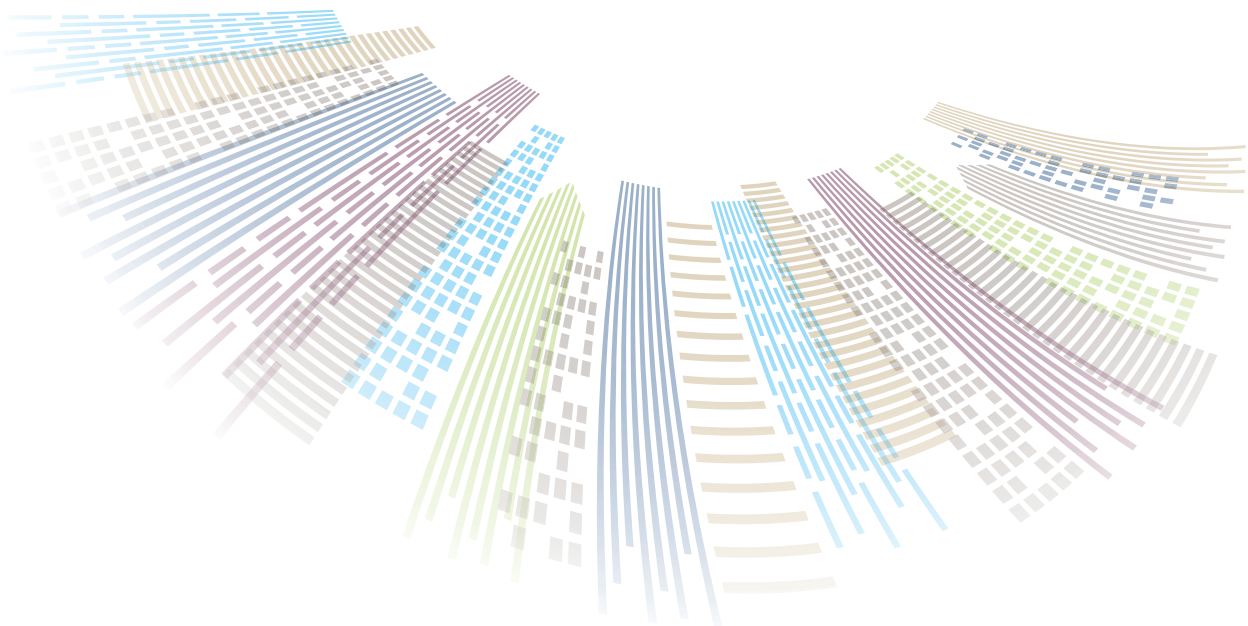
Individuals should demonstrate a basic level of professional expertise in the areas set out below by being able to describe and explain, in areas relevant to their role, function and organisation:

- a) The purpose, functions and social responsibilities of a bank.
- b) The economic and business environment.
- c) Banking products and services, including the principles of credit and lending, and their suitability for different types of customer and counterparty.
- d) The importance and key features of an ethical and professional approach, as set out in the Chartered Banker Code of Professional Conduct, the Individual Conduct Rules and other relevant employer or professional codes, in dealing with customers, counterparties, colleagues and others.
- e) Regulatory and legal requirements and how these factors influence the operation of a bank.
- f) Legislation, regulation, policies and procedures relating to confidentiality and security.
- g) Approaches to risk management.
- h) Mechanisms for identifying, reporting and resolving ethical dilemmas, including conflicts of interest.
- i) Mechanisms for dealing with complaints effectively.
- j) Impacts on individuals, institutions, the banking industry and society of unethical and unprofessional behaviour.

Professional **Performance** Outcomes

Professional Performance Outcomes

- Individuals demonstrate the application of their general and role-specific knowledge through their day-to-day activities and decision-making in order to meet customers' and others' needs in a responsible and professional manner.
- Individuals develop and maintain relationships with customers, counterparties, colleagues and others based on honesty, integrity, fairness and respect.
- Individuals take responsibility for their day-to-day activities, decision-making and for acting ethically and professionally within the context of their work, including identifying and taking steps to resolve ethical dilemmas and potential conflicts of interest.
- Individuals take responsibility and accountability for ensuring they remain compliant with relevant regulatory and legal requirements, the Chartered Banker Code of Professional Conduct and other relevant employer or professional codes.



Notes

Chartered Banker

Professional Standards Board

Foundation Standard

For Professional Bankers

Requirements

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Effective Date

This version of the Foundation Standard is effective immediately and supersedes the versions published in July 2012 and January 2016.

The Chartered Banker Professional Standards Board and Chartered Banker Institute have offices in Edinburgh and London.

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Chartered Banker Institute is a trading name of The Chartered Institute of Bankers in Scotland.

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