

# Proving your commitment

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In today's regulated environment, the importance of a firm's commitment to the ongoing training and competence (T&C) of its employees can never be underestimated. The mortgage intermediary sector at present is suffering from a shortage of advisers which means there are large numbers of opportunities for those intermediaries who are not satisfied with their current working arrangements.

Firms that invest time and resource into their advisory staff are much more likely to hang on to those individuals. A robust T&C scheme can mean the difference between retaining qualified, experienced and practised staff or having to continually search for 'new blood' in an attempt to ensure the firm has enough advisers to service all its clients.

Of course, nowadays a T&C scheme is not simply a 'nice to have'; it is a fundamental part of a firm's regulatory responsibilities. All mortgage intermediary firms must have a scheme in place and must be able to prove to the FSA that the scheme is in active use and show that its employees are undergoing a process of continuous professional development.

To prove its worth in this area, the firm cannot simply adopt random T&C practices. Sending an adviser on a course once in a blue moon or checking a few client

files now and again, does not cut the regulatory mustard. A structured approach must be taken, which means a T&C scheme must be built, not thrown together.

This may mean that the culture of the firm has to change and this is where the onus is on the senior management of that firm. They have to recognise the long-term benefits of well-qualified, continually developed advisers dealing with clients, not forgetting of course that staff that are challenged and rewarded via their own professional development are less likely to jump ship.

Historically, T&C has not been a particular strength of mortgage intermediary firms. There is anecdotal evidence to suggest that in the first year of statutory regulation, a large number of intermediary firms informed the FSA via their RMAR that they did not have a T&C scheme in place, even though it is a regulatory requirement.

Indeed, if we only go back as far as January and the FSA's findings on its Quality of Mortgage Advice thematic work, the regulator was keen to stress that many firms needed to do much more if they were to meet the requirements of the rules. FSA saw a number of common failings including: a lack of understanding

of the differences between a qualified and competent adviser; a general failure in recording how ongoing competence was assessed; plus some firms did not have appropriate supervision for advisers who were not deemed to be competent.

Regulated firms may well have a T&C scheme in place, but they may not feel it is either robust enough or does not deliver the all-round benefits to its employees that it should. If so then it should consider the services of a T&C expert who can work in partnership with the firm to deliver the T&C components that will satisfy not only the senior management but its employees and the regulator. Each firm is different and therefore while the core elements of a scheme may be similar, the firm will need to work with a compliance expert that can understand and get to grips with its business model and its particular needs.

It is important to recognise that a firm's staff are the heartbeat of any business. Concentrating on their training, competence and ongoing development will ensure they have a clear structure and career path and the firm has fully-rounded, qualified professional staff who can deliver its products and services to its customer base. A commitment to T&C is a win-win for all.