



BS ISO 22222 Personal Financial Planning – Requirements for Personal Financial Planners

Prepared for and presented to:

Alan Moran



Assessor: Arah Perrett
Assessment Date: 26.08.2021
Assessment Year: Quality Review Assessment Year 4



Introduction

Assessment Type, Visit Duration	Standard being assessed	Company Address	Individuals assessed & dates	Client files checked
Quality Review Assessment Remote/Onsite	BS ISO 22222 Personal Financial Planning – Requirements for Personal Financial Planners	122 Hamstead Hall Road, Handsworth Wood, Birmingham, B20 1JB	Alan Moran	C Gordon and F Waterhouse N Coles

Assessment summary

Note: This assessment was carried out on a sample of evidence.

Alan Moran is a multi – qualified Financial Planner. In addition to being Kinder accredited, he is also a PFS Chartered Planner, a CISI Chartered Financial Planner and is SOLLA accredited. For these reasons, Alan is not actively pursuing further qualifications at this time. However, he is very interested in spreading the word about Interface Financial Planning Ltd and the services that he provides. Alan launched his Instagram Channel on 26 September and an article about his experience as a Financial Planner will appear in a magazine called Professional Adviser on 3 September.

He has no specific plans for retirement and is still actively involved in developing the business. At the moment he is seeking the support of an external paraplanner; E – Paraplan is one of the organisations that he is meeting.

The Interface Financial Planning client journey is now entirely remote. Alan saw the potential for the remote route as a way to offer financial planning at a competitive price, back in 2012. “I can provide a low-cost service to clients who do not have much money”. However, he did still see some clients on a face-to-face basis. Lockdown was the spur for the complete switch over to remote and Alan now only works with clients on this basis. He describes this as an ongoing process that he is still refining.

Far from being a hindrance, the business is busy; Alan is turning away clients. He has also seen an uptick in key financial indicators like funds under management, turnover and profit. Interface Financial Planning has a recurring income of £140,000 per annum. The capital adequacy requirement is £20,000. Currently there is more than £40,000 in the firm’s current account.

The Interface Financial Planning client journey includes the following steps:



- A client approaches the business by phone or email. Typically, this is because of a referral or the client finding Interface Financial Planning via a google search
- Alan will have an initial conversation with the prospective client
- From this point the client journey is supported by a range of emails. There are around 150 emails set up to deal with different elements of the client journey
- The client's details are entered into Intelliflo (IO)
- The client is sent an email inviting them to a zoom or phone meeting
- A Finametrica risk profile questionnaire is sent out
- A transcript of all calls is topped and tailed by Jo Morgan who then adds them to the client file
- The client is sent information that describes how to register on the firm's IO portal. No confidential information is sent to a client via email
- A discovery meeting or meetings takes place
- Tom Moran then takes over and completes the fact find with the client
- Tom also collects client ID via GBG's ID Scan system. This produces a detailed 7- page identification report
- A Voyant Cash Flow Model is presented to clients
- Recommendations are made to meet identified client needs
- Tom and Jo prepare suitability letters
- Once advice has been given, Sarah Harvey prepares applications and send them to clients
- Alan uses the Nucleus platform in terms of products and services.

Early meetings with a prospective client are all about getting to know each other. It is important to Alan that clients are people that he will like and vice versa. All zoom calls are recorded and the business use a system called Sonics to transcribe calls. A transcript may be offered to clients if it is felt that it would be useful to them. Tom supplies a "handholding" role throughout the process. This may include helping clients who initially have challenges with the technology included in the client journey.

For Alan, there are 2 key aspects to the financial planning process. The first is to gather facts and figures. The second is to fully understand what is important to the client. This includes soft facts; family situation, goals, values and an understanding of where the client is heading.

As mentioned earlier, Alan is Kinder certified. In pure form the Kinder financial planning process follows the mnemonic EVOKE. This stands for exploration, vision – what the client wants, objections/obstacles that the client may have, knowledge (of the planner) and execution. In practical terms, however, the process "can be too heavy for many clients". Alan has simplified this into way he calls his 3-stage financial planning process or his 3 hats. The **first stage is life planning** and includes getting to know the client via a discovery meeting or meetings. This is where Alan may use Kinder questions like:

1. If you had all the money in the world, what would you do?
2. If you knew you had only 5 years to live, how would you spend the time?
3. If you knew you only had 24 hours to live, what would you regret?

Clients are also invited to complete a values questionnaire by choosing 10 out of 100 statements that reflects their values and putting them into priority order. The questionnaire then generates a report that informs the life planning stage of the process.



The **second stage is financial planning**. This stage of the process provides “a blueprint” to the client of where they are going. Cash flow modelling to the age of 100 helps clients to identify whether they have enough to see them through life stages like stopping work, long term care and death of a partner. Interface Financial Planning use Voyant as the main cash modelling tool. However, I4C will become part of the IO portal from October 2021. This will enable clients to log into their portal and complete a basic cash flow model for themselves.

The **third stage of the process is financial advice**. This is where products are recommended to meet needs identified and agreed in stages 1 and 2. Alan’s team then take over to implement the agreed plan.

Alan is registered on the FCA website as SMF 3 (Director), SMF 16 (Compliance) and SMF 17 (Money Laundering Reporting Officer). However, he points out that as a one-man business, the Senior Manager Certification Regime has not impacted on his business from a day-to-day perspective as the responsibilities involved are broadly the same as before. This will change next year when his son, Tom Moran, achieves his Diploma. Alan will be Tom’s Supervisor in helping him to achieve Competent Adviser Status (CAS). It was noted that none of the paperwork relating to the Senior Manager regime, for example a Fit and Proper Declaration and Roles and Responsibilities, were provided for this assessment.

Compliance and Training Solutions Ltd (CATS) supply external compliance support to Interface Financial Planning. File checks have been completed in 2021. However, a full compliance review was deferred in 2020 as Alan was unwell. This review is now taking place in September 2021 with Mel Holman and will include a discussion about Alan’s supervisory duties going forward.

Alan has not received any regulatory complaints in the last year. He is currently applying for FCA permissions so that he can add funeral plans to his portfolio. He is licensed to arrange defined benefit pension transfers and this has not had a negative impact on his PII insurance. He does not make recommendations for VCTs, EISs or BPR as these areas are not suitable for his clients. His only criteria for selecting clients are that they are lovely people. He currently has 130 clients (some of these are couples) and the average investment holding for each is £85,000.

Typically, Alan does not arrange much protection due to the age profile of his clients. However, in recent times, two life assurance cases have been completed and another is in the process of being done.

Alan has been a member of the UK Social Investment Forum for years and believes that now is the time to act in terms of ESG investments. The firm has a sustainable portfolio and all members of his family are now ESG investors. Alan tends to attract clients who have an ethical approach to life. One is his local Green Party MP and some of his clients are Quakers. The firm are currently using a Smart Survey to gauge client's interest in ESG investment. It will be interesting to follow up the results of the survey during the next assessment.

Documents reviewed during this assessment include:

FCA reference no. 424729
ICO reference no. Z5157211
The operations manual index
Statement of professional standing to 31.08.2021
Social media policy



Business plan
One Commercial Speciality Insurance to 14.12.2021
Financial promotions register to July 2021
Cyber Essentials to 14.10.2021
Marketing strategy plan November 2020
Continual improvement policy
Compliance declaration – Nove 2020
Training and competence scheme document
CPD log
2 x client files



Glossary and Terms

Compliant (C): Evidence of conformity to the requirements of the standard(s) has been shown therefore no further corrective action is required.

Opportunity for improvement (OFI): A finding that requires improvement or correction, but is not indicative of a framework, system, process or deliverable failure or weakness; or is of insufficient concern or potential impact to merit root cause analysis or corrective action.

Minor Non-conformity (MINC): A weakness in an internal facing process or procedure; or a finding where any further deterioration of control could reasonably be considered likely to result in the framework, system(s) and processes becoming ineffective. This finding requires root cause analysis and corrective action. Evidence confirming root cause analysis and corrective action must be submitted for re-assessment within 3 months of the assessment date.

Major Non-conformity (MANC): A failure impacting the effectiveness of the framework, system(s), processes and deliverables, which puts at risk the capability of the management system. This finding requires immediate containment, root cause analysis and corrective action. Your assessor and dedicated Scheme Administrator will make the necessary arrangements with you for follow up.

The assessment will incorporate all processes undertaken by the customer and all elements of ISO 22222 with no justified exclusions.



Assessment Findings

For full details of all clauses please refer to your copy of BS ISO 22222 Personal Financial Planning – Requirements for Personal Financial Planners.

Clauses not outlined below are considered **Compliant**.

What really stood out for us during this assessment – well done!

Area	Example(s) of excellence
Ethics	Alan's ethical approach permeates his business. This includes his willingness to work with clients regardless of their financial status.
Marketing	The lively and educative approach that Alan takes when communicating with his clients which includes YouTube, Instagram and his website.
Data protection	Alan's business is only the second financial planning business seen by this assessor that is Cyber Essentials certified.



Opportunities for improvement raised at this assessment

Please Note: These will be assessed again in depth at the next annual assessment.

Clause	Process	Findings
4.4.2	Analysing client status	Alan is aware that he needs additional paraplanning support. E – Paraplan was mentioned during this review. Alan has arranged a meeting with them and one other Paraplanner.
5.2.4	Compliance and professionalism	Although requested, documentation relating to the Senior Management Certification Regime was not provided, although information is up to date on the FCA register. It is recommended that a current Fit and Proper Declaration and Role and Responsibilities Record is available, as a minimum, for future assessments.
5.2.4	Compliance and professionalism	Due to Alan being unwell, a full compliance review by CATS did not take place in 2020 although file reviews continued. As a result, a compliance report was not available to review during this assessment. A formal review is due to take place in September 2021.

Minor non-conformities (MINCs) raised at this assessment

Please Note: Evidence must be submitted within 3 months of the report date with all non-conformities being resolved satisfactorily in order for certification to be awarded. Evidence review is chargeable at a rate of £75 per hour.

Clause	Process	Findings	Date Resolved
		None	



Major non-conformities (MANCs) raised at this assessment

Please Note: All Minor and Major non-conformities must be resolved satisfactorily in order for certification to be considered and to establish this a full reassessment will be required. This will be chargeable.

Clause	Process	Findings	Date Resolved
		None	

Assessment conclusions

I recommend Alan Moran for continuing certification to BS ISO 22222 Personal Financial Planning – Requirements for Personal Financial Planners.

Areas we discussed where you might benefit from further support

Please Note: Should we be able to assist in any way with the areas noted below please let us know and we shall be happy to discuss the possible next steps.

Area	Support required
Further qualifications	Alan would be interested to know more about the Financial Abuse Specialist™ certification.
YouTube support	Alan's YouTube site needs 100 subscribers to take it to the next level (he currently has 63). Any help to get to 100 subscribers would be gratefully received!



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Note to the assessor regarding scope of service offered: Please tick which areas have been assessed (these areas shall be displayed on the adviser's ISO 22222 certificate).

Investment & Saving	√	Taxation Planning	√
Personal Protection	√	Retirement Planning	√
Estate Planning	√	Long Term Care	√

Additional information

Cancelled Visits	Where a specific date for the next assessment has been arranged this should be considered as confirmed. Any required changes to this date should be notified to Standards International.
Contact Details	Email: Enquiries@standardsinternational.co.uk Tel: 01462 790894 Website: www.standardsinternational.co.uk Twitter: @StandardsInt LinkedIn: /standardsexpert
Continual Improvement	Our client's needs are at the heart of everything we do. In the next few days, you will receive a client feedback form from us, we would love to hear your thoughts and feedback about your journey (we want the good, the bad and the ugly). Please be as honest as you like and we look forward to hearing from you soon. Thank you.