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## Adviser View: Would you do the 22222?

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Posted by Richard Lander 07:00 Tuesday 11 September 2007

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Keith Churchouse is our guest today to offer some elucidation about the ISO 22222 route to adviser qualification.

The path was mooted recently by the FSA

([http://www.fsa.gov.uk/pages/Library/Communication/Speeches/2007/0904\\_ab.shtml](http://www.fsa.gov.uk/pages/Library/Communication/Speeches/2007/0904_ab.shtml))

last week (<http://www.citywire.co.uk/partner/default.asp?vid=96069&ait=5>) as an alternative to chartered or certified status.

Keith, who runs Churchouse Financial Planning

(<http://www.churchouse.com/index.php>) in Guildford, says 'The ISO22222 route

(<http://www.bsi-global.com/en/Shop/Publication-Detail/?pid=00000000030101300>)

may not be an easy road, but it is well worth it'.

Here's why:

'With some 14% of the population having purchased products through financial advisers, they are the single most important channel for distributing financial products in the UK.

'Furthermore, life and pensions products account for around 50% of the UK savings and investments market, making the UK by far the largest market for these products in Europe. The FSA know that this is an important sector.

'However, one of the major issues reported by consumers when seeking financial advice is uncertainty over whether they can trust their financial advisers. And, with the vast amount of advisers for customers to choose from, they are often confused about where to turn for advice on financial planning for retirement or how best to invest their savings, etc.

'I wholeheartedly agree ISO22222 is an excellent benchmark. But there is a catch - it

will still take those companies who wish to pursue this route a minimum of six months to achieve this accreditation, and more importantly, a lot of hard work.

'The standard specifies the ethical behaviour, competences and experience required of a financial planner and enhance the transparency and efficiency of the advice process and codifies best practice in financial planning across the world and will help to increase consumer confidence.

'It defines the six steps of the personal financial planning process to provide clarity for the professional and increase transparency for the consumer as:

- \* Establishing client/planner relations – including a written record of the scope of the relationship, the planners qualifications and experience, and full disclosure about conformity to the standard
- \* Determining goals and gathering data – such as household asset liability and cash flow, statements, legal documents, economic assumptions, immediate needs and others
- \* Evaluating the client's financial status – written outline for client of strengths and vulnerabilities, compared with goals, plans and restrictions
- \* Developing and presenting the financial plan – a written list of suitable and usable recommendations relative to the outcomes of the previous steps of the process
- \* Implementing recommendations – planner can assist directly or indirectly with implementation and provide documentation where necessary
- \* Monitoring the plan recommendations - provide documentation as to the status of each recommendation e.g. acceptance, modification, completion.

'The standard also specifies the requirements for performance, assessment methods and continued competency which a planner can achieve by following training programmes and maintaining a record of these. It is applicable to all financial planners regardless of their employment status.

'With currently only one company in the UK (Standards International on 01462 790894) with the ability to certify that a company has passed the assessment, this route may not be an easy road, but well worth it.'

Is ISO22222 worth its salt? Is it a qualification route too far? Would you consider it?

Please let us know via the comments box below.

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