

The New Benchmark: A Model Advice Qualification Post-RDR at QCF Level 4

professionalismfirst. 

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The Chartered Insurance Institute (CII) Professionalism in Practice

As the premier professional body for the financial services profession, the CII promotes higher standards of integrity, technical competence and business capability. With over 93,000 members in more than 150 countries, the CII is the world's largest professional body dedicated to this sector.

Success in CII qualifications is universally recognised as evidence of knowledge and understanding. Membership of the CII signals a commitment to develop broad professional capability and subscribe to the standards associated with professional status.

The CII works with businesses to develop bespoke, company-wide solutions that ensure competitive advantage by enhancing employees' technical and professional competence.

Individually, CII's members are able to drive their personal development and maintain their professional standing through an unrivalled range of learning services and by adhering to the CII's Code of Ethics & Conduct.

www.cii.co.uk



Personal Finance Society

The Personal Finance Society (PFS) is part of the CII Group and is the leading professional body for financial advisers and those in related roles. With nearly 25,000 members, it promotes the highest standards of professionalism in the financial services profession, and sets the standards for technical knowledge, customer service and ethical practice across the entire financial advice community.

To achieve its aims, the Society provides its members with access to technical qualifications, learning materials, support services and practical benefits. PFS is uniquely placed, as a campaigning organisation, to support consumer demands for reliable, professional advice.

www.thepfs.org

Foreword

This paper, part of a series on professionalism, is our contribution to the debate on defining the standards of the Level 4 Diploma: the new benchmark qualification level for financial advisers proposed in November 2008.

Understandably practitioners want more detail: What does this (Level 4) mean? What does it require me to do? And when do we have to do the new qualifications? Valid questions all.

The FSA, and the Financial Services Skills Council, set out the need for a parallel consultation on the details of the new qualification requirements in tandem with the main FSA consultation due in June 2009. For many in the market place, despite the assurance of the FSA about 'no regrets' actions for anybody pursuing improved qualifications at Level 4 **now**, there a clear desire for more action and more detail.



Despite this assurance, and the useful clarification in March in which the FSA went further in trying to define the 'step change' required, many practitioners remain eager to gain a greater understanding of what the new benchmark qualification will look like. This discussion paper seeks to do this. It looks beyond the transition at what a new model qualification and exam structure might look like.

As a professional body with a strong history and background in financial advice (our Diploma qualification is accredited at Level 4 within the Qualifications and Credit Framework) we believe we are in a unique position to develop more detailed thinking for practitioners to debate.

Underpinning our thinking is the need for rigour and raised standards in this new suite of qualifications and to avoid the development of any qualifications arbitrage to a 'lowest common denominator'. **We do not believe there should be any compromise on rigour** although competition on other aspects like cost and convenience is essential. Qualification arbitrage would be undesirable for firms, for advisers, and above all for the consumer of financial services whom these reforms are meant to benefit.

Our recommendations are built around a model of core subjects with a range of specialist options.

This paper sets out what the future could look like. In developing a new model for the regulator, practitioners and other stakeholders to consider, we have started afresh drawing on the experience of educational expertise and practitioners alike to develop something which we believe will meet the needs of both the market and the wider public interest.

We have also designed this model in the wider context of promoting professionalism. **We view the new benchmark as part of the ladder to greater professionalism in financial advice** – not simply a test to reach a minimum standard. We are seeing a strong market reaction in just this direction – our exam bookings for advanced diploma and the numbers of Chartered Financial Planners are growing strongly.

We are indebted to the numerous people who played a vital part in developing our thinking, particularly to, Richard Anderson, Andrew Carter, Keith Richards, John Porteous, Paul Dawson, Paul Bowen and Danby Bloch, as well as numerous others, including my colleagues in the CII and PFS, in developing this draft model for the proposed benchmark to help guide the profession to the next stage in its development.

We have set out this suggested model for the profession and other stakeholders to discuss and debate. We include some thoughts about testing methods, and what might sit underneath the new Level 4 Diploma structure. While we do not consider this model to be final or prescriptive, we hope it is a valuable contribution to the debate and an insight into our developing thinking. Practitioners can be assured we have not been idle in the past few months! We continue to listen and to respond.

Please let us know your views.

Dr Alexander Scott
Chief Executive Officer
The Chartered Insurance Institute

28 May 2009

1. Executive Summary

The CII welcomes the Retail Distribution Review and believes that the proposed increase in standards will produce important benefits for the sector and consumers, in particular increased professionalism and a reduced risk of consumer detriment.

The CII also welcomes the FSA's desire to create a minimum competence threshold, set at Level 4 Diploma in the Qualifications and Credit Framework (QCF) (or equivalent) for all advisers. The CII also supports the long term aspiration to increase the level of qualifying exams to Level 6 and Chartered status to achieve parity with other professions.

This paper focuses on the qualification and examination needs of a wide range of financial advisers including both those who provide comprehensive financial advice and those who provide advice about a limited range of products. It does not consider the transitional issues of switching over from the current structure where further work will need to be undertaken. However, the FSA has made clear that those advisers currently, or en route to being qualified at or above Level 4 Diploma have taken a 'no regrets action'. The CII understands this to mean that those qualified at Level 4 Diploma or equivalent will meet the new minimum competence standard, subject to further CPD requirements. This is critical as it allows advisers and firms to act now to meet the RDR challenge.

The CII's expertise in the area of providing qualifications for financial advisers over many years places the institute in a unique position to guide the profession. The CII's existing Level 4 Diploma exams are well placed to form the basis for the new standard.

We propose a compulsory core of subjects in three areas covering knowledge and application to be taken by all advisers, these being:

- Fundamentals, encompassing:
 - UK financial services, regulation and ethics.
 - Investment principles, risk and advice.
 - Taxation.
- Products and their uses, encompassing:
 - Debt and protection products and their uses.
 - Investment products and their uses.
 - Pension products and their uses.
- Personal financial planning

There would also be a range of additional subjects which would cover, for example, those roles with a specific regulatory requirement for a qualification. These additional subjects would include areas such as: equity release, long term care planning, advising on pension transfers, supervision etc.

The number of learning hours needed to complete a Level 4 Diploma is a minimum of 370 (equivalent to 37 credits in the QCF). This would cover the compulsory core subjects. Role-specific subjects would constitute additional requirements over and above this compulsory core (i.e. additional learning hours) and should also be tested at Level 4. Currently advisers need to complete the Level 3 Certificate (equivalent to 280 learning hours) before proceeding to the Level 4 Diploma. This would no longer be a compulsory step for all new advisers, but might be appropriate for new entrants advising under supervision.

2. Purpose and scope of the paper

The aim of this paper is to make recommendations to the FSA and FSSC regarding the proposed nature and structure of units and qualifications for those who are authorised to provide personal financial advice. The FSA's aim in the Retail Distribution Review is to achieve by the end of 2012 a step change in the professionalism of advisers in the retail market, to help deliver high standards of advice, build trust and inspire consumer confidence.

The Chartered Insurance Institute (CII) provides exams and qualifications for a high proportion of advisers in the retail market and this paper is intended to comment on the needs of these advisers.

Their main areas of advice would normally include budgeting, immediate and lifetime cash flow planning, life and health protection, mortgages and debt, short and longer term savings, tax and estate planning, lump sum investments using cash deposits, collectives and other funds, life assurance policies, pension annuities and retirement options.

They would include those who provide comprehensive personal financial advice, as well as those whose advice is more focused or specialised in terms of its scope or the product range involved. (The range of advisers included within the recommendations would also include 'sales advice' should this emerge).

The advisers would include IFAs, national firms, networks, local firms, tied and multi-tied advisers and those who are employed by IFA firms, product providers, banks and other institutions.

The CII believes that firms and advisers should be able to choose between different qualification providers on the basis of such issues as the suitability of exams and syllabuses, as well as costs and convenience. However, the CII is of the view that any new structure or syllabuses should not encourage competition over standards of rigour, the expected length of study periods or the length of exams. Qualification arbitrage would be undesirable for firms and advisers and unfair to consumers of financial services.

The paper focuses on what a suitable qualification and exam structure would look like rather than on the transitional issues that would arise in switching from the current situation. We do however believe that the proposals in this paper are consistent with existing arrangements.

3. The Retail Distribution Review – the desirability of raising standards

The CII has long been at the forefront of raising standards of financial advice through education and qualifications and it strongly supports the step change that is now proposed.

The step change to higher level qualifications for advisers should be an important catalyst for raising the standards of advice.

Higher levels of technical knowledge and understanding among financial advisers should lead to greater consumer confidence and higher standards of advice.

Raising the standards of qualifications should help to align financial advisers with other professionals and attract and retain more high quality recruits to the profession.

It will also increase the confidence of the public in the financial advice that they receive from qualified advisers. It would also heighten the public's general awareness of the important role that financial advisers play.

The CII recognizes that knowledge testing by examination alone is not sufficient to meet the challenge of raising professional standards. It is however an important and necessary component.

4. The value of the CII's perspective

The CII can comment with authority on the future of exams and qualifications. The Institute has the most experience of any organisation in providing exams and qualifications for financial advisers and understands the issues involved in developing qualifications.

The CII has over 24,000 members in the financial advice sector through its subsidiary organisation the Personal Finance Society. More than 135,000 advisers and others have passed the Level 3 Certificate, the Certificate in Financial Planning or its predecessor the Financial Planning Certificate (FPC).

In the current Diploma, the CII has the only suite of financial advice related exams at Ofqual Level 4. Nearly 14,000 financial advice professionals have passed at least the current Diploma or its predecessor qualification, the Advanced Financial Planning Certificate. More than 1,600 members have achieved Chartered Financial Planner status.

The CII can draw on the extensive experience of its members to make suggestions about the future of the exam and qualifications structure.

5. The standard and structure for the Ofqual QCF Level 4 Diploma licence to practise

The CII agrees with the FSA's intention to create a minimum competence threshold, set at Level 4 Diploma in the QCF (or equivalent) for all advisers.

The standard for the new examinations should be at the level of the current CII Diploma exams, which have been designated Ofqual QCF (the new Qualifications and Credit Framework) Level 4 – broadly equivalent in standard to the first year of a Bachelor's degree. In addition to syllabus areas currently covered at Level 3 (Certificate), this provides a sound foundation for the development of exams to meet the new requirements. To make the exams more appropriate for the new context:

- The range of subjects should be extended to include some of the areas that are only covered in the Certificate under the current structure.
- The balance of knowledge and application in each subject area should be changed to a greater emphasis on application.

6. The proposed structure - core and additional subjects

The new Level 4 qualification should be based on a structure of 2 types of subjects:

- **Compulsory core** subjects required for all advisers.
- **Additional subjects** to be taken to meet specific regulatory requirements or on a voluntary basis to improve an adviser's knowledge in that subject area.

This structure is shown in Figures 1 and 2 below. A fuller list of the proposed exam subjects and the outline contents of each are set out in Appendix 1 to this paper.

Compulsory core subjects

The core subjects will ensure that all financial advisers have the appropriate level of competence in the subjects that are essential for all advisers. The main core subjects would be in 3 areas as follows:

i. Fundamentals, including:

- a. UK financial services, regulation and ethics.
- b. Investment principles, risk and advice; including macroeconomic factors, asset classes, investment risk theory, client objectives, etc.
- c. Taxation; basic principles and computations including income tax, national insurance contributions, capital gains tax, IHT and stamp duties.

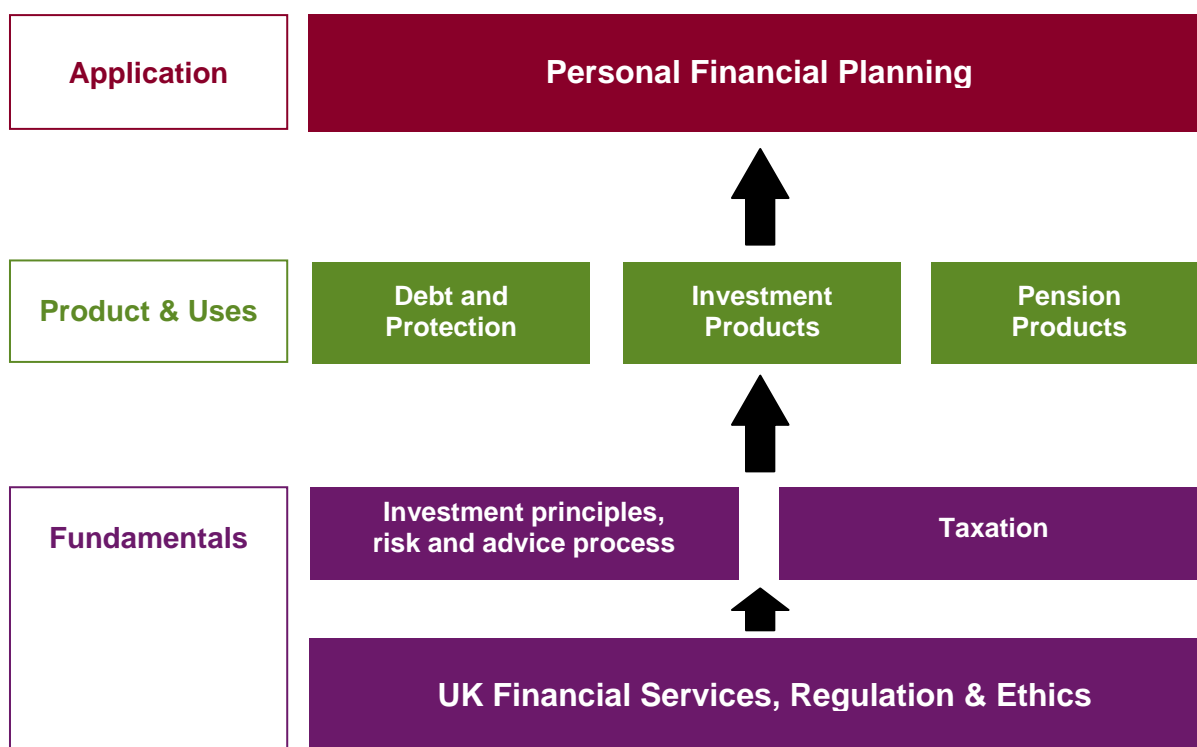
ii. Products and their uses, including:

- a. Debt and protection products and their uses; including mortgages and debt, state benefits, life assurance, protection products.
- b. Investment products and their uses; including products (e.g. collective investments, ISA and CTFs, NS&I, retail structured products), tax wrappers, analysing funds and investment performance, product selection.
- c. Pension products and their uses; including pension legislation, pension tax, state pensions, DB and DC schemes.

iii. Application

- a. Personal Financial Planning; including: the planning process e.g. the ethical basis of client / planner relationship, attitudes to risk, fact find etc.

N.B. Mortgages and debt are not currently included in the RDR requirement to make the step change to the minimum Level 4 standard. However, it is felt that all financial advisers should have an understanding of the principles of mortgages and debt as a prerequisite for giving advice generally. The proposed elements of the syllabuses covering mortgage, protection and debt are not intended to act as a complete qualification for a mortgage adviser.



The logical order in which to approach these subjects is Fundamentals, Products, Application

Additional subjects

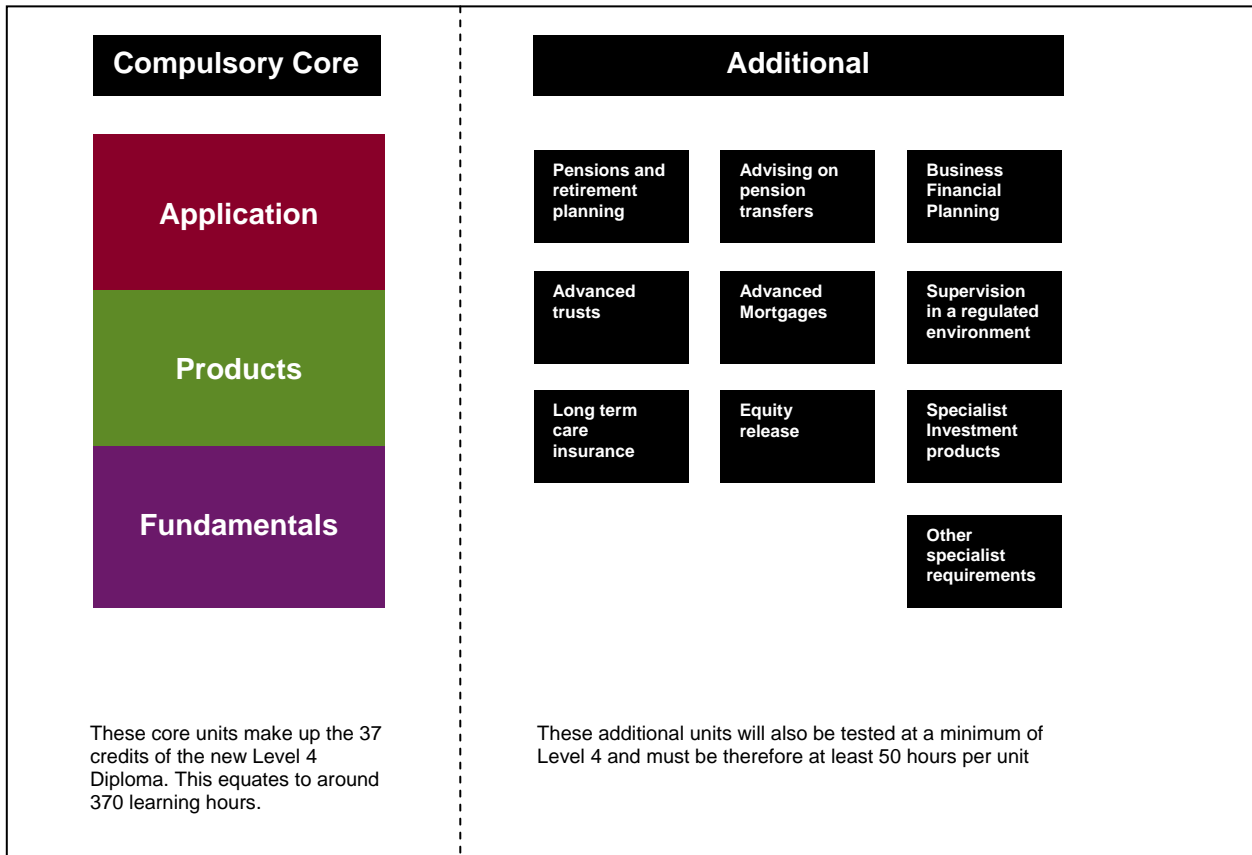
There are a number of areas where, in addition to the compulsory core subjects, advisers should be required to acquire qualifications at QCF Level 4 as a licence to practise. These include:

- Pensions and retirement options.
- Advising on pension transfers.
- Equity release.
- Long term care insurance.
- Supervision in a regulated environment.

A number of specialist subjects should also be available for examination as part of the new Level 4 Diploma suite. Advisers can choose to study these areas and take exams in them to develop and validate relevant areas of expertise at Level 4 Diploma. These optional subjects might include:

- Business financial planning.
- Advanced trusts.
- Specialist investment products.
- Advanced mortgages.

Figure 2: The framework



7. Learning hours

Ofqual currently require a minimum of 37 credits (or 370 hours) for a qualification to be titled Diploma at Level 4. The current CII Diploma is broadly equivalent to studying for about 400 hours in total – this is in addition to the study need to achieve the Certificate (28 credits or around 280 hours).

The currently recommended study time for the current minimum standard of five Certificate level exams is some 280 hours, illustrating the step change compared to the current entry level exams for advisers.

It is important that this level is maintained across all providers of qualifications to prevent “arbitrage” between awarding bodies. The credit system in the QCF, with its direct translation to study hours, will be of assistance in this regard.

8. Testing methods

The testing methods used in the exams should balance their effectiveness at testing candidates’ competence with practical issues such as availability and cost. The challenge of setting suitable exams for several thousand individuals within relatively few years should not lead to cutting corners in ways that could undermine the aim of raising standards.

The qualification must involve a test of written communication. This is essential to giving advice clearly and concisely to the consumer.

The qualification must require passes in all subjects in the core. For example, a candidate should not be allowed to pass with a strong performance in pensions and taxation while falling below the required standard in regulation and ethics.

There is scope for innovation in testing methods and the ways in which exams may be conducted. The CII has devoted much thought to how far multiple choice questions and other objective testing methods should be used in their Level 4 examinations.

The CII has come to the clear conclusion that multiple choice questions can be suitable for testing knowledge and also to some extent application. But the short answer and essay-style testing systems should also be retained. There is some public perception (and within the industry) that multiple choice questions are a ‘dumbed down’ form of testing. The CII believes that the evidence does not support this view.

Multiple choice questions have several **advantages**:

- Scoring is quick, objective, accurate, and relatively inexpensive.
- Different abilities can be tested precisely and easily.
- Wider coverage of subject matter is often possible in order to broaden the scope of an exam.
- Useful statistical information about performance is easier to gather and evaluate.

But multiple choice questions have some very important **limitations**:

- They are not effective at testing candidates’ ability to synthesise information and solve problems – skills that should lie at the heart of a financial adviser’s competence.
- They do not test communications skills directly or effectively in most respects.

The CII has built up an exceptional level of expertise in both main methods of testing, and will continue to innovate with new forms of objective and subjective testing.

9. The Level 3 Certificate

The NQF Level 3 exam – currently the Certificate in Financial Planning – could retain much of its present character and form the basis for a new ‘pre-diploma’ qualification. In future, the function of the Level 3 Certificate exam could be to:

- Allow new advisers with the Level 3 Certificate to practise under qualified supervision for a set period of up to three years. This would help firms to obtain an economic return from new advisers before they are fully qualified. This would of course need to align with firms’ Training and Competence schemes.
- Provide the chosen entry level qualification for those future advisers who join the profession through ‘guided sales’ – if ‘guided sales’ emerge as a result of the RDR. The level 3 Certificate offers natural progression and defined career routes.
- Provide a bridge for those who are aiming at Diploma level but would like to take it in stages.
- Provide a qualification or part of a qualification for those who wish to take on a role that is complementary to that of the financial adviser, perhaps in general or specialist administration, para-planning, provider consultancy or some other function.

If the Diploma is a comprehensive exam at Level 4, it does not seem appropriate to make the Certificate compulsory for all Diploma entrants. The test at a lower standard might be superfluous for those who wish to take the fast track to qualification e.g. graduates or those from related professions.

10. The wider context and the longer term

We agree with the FSA’s position on legacy qualifications meeting the QCF Level 4 requirement. We regard qualifications such as AFPC and ACII (Life and Pensions) as meeting the Level 4 requirement subject to completion of formal CPD.

A standalone qualification is insufficient to ensure the continuing competence of an adviser. The use of qualifications should be to ensure a minimum base knowledge level and entry requirement to practise. It is important that qualifications are seen in the wider context of establishing a profession specifically that Continuing Professional Development (CPD) is an important component of ensuring that advisers are up to date with regulatory changes.

Areas of professional competence such as verbal communications skills and establishing rapport (‘soft skills’) are not easily or comprehensively tested by examination and may be more suited to continuous or workplace based assessment.

The CII regards the adherence to the qualifications quality assurance criteria set by Ofqual to be the minimum for any awarding body in order to secure public confidence.

The CII in general supports the long term aspiration to increase the level of qualifying exams to Level 6 and Chartered status. However, it is unlikely that the entire body of knowledge and skills that a financial adviser should have needs to be at Level 6. It would be important to determine what knowledge and skills would need to be taken to this higher level.

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Appendix: Syllabus summaries for revised Diploma examinations

FUNDAMENTALS

UK FINANCIAL SERVICES, REGULATION & ETHICS

UK financial services

- Savings and investments
- Basic principles of insurance
- The roles of investment markets
- The Government, Bank of England and the FSA
- Inflation, deflation, economic growth, balance of payments
- Public expenditure and the tax system, the private sector economy
- State benefit system

The FSA and the FSMA and their impact on the conduct of firms, individuals and the provision of financial advice

- The FSA's aims, powers, methods of operation, compliance monitoring
- Authorisation, appointed representatives, individual registration, status, responsibilities of regulated firms
- FSA principles and treating customers fairly
- Prudential regulation
- The Conduct of Business rules (including ICOB and MCOB)
- Complaints handling and compensation – the FOS and FSCS

Other regulations and their impact on the conduct of firms and the provision of financial advice

- Consumer Credit legislation and the Office of Fair Trading
- The Data Protection Act 1998
- Access to Medical Reports Act 1988
- The Pensions Ombudsman and The Pensions Regulator
- Money laundering and terrorist finance protection

Legal concepts and their application to the provision of financial advice

- Legal identity, contract capacity & agency
- Powers of Attorney and Lasting Powers of Attorney
- Insolvency & bankruptcy

- Wills and intestacy

INVESTMENT PRINCIPLES, RISK & ADVICE PROCESS

Investment principles and risk

- Macro-economic factors - their impact on investments
- Analytical tools - compound interest and discounting, interpreting statistics, correlation, inflation, tax, indices
- Asset classes – equities, property, bonds, cash, commodities, currencies, derivatives hedge funds, private equity- characteristics, performance, drivers, and cycles, short and long term needs
- Investment risk theory – gearing, currency, measuring types of risk, efficient market hypothesis, diversification, modern portfolio theory, characterising risk, limitations of modern portfolio theory, hedging

Advice Process

- Advice process - main steps and delivering an investment plan, asset allocation, fund choice, wrapper choice
- Client objectives - liquidity, risk capacity and risk tolerance, borrowing and paying off debt, types of investors, risk assessment and behavioural finance issues, income and capital needs, ethical and religious considerations
- Asset allocation - different models, relating allocation to risk, stochastic modelling, accumulation and decumulation issues, fixed and dynamic allocation, rebalancing

TAXATION

- Income Tax – calculation of income tax liability across different types of income, with the application of appropriate allowances, reliefs, and tax rates for individuals and trusts
- National Insurance Contributions – main rules applied to employees and self-employed persons
- Capital Gains Tax – calculation of capital gains tax on an individual's gains, with the application of appropriate allowable expenses, losses, exemptions for individuals and trusts
- Inheritance Tax – calculation of potential inheritance tax liability with the application of main rules on transfers, exemptions and reliefs, understanding of the main IHT rules relating to trusts
- Residence and domicile – definitions and their impact on an individual's liability to UK tax
- Tax wrappers - comparisons
- Structure of the tax system - self-assessment, tax returns, tax payments, PAYE and anti-avoidance and anti-evasion provisions
- Apply the main tax planning strategies used for income tax, CGT and IHT

PRODUCTS AND THEIR USES

Debt & protection products & their uses

- Mortgages and debt
- Short term debt and its costs, debt consolidation
- Types of mortgages, costs and choosing suitable deals
- Repayment vehicles

- Lifetime loans and home reversion plans
- Buy to let mortgages
- Regulatory requirements for mortgages
- Bankruptcy

Protection products and their uses

- State benefits - their impact on financial protection planning
- Life assurance policies – types, features, underwriting, claims, taxation, uses in estate planning and in mitigating tax
- Income protection insurance – types, features, underwriting, claims, taxation
- Critical illness insurance – types, features, underwriting, claims and taxation
- Other insurances : terminal illness, long term care, private medical insurance, accident, sickness and unemployment, payment protection
- Analysing and quantifying consumer circumstances and needs for financial protection taking into account existing arrangements
- Apply suitable financial protection products to specific consumer circumstances

INVESTMENT PRODUCTS AND THEIR USES

The features and uses of the following investment products, tax wrappers and services:

- Collective Investments
- Life assurance based products
- ISAs and CTFs
- Retail structured products
- National Savings & Investments
- Tax wrappers
- Wrap platforms
- Use of outsourcing services

Analysing funds and investment performance

- Fund choice: fund categories, asset classes and sectors, funds of funds, UCITS 3, hedge funds, retail structured products
- Styles of management
- Investment performance measurement and benchmarking

Product Selection

- Apply suitable investment products, tax wrappers and services

PENSION PRODUCTS AND THEIR USES

- The pension tax regime
- Pension legislation
- State pensions and contracting out of S2P
- Defined benefit schemes – types, features, security and planning
- Defined Contribution schemes – types, features, planning
- Pension investments – choices, taxation strategies, life-styling
- Pensions and divorce
- Pensions and bankruptcy
- The main options for drawing benefits – features and risks

PERSONAL FINANCIAL PLANNING

- Ethics: establish and maintain the ethical basis of the financial planner/client relationship e.g. recognising limits of competence
- Establish a client's aim, objectives and risk profile – explaining and assessing risk
- Conduct a fact find – recognising errors and inconsistencies and asking appropriate questions
- Synthesise and analyse client data – current cash flow, net assets statement, risk assessment, income and CGT position, lifetime cash flow, investment position, estate and IHT position, time value of money calculations, gap analysis, prioritising
- Formulate the financial plan and make recommendations – current cash flow, debt protection, savings and investment, retirement, specific events, communication skills in making recommendations
- Monitor client circumstances

Appendix 2: Glossary of terms used

- NQF** The National Qualifications Framework is the existing national framework of (QCA/Ofqual) accredited qualifications. It is being replaced by the new Qualifications and Credit Framework and will cease to exist by the end of 2010.
- Ofqual** Office of the Qualifications and Examinations Regulator.
- QCA** Qualifications and Curriculum Authority.
- Ofqual/QCA** In September 2007 it was announced that QCA (the Qualifications and Curriculum Authority) was to be split into two. Ofqual (the Office of Qualifications and Examinations Regulator) has now taken over from QCA as the new, independent regulator of qualifications, tests and examinations in England. They are also the regulators for recognised awarding bodies. They will report directly to parliament.
- QCF** The new Qualifications and Credit Framework will replace the old NQF by the end of 2010. The new framework is designed to give learners the maximum flexibility and range of opportunities to progress and receive recognition for their achievements. All units and qualifications in the QCF are allocated a credit value (one credit represents 10 hours of study time, showing how much time and effort it takes to complete) and a level between Entry level and level 8 (showing its level of challenge or difficulty). This is the first time that a system of credits has been introduced.
- Certificate** In QCF terms, the title 'Certificate' denotes the size (not level) of a qualification. A Certificate is defined as a qualification which is worth between 13 to 36 QCF credits, meaning it takes between 130 to 360 hours of study. CII's 'Certificate' level qualifications are accredited by Ofqual at Level 3.
- Diploma** In QCF terms, the title 'Diploma' denotes the size (not level) of a qualification. A Diploma is defined as a qualification which is worth 37 or more QCF credits, meaning it takes 370 or more hours of study. CII's 'Diploma' in Financial Planning is accredited by Ofqual at Level 4.
- Level** The 'level' of a qualification is an indication of the intellectual demands made on the learner in terms of complexity and depth of achievement. The level descriptors used for the NQF/QCF provide a general, shared understanding of learning and achievement at each of the eight levels on the framework and are designed to enable their use across a wide range of learning contexts.
- Level 3** Any unit or qualification accredited at Level 3 in the NQF/QCF can broadly be thought of, in terms of difficulty, as equivalent to 'A' levels.
- Level 4** Any unit or qualification accredited at Level 4 in the NQF/QCF can broadly be thought of, in terms of difficulty, as equivalent to the first year of a degree course.