



## "Strengthening Purpose in Financial Services: Proud to be a Professional"

In its response to the 2008 financial crisis, the Parliamentary Commission on Banking Standards (PCBS) final report in 2013, stated that, "commitment to high standards is expected throughout banking and that individuals are expected to abide by higher standards than those enforced through regulation alone."

Much of the narrative since the PCBS about culture and purpose in financial services has been about tone from the top, about the role of the firm and the role of regulation. For professional bodies, such as those forming the [Chartered Body Alliance](#), a more compelling narrative is one of individuals developing as purposeful individuals and demonstrating the best in customer-focused ethical professionalism.

We know from independent research undertaken on behalf of our organisations, that consumers place more trust in the *person* they are dealing with in an institution, than the institution itself (ref: [CISI You Gov Ethics Survey 2017](#)). This is where professional bodies can help promote change to assist in the transformation of culture in Financial Services.

### **The role of professional bodies**

Professional Bodies represent a third force – not regulatory, not organisational but one focused on ensuring the delivery of organisational and sector-wide purpose through the professionalism of our individual members, and we monitor and implement our Codes of Conduct with rigour.

Where appropriate, we take disciplinary action for activities that may be permissible from a legal and regulatory standpoint, but we hold members to a higher standard. In short, professionalism is more than adherence to the rules, it is the combination of knowledge (both initial and continuous), the application of skills and behaving with integrity, at all times.

In other professions, the role of professional bodies is well understood – qualifications are obtained, continuous learning is mandatory, a Code of Conduct is adhered to and there is a licence to practice. Professional bodies can be extremely effective at improving behavioural standards; instilling their members with an ethical culture change and sense of greater purpose, keeping them informed of what is and what is not acceptable.

This is, regrettably, not the case across the board for financial services.

It so easily could be. And we believe it should be.

### **Developing professionalism in financial services**

In our view, it does not matter how skilled and experienced a person is or becomes: if they behave dishonestly and without regard for the rights of others, they are not a professional. Professional bodies

have the key role to play in defining, developing, promoting, supporting, enhancing and sustaining professionalism in financial services; working in partnership with regulators and financial services organisations to do so, and always putting the public interest first.

Professional bodies touch many tens, if not hundreds, of thousands of individuals working in financial services daily; the 200,000 individuals represented by the Chartered Body Alliance and many more who are members of other relevant bodies – and through them, many millions of customers and clients. Being part of the professional body community gives individuals a basis on which to access and continue to develop the technical competence, supported by the professional behaviours and norms that support a strong, positive, purposeful culture within financial services. Professionalism helps individuals understand what is right, and a professional culture means doing what is right is celebrated and championed.

Crucially, Professional Bodies provide aspirational standards and qualifications that give those members who achieve them a sense of meaningful professional pride and purpose beyond that bestowed by their firm alone.

### **Proud to be a professional**

Recent independent research shows customers are consistently more concerned about ethical issues, such as rewarding loyalty, than they are about transactional issues like speed of service or price (ref [2019 CII Trust Index](#)). Other research also reveals that a public demonstration of professionalism resonates strongly with bankers who feel proud to be a professional.

When looking at the Professional Pride differential – only 22% of bankers (who may or may not be members of a professional body) feel the highest levels of professional pride (ref [2017 YouGov](#)). Compare that to a pride rating of 75 out of a possible 100 (ref. [Nottingham University Business School Pride Index 2018](#)) for members of the Chartered Banker Institute. The difference is striking, and the difference is membership of a professional body.

Moreover, through the Chartered Body Alliance, we have developed strong and vibrant professional communities, in which professionals can develop and reflect on approaches to their professional practice, and to supporting customers, communities and society. This can help to instil purpose throughout all staff, including frontline staff delivering to vulnerable customers, where traditional frameworks of rules and qualifications need to be augmented by skills that are less technically focussed.

It can also help promote best practice for those individuals subject to the Senior Manager and Certification Regime (SMCR). Enabling purpose to inculcate throughout an organisation the culture to deliver the right outcomes for customers is vital. This helps mitigate the problem of well-intentioned policies existing in head offices but not always feeding down through the organisation in a way that allows frontline staff to implement them.

### **A Common Purpose**

Through membership of the bodies comprising the Chartered Body Alliance, 200,000 professionals demonstrate their purpose, individually and collectively, through:

- Adherence to a common Code of Professional Conduct
- Holding and maintaining professional qualifications that are relevant to their role
- Demonstrating an on-going commitment to professionalism via membership and Continuing Professional Development.

But many more individuals could be encouraged to attain and maintain these standards through increased public encouragement and recognition from policymakers, regulators and employers:

- 1) **Firms** – Should embrace and nurture professionalism in their firms, encouraging and expecting their staff to be members of a professional body
- 2) **Regulators** – Should encourage and mandate individuals to become members of a professional body.
- 3) **Government** – Should provide clarity about what society really wants from the financial services profession. This needs to be led by the UK Government (principally through HM Treasury) but should bring together a wider grouping of people and organisations to take this forward.
- 4) **Relevant Trade Associations** – Should more clearly recognise the interests of finance professionals when they are developing industry and market standards.

If these key stakeholders engage more closely with professional bodies and do more to celebrate and champion the individual professionals who hold themselves to higher standards we will develop greater numbers of purposeful and professional individuals, and a more purposeful financial services sector.

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