

Skills for Work:
Financial Services
Intermediate 2

Introduction



Support Material

January 2006
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Acknowledgements

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In addition, we are grateful to the Scottish Enterprise Financial Services Team for their permission to reproduce material from their publication '*All About Financial Services*', and to the Dunfermline Building Society whose material has also been incorporated throughout this pack.

The article on page 62 '*Secret shopper survey that should disturb the watchdog*' is reproduced with the kind permission of the Sunday Herald.

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Financial Services: Introduction

DM7P 11

Introduction

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How to Use this Pack

None of the material in this pack is mandatory. Rather, it is intended as a guide and an aid to delivery of the Unit and aims to provide centres with a flexible set of materials and activities which can be selected, adapted and used in whatever way suits individual circumstances. It may also be a useful supplement to tried and tested materials and approaches that you have developed yourself. The pack is available on the SFEU website in Word format to enable you to customise it to your suit your own needs.

The **Reference Section** of the pack provides information on the rationale for, and ethos behind, the *Skills for Work* courses, the Course Rationale, and the Outcomes and PCs for the *Financial Services: Introduction* unit. It also contains the Employability Skills Profile for Intermediate 2 Financial Services showing where the specified employability skills and attitudes can be evidenced and assessed throughout the Course and in the *Financial Services: Introduction* unit.

The **Tutor Support Section** contains a suggested approach to teaching the Unit, and advice on learning and teaching with under-16s.

The **Student Support Section** contains notes and activities covering all the Unit outcomes and a section on useful web-based resources.

Activities are identified with the symbol:



Reference Section

What are Skills for Work Courses all about?

Skills for Work Courses are designed to help candidates to develop:

- skills and knowledge in a broad vocational area
- Core Skills
- an understanding of the workplace
- positive attitudes to learning
- skills and attitudes for employability

A key feature of these Courses is the emphasis on **experiential learning**. This means learning through practical experience and learning by reflecting on experience.

Learning through practical experience

Teaching/learning programmes should include some or all of the following:

- learning in real or simulated workplace settings
- learning through role play activities in vocational contexts
- carrying out case study work
- planning and carrying out practical tasks and assignments

Learning through reflecting at all stages of the experience

Teaching/learning programmes should include some or all of the following:

- preparing and planning for the experience
- taking stock throughout the experience
- reviewing and adapting as necessary
- reflecting after the activity has been completed
- evaluating, self-assessing and identifying learning points

The Skills for Work Courses are also designed to provide candidates with opportunities for developing **Core Skills** and enhancing skills and attitudes for **employability**.

Core Skills

The five Core Skills are:

- Communication
- Numeracy
- Information Technology
- Problem Solving
- Working with Others

Employability

The skills and attitudes for employability, including self-employment, are outlined below:

- **generic skills/attitudes valued by employers**
 - understanding of the workplace and the employee's responsibilities, for example time-keeping, appearance, customer care
 - self-evaluation skills
 - positive attitude to learning
 - flexible approaches to solving problems
 - adaptability and positive attitude to change
 - confidence to set goals, reflect and learn from experience

- **specific vocational skills/knowledge**

Course Specifications highlight the links to National Occupational Standards in the vocational area and identify progression opportunities

Opportunities for developing these skills and attitudes are highlighted in each of the Course and Unit Specifications. These opportunities include giving young people direct access to workplace experiences or, through partnership arrangements, providing different learning environments and experiences which simulate aspects of the workplace. These experiences might include site visits, visiting speakers, role-play and other practical activities.

A Curriculum for Excellence (Scottish Executive 2004) identifies aspirations for every young person. These are that they should become:

- successful learners
- confident individuals
- responsible citizens
- effective contributors

The learning environments, the focus on experiential learning and the opportunities to develop employability and Core Skills in these Courses contribute to meeting these aspirations.

The Course in Financial Services (Intermediate 2)

Course Rationale

This Course is intended to equip candidates with the necessary knowledge and skills which will enhance their prospects for employment in the wide range of opportunities within the financial services industry. The Course will allow candidates to develop a range of employability skills which are of particular relevance to the financial services industry. Core Skills of numeracy, information technology and problem solving will also be developed throughout the course where opportunities arise. The Course will offer a variety of approaches to learning and teaching and will include a strong element of experiential learning. It is intended that some of the course will be delivered and assessed in a different learning environment to that of the school through a partnership arrangement with a college, training provider or employer.

The primary target group for this Course is school candidates in S3 and S4. However, the Course is also suitable for S5/S6 candidates and adult candidates who are seeking to enhance their employability and vocational skills in the financial services sector, as well as inductees/new entrants within the financial services industry.

The general aims of the Course are to:

- widen participation in vocationally-related learning for 14-16 year olds
- allow candidates to experience vocationally-related learning
- provide candidates with a broad introduction to the financial services sector
- enhance the candidates' financial literacy
- encourage candidates to foster a good work ethic, including timekeeping, a positive attitude and other relevant employability skills
- provide opportunities to develop a range of Core Skills in a realistic context
- encourage candidates to take charge of their own learning and development
- provide a range of teaching, learning and assessment styles to motivate candidates to achieve their full potential
- facilitate progression to further education and/or training

In particular, the aims of this Financial Services Course are to:

- encourage candidates to consider a career in the financial services industry
- develop an awareness of what opportunities there may be within the sector in terms of the types and range of career options
- provide candidates with knowledge and skills which are directly relevant to employment within the financial services sector

- provide opportunities for the personal development of skills and attitudes which will improve the candidates' employment potential within the financial services sector
- develop the candidates' awareness of their individual strengths and weaknesses in relation to the requirements of the sector, and to reflect on how this affects their employability potential
- raise awareness of the impact of the financial services industry on modern society
- raise awareness of the responsibilities of the financial services industry in modern society

Summary of Course Content

Candidates will explore the variety and range of employers and the career opportunities which exist within the financial services sector. Candidates will become familiar with key words and terms used in the sector, and will develop an awareness of the impact of the sector on modern society. Personal development of employability skills will be the main focus across the course with each Unit aiming to enhance such skills. The development of financial acumen and personal financial responsibility are also given high profile. While candidates will be required to develop an awareness of the impact of legislation on the financial services sector, detailed technical knowledge will not be covered in this Course.

Unit Specification: statement of standards

Unit: Financial Services: Introduction (Intermediate 2)

Acceptable performance in this Unit will be the satisfactory achievement of the standards set out in this part of the Unit Specification. All sections of the statement of standards are mandatory and cannot be altered without reference to the Scottish Qualifications Authority.

Outcome 1

Investigate the nature of organisations and the range of employment opportunities within the financial services sector.

Performance Criteria

- a) Detail the main types, features and products/services of organisations within the financial services industry.
- b) Describe a typical departmental structure in a financial services organisation and the roles of employees in that structure.
- c) Identify a range of employment opportunities in the financial services industry.
- d) Describe a selected career route within the financial services industry.

Outcome 2

Investigate regulatory demands and legal requirements which impact on the financial services industry.

Performance Criteria

- a) Describe the role of the Financial Services Authority.
- b) Identify the objectives of the Financial Services Authority.
- c) Explain why consumers might need protection.
- d) Explain the impact of regulation on the financial services sector.

Outcome 3

Demonstrate an awareness of Health and Safety in the workplace.

Performance Criteria

- Identify hazards and evaluate risks in the workplace.
- Describe how risks to health and safety are controlled in the workplace.
- Describe briefly the statutory duties of employer and employee in relation to health and safety.

Evidence requirements for the Unit

Written/oral/graphical evidence is required to demonstrate that all Outcomes and Performance Criteria have been achieved.

Evidence for the Unit will consist of a research folio, and a test of knowledge and understanding.

The research folio will be compiled and organised by the candidate throughout the Unit and will include:

- description of the features of the following organisations: banks, building societies, finance companies, investment operations, retail financial providers, insurance companies
- description of a minimum of two products/services for each of the above
- a description or illustration of a departmental structure
- a brief description of job roles in that structure
- a list of the range of jobs in the sector
- a map of selected career route
- a brief log sheet detailing research activities and sources

The test will be conducted in supervised conditions and will last no more than 45 minutes. Candidates are allowed to have access to Health and Safety policy documents. The test will provide evidence that the candidate is aware of:

- a brief summary of the role of the FSA
- an identification of a minimum of three objectives of the FSA
- at least two short explanations of why consumers may need protection
- at least two short explanations of the impact of regulation on the industry
- potential hazards in the workplace
- health and safety requirements in the workplace
- responsibilities of employer
- responsibilities of employee

The National Assessment Bank item (NAB) for this Unit provides an assignment brief for the research folio, a log sheet template, and a test of knowledge and understanding. The NAB exemplifies the national standard. Centres wishing to develop their own assessments should refer to the NAB to ensure a comparable standard.

NB Centres must refer to the full Unit specification for detailed information related to this Unit.

Careers Scotland Support for School-College Collaboration for Scotland's Colleges in the Scottish Enterprise area



In August 2006 Careers Scotland (SE and HIE areas) received funding from Scottish Executive to support college/school collaboration and encourage and promote vocational educational choices for pupils in schools. Following consultation each area produced a local action plan outlining how they intended taking forward key activities. Careers Scotland's focus is to support the career guidance needs of all S2-5 pupils involved in the opportunities which school/college collaboration brings, supporting them to make vocational educational choices, and with particular consideration for those young people at risk of becoming not engaged in employment education or training.

Skills for Work (SfW) courses are a key aspect of enhanced school/college collaboration and Careers Scotland has an important role in selection and recruitment and pre-entry career guidance, as well as ongoing support and pre-exit career guidance, to ensure the pupils' experience of SfW is capitalised upon in any future career planning. Careers Scotland also supports the career guidance needs of pupils involved in other vocational/pre-vocational programmes where relevant. Career Box delivery is a valuable tool in helping meet the needs of school pupils and lessons reflect options available within colleges; both at school and post school.

Careers Scotland activity takes place at local and national levels. This may involve a combination of any of the following services which can be tailored to local needs:

- awareness raising of Skills for Work courses (and other vocational programmes where relevant) – for pupils, teachers and parents - demonstrating how these educational choices have implications for future career options, and support the achievement of future career goals
- careers guidance support for individuals and groups, before, during and after involvement in SfW courses, resulting in better informed career decisions and effective transitions
- providing support for pupils who have been unsuccessful in attaining a place on a SfW course
- providing transitional skills development for those completing SfW courses
- capacity building through relevant shared CPD events, for Careers Scotland staff, teachers and college lecturers
- capacity building through the development of resources to support pupils, parents or teachers
- delivery of relevant Career Box lessons, where appropriate
- making connections with other existing support for pupils

- participation in local planning and management arrangements
- contributing to local and national discussions on provision and strategic development
- capturing good practice and evaluating effectiveness, using the community of practice site on our website (www.careers-scotland.org.uk) and sharing successes and concerns

In addition there are opportunities for developmental activities which can help to take forward CPD, good practice, resource development and learning opportunities for Skills for Work for young people, teachers, college lecturers, parents, Careers Scotland Advisers and employers.

For further information on Careers Scotland (SE)'s involvement in school/college collaboration in your college, please get in touch with one of our Careers Scotland Regional contacts:

South East Region (Edinburgh and Lothians; Forth Valley; Borders)

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Employability skills profile

In addition to the specific, vocational skills developed and assessed in this Course, employability skills are addressed as detailed in the table below. For the purposes of the table, the Units are referred to as A, B, C and D as indicated.

Financial Services: Introduction	=	A
Financial Services: Personal Finance Awareness	=	B
Financial Services: Building Positive Relationships with Customers and Colleagues	=	C
Financial Services: Employability Skills	=	D

Employability skill/attitude	Evidence
• customer care skills	C
• ability to work in a team	C
• communication skills – writing and talking	C, D
• awareness of roles and responsibilities of self and others	A, D
• ability to follow instructions	C, D
• positive attitudes and willingness to learn	D
• confidence to seek feedback	D
• timekeeping	D
• appropriate appearance	C, D
• awareness of external regulations/legislation	A, B, C
• awareness of health and safety issues	A
• ability to self evaluate skills and performance	D

Assessment evidence in all Units:

- A = Written test of knowledge and understanding of regulations and legislation (Including health and safety) within the sector; portfolio of evidence on career pathways including roles and responsibilities of self and others
- B = Portfolio of evidence including legislation on customer protection for financial transactions
- C = Assessor observation checklists of practical activities including team working, verbal and written communications to others, appreciation of role and responsibilities of self and others and demonstration of positive attitudes
- D = Assessor observation checklists for practical activities in demonstrating skills valued by employers in the financial services sector

Tutor Support Section

Introduction to Financial Services

This Unit is one of four mandatory Units which comprise the Skills for Work – Financial Services course. Some of the activities suggested may overlap the content of the other three Units. Any overlap will be signposted throughout the support pack. Pupils in S3/4 are likely to need significant help to understand the some of the content and contexts of the unit e.g. money laundering, FSA principles etc and tutors will need to be creative in finding exemplars and teaching approaches to support their learning.

The aims of this support pack are:

- To provide support materials for delivery of the Financial Services Introduction Unit
- To raise the profile of careers within the Financial Services sector
- To support the sector by encouraging people to plan for and pursue, a career in the Financial Services sector

Student tasks and activities in both sections are identified with the symbol 

Suggested sequence of teaching:

1. Personal assessment of individual skills, attributes and aspirations
2. The Financial Services Industry – background
3. Careers in the Financial Services Industry – choice and diversity
4. Review of individual skills, attributes and aspirations
5. The Financial Services Authority – regulatory framework
6. Consumer Protection
7. Money Laundering
8. Statutory Acts affecting the industry
9. Health and Safety at work

Integrating Employability Skills

The Unit Financial Services: Employability Skills in the Financial Services Sector is designed to underpin the other three Units of the Financial Services course. It is important, therefore, that evidence for this Unit is drawn from the activities in the other Units, and is not seen as standing alone. For this reason the Student Support Notes begin with an initial candidate self assessment of skills, attributes, identity of strengths/weaknesses etc. This should enable candidates to identify careers which may be suitable for them within the financial services sector. It is also important that the assessor(s) for the whole course are aware of the content of all four units and are able to draw on evidence gained throughout delivery of the whole course.

Learning and Teaching with Under 16s

Scotland's Colleges have made significant progress in meeting the needs of young learners. Our knowledge of the learning process has increased significantly and provides a range of strategies and approaches which gives us a clear steer on how lecturers can add to their skill repertoire. Lecturers can, and do, provide a stable learning environment where young students develop a sense of self-respect, learn from appropriate role models and see an opportunity to progress. There are basic enabling skills for practical application which can further develop the learning process for this group of students. So what are the characteristics of effective learning and teaching which will help to engage young learners?

Ten ways to improve the learning process for under 16s

(This list is not exhaustive!)

1. **Activate prior knowledge and learning** – ascertain what the learner knows already and teach accordingly. Young people do have life experience but it is more limited than adult learners and they may not always be aware of how it will assist them in their current learning.

Tips - Question and answer; Quick Quiz; Quick diagnostic assessment on computer; present key words from the course or unit and see how many they recognise or know something about.

2. **Tune learners into the Big Picture** – the tutor knows the curriculum inside out and why each lesson follows a sequence, however the young learner does not have this information and is re-assured by being given the Big Picture.

Tips – Mind map or concept map; use visuals, for example wall displays of diagrams, photographs, flow charts; explain the learning outcomes in language they will understand; We Are Learning Today (WALT) targets and What I'm Looking For (WILF) targets; give clear and visible success criteria for tasks.

3. **Use Advance Organisers** – these are lists of the key concept words that are part of the course or unit.

Tip – Highlight on any text the concept words that you will be using; make a visible list and put it on display – concept words can be struck off or referred to as they occur (NB this helps with spelling and independent learning as they do not have to keep checking meaning); highlight essential learning and action points.

4. **Vary the teaching approaches.** The two main approaches are instructing and demonstrating, however try to provide opportunities to facilitate learning.

Tips – Ask students what they know now that they did not know before, or what they can do now they could not do before, at appropriate points in the lesson or teaching block; ensure there are problem solving activities that can be done individually or in groups; ask students to demonstrate what they have

learned; use a range of question and answer techniques that allow participation and dialogue, eg. provide hints and cues so that they can arrive at answers themselves.

5. **Preview and review of learning.** This helps to embed previous learning and listening skills and provides another opportunity to elicit learner understanding. Consolidates and reinforces learning.

Tips – At the beginning of each lesson, or session, review previous learning and preview what is coming up; at the end of each lesson or session, review what has taken place and what will be focussed on next time – these can both be done through question and answer, quizzes and mind mapping activities.

6. **Language in the learning environment.** Do not assume that the language which is used in the learning environment is always understood by young learners, some words may be familiar but do not have the same meaning when used vocationally.

Tips - At appropriate points ask students what words mean; explore the various meanings of words to find out if they may have come across this language in another context; by looking at the structure and meaning of words there is an opportunity for dialogue about learning and to build vocabulary.

7. **Giving instructions in the learning environment.** This is one of the most difficult tasks a tutor has to do whatever the curriculum area. With young learners this may have to be repeated several times.

Tips – Ask a student to repeat back what you have asked them to do before beginning a task; ask them to explain the task to one of their peers; use the KISS principle – Keep It Short and Simple so that they can absorb and process the information.

8. **Effective feedback.** Feedback is very important for the learner to assess their progress and to see how and what they can improve. Provide opportunities to engage in dialogue about the learning function of assessment – provide details of the learner’s strengths and development needs either in written or spoken form. With younger learners identifying one or two areas for development is sufficient along with acknowledgement of what has been done well. Essentially, learners are helped by being given a **specific** explanation of how work can be improved. You can also use summative assessment formatively, ie. as an opportunity to identify strengths, development needs and how to improve.

Tips – Ask students themselves to identify their own strengths and development needs – self evaluation; peer evaluation of work can be successful once they have been taught how to do it; the tutor can produce a piece of work and ask students to assess it anonymously; have a discussion about the success criteria for the task and ensure the students are clear about them; allow learners to set criteria for success and then measure their achievements against these.

9. Managing the learning behaviour. Under 16s are coming into Scotland's Colleges and training establishments from largely structured and routine-driven environments in schools and early feedback from those undertaking Skills for Work courses indicates that they very much enjoy the different learning environment that colleges and other training providers offer. Remember though that these are still young learners. They will still expect tutors to provide structure and routine, and will perform best in a calm, orderly learning environment. Young students will respond to firm, fair, and consistent management. Such routines have to be established quickly and constantly reinforced.

Tips - Health and safety is non-negotiable and consequences of non-compliance with the regulations should be made clear and adhered to at all times; set out your expectations from day one and provide a consistent message; have clear beginnings, middles and endings for each session; be a positive role model for your students, ie. be there before they are and manage the learners with respect; always deliver what you promise; build up good relationships and get to know the learners, make the curriculum interesting and stress the relevance of the learning; set up a positive behaviour management system. By following these guidelines you will build up two-way respect, which, while sometimes challenging to achieve, can be very powerful and work to everyone's benefit.

10. Care and welfare issues. School/college partnerships mean increasing numbers of young learners in college. Tutors have to be aware of their professional responsibilities and mindful of young people's rights. However tutors have rights too, in terms of feeling safe and secure in working with young people and there are basic steps staff can take to minimise risks. It is essential that colleges ensure that tutors have a working knowledge of the Child Protection policies (local authority and college documentation) and follow procedures and policies diligently. School/College Liaison Officers will be familiar with these documents and can provide support and advice. There are also training sessions on Child Protection available from SFEU (see the following page).

Tips - Avoid one-to-one situations with young students in a closed area; do not do or say anything that could be misinterpreted; if the opportunity arises, do some observation in schools to see and discuss how teachers use the guidelines for their own protection as well as the young person's.

Most young people are a delight to work with and they will positively enjoy the experience of learning in college. However, there will inevitably be some who are disengaged, disaffected and who have not yet had an opportunity to experience success. 'Skills for Work' is a unique educational initiative that young people can be motivated to buy into – you as the tutor are key to the success of these programmes.

Skills for Work Workshops

To take this 10 point plan forward and to add to it, you can attend one of SFEU's 'Get Skilled Up' half day workshops for tutors delivering *Skills for Work* Courses, when we explore further the learning process and look at a range of specific teaching and learning techniques to use with the under 16 age group. To find out when the next event is visit our website www.sfeu.ac.uk or contact the Learning Process team at SFEU on 01786 892000.

Child Protection Workshops

These are run on a regular basis by staff at SFEU in Stirling and also in colleges. For more information on these workshops please contact members of the Access and Inclusion team at www.sfeu.ac.uk or contact the team at SFEU on 01786 892000.

Student Support Section

Tutor Note on Student Activities

This section includes both student notes and activities. Use of these materials is not mandatory. Rather, they are offered to centres as a flexible set of notes and activities which can be selected, altered, or used in whatever way suits individual centres and their particular situation – for example as a supplement to centres' own tried and tested materials. In the case of the student activities you may want to explain and discuss the instructions with the learners before issuing on paper as reminders. Likewise, tutors should decide how much support students will need with notes and information sheets prior to issuing them. In some cases they may be designed to reinforce knowledge gained through practical activities or following discussion of specific issues or underpinning knowledge.

This section should not be issued as a pack of student notes in its entirety.

Section 1: All about me

 **Activity**

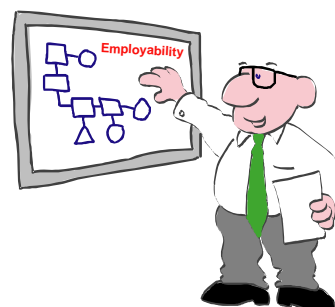
Employability skills – What are they?

Use the section below to write down the skills **you** think employers in the Financial Services industry. (These are the skills you will need in order to get and keep a job.)



 **Activity**

Now get together in groups of about 4 people. Your tutor will give you flip chart paper and marker pens. Someone in the group will have to act as the 'scribe' and write down the group's ideas about the skills employers look for. You should combine your individual ideas about Employability Skills on the flip chart paper either as a list or a mind map. Through discussion in the group, you may even come up with some new ideas or be able to expand an idea. Remember to write everything down and allow the scribe time to include his or her ideas. You could tick your own list as the scribe writes it down to ensure you haven't forgotten to mention anything.



When you have completed the task, the tutor will help the whole class group to combine and discuss all the ideas. Any new ideas from other class members or the tutor can be added to your list from the previous Activity.

Now it's time to think about your own skills! Your tutor will give you a questionnaire relating to your existing employability skills. Then you'll consider what your strongest skills are, and which skills you would like to develop over the course of the unit. These assessments are personal to **you**. You should take your time when completing the forms as the skills **you** choose to develop will be important for **your** future employability.

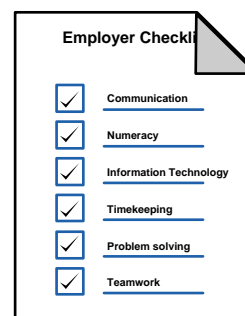
The skills you have chosen to develop may need some practice. You may not necessarily perfect these skills by the end of the unit but you **will** be hoping to improve them.

You'll be maintaining your log during the course of the unit but you may need some help recognising 'good' and 'bad' practice. The next section looks at each skill category in the Initial Self-assessment to give you some ideas.

Employability Skills

Outcome 1 (a) – Initial self-assessment

Employers will be interested in all your qualifications and skills in reading, writing, numeracy, IT etc. However, in this self-assessment, you are going to identify your level of skill in some areas which you may not have thought about before. Employers have identified these areas as important to your employability.

A graphic of a checklist titled "Employer Checklist" with a folded corner effect. It contains six items, each with a checked box and a horizontal line to its right.

Employer Checklist	
<input checked="" type="checkbox"/>	Communication
<input checked="" type="checkbox"/>	Numeracy
<input checked="" type="checkbox"/>	Information Technology
<input checked="" type="checkbox"/>	Timekeeping
<input checked="" type="checkbox"/>	Problem solving
<input checked="" type="checkbox"/>	Teamwork

 **Activity**

You should complete the following questionnaire as honestly as possible to identify your current employability skills. This will help you to recognise your existing strengths which you can build on and the skills you would like to improve. Place a ✓ in one of the columns on the right for each skill.

Communication and interpersonal skills			
Employability skills	I'm not as skilled as I'd like to be	I'm skilled	I'm very skilled
Active listening			
<ul style="list-style-type: none"> I listen carefully to what other people are saying so that I can understand the points being made 			
Asking questions			
<ul style="list-style-type: none"> I ask questions which are understood by the listener 			
<ul style="list-style-type: none"> but do not interrupt at inappropriate times 			
Speaking			
<ul style="list-style-type: none"> I speak clearly 			
<ul style="list-style-type: none"> using appropriate language and tone of the voice for the listener and situation 			
Communicating			
<ul style="list-style-type: none"> I organise my ideas 			
<ul style="list-style-type: none"> and communicate oral messages that the listener can understand 			
Responding			
I respond in a way that shows understanding of what is said:			
<ul style="list-style-type: none"> verbally 			
<ul style="list-style-type: none"> and non-verbally 			

Attitudes and behaviours			
Employability skills	I'm not as skilled as I'd like to be	I'm skilled	I'm very skilled
Being responsible			
I have high standards which conform with an organisation's expectations of:			
• personal presentation			
• attendance			
• timekeeping			
Integrity			
I am:			
honest, trustworthy and reliable			
Learning			
I am:			
• continuously willing to learn			
• open to new ideas			
• able to learn from my mistakes			
Goal setting			
• I can set myself goals which are realistic			
• and work towards them			
• overcoming any setbacks			

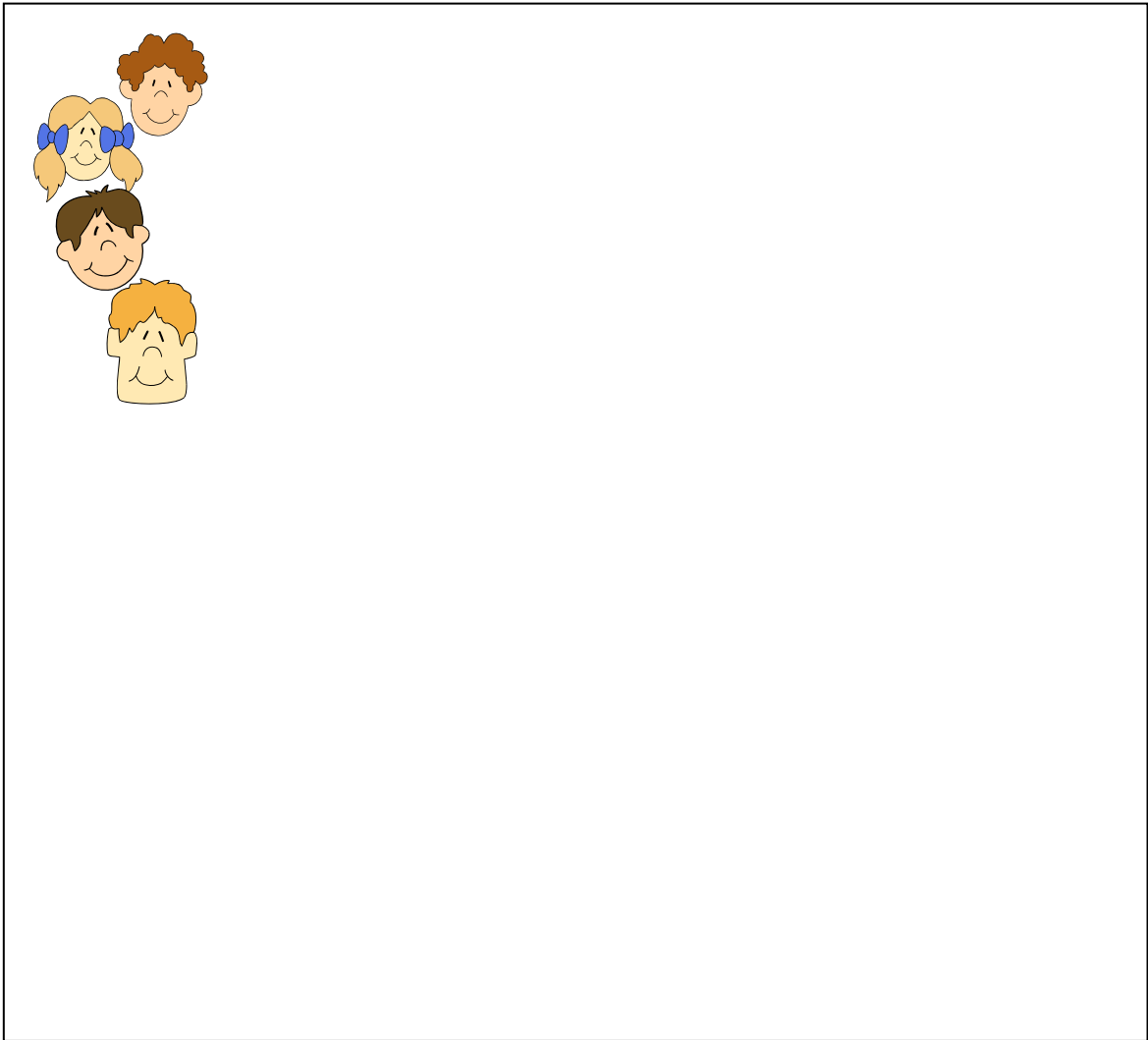
Employability skills	I'm not as skilled as I'd like to be	I'm skilled	I'm very skilled
Planning and organising			
• I can collect, analyse and organise information			
• and can plan and undertake a number of related activities at the same time			
Adaptability			
• I have a positive, flexible attitude to change and new situations			
Time management			
• I can cope with, prioritise and meet my own work and personal commitments			
Attitude to work			
• I am enthusiastic			
• hard-working			
• and concentrate on doing tasks well			
Working safely			
• I am aware of personal and group health and safety practices and procedures			
• and act in accordance with these			
Self confidence			
• I am confident in myself and my abilities			
• but can ask for help if I need it			

Employability skills	I'm not as skilled as I'd like to be	I'm skilled	I'm very skilled
Self control			
• I am patient			
• tolerant			
• can show restraint			
• and can behave in a way that reflects well on the company and staff			
Feedback			
• I respond to feedback in a positive manner			
• without getting upset or defensive			
• and act appropriately upon it			
Self evaluation			
• I can reflect on experiences			
• and draw conclusions about my personal strengths and recognise areas for development			
Customer care			
• I can deal effectively with customers by acting in a way that satisfies their expectations and needs			
Problem solving			
• Analysing – I can assess a situation and identify the cause of a problem			
• Innovation – I can find practical and workable solutions to a problem by coming up with good ideas			
Working with others			
• Sociability – I am friendly, approachable and polite to others			

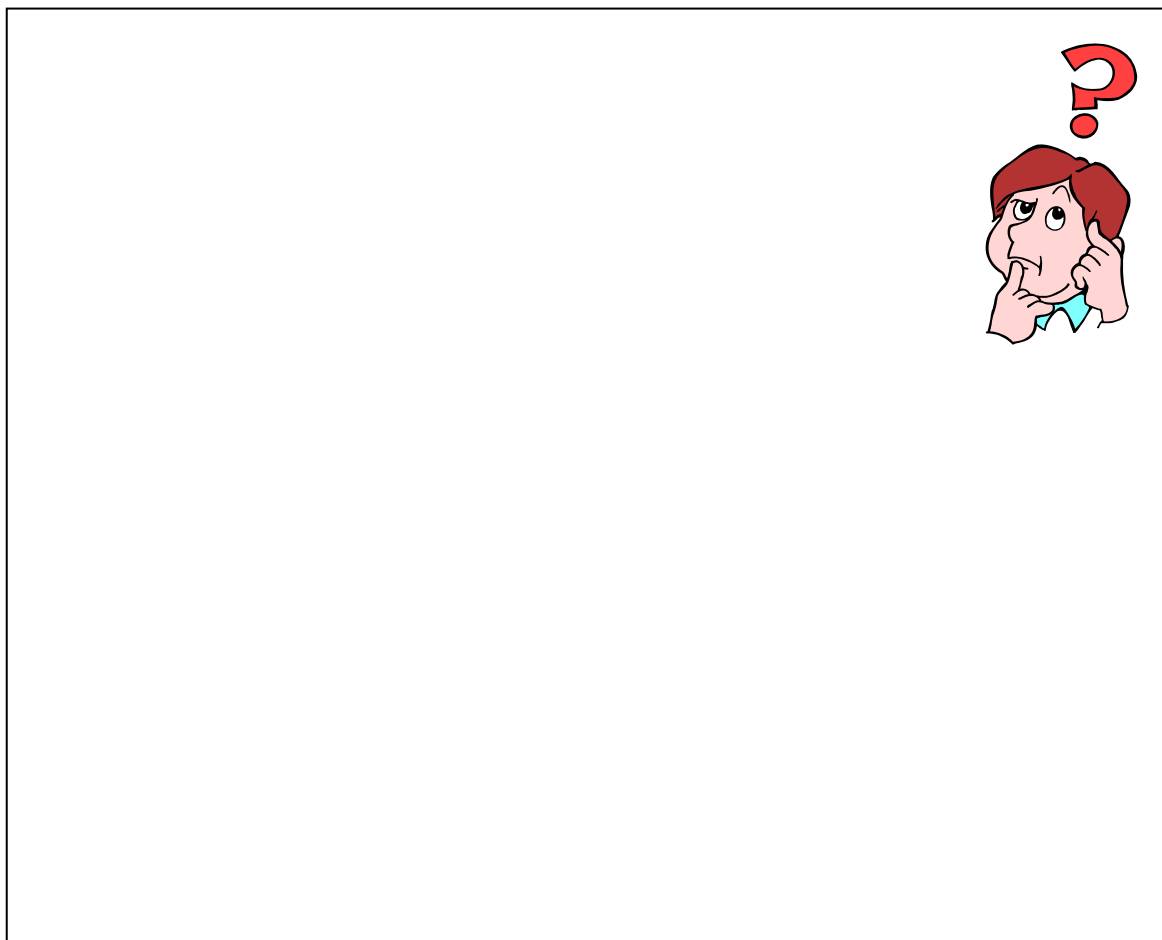
Employability skills	I'm not as skilled as I'd like to be	I'm skilled	I'm very skilled
<ul style="list-style-type: none"> • Supporting: 			
<ul style="list-style-type: none"> • I recognise that individual team members have differing strengths and weaknesses 			
<ul style="list-style-type: none"> • and I respect individual differences and opinions 			
Cooperation			
I can form cooperative working relationships with others by contributing to:			
<ul style="list-style-type: none"> • planning 			
<ul style="list-style-type: none"> • sharing information and ideas 			
<ul style="list-style-type: none"> • and making joint decisions 			
Effort			
<ul style="list-style-type: none"> • I can carry out my own share of tasks necessary to complete a team project 			
Impact on others			
<ul style="list-style-type: none"> • I am aware of the effect my words, actions and decisions may have on others 			
Assertiveness			
<ul style="list-style-type: none"> • I can stand up for myself and my ideas in a positive but not aggressive way 			
Conflict			
<ul style="list-style-type: none"> • I recognise that there must be 'give and take' when working with others and I can deal with disagreements by reaching reasonable compromises 			

 **Activity**

Review the questionnaire from the previous Activity and list the main skills in which you feel most confident, ie. where you answered that you were skilled or very skilled. This will help you with your selection interview preparation.



Now list the skills you feel you lack or which require some development, ie. those where you answered that you were not as skilled as you would like.



Of the above skills you would like to gain or develop, choose at least three which you feel are particularly important to your future employability and which you could work on during this Unit.

Section 2: Financial Services Sector – Background



The Financial Services Sector is major contributor to the Scottish economy in terms of employment and economic success. Not only is Scotland an important European Financial Services player, but the sector is of immense importance to the Scottish economy. Financial Services are a major Scottish success story to be celebrated and promoted worldwide.

Think Financial Services – Think Scotland

The sector employs 108,000 people directly and another 90,000 in related industries. This accounts for 9.3% of Scottish jobs. That number is expected to grow over the next 2 to 3 years. It is essential that Scotland recruits and retains skilled employees who can work in this sector and contribute to its growth and success.



Competition for skilled staff is fierce between organisations in the sector and as such, skilled employees will find that there is a growing demand for their labour.



Financial Services is a global (worldwide) industry – wherever there is money to be saved, invested and spent, there will be a financial service available.

What does it mean?

The term financial services covers a very wide range of functions that are undertaken by very many different companies. Most newcomers to the industry think about financial services as referring to banks and building societies, but the industry covers much more than that. As well as banking we can include insurance and pensions, investment management and operations, professional services and financial intermediation.

Before we look at career options within each of these we need to understand in basic terms, what exactly the sector aims to do.

Aims

In a nutshell, the aim of the sector is to safeguard funds (money) entrusted to the organisations within the sector, while increasing the value of those funds. The industry is judged on how well it manages those funds.

We will look at each sub sector in turn.

Banking

The basic business of a bank has traditionally involved two main activities:

- taking deposits – from individuals and businesses
- making loans – to individuals and businesses.



Most banks (though not all) operate through a head office with branches spread throughout the nation. These branches may be:

- area offices –located in towns and cities and offering a full range of banking services to the general public and offering corporate services to businesses
- satellite offices – supplying a reduced range of services to the general public.

The introduction of new and advanced information technology has resulted in the widespread automation of many services offered by the sector. Customer demand for new and more efficient services have resulted in:

- telephone banking – 24 hours a day, 365 days a year
- call centres
- internet banking.

The advances in information technology have resulted in processing centres being established and which carry out centralised 'back office' functions. This system is more efficient and cost effective than each branch processing all transactions separately.

Customer service is enormously important and many financial services organisations see it as their only way to gain an advantage over their competitors. This has led to changes in business practice with an increased emphasis on, and demand for, customer service and marketing staff.

The increased competition within the industry has led to banks entering markets in which they were not traditionally active – telephone banking, on-line banking, insurance services, and offering banking services in supermarkets, coffee shops and other public forums.

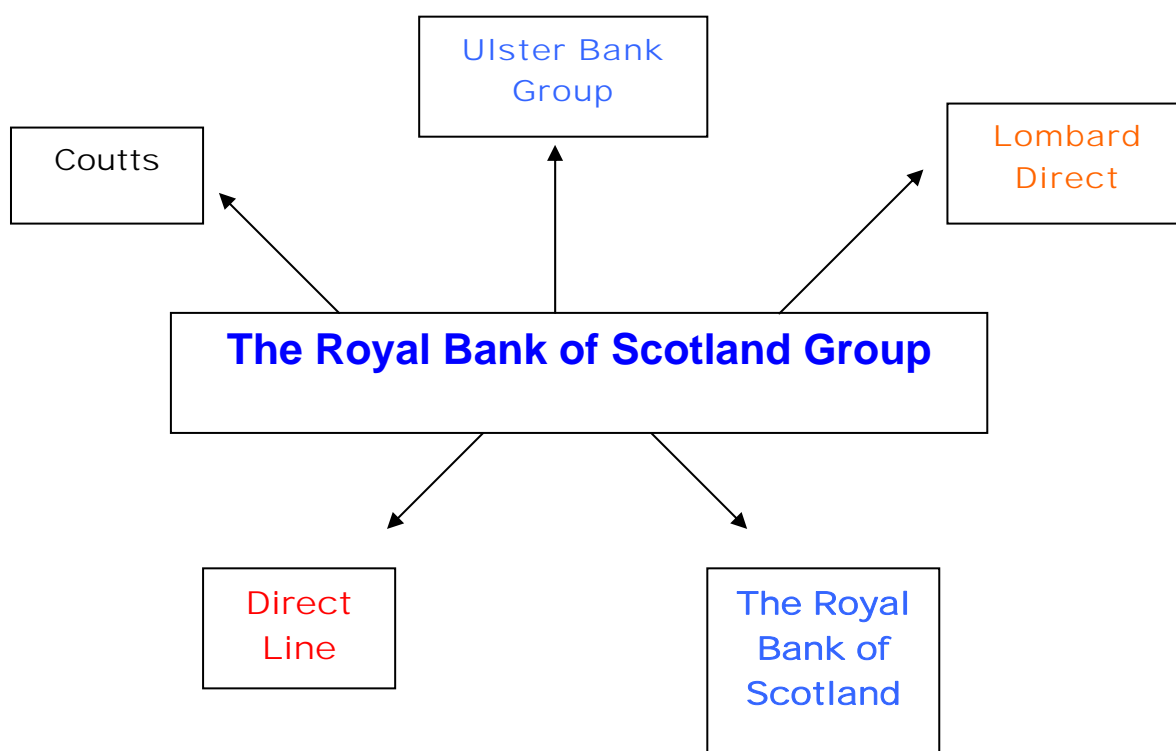
The sector in Scotland is awash with ‘big name’ players in this field:

- **Dunfermline Building Society**
- **Royal Bank of Scotland (RBS)**
- **HBOS** (Halifax and Bank of Scotland merger)
- **Clydesdale** (owned by the National Australia Bank)
- **Lloyds TSB Scotland**
- **Standard Life** (a telephone based mortgage bank)
- **Intelligent Finance** (telephone and internet based bank owned by HBOS)
- **Sainsbury’s Bank** (a joint venture by Sainsbury’s supermarkets and HBOS)
- **Tesco Personal Finance** (a joint venture by Tesco and RBS)

The sector can appear somewhat confused by the group structure of the big International banks.

For example:

The group structure of the RBS Group is illustrated below:



Banks and Building Societies

Retail banking covers personal banking services carried out by banks and building societies to the general public as well as 'personal products' offered by insurance providers.

Building Societies were originally set up to provide a mortgage service to help individuals and companies to borrow funds for the sole purpose of property purchase. At one time banks had little to do with mortgage lending and building societies were heavily involved in retail savings. Traditionally banks and building societies avoided, where possible, direct competition.

The Banking Act, 1979 redefined what a 'bank' was and deregulation allowed building societies to compete with banks.

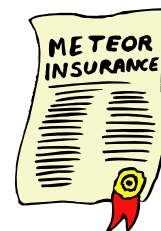
The so called 'Big Bang' in October 1986 enabled banks and other financial institutions to acquire interests in, or control of, stock exchange companies.

They were able for the first time to become involved in the Securities market.

Building Societies and smaller retail banks diversified into traditional banking activities.

Insurance and Pensions

There is an overlap between the services and products offered by banks and those offered by insurance companies. Many banks offer insurance products and many insurance companies provide banking services.



Insurance is a protection that you can buy to protect yourself from financial loss.

The basic business of insurance can be divided into 3 main categories:

- **General Insurance** – home insurance, car insurance, holiday insurance, health insurance etc. Such policies are limited to a specified duration of time and amount. You can make a claim against the policy if your financial loss is covered by the terms of the policy which you have purchased. If you do not claim against the policy you do not receive a refund.
- **Life Assurance** - you purchase a policy to safeguard against any financial loss incurred on death. Such policies specify an amount which will be paid out on your death or on the death of another individual who is named on the policy. Most policies are of open duration – you generally pay premiums (amounts) into the policy on a regular basis for the duration of the policy. The policy will pay out the specified amount of money irrespective of the amount you have paid in. So, for example, if you buy a policy this month and die next month, the policy will still pay out the full amount.
- **Re-insurance** – this is mainly an international area of the insurance business which involves ‘factoring’ the risk to another company in return for a proportion of the premium payments. Reinsurance normally applies in high cost/high risk projects – like launching a space rocket, shipping etc. This sounds a bit complicated, but your tutor will explain it to you.

How do Insurance companies make money?

The insurance company will assess the amount of **risk** involved in insuring the person or the situation. They will calculate the **likelihood** of a claim being made on the policy and charge accordingly.



Low risk individuals will pay less for an insurance product than high risk individuals.

The insurance company will then invest the premiums received, usually into the purchase of stocks and shares. Insurance companies are one of the largest holders of portfolios of stocks and shares on the stock exchange.

 **Activity**

For each of the following state:

- What kind of insurance product the individual needs to buy
- Whether they present a high/low risk to the insurance company
- Whether the premiums they pay will be high/low?
- Briefly why you came to that conclusion.

1. Your 80 year old grandmother is going on a skiing holiday in the French Alps.



2. An 18 year old boy has just bought his first car.

3. A 65 year old man does not want to be treated for any future illness he may develop.

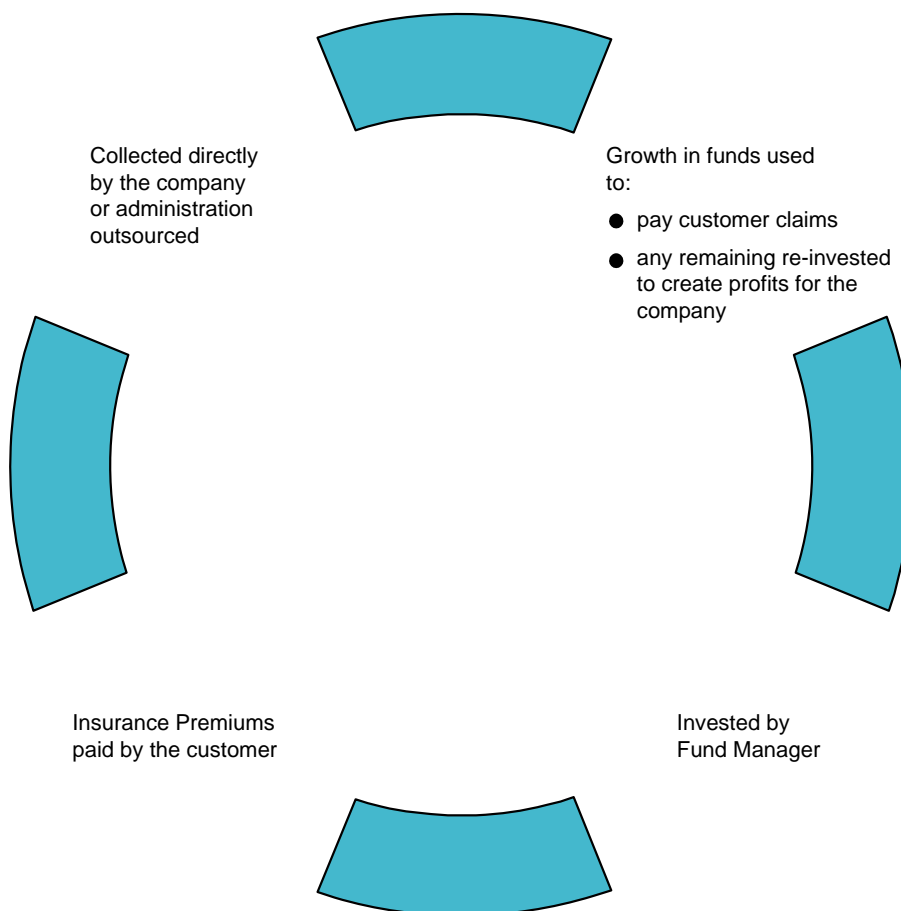
4. A 22 year old married man wants to protect his new wife against financial loss should he die.

5. A 40 year old divorcee with 3 dependant children is worried about losing her job as she is the sole earner in the family.

6. A young couple have just bought their first house in a leafy suburb of the city.



What happens to the money you pay? The following diagram might help to explain.



The customer selects the product they want to buy and pays the premium to the insurance company.

If too many people claim money from their insurance provider there will be fewer funds left for sharing amongst the owners of the company.

Insurance companies, therefore, need to:

- make sure that the money paid by the people they insure will be enough to meet any claims made **and** have enough left over to pay out profits to its owners.
- ensure that the amounts they charge customers for insurance cover is competitive or customers will shop elsewhere.

Predicting claims

How does the insurance company estimate:

- how many people will claim from their policies?
- how much they will be entitled to receive?
- how much will be left over for profits?



One of the most sought after roles within the industry is that of an **actuary**.

The actuary calculates the cost of the premiums based on the anticipated return on the investment made by the company. The actuary is responsible for calculating a level of fund and premium to cover what the policy will pay out to the customer. This is a critical calculation as the final sum in the fund must be enough to cover both the final payment to the customer and the insurance company's costs and profits.

It makes sense therefore to pay a lot of money to someone who can accurately predict the proportion of claims that will be made!

Once the actuary has set the premium amount, the customer will pay up, and the Insurance Company will invest the money.

The Insurance Company will employ **Investment Fund Managers** who are responsible for investing the premiums paid in by the customer. The investments are made on the stock market in the form of purchases of stocks and shares. The aim is to increase the value of the investment. The returns made on the investments will enable the company to meet its obligation to pay out to the customer while at the same time produce profits for its own re-investment for growth.

The Big Players

Scotland's market is dominated by:

- **Standard Life** – a mutual insurance company, owned by its members.
- **Scottish Widows** (owned by Lloyds TSB)
- **Scottish Equitable** (owned by AEGON UK)

all of whom have their headquarters in Scotland.

Other players such as:

- **Abbey**
- **Prudential** and
- the **Royal London Group**

have a strong interest in the Scottish Market.

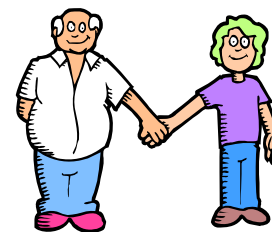
Research shows that Scotland ranks sixth in the league tables of the largest share of the European life and pensions market. Over 5% of long term European funds and pensions are managed from here.

Technology has influenced the business processes of the insurance and pensions sector in the same way that it has affected the way banks operate.

Web sites are used as a promotional and communication tool. It is anticipated that advancements in technology will create a growth in sales of insurance products and pensions via the internet.

Pensions

A pension is a sum of money which is paid to you (usually) on retirement. This money can be paid to you as a lump sum (restrictions apply) or as a series of regular payments which are payable from retirement until death. You can set up your own pension plan (personal pension) (stakeholder pension plan), or if you are in employment you can join your employer's occupational pension scheme if they have one.



Most schemes provide both a cash lump sum on retirement and a monthly income from an agreed retirement date. In any case **the sooner you start contributing towards your pension fund the better!** If you start your contributions later in life, you will find that the cost of your contributions is greater than if you start when you are younger.

Methods used to sell general insurance, life assurance and pensions are:

- Direct selling by the company's own sales force.
- Direct selling through a call centre – some companies operate their own call centre while others outsource the activity. The introduction and development of call centres has been one of the most significant growth areas in financial services. Call centres and contact centres are used throughout the industry, in banking as well as in insurance and pensions. It is estimated that there are more than 1200 dedicated centres serving the financial services sector and that there may be a quarter of a million new jobs generated by this sector over the next few years. The economic benefits of a technology based process (the call centre) are greater than the more traditional face to face selling methods previously employed. It is expected however that over time, internet selling will replace much of the selling by call and contact centres as internet banking now provides customers with the ability to interact independently and directly, for information and to complete transactions.
- Selling through an independent intermediary or broker who is licensed to sell insurance products.
- Selling through **Independent Financial Advisers (IFAs)** – IFAs play a key role in both banking and insurance by selling products to potential customers. They have no commitment to any one company or product. They earn their income from fees charged to the customer and are a key link in the chain between the producer of the product and the customer. They have a legal duty to give the best advice to the customer as to what product best suits the circumstances and needs of the individual.

Investment Management and Operations

A growing area of business in Scotland is in investment operations. The website of the **Scottish Investment Operations** organisation is given below.

www.sio.org.uk

This is principally a sector involved with the administration of investment funds and it covers a wide range of different tasks.

We saw in the last sections that banks and insurance companies have funds to invest.

Some or all of the funds that they have available will be placed in the trust of an **Investment Institution**, who will manage the fund.

Investment Institutions account for around 75% of the total value of share ownership in the UK and can exert considerable influence in business dealings. The investment institutions therefore invest their funds to grow in value. The companies in which they buy stocks and shares need these investments in order to grow their own business. **Fund Managers** play the key role.

A growing area in the Scottish Financial Services sector is that played by **Financial Intermediaries**, whose role is to manage the process of investing the available funds. Intermediaries are the middle men of the investment process and focus on supporting the investment decisions made by the fund manager, and in providing administrative support to enable the investment operation to function. The administration processes are often referred to as 'Back Office' functions and it is this field of activity which is a growing area of business in Scotland.

As we've seen already, there's quite a lot of overlap in the activities of banks and insurance companies. Investment banking, however, remains a distinctive field of business and one in which all the major banks have an interest.

The different aspects of investment management are complex and diverse. The fund manager will rely on instinct, experience and skill in order to make his judgement of where to place funds. It is essential that the fund manager is supported by reliable and high quality information and data analysis. It is the 'back office' which provides these functions of analysis, processing and administration.

Some companies provide outsourced services for other financial services companies. Companies in Scotland currently provide:

- **Fund administration** – administrative and ‘back office’ functions which are designed to free up the time and other resources of the fund manager or other participant. Centralising fund administration services can lead to economies of scale benefits such as reduced costs.
- **Performance measurement** – a service provided to pension funds and insurance companies that allows fund managers to compare the value of their funds against the performance of others on a monthly basis.
- **Global custody** – covers a number of fields such as the safekeeping of physical assets, foreign exchange and tax.

Scotland is one of the world’s major fund management centres – 6th largest in Europe and 15th in the world.

Our national strength lies in pensions and in managing long term savings – think canny Scot!

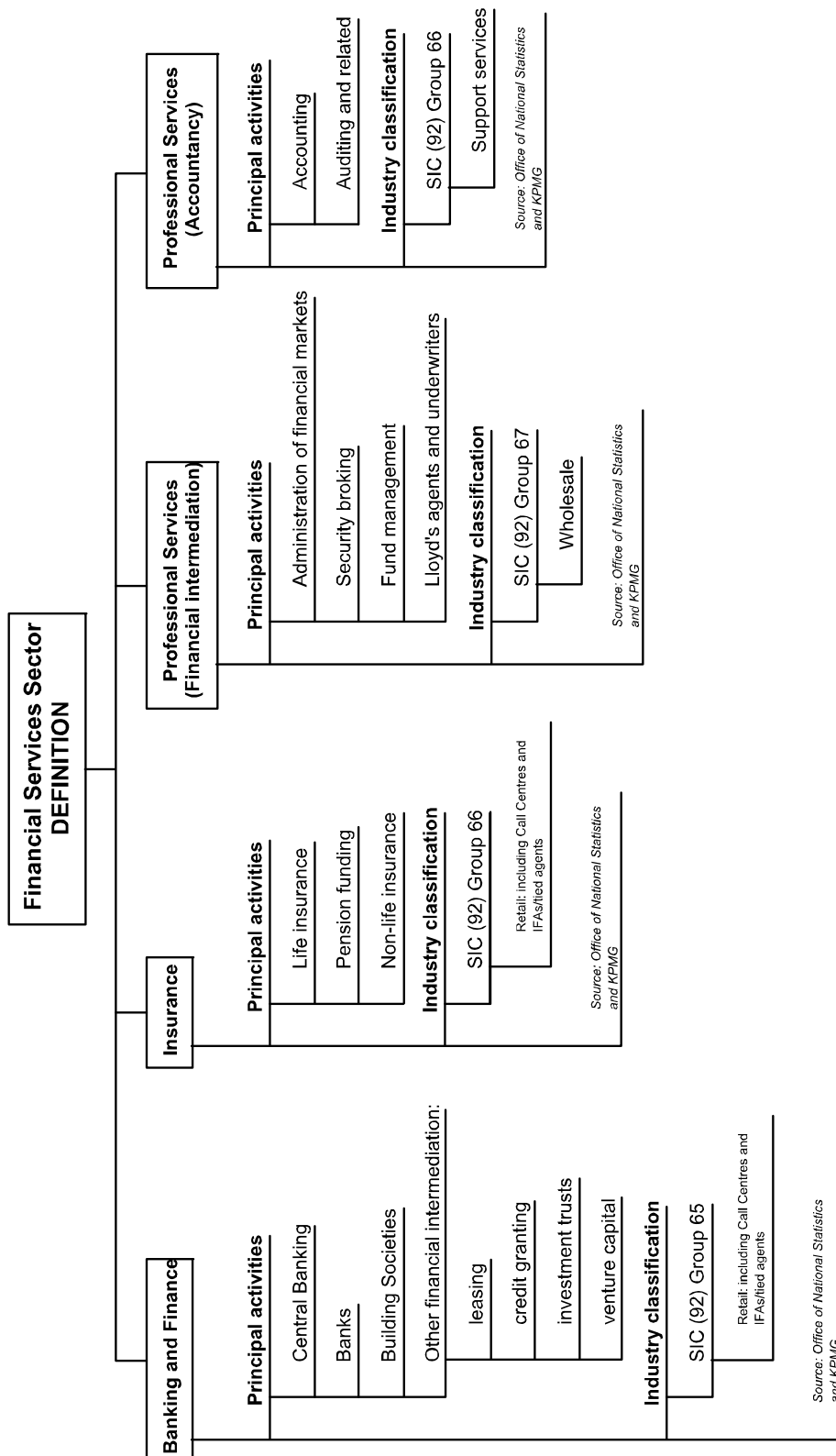
The investment operations sector requires highly skilled, professional staff who support the decisions of fund managers.

Specialist units offer a ‘back office’ administrative function, for activities outsourced by major companies. This area is expanding rapidly in Scotland.

You could be part of it.

What activities does financial services include?

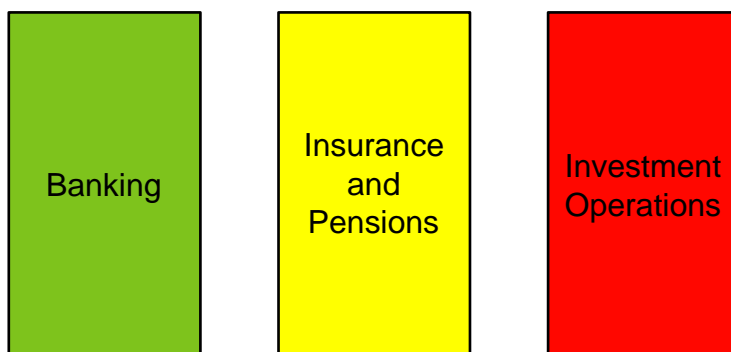
The range of business activities included in the overall term ‘financial services’ is very wide. There are, however, four main groupings which are defined – in the United Kingdom – by standard industrial classifications. These are shown in the following diagram.



Summary

The financial services industry covers a large and complex range of sub sectors and specialised activities.

The three main pillars of the industry are:



Other important sub sections include:

- Accountancy – for advice and support
- Legal profession
- Information Technology

It is wrong to assume that all financial services organisations are big banks and insurance companies. There is a very high proportion of small firms (employing less than 100 people) operating within the industry. These smaller players have an important contribution to make and in many cases operate as an intermediary between the customer and the major financial institutions.

Competition is fierce in every area of financial services and at every level.

Marketing and the development of brand awareness are important to all companies in the Financial Services Sector, and they spend a lot of money on it. Effective marketing can attract new staff and new customers. Research has shown that customers use several key measures to select their financial service supplier, including:

- quality of service
- product
- evidence of performance
- value for money.

Customer expectations are widely quoted as being one of the most significant drivers of change within the sector. Customers are better informed about the choices available to them and are happy to 'shop around' for the best product and service. For the most part, there is no loyalty factor at play and access to the internet has empowered the customer.



A customer approach and absolute dedication to customer service across the industry is fundamental.

For those candidates undertaking the whole Skills for Work course in Financial Services, there is a Unit dedicated to customer services – *Building Positive Relationships with Customers and Colleagues*.

The industry is performance driven, with continual benchmarking of performance against industry standards. Industry training programmes provide career and personal development for staff. The overall objective is to achieve and exceed performance targets. Competition, the high cost of IT, lower profit margins and the skill to stay ahead of the other players in the field, all contribute to make cost control an obsession with most financial services organisations. Companies are always on the lookout for:

- innovative and more efficient sales methods
- new products which offer a competitive edge
- outsourcing opportunities for selected specialist and administrative activities.

The pace of developments within the industry is linked to advancements in technology and it is this area which will provide the solutions in the future.

The ethical behaviour of companies in the sector matters to the companies themselves and also to staff and customers. Public perceptions of the company count a great deal. The behaviour of financial services firms, irrespective of size, is guided by three main factors:

- **Social responsibility** – companies need to think about the values which underpin their businesses. This includes the way in which staff and customers are treated, and how the company supports the needs of society in general. Most companies have specific recruitment policies targeting underrepresented groups in society- ethnic minorities, people with disabilities, unemployed and homeless people. Activities within the community, for example working with schools, are another example of socially responsible behaviour. There is a growing tendency for new employees to consider the social and environmental background of a company, before agreeing to employment within.
- **Wage distribution** – as in most industries, the very high earners within the financial services sector are few in number – around 3% earn more than £50,000. (Joslin Rowe Review, 2003). Wages and salary structures within the industry very much depend on the role played by the employee. Posts with lots of responsibility and high levels of pressure can be very well paid. You will look at this area in more detail in your class research activities.
- **Regulation** – the next section is dedicated to the regulatory requirements within the financial services sector.

Section 2 Activities

Tutor Note: All activities can be undertaken on an individual basis by the candidate(s), or can be conducted as tutor led class activities with candidates working in groups. Many of the activities overlap with content from the Unit – Financial Services: Building Positive Relationships with customers and colleagues. It may be possible to gather product evidence at this stage which would be useful later in the course.

Section 2 Activities

Activity 1

Visit local financial service providers (banks, building societies, supermarkets) and collect as much literature as you can about financial services on offer. Compile a list of the services and products on offer and make a note of what each could be used for. Think about who might use each product or service.

Activity 2

Using data from Activity 1 make a list of what conditions, if any, customers will need to meet in order to take advantage of the products and services on offer.

Activity 3

Explain what you understand by the following terms and give examples of organisations operating in each sector.

- a. Retail banking
- b. Wholesale banking

Activity 4

What situations might occur for which you may want to purchase insurance? Make a list of likely situations and the type of insurance cover you would buy. Who would you buy insurance from and how might the organisation sell the product to you?

Activity 5

What risks do you think an insurance company might take in order to provide you with insurance cover against death or accident? Prepare a questionnaire containing likely questions to ask a prospective customer who wants a life insurance policy.

 **Activity 6**

How do insurance companies make profits?

 **Activity 7**

Collect as many articles as possible, from newspapers and other publications, which contain pension news. Consider the issues surrounding pensions and think about why pensions are in the news so much. Design a leaflet for distribution to other young people explaining your findings. You may wish to consider issues such as demographics, retirement funds and the availability of the state pension.

 **Activity 8**

The financial services industry can be broadly divided into 3 sub sectors:

1. Banking
2. Insurance and Pensions
3. Investment Operations

Draw up a list of the many activities undertaken by each of these sub-sectors.

Section 3: Regulation and the Financial Services Authority

The Financial Services Authority

The **Financial Services Authority**, normally referred to as the FSA, is the single statutory regulatory body in the UK. Your tutor will explain what this means – write it down here:

www.fsa.org.uk

It has responsibility for the regulation of deposit taking, insurance and investment business in the United Kingdom.

The FSA is responsible for regulating (keep a check on the activities of):

- Banks
- Building societies
- Investment firms
- Insurance companies and friendly societies
- Lloyds Insurance market
- Independent Financial Advisors
- Credit unions

The FSA is an independent, non-governmental body which exercises statutory powers. All of Scotland's financial services companies come under UK regulation, including branches and subsidiaries of foreign owned companies whose headquarters may be outwith the UK.

The FSA **objectives** are to:

- maintain confidence in the UK financial system
- to promote public understanding of the financial system
- to secure protection for customers, while recognising their own responsibilities
- to reduce the scope for financial crime.

These objectives are supported by a **set of principles** of good regulation which the FSA must consider when achieving its objectives:

- using its resources in the most economic and efficient way
- the responsibilities of those who manage the affairs of authorised persons
- being proportionate in imposing burdens or restrictions on the industry
- helping innovation
- taking account of the international aspect of the financial services and the UK's competitive position
- not impeding or distorting the industry unnecessarily.

The FSA regime consists of the following **features**:

- single authorisation, supervision and enforcement powers
- a single compensation scheme and ombudsman service
- specific statutory objectives for consumer protection and understanding
- strong powers to tackle market abuse
- powers to prosecute financial firms for failure to maintain money laundering controls
- a focus on how customers are treated after the sale of a financial product.

Rationale – the idea behind it all

As well as the four statutory objectives, the FSA must bear in mind the rationale (reasons) for the regulation of the financial markets.

This rationale can be split into two parts:

- **Systematic risk** – risk to the whole system arising from failure of some of its parts. Evidence shows that a stable financial system can improve economic growth. But unaided, financial systems can become unstable with the failure of some firms affecting the stability of the whole market. The FSA provides supervision of the financial institutions ensuring that they retain ample funds to meet their commitments.
- **Risk to consumers** – who can find it difficult to assess the risks and returns of the products they are offered. The FSA regulates the safety of assets held by companies that sell investment products and also regulates the quality of advice given to consumers.

Risk and failure – factors of the system

There is one important fact that everyone – customer and service provider – needs to know and accept. That is that risk and failure comes with the patch.

Advertisements will always warn that ‘the value of your investments can fall as well as rise’.

There are **no guarantees**.

Consumers have a responsibility to themselves to be cautious because the financial services organisations operate in an unpredictable environment. There is a need for a close and effective working relationship between the regulator and the industry.

That is why professional and ethical high performing individuals are required to work in the industry and are well rewarded for the risks they take and judgements they make.

Section 3 Activities

Activity 1

Working in groups, look at each of the objectives of the FSA and discuss the types of issues which may surround the ability of the FSA to achieve each objective.

Activity 2

You read an article in a newspaper – offering £1 return for every £1 you invest in the advertised scheme, within the next year. That means if you invest £50 you will get back £100; if you invest £200 you will get back £400 and so on. Your grandfather knows nothing about the financial services industry and wants to invest his life savings of £10000 into this fund. Either write him a letter explaining his position and giving him the benefit of your advice, or telephone him with information regarding his position. (Note you should prepare for the telephone conversation).

Activity 3

The following article appeared in The Herald on 21st August 2005. Read through this and then work in a group to discuss these issues:

- a. Why would the FSA want to secretly 'spy' on financial institutions?
- b. What kind of enforcement powers does the article refer to?
- c. The names of the 2 forms which mortgage lenders are supposed to handout are referred to as 'IDD' and 'KFI' – what do these letters stand for.
- d. Why do you think the writer refers to the FSA as being 'sleepy'?
- e. Which of the FSA objectives is being met by conducting a survey such as this?

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www.sundayherald.com*

Secret shopper survey that should disturb the watchdog

IF there is one thing I love reading, it is the results of secret shopper

surveys. Admittedly, the element of surprise was missing from the latest conducted by our financial watchdog, the Financial Services Authority, when it sent out a team of investigators in plain clothes to apply for mortgages.

Are we shocked by the fact that 55-per cent of the advisers were in breach of regulations? We're probably not.

The mortgage industry and the regulators have certainly squared up to each other since October last year when the FSA was put in charge, but in the regulatory tug-of-war, each side seems to want to keep as much slack as possible to avoid any kind of conflict.

Mortgage advisers are supposed to dispense two forms without fail. One, the IDD, explains who the adviser is and what kind of service he or she can offer. The second, the KFI, explains how much the mortgage is going to cost and how much of your home loan it is likely pay off. Not so hard, you might have thought, yet 55-per cent of those surveyed either did not manage to hand over the forms, or did not do so at the right time. Still, bear in mind that two thirds of the mortgage lenders' websites examined

by the FSA did not comply with all of the requirements either.

The Association of Mortgage Intermediaries (AMI) is the trade body that represents mortgage companies' interests. It wants us to believe that its members' failure is nothing more than sloppy paperwork. "It is worth underlining the fact that at no point does the regulator state that the advice given was inappropriate," the AMI claims. And it is right to a certain extent.

The FSA, in this study, did not

SMALL CHANGE

Evidence that the mortgage industry is failing to take due care when selling its products to the public might yet go unpunished by the FSA reports **Lesley Campbell**

The FSA pussyfoots around the banks and brokers, aware that finance is a major contributor to our economy and that too much red tape will make it uncompetitive. And when it does take action and issues a fine, it knows that it can all go badly wrong. The last time it took a bite out of one of its protégés - Legal & General - the whole thing led to an appeal, an independent investigation and a halving of the

fine it had imposed. On balance, then, the FSA has learned that growling, baring its teeth and threatening to pounce is by far the safest course of action.

On the other side, the mortgage lenders and advisers have, for some reason, been incapable of getting the right kind of forms printed off, in spite of having been given more than two years notice to do so.

look into the quality of advice given, it was looking at the paperwork and made no comment on the quality of the advice. It is, however, equally worth underlining that it failed to say the advice was appropriate.

Much as the AMI tries to separate the issue of paperwork from the issue of advice, correctly filled in forms act as a record of how the interview was conducted and without them, it is hard to know whether the advice was correct or not.

The Council of Mortgage Lenders (CML), which represents the big boys, has tried to put on a very brave face indeed: "We are pleased that the 'mystery shopper' survey found various examples of good practice within the industry." Well, if it believes that a 45-per cent success rate for handing out compulsory paperwork is grounds for celebration, the industry is indeed in major crisis.

The FSA has established a bit of a track record in dealing with the mortgage industry. Earlier this year it discovered that more than

70-per cent of advisers were not gathering enough information about their customers before offering them advice on equity release schemes. To make matters even worse, once these unfortunate people had taken the mortgages out, they were then given another lot of poor advice on what they should do with the money. "We have not ruled out the use of our enforcement powers following the results of this work," intones the FSA. But it has not, to date, taken any action. Bated breath then, until the FSA reveals its follow-up survey on equity release.

The AMI believes that publication of the FSA's survey should act as a wake-up call to the industry and the CML, using another sleep related analogy, wants its members to be given more time for "bedding in". With dozy mortgage companies on one hand and a sleepy regulator on the other, chances are we are all sleep-walking into another misselling scandal.

Section 4: Consumer Protection

Securing the right degree of protection for customers is one of the aims of the FSA. New firms are vetted on honesty, competence and financial soundness, which will allow them to engage in regulated financial activity.



Once authorised, the FSA expects firms and individuals to maintain the particular standards set by it. The FSA will monitor the extent to which these standards are met. Where serious problems arise the FSA will investigate and if appropriate, discipline or prosecute those responsible for conducting financial business outwith the rules. The FSA can also use its powers to restore funds to consumers.

There are a number of laws which aid the FSA in its aim of securing protection for customers:

- *Consumer Protection Act, 1974*
- *Data Protection Act, 1998*
- *Financial Services and Markets Act, 2000*
- *Proceeds of Crime Act, 2002.*



Regulating Mortgage Advice



A **mortgage** is a product sold by financial institutions and which customers use to borrow funds to finance home purchase.

If you look at mortgage promotional literature you will always see the words “**Your home is at risk if you do not keep up repayments on your mortgage**”.

In other words you can borrow money from a financial provider to buy your house, but if you fail to repay any funds the mortgage lender can repossess your home. (Note – when you are borrowing funds in this way the mortgage lender has a security on your home to protect itself against your non-repayment).

The FSA have introduced appropriate protection for consumers of mortgage and other financial products. Most mortgage providers are signatories to the Voluntary Code which sets the standards for mortgage advice.

Financial crime: Money laundering and terrorist financing

The FSA have specific rules on money laundering and expect regulated firms to adhere to those rules. The FSA has enforcement powers for firms which fail to comply including the ability to prosecute them under the Money Laundering Regulations 1993.



What is money laundering?

Criminals need to find ways of making money received from criminal activities 'clean'.

They try to launder their 'dirty money' by getting it into the financial system without arousing suspicion. Once in the financial system, money can be transferred between different financial products in the UK or abroad. The idea is to make 'dirty money' look like it has come from a legitimate source.

Criminals will attempt to make it as hard as possible for police/fraud squad officers to connect the money with its criminal past.

Money laundering is not an exact science. The money launderer (criminal) has to continually find new avenues. Attention is now focusing on:

- Money Exchange Bureaus
- antique dealers
- providers of luxury goods
- on-line gambling institutions.

Proof of identity

Criminals will seldom use their own name or address to buy financial products! They use false names and addresses – sometimes the names and addresses of innocent members of the public are used (this is called Identity theft). They may even use **your** name and address if they can gain access to it. Financial Services firms must check your personal details before they agree to open an account in your name, or allow you to buy financial products.

What kind of identification is required?

You will need to show that you are who you say you are and that you live where you say you live.

You may wonder why, after having been with a financial services firm for many years, you are being asked to prove your identity.

Firms are required to take reasonable steps to find out who their customers are by getting enough information about them to confirm that they are who they claim to be. Some customers would have been customers before the Money Laundering Regulations came into force and they therefore have never had their identity checked before. Those who became customers some time ago would not have had such rigorous checks made on their identity.

It is an offence to assist a money launderer to obtain, conceal, retain or invest funds where you know or suspect that those funds are the proceeds of an illegal activity. The penalty for this offence is a maximum of 14 years imprisonment and/or an unlimited fine.

Assisting a money launderer is considered one of the gravest money laundering offences. It is also your duty not to tip off the money launderer and great care should be taken to ensure that the customer does not become aware that they are under suspicion.

Additionally it is an offence not to report any suspicions you have about the activities of account holders in your organisation.

The Proceeds of Crime Act, 2002

This Act requires every financial organisation to establish the identity of potential customers at the point of account opening.

The firm must show that they have checked that every customer is who they say they are.

The principal objective is to find out the correct name and address of the customer.

Checks may include:

- asking for two forms of ID evidence, eg:
 - a utility bill (e.g. gas, electricity) and
 - a driving licence
- asking for additional evidence or alternative evidence rather than just accepting what the customer provides you with
- using third party sources to verify a customers identity.

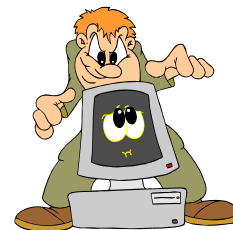
Where a customer is unable to provide any standard identification (passport, driving licence, utility bills) a letter from a trusted individual (doctor, lawyer, teacher, minister) is acceptable.

While the FSA offers a degree of protection for consumers of financial products, it is important to be aware of your own responsibilities. Not everyone is regulated by the FSA and not everyone is a bona fide financial services provider willing to uphold standards of practice.

If you freely offer your personal details, bank account numbers and other financial information then there is little that can be done to protect you from financial loss.

Scams and swindles – what kind of financial ploys should we avoid?

To: can.didate@college.ac.uk
From: areudaft@scam.com
Date:
Subject: A fool and their money are easily parted



Hi

Would you like to make pots of money and help a good cause at the same time? Yes – of course you would and WE KNOW HOW! Please send us your bank account details – sort code and account number – and we will forward you details of how to become rich very quickly. The cost of our GET RICH QUICK information booklet is £30 which we will deduct on receipt of your details. We will immediately provide you with the information you require. Please do not delay – only a few people have been selected for this offer – if you do not want to take us up on this offer it will be transferred to someone who does!!! ACT QUICKLY!!

You have received the above e-mail. Are you tempted?

All you have to do is discreetly help the transfer of millions of pounds out of the country. The need to do this is often explained by a story of some great misfortune that has occurred in another country. You will be asked to send details of your bank account and an administration fee to initiate the transaction – you will be well on your way to becoming a millionaire!!!!

Sorry – No Such Luck – this money **does not** exist.

Don't get hooked – it will cause you unlimited grief if you respond as you will have great difficulty in getting rid of the swindlers. **Never** disclose your personal details to anyone other than those with authority to ask.

You will do well to remember that:

If it sounds too good to be true then it probably is!

Consumer Credit Act, 1974

If you:

- buy goods on credit or
- borrow money from a financial services provider.



you will have protection under the *Consumer Credit Act, 1974*.

The main provision of this Act is to:

- make sure anybody who signs a credit agreement knows exactly what they are entering into.

The Act itself does not ensure that the credit terms are reasonable – it merely ensures that the individual has properly read and understood the contents and conditions of the agreement. It regulates all credit agreements covering amounts of under £25,000.

The Act allows a ‘cooling off’ period of 5 days – so if you sign an agreement you have 5 days to change your mind. Note, however, that this protection only applies if you sign somewhere other than in the premises of the Financial Services provider. The cooling off period extends to 7 days if you buy goods over the internet, by mail order/catalogue, digital television, telephone or fax, under *Consumer Protection (Distance Selling) Regulations, 2000*.

The Act requires that the true credit charge be included in the agreement – this is the APR (the **Actual Percentage Rate**).

Activity

1. Find out the current Bank of England Interest Rate.

Enter it here _____



2. Now look at some credit agreements with lenders – for example Top Shop have their own credit card for in-store purchases

Enter the name of a lender here _____

Enter the rate of interest – the APR which appears on the agreement _____

If you freely sign the agreement you are accepting those terms and conditions and will be liable to repay the full interest charge.

The ‘bargain’ jacket you buy might well end up costing you more than you bargained for!!

Data Protection Act, 1998

Organisations hold lots of data about their customers, eg:

- names
- addresses
- dates of birth
- account details and so on.



Customers have the right to ensure that such data is used only for the purposes for which the information is given.

The *Data Protection Act, 1998* provides that protection for the customer.

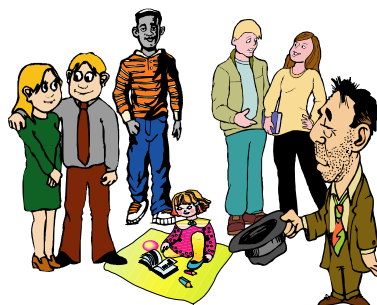
The Act has two main provisions:

1. Companies who store personal data on computer must be registered with the **Data Register**. They must disclose to the Data Register how they hold the data, how they use it, obtain it and disclose it.
2. The Act allows anyone who has their details stored on computer to find out what information an organisation holds about them. It gives the individual the right to obtain a copy of that information and to have it blocked, erased or deleted if incorrect details are held.

Who is covered by the Act?

The Act covers:

- adults
- children
- students
- employed/unemployed individuals
- homeless people.



But **not**:

- companies
- organisations or
- dead people.



What if you work in the financial services sector? What do you need to know about protecting your customers?

Firstly, you will have access to lots of personal details, often about people you know personally. You must **not** disclose personal information to anyone other than those authorised to receive it. That means that you should not tell your relatives or friends about the financial details of anyone holding accounts within your organisation. Nor should you disclose any information about any other individual which you have accessed through your workplace. If you do you may well find yourself out of a job – your organisation can take disciplinary action against you which may result in your dismissal. Additionally, you may be prosecuted and face a hefty fine as well as a criminal record.



Your organisation has a statutory duty to protect its customers and, as an agent of the company, you will need to observe your organisation's principles of data protection.

Customer Rights under Data Protection Act, 1998

Customers have the right to:

- access personal details held
- prevent those details being disclosed to third parties
- decline marketing material
- take action to rectify, block, erase or destroy inaccurate data
- sue for compensation if they suffer damage.

If you are working in the financial services industry, you will often be asked for information by customers, or persons acting on their behalf.

You must take care – you cannot disclose information without the express permission of the customer. You should always err on the side of caution and ensure that the person requesting the information is entitled to it.

If a request comes via a telephone call, you will need to take extra care to verify the identity of the caller and to ensure that information can be disclosed. In particular, in matrimonial procedures, ensure that people requesting information are who they say they are and are entitled to such information, eg. a solicitor acting for the customer.

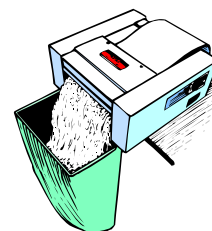
Similarly **do not** assume that family members have right of access.

If you are in doubt then **ask** your line manager.

Customer confidentiality and disclosure

Practical steps:

- Do not dispose of unwanted personal details in a wastepaper bin- they should be shredded or professionally collected and destroyed.
- Do not disclose personal details to any unauthorised person.
- Do not talk carelessly outside of work- never disclose personal details of a customer.



When in the workplace:

- Do not allow details on computer terminals to be seen by the general public.
- Keep passwords secure.
- Hold conversations in private – including telephone calls.
- When making file notes about meetings or telephone conversations, only record what is fact.
- Do not make personal comments, nor offer personal opinions about customers.

In short remember **DATA CARE**.

Data should be:

Accurate

T rue

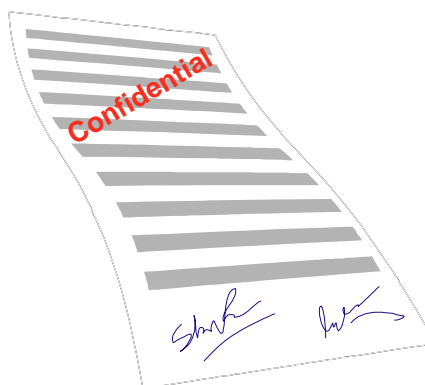
Adequate

Current

Appropriate

Respected, or else

Eliminated.

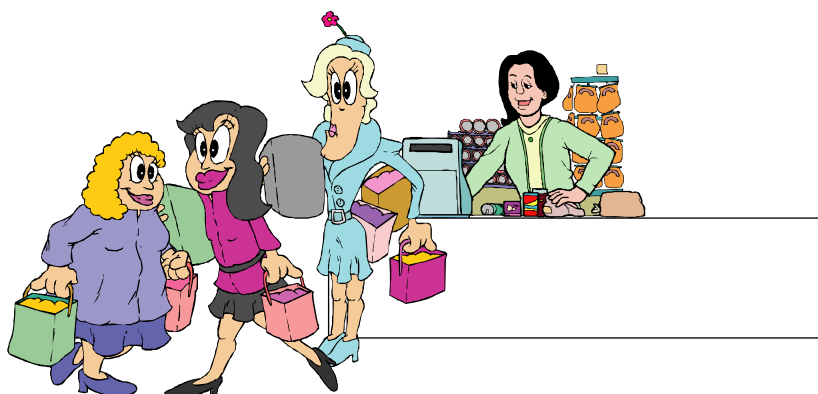


 **Data protection – case study**

You are in the local supermarket waiting in a queue to pay for your shopping. The two ladies in front of you start to chat loudly about a neighbour of yours. They are disclosing to all within hearing distance that ‘Mrs Chaudry might act as though she is penniless, but that she has plenty of money stashed away in various bank accounts’. One of the ladies goes onto explain that she knows this for a fact, because her son works in the local bank, and he told her all about it.

You know Mrs Chaudry personally, and you do not think that she would like her affairs to be discussed in public, let alone in the local store.

Working in a group, discuss the issues raised by the scenario described above.



Section 4 Activities

Activity 1

Class discussion - identity theft. Discuss the reasons behind the growing crime of identity theft-what factors makes it easy for the criminal to steal your identity, why would they want to, and what steps have the authorities taken to prevent identity theft?

Activity 2

You are working as a Customer Service Assistant in a call centre. You receive a phone call from someone who wants to open a new account. Make a list of all the information you are likely to require from this prospective customer.

Activity 3

What additional information might you require if a new customer wanted to buy a mortgage product?

Activity 4

You are the Customer Services Manager in the Aberdeen branch and the following situations come to light:

- a. A customer, Stephen Duffy, has a mortgage and a personal savings account with the branch. He works full time earning £15,000 per annum and his salary is paid directly into his personal account. He has a £50,000 mortgage which was used to buy a flat in Aberdeen city centre 4 years ago and he makes the repayments directly from his personal account.

You are carrying out a standard review of each customer's account and you notice that in the last year Stephen has made 10 cash payments into his mortgage account which total £30,000. His personal savings account has also seen a large increase in activity with many cash transactions both in and out of the account.

You contact Head Office who advise you that Stephen has been questioned by the police for alleged drug trafficking offences. What are your responsibilities in response to this and how would you deal with this?

- b. A number of clients have been introduced by Jean Sims, a partner in a local solicitor's office, who deals regularly with your branch in authorising transactions on these accounts. One of these clients, Omar Sharif, contacts you directly to state that he is due to receive an electronic receipt of £50,000 from a colleague in Kazakhstan. When you question him further on the proposed transaction he becomes agitated and defensive. How would you fulfil your anti-money laundering obligations?



Activity 5

You are a new trainee at a branch of High Street Bank International plc. You are approached at the counter by Mr and Mrs Javed, long term customers of the bank. They want to open a new tax efficient savings account but there is no evidence of identity in their file. What do you tell them, and why?



Activity 6

What activities on an individual's account might cause you to become suspicious of that person?

Section 5: Careers in Financial Services

Working in Financial Services – A job or a career?

For most people the difference between a job and a career is that a job earns them a wage or salary, while a career implies the opportunity for personal and career development.

Financial services provide scope for both jobs and careers. Whatever your starting point – school leaver, graduate, returner to work, contemplating a change of career, someone with special needs – it is up to you to consider what you want. Financial services can provide an interesting, tempting and challenging range of options. However as in other sectors nowadays, there are no longer ‘jobs for life’ and if you want to be successful, a commitment to lifelong learning is essential to your success. This means working towards improving your knowledge and skills throughout your career.

There is even a government department for lifelong learning!



In this section you will be asked to explore some of the main topics and questions that you are likely to have about a career in financial services.

It is important to remember however that that each company in the sector is different. That means that each company will have its own **organisational structure**, different names for its departments and different job titles.

What is an organisation?

An organisation is a group of people or companies who are working towards a common goal.



In the financial services sector most organisations have a common goal of **profit maximisation**.

We will look at **organisational structures** first, so that we can see where different types of jobs fit within financial institutions.

Within the financial services sector the **structure** of each organisation will depend on its:

- size
- location
- technology
- customers
- aims
- staff

Most organisations have a **formal structure**.

Such a structure provides an overview of where everyone ‘fits in’ within the organisation.

The organisation chart will show who:

- an employee is responsible **for**
- an employee is responsible **to**
- has **overall responsibility**.

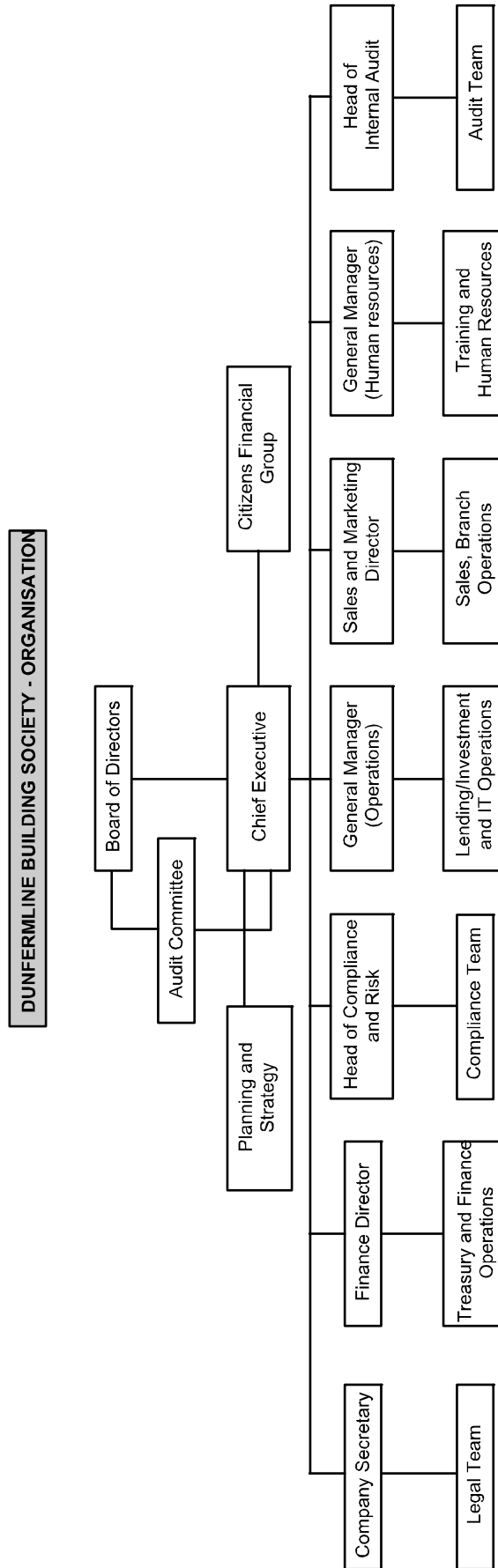
An organisation chart will also show:

- **Job titles** – this may vary from organisation to organisation but will tell you the type of job that the person does.
- **Level of responsibility** – this shows each employee’s position within the organisation, eg. all departmental managers will have the same level of responsibility but they will have different job roles.
- **Chain, or line, of command** – within the organisation, information will be passed from one level to the next. The way information is passed is known as the chain or line of command.
- **Lateral relationships** – where a number of employees have the same position within the organisation. These employees carry out different tasks within their own department but they are paid similar salaries and have the same status within the organisation.
- **Channels for promotion** – this will allow employees to see all the stages they can work towards within the organisation.

Organisation charts

The structure of an organisation is often shown in the form of a chart.

The organisation chart below is an extract from the Dunfermline Building Society's organisation chart. This provides an overview of the whole company, showing the main departments in the Building Society, but not the detail of all the job titles and people who work in those departments.



The purpose of Organisational Charts

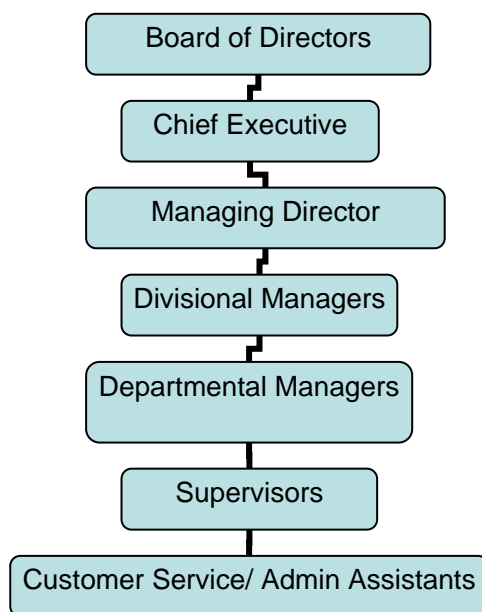
There are two main users of organisational charts:

1. Visitors to the organisation – who can clearly see the size and structure of, and contacts within, the organisation.
2. Employees – it shows the chains of command and levels of responsibility.

Now try Activities 1 – 5.

While it is important to remember that all organisations have different structures, there will be some features common to all.

Job titles for example may vary from organisation to organisation, but in general terms each will have a top to bottom structure similar to the chart below:



- **Board of Directors**

This group of people have the main responsibility for ensuring that the company meets its aims. They have a duty to ensure that the company operates within the law.

- **Chief Executive**

Has overall responsibility for the company's operations. He/she will be a member of the Board of Directors and has a direct responsibility to the owners of the company (shareholders).

- **Managing Director**

The Managing Director will be responsible for the overall running of the organisation. He/she is involved in the long term planning and decision making in the organisation.

- **Divisional Managers**

Many large organisations are split into **divisions**. The Divisional Managers may be in overall charge of two or more departments. They will report to the Managing Director. One part of their job will be to delegate tasks to departmental managers and to ensure that the departments within their control run smoothly and meet targets.

- **Departmental Managers**

Reporting directly to the General Manager, the Departmental Managers will be responsible for the running of their own department and the staff within it. Their duties will include holiday rotas, target setting, teambuilding etc.

- **Supervisors**

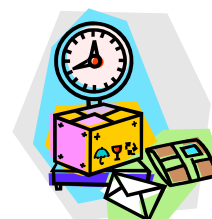
They will supervise staff, check time keeping, deliver on the job training etc. Supervisors report directly to the Departmental Manager.

- **Customer Services/Administrative Staff/Assistants**

Report directly to a designated supervisor and will carry out duties assigned to them – depending on their role/remit within the organisation.

All of these job titles are very general. For example within the last group of Customer Service/Admin Assistants, there are many different titles used –

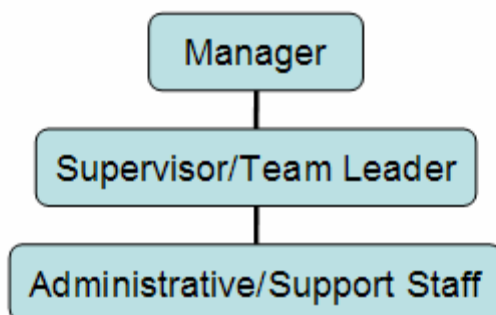
Customer Service Assistant
Customer Care Assistant
Call Centre Representative
Mailroom Assistant
Human Resources Assistant
Finance Administrator
Pensions Administrator



The list is endless...just have a look at job advertisements in the newspapers, on internet recruitment sites like S1jobs.com, or in the careers section of the websites of financial organisations!

Departmental Structures

Within the organisation there will be departmental structures. This will vary from company to company, but the most common structure will have the bottom 3 levels of responsibility like the diagram illustrated below.



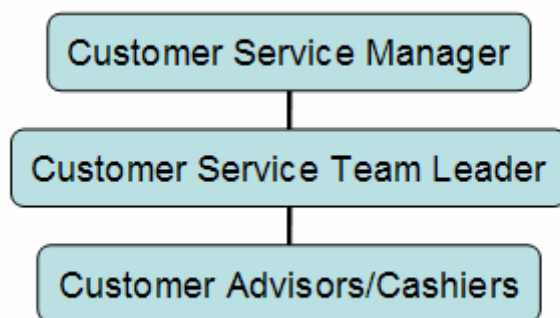
This does not mean that there are only three people working in the department!

- It is likely that there will be one Manager who manages the whole department
- Depending on the size of the department, there may be several teams, each with a Team Leader reporting to the Manager
- Each Team may consist of a number of Administrative, Customer Service or support staff, all reporting to the Team Leader.

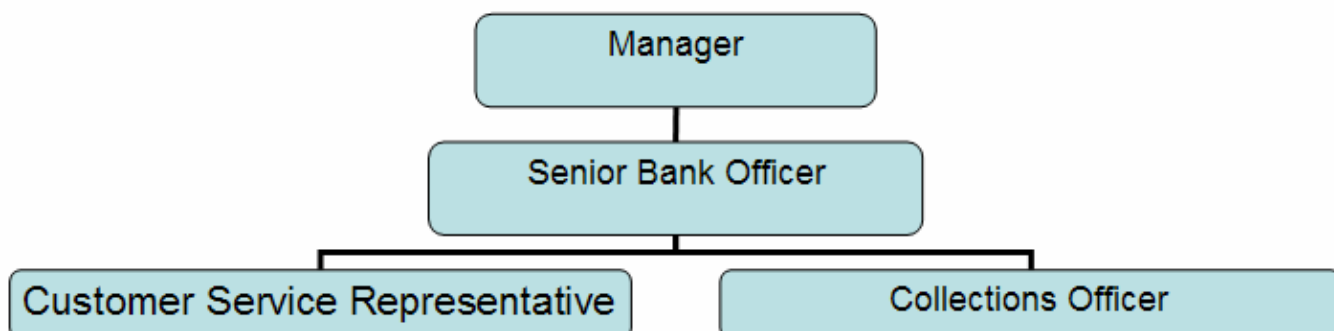
Checking the recruitment section of the website of a major financial organisation can help give an idea of the job roles within department structures.

On the next two pages there are simple examples of possible structures for some departments which operate inside financial organisations. You can find this information by looking up the websites of banks, retail banks, insurance companies and investment managers, and navigating to the Careers section.

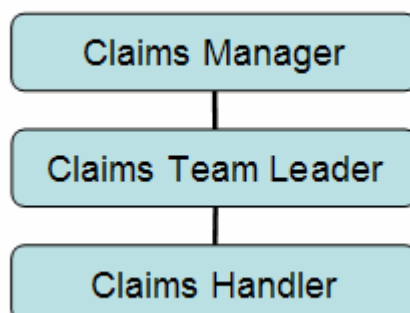
Branch Banking – dealing with customer service within a busy branch. In the structure below, the Customer Advisors/Cashiers will report to the Customer Service Team Leader, who will report to the Customer Service Manager. The Customer Services Manager is in charge of the department, but will report direct to the Senior Branch Manager. The Senior Branch Manager will be in charge of all the departments in the branch. In recent years the range and complexity of job roles in these types of financial organisation has changed and now there is a lot of opportunity for progression.



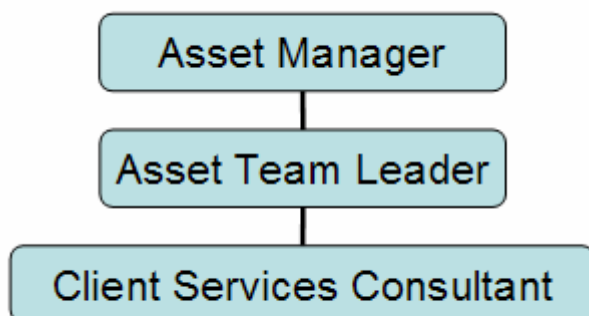
Direct Retail (includes Lombard Direct, Tesco Finance and Credit Card Division).



Insurance Company – a Claims Department might have the following structure



Investment Company - Asset Management Department



Each organisation will be made up of many departments like the ones shown above. These Department Managers will be responsible for the day to day running of their department, and will report to a more senior manager like a Divisional Manager.

Now try Activities 6 – 12.

Section 5 Activities

Some of these activities require access to the Internet. The Careers section of the websites of financial organisations, or the website www.fsc4u.com, are suitable resources.



Activity 1

Using the organisation chart of Dunfermline Building Society on the previous page, answer the following questions:

1. Who has overall responsibility for the company finances?
2. To whom do branch Customer Services Representatives report?
3. For whom is the Sales Director responsible?
4. If you were a legal assistant write down your whole chain of command, starting with your nearest line manager.



Activity 2

Create an organisation chart which will clearly display the structure of the following roles:

- a. This busy city centre bank branch has a Senior Banking Manager who is in charge of the whole branch. The branch is divided into a Lending Section and a Customer Service Section.
- b. There is a Business Lending Manager and a Customer Service Manager who both report to the Senior Banking Manager.
- c. The Business Lending Manager has two Sector Leaders reporting to her/him. Each of these Sector Leaders has 2 Customer Service Assistants.
- d. The Customer Service Manager has a Customer Service Officer reporting to her/him.
- e. The Customer Service Officer has 2 Customer Service Assistants and a Mailroom Assistant/Telephonist reporting to him/her.



Activity 3

Write down four things which the structure of an organisation depends on.

 **Activity 4**

What is a Chain of Command?

 **Activity 5**

What is the purpose of an organisational chart and who might use one?

 **Activity 6**

Research a website for each of the following types of financial organisations, and navigate to the Careers section:

- bank
- building society
- insurance company
- investment operations organisation

Gather information on 2 different types of jobs for each type of organisation and complete the template below.

You should choose the type of jobs that interest you.

Arrange the jobs you have chosen within the following categories -

- manager
- business specialist and professional (including fund manager, actuarial)
- IT support specialists
- sales and marketing
- customer service and telephone sales
- clerical
- other

You should complete your answer using the following template – preferably using a table format in a word processing package.

TYPE OF ORGANISATION	JOB TITLE	DEPT	BRIEF LIST OF DUTIES	QUALIFICATIONS	JOB CATEGORY

Activity 7

Working in groups of 2 or 3, choose 3 jobs within a department of one type of financial organisation and prepare a presentation for the rest of the group. This presentation should cover -

- a brief description of the department in the organisation you have chosen
- job titles of each of the 3 jobs
- where the jobs fit in to the departmental structure.

Choose one of the jobs and list:

- a. The type of duties the jobholder will have to carry out
- b. Qualifications needed for the job
- c. The skills needed for the job
- d. Any training and development offered
- e. Career opportunities available within the job role

The information you need for this task is readily available within the website of www.fsc4u.com Follow the link for **secondary schools** and look in the **Job Profiles and Salaries** section.

Activity 8

Write down at least two duties that you think the following personnel may have to carry out:

- Human Resources Manager
- Customer Sales Assistant
- Finance Supervisor
- Bank Manager

Activity 9

What kind of tasks will be carried out by the marketing department within a financial services organisation?

Activity 10

What skills and attributes do you consider that employers will look for in a potential employee?



Activity 11

What skills and attributes do you have that might make you attractive to an employer in the financial services market? You may find it useful at this point to review your original self assessment of your skills and attributes.

Financial Services – Career or Job?

By now you will have had a chance to explore the different types of organisations and look at some of the different types of employment opportunities available.

There may be a particular area to which you are attracted or you may still be looking for something suitable for you.

Consider the types of experiences that you have had to date.

Such experiences may have come from the world of work but, equally, you may be able to draw on other types of experience – voluntary, community, membership of groups/clubs, experiences of living somewhere other than your home, travelling etc.

You can learn from all your experiences whatever they may be.

Your experiences

Jot down details of an experience that you have had where you had to apply specific knowledge and skills – what you were involved in, what knowledge and/or skills were used.

Now look back at what happened - describe your experience and reflect on what you could have done differently or better. What would you do next time you're in a similar situation?

Make plans for the next time you have a similar experience – or if you are in a position to repeat the experience again – try out your revised approach.



Activity

Your skills and knowledge

All of your personal experiences will help you to judge what interests you in the world of work, what skills and knowledge you already have and how you can develop these.

Complete the following table:

What skill have I used or developed recently?	How would this skill be useful in the world of work?
What skills did other people have that I admired and would like to learn?	How would these new skills be useful in the world of work?

If you have identified a career or job that is of particular interest to you then complete the following:

What skills and do I need to gain employment in my chosen area?	How might I gain each skill?

Section 6: Health and Safety in the Workplace

Tutor Note

There is a wealth of material readily available on the topic of health and safety in the workplace. The sources are listed below:

- www.webreviews4teachers.org.uk
 - Sales office practice
 - Office ergonomics
 - Office layout and work design
 - Office safety
 - Healthy computing
- www.ltscotland.org.uk/nq
 - Relevant section –Administrative Services: Intermediate 2 Administration
- www.hse.gov.uk
 - Up-to-date legislation covering this area
 - *Health and Safety at Work Act, 1974*

Safety



Activity

A practical joke!

Consider this

A practical joker works in your office. His antics have resulted in much hilarity. The other day he set off the fire extinguisher and sprayed foam over everyone. He could not understand why his employer was less than happy at this 'joke'.



Can you explain why??

You must think about the safety of others as well as your own!

Most accidents can be foreseen and avoided.

You need to think about the consequences of your actions.

The *Health and Safety at Work Act* requires that:

- Employees protect themselves and others from dangers that may cause injury or sickness.
- Employers have legal obligations to ensure the safety and wellbeing of all employees.



Accidents cost money

To the individual – a serious accident might make you unfit for work, resulting in reduced pay and/or a reliance on state benefits. You may miss out on career opportunities:

- training
- exams
- rise in salary.

To the employer costs include:

- lost production time of the employee and of others who go to his aid
- damage to equipment caused by the accident
- compensation claims/payments/fines resulting from legal action
- recruitment and training of replacement employee.

Duties of the employee

As an employee you must:

- take reasonable care to avoid injury to yourself and others
- co-operate with your employer to help him comply with his statutory responsibilities
- not interfere intentionally or recklessly with any machinery or equipment.

Duties of employers

Employers with five or more employees must:

- produce a **Health and Safety Policy** which must be brought to the notice of all employees.
- ensure that all machinery and equipment is in proper working order
- provide adequate training for the operation of machinery
- provide safe and competent fellow employees.

Activity

Think about the initial example of the practical joker. Draft an e-mail to him explaining his position.

The following is extracted from the Health and Safety Policy document for the Dunfermline Building Society:



It shows all the areas that need to be covered in order to comply with health and safety legislation.

 **Activity**

For each section of the policy, compile brief notes about:

- what type of risks might an employee meet
- how those risks can be minimised
- what the employer must do in each case.

Workplace Hazards and Safety Procedures

What is a hazard?

A hazard is a condition which, by its existence, is likely to cause injury, accident or illness.

Health and safety hazards which can affect those working in an administrative role include:

1. slips, trips or falls
2. electric shock from office equipment
3. burns or scalds from office equipment with heated parts
4. cuts and gashes from equipment designed to puncture plastic or paper
5. chemical burns and injuries from liquid or powder consumables
6. substances that can be inhaled, swallowed or exposed to skin and eyes
7. heavy lifting
8. computer workstations and VDUs can cause strains and injuries
9. mental health and stress (physical and mental)



 **Activity**

Answer the following:

1. In an office situation what kind of things might people knock over, bruise or cut themselves on?

2. What kind of things might people trip over, or slip on?

3. What might people fall from?

4. What kind of things might a reasonable person dangerously misuse because of lack of information?

5. What things might present a fire hazard?

6. What things might hinder safety/emergency procedures?

Section 6 Activities



Activity 1

The majority of injuries to office workers result from trips, slips and falls and can vary considerably in severity.

You can avoid most of these incidents by applying good common sense.

- a. Take a look around you and write down hazards which apply in your immediate working environment.

- b. Now consider what **you** could do to improve your safety and that of your colleagues.

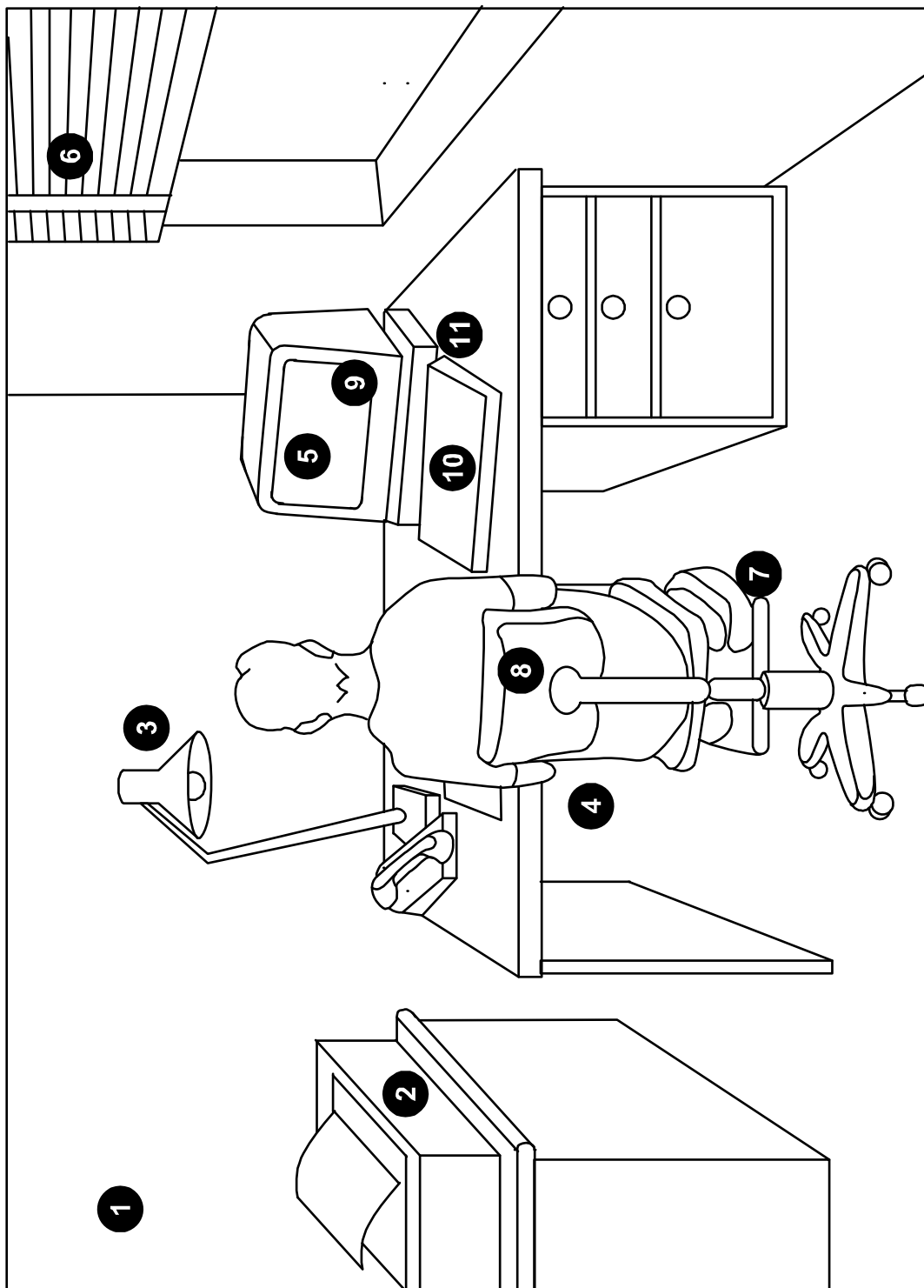


Activity 2

Look at the following diagram of a workstation, and describe good practice for each illustrated point.

Illustration	Good Practice
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	

Workstation diagram for Activity 2



 **Activity 3**

Use the Internet to access the Health and Safety Executive website www.hse.org.uk and answer the following questions:

1. Name six health and safety points from the *Health and Safety at Work Act, 1974*.
2. State three responsibilities of the employer under this Act.
3. State three responsibilities of the employee under this Act.

 **Activity 4**

What are the solutions to the following problems:

1. An employee has complained of sore eyes whilst using the computer.
2. An employee has a sore back.
3. An employee has tripped and fallen at work – what should he/she do next?
4. Your employer has only four workers and maintains that a health and safety policy is not required.

 **Activity 5**

The completion of the following checklist will enable you to carry out a self assessment at your own workstation. For each question listed, tick the response which best describes your opinion.

Display Screen Equipment Self Assessment Checklist

Personal Details
Name:
Department:
Date:

Lighting						
Describe the lighting at your workstation						
<table border="1" style="width: 100%;"> <tr> <td>About right</td> <td><input type="checkbox"/></td> <td>Too bright</td> <td><input type="checkbox"/></td> <td>Too dark</td> <td><input type="checkbox"/></td> </tr> </table>	About right	<input type="checkbox"/>	Too bright	<input type="checkbox"/>	Too dark	<input type="checkbox"/>
About right	<input type="checkbox"/>	Too bright	<input type="checkbox"/>	Too dark	<input type="checkbox"/>	
Do you get distracting reflections on your screen?						
<table border="1" style="width: 100%;"> <tr> <td>Never</td> <td><input type="checkbox"/></td> <td>Sometimes</td> <td><input type="checkbox"/></td> <td>All the time</td> <td><input type="checkbox"/></td> </tr> </table>	Never	<input type="checkbox"/>	Sometimes	<input type="checkbox"/>	All the time	<input type="checkbox"/>
Never	<input type="checkbox"/>	Sometimes	<input type="checkbox"/>	All the time	<input type="checkbox"/>	
What control do you have over local lighting?						
<table border="1" style="width: 100%;"> <tr> <td>Full control</td> <td><input type="checkbox"/></td> <td>Some control</td> <td><input type="checkbox"/></td> <td>No control</td> <td><input type="checkbox"/></td> </tr> </table>	Full control	<input type="checkbox"/>	Some control	<input type="checkbox"/>	No control	<input type="checkbox"/>
Full control	<input type="checkbox"/>	Some control	<input type="checkbox"/>	No control	<input type="checkbox"/>	

Temperature and Humidity						
At your workstation is the temperature usually:						
<table border="1" style="width: 100%;"> <tr> <td>Comfortable</td> <td><input type="checkbox"/></td> <td>Too warm</td> <td><input type="checkbox"/></td> <td>Too cold</td> <td><input type="checkbox"/></td> </tr> </table>	Comfortable	<input type="checkbox"/>	Too warm	<input type="checkbox"/>	Too cold	<input type="checkbox"/>
Comfortable	<input type="checkbox"/>	Too warm	<input type="checkbox"/>	Too cold	<input type="checkbox"/>	
Is the air around your workstation:						
<table border="1" style="width: 100%;"> <tr> <td>Comfortable</td> <td><input type="checkbox"/></td> <td>Too dry</td> <td><input type="checkbox"/></td> <td></td> <td><input type="checkbox"/></td> </tr> </table>	Comfortable	<input type="checkbox"/>	Too dry	<input type="checkbox"/>		<input type="checkbox"/>
Comfortable	<input type="checkbox"/>	Too dry	<input type="checkbox"/>		<input type="checkbox"/>	

Noise						
Are you distracted by noise from work equipment?						
<table border="1" style="width: 100%;"> <tr> <td>Never</td> <td><input type="checkbox"/></td> <td>Occasionally</td> <td><input type="checkbox"/></td> <td>Constantly</td> <td><input type="checkbox"/></td> </tr> </table>	Never	<input type="checkbox"/>	Occasionally	<input type="checkbox"/>	Constantly	<input type="checkbox"/>
Never	<input type="checkbox"/>	Occasionally	<input type="checkbox"/>	Constantly	<input type="checkbox"/>	

Space						
Is the space around your workstation:						
<table border="1" style="width: 100%;"> <tr> <td>Adequate</td> <td><input type="checkbox"/></td> <td>Inadequate</td> <td><input type="checkbox"/></td> <td></td> <td><input type="checkbox"/></td> </tr> </table>	Adequate	<input type="checkbox"/>	Inadequate	<input type="checkbox"/>		<input type="checkbox"/>
Adequate	<input type="checkbox"/>	Inadequate	<input type="checkbox"/>		<input type="checkbox"/>	

Display Screen Equipment Self Assessment Checklist

Chair			
Can you adjust the height of your seat?			
Yes		No	
Can you adjust the height and angle of the backrest?			
Yes		No	
Is the chair stable?			
Yes		No	
Does it allow movement?			
Yes		No	
Is the chair in a good state of repair?			
Yes		No	
If your chair has arms, do they get in your way?			
Yes		No	

Desk			
Is the surface large enough for you to place all your equipment where you want it?			
Yes		No	
Is the height of the desk suitable?			
Yes		No	
Does the desk have a matt surface (non reflective)?			
Yes		No	

Document Holder			
If it would be of benefit to have a document holder is one supplied?			
Yes		No	
If one is supplied is it adjustable to suit your needs?			
Yes		No	

Display Screen Equipment Self Assessment Checklist

Display Screen			
Can you adjust the brightness and contrast?			
Yes		No	
Does the screen tilt and swivel freely?			
Yes		No	
Is the screen image stable and free from flicker?			
Yes		No	
Is the screen at a height which is comfortable?			
Yes		No	

Keyboard			
Is the keyboard separate from the screen?			
Yes		No	
Can you raise and lower the keyboard height?			
Yes		No	
Can you easily see the symbols on the keys?			
Yes		No	
Is there enough space to rest your hands in front of the keyboard?			
Yes		No	

Software			
Do you understand how to use the software?			
Yes		No	

Tutor Answers to Section 6 Activity 2

1. Adequate light
2. Noise minimised
3. Adequate contrast, no glare/distracting reflections
4. Leg room and clearances allow postural changes
5. Software appropriate and adaptable
 - Gives feedback on system
 - No secret monitoring
6. Window covering if required
7. Foot-rest
8. Work chair adjustable
9. Screen – stable image, adjustable readable, no glare/reflection
10. Keyboard – usable, adjustable, flexible
11. Work surface – spacious, glare free, allow flexible arrangements

Section 7: Resources Information

Where can I find out more?

Websites and links

The following is a list of websites that may be of interest to anyone seeking information on financial services. All of the detailed websites have been researched as to what is on offer within them and are correct at the time of writing.



- www.dunfermline-bs.co.uk

Scotland's largest building society. An easily navigated website which offers information on savings, borrowings and recruitment. Also contains links offering life-planning advice for all ages.

- www.scottish-enterprise.com

On the left hand side of the Home Page, click on Services to Industry Groups, and from there to financial services.

- www.financescotland.com

Scottish Financial Enterprise site – the gateway to financial services in Scotland.

- www.fsc4u.com

This site is sponsored by Scottish Enterprise and Scottish Financial Enterprise. It is designed specifically for young people to inform them about the financial services sector, career opportunities and how to assess suitability. There is a question and answer section and a very good description of the sector itself. An excellent link for the Skills for Work course in financial services.

- www.fsa.gov.uk

A key site describing the role, aims and main functions of the Financial Services Authority. It does not offer career guidance but does signpost some other useful links.

- www.fssc.org.uk

The Sector Skills Council for financial services describes its role and activities in this site. The site has information on skills and workforce development and illustrates its main activities through case studies. The site covers core and key skills mapping, publications and careers.

- www.careers-scotland.org.uk

Gives guidance about work or learning in Scotland. Contains self assessment sections including 'Learn about Yourself' and 'Career Planning'. This is an interactive site and is excellent for those at the start of their career or for anyone considering a change in career.
- www.securities-institute.org.uk

The site of the professional body supporting those who work in securities and investment sector. Provides vocational training qualifications and information on courses, seminars, publications and consultancy services.
- www.ciobs.org.uk

Chartered Institute of Bankers in Scotland – this site contains important information on the banking sector in Scotland. This includes courses and qualifications and opportunities for continuing personal development.
- www.cii.co.uk

A site for those interested in working within the insurance and financial services industry. It has a 'jobs online' section.
- www.ft.com

The Financial Times site contains very useful information for those currently working in the sector. There is lots of information for those considering employment in the financial services industry and provides invaluable information on getting started in a career within.
- www.rbs.co.uk

The Royal Bank of Scotland – provides a clear overview of the scale and activities of one of Scotland's principal financial services groups.
- www.hbosplc.com

HBOS – The Bank of Scotland and Halifax – contains a career opportunities section.
- www.lloydstsb.com

Lloyds TSB – site contains interesting and informative material on financial services.
- www.if.com

Intelligent Finance – telephone based personal banking service from locations in Edinburgh and Livingston.

- www.cbonline.co.uk
Clydesdale Bank – offers company information and profiling.
- www.aegon.co.uk
AEGON UK – insurance provider of life, pensions and investment products.
- www.scottishequitable.co.uk
Scottish Equitable – contains information on staff recruitment, with concise coverage of customer servicing and sales opportunities.
- www.scottishwidows.co.uk
Scottish Widows – offers a good guide to employment within this company.
- www.standardlife.com
Standard Life – provides a comprehensive overview of the company and its products and services. Contains information on job vacancies and gives guidance to prospective employees. Has specific guidance on job interview techniques.
- www.bailliegifford.com
Baillie Gifford – has a section on career opportunities and current vacancies.



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