



## Consultant View with Michelle Hoskin of Standards International: Standards to aim for

By Michelle Hoskin | 00:01:00 | 23 October 2008

The need to demonstrate professionalism in financial services has never been greater. Amid the plethora of qualifications and achievements for financial planners to attain is BS ISO 22222:2005, the new international professional standard for personal financial planners. In a series looking at the ISO standard, my aim will be to explore the intricate details of this new standard and why it could be the answer to the professionalism conundrum.

### What are ISO standards?

ISO is an acronym for the International Organization for Standardization, which is responsible for the creation of international standards that, once achieved, allow an individual or firm to:

- Consistently provide a product or service that meets customer requirements in line with any regulatory, statutory and contractual requirements;
- Deliver customer satisfaction through effective processes of continual improvement for the prevention of errors and mistakes.

ISO standards are more commonly known in the general business market, such as ISO 9001 (the quality management standard) and ISO 27001 (the information security standard). ISO standards have been around for years and are here to stay.

### Why are standards needed?

For more than 100 years, industries have recognised the value of having in place common standards of quality that customers can trust. Typically, British (BS), European (EN) and international standards have applied to manufactured goods, often alongside the Kitemark (or CE mark), which is recognised by consumers as a sign of quality.

Standards help businesses to identify and meet the needs and expectations of customers and stakeholders while achieving and maintaining a competitive advantage; and to achieve, maintain and improve overall performance and capabilities in all aspects of business processes.

ISO standards are not created for their own sake; they are demand led, and created by leading professional bodies and industry experts across the globe.

### Why is a financial planners ISO standard needed?

Pressure to demonstrate professionalism in financial services has never been greater. Demand is not only coming from clients, but also from professional associations and the regulator. That was why the idea of creating an

international standard for financial planning was raised.

Once the concept was agreed, invitations were issued and, in response, the British Standard Institute (BSI) turned to the Financial Services Authority (FSA) for guidance. It was agreed that David Jackman (then head of industry training at the FSA) would chair a BSI technical committee and all major professional, industry and consumer bodies were asked to join the group.

The committee consisted of representatives from the FSA, the BSI, the Financial Services Skills Council, the Association of British Insurers, consumer group *Which?*, Institute of Financial Planning, Institute for Fiscal Studies, the Chartered Insurance Institute/Personal Finance Society and the UK Social Investment Forum (UKSIF). Collectively they agreed to support the development of an international standard for financial planners and in March 2006 ISO 22222 was launched.

Although the UK played a major part in its development, our UK representatives were supported by similar committees from more than 17 different countries. Their objective was clear from the outset: ISO 22222 should be appropriately understood, implemented, awarded and monitored and would allow financial planning professionals to reach over and above the regulatory requirements.

ISO 22222 sets requirements for personal financial planners; it codifies best practice in financial planning across the world and will help to increase consumer confidence.

### A question of trust

It has been reported that one of the major issues concerning consumers when seeking financial advice is the uncertainty over whether they can trust their financial advisers. When there are so many financial planners for clients to choose from, it is no wonder they are said to be confused about where to turn for the right advice.

ISO 22222 plays a major role in addressing this by providing an internationally agreed benchmark that not only enables consumers to identify financial planners who possess the right knowledge, skills, ethics and experience to deliver their desired level of service, but also enhances the transparency and efficiency of the process for personal financial planning.

*Which? played a crucial role in creating the ISO standard and is said to support higher standards for financial advisers but recognises that the wide-ranging set of qualifications available to financial advisers can be confusing for those outside the industry.*

played a crucial role in creating the ISO standard and is said to support higher standards for financial advisers but recognises that the wide-ranging set of qualifications available to financial advisers can be confusing for those outside the industry.

For this reason it has long supported the notion of one over-arching standard for financial advisers and that is why it contributed to the work of the ISO committee.

A survey of the general public showed about 75% would have more confidence in a financial adviser and their practice if the adviser had achieved a quality mark, such as an ISO standard.

### First certifications

Andrew Reeves, director of The Investment Coach, was the UK's first financial planner to be certified to ISO 22222 by Standards International. After reaching

the point in his professional life at which he needed to turn his focus on the creation and development of efficient business processes, ISO certification was the ideal solution. The net result for the consumer is a more efficient and transparent process in receiving holistic financial planning advice.

Robin Keyte, director of Towers of Taunton, represented the UKSIF on the BSI technical committee and is thrilled to join Reeves as one of first to achieve the ISO award. He says the certification process is the best available overall assessment of knowledge, competency and fair customer treatment.

*For further information, please contact Michelle Hoskin on 01462 790 894, email: [enquiries@standardsinternational.co.uk](mailto:enquiries@standardsinternational.co.uk) or visit [www.standardsinternational.co.uk](http://www.standardsinternational.co.uk)*

“ Demand is not only coming from clients, but also from professional associations and the regulator. That was why the idea of creating an international standard for financial planning was raised.”

© Citywire Financial Publishers Ltd 2008.

This material is the copyright material of Citywire Financial Publishers Ltd. No part of this material may be copied, reproduced, distributed or adapted in any form or by any means without our prior written consent. This includes but is not limited to all individual fund manager data such as rankings of fund managers and ratings of fund managers.

© 2008 Citywire.co.uk. All Rights Reserved.

Citywire Financial Publishers Ltd. is authorised and regulated by the Financial Services Authority no: 222178 to provide investment advice and is bound by its rules.

Citywire Financial Publishers Ltd.

Registered Office: 1st Floor, 87 Vauxhall Walk, London SE11 5HJ

Registered in England no: 3828440.