

# The Stamp of Quality?

## The importance of being Chartered

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professionalismfirst. 

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### The Chartered Insurance Institute (CII)

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.

[www.cii.co.uk](http://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](http://www.thepfs.org)

## Foreword

In a world of globalisation, increasing commercialism, and the exponential rise of information at your fingertips, lasting kitemarks of quality that consumers can trust to guard and promote the public interest are rare.

The Royal Charter is one such stamp of quality. A uniquely British institution, it has stood the test of time and remains the gold standard for professional services today, not only within the UK but also internationally. Its reputation has held fast while governments have fallen, membership of institutions and social organisations has dwindled, and whole systems of economic theory have crashed to the ground.

While some individual professions have suffered the deleterious effects of scandals, and some have undergone major changes in regulation over the years, our research shows that public trust and confidence in the Charter remains untarnished.

Likewise, professional bodies and organisations continue to apply for grant of new Charters, despite the fact that it places certain limits on a body's freedom to act as it pleases, and other forms of incorporation exist.

As the CII approaches nearly 100 years of Chartered status, we take pride in the continued success and growth of our Chartered titles. We currently have over 19,000 Chartered members, and 300 Chartered firms – with a great many more currently working towards this.

We are encouraged that the achievements of our Chartered members are bolstered by the ambition of so many of our other members, two-thirds of whom say that they are considering achieving the Chartered title.

In today's quickly-changing marketplace, where trust and confidence are hard to come by, the Royal Charter symbolises an unparalleled quality mark – merit, competence, and commitment to the highest standard of professionalism.

We will continue to encourage and support our members and all professionals to achieve what is truly the 'pinnacle of the profession'.

**Chris Hanks ACII Chartered Insurer  
Deputy President  
Chartered Insurance Institute**

**7 September 2009**



# 1. Executive Summary

In today's fast-paced world, we count on knowledgeable, ethical professionals to help redress the balance of information overload and complex, faceless corporations.

Few symbols have lasted as long, and proven as integral to the way people make difficult decisions about who to trust, than the Chartered title.

We conducted research in order to discover just how significant the Chartered brand is today. What we found may be surprising.

Key findings from the research include:

## Chartered is the best-known professional title of achievement

- The public ranks Chartered number one in terms of confidence in professionalism, over other designations like Fellowship and degree.
- Three out of four consumers (77%) recognise the Chartered title for people giving financial advice – seven times higher than recognition of Certified Financial Planner (CFP), the least known title we tested (11%).
- Similarly, consumer recognition of the Chartered title for general insurance practitioners is five times higher than any other title we tested (46%).

## Chartered inspires high levels of trust and confidence

- The majority of consumers say that they would have more trust in advice from a Chartered professional than one who is not Chartered (58%). Consumers who have received professional financial advice in the past two years trust the Chartered title even more (68%).
- The majority of consumers believe that they can expect greater professionalism from a Chartered professional 53%, with this rising to 63% for consumers who have obtained professional financial advice.
- The majority of MPs (55%) agree that more Chartered professionals would result in higher levels of public trust in professionalism.

## Chartered members are motivated by desire to demonstrate high levels of professionalism

- Chartered members say that the two biggest motivators to achieving Chartered status were “satisfaction of reaching the top of my profession” and “demonstrating commitment to delivering a professional service” – over financial gain or enhanced status.

The public know and trust the Chartered mark. What's more, our research shows that it is consistent with the public mood on the need for trust in financial services. As such, it is more relevant than ever in today's times.

**“A title that the majority of people will recognise and view as being at a significant level of professionalism and ability compared to the alphabet soup of other qualifications.”**

Survey respondent (Chartered member)

# 1. What Does It Mean to Be Chartered?

- **What is it?:** *the Royal Charter is a voluntary form of Government oversight which ensures professional bodies act in the public interest and maintain high standards of competence and oversight.*
- **The CII's Chartered title:** *the CII has over 19,000 Chartered members in insurance and financial planning, 300 Chartered firms, and a rising number of applications.*
- **Our Chartered campaign:** *we are working hard to support our members and the wider profession by promoting Chartered status through a series of new activities bolstered by ongoing research and communications.*

## What is it?

The Royal Charter exists to ensure that professional bodies and their members act in the public interest.

Chartered professional bodies in the UK submit to review and monitoring by the Privy Council, the Government body which grants Royal Charters. Independent organisations volunteer to Government oversight because of the high standards that the Charter stands for and the consumer recognises. Unlike trade bodies, which represent the interests of their members, Chartered bodies are bound to protect the public interest above that of their members.

Charters are granted very rarely, and a body applying for a Charter is expected to meet a number of demanding criteria. Among these are that the institution should comprise members of a unique profession which is able to demonstrate a track record of achievement over a number of years.

Most importantly, there should be a convincing case that it is in the public interest to provide Government oversight of the body, as future amendments to the Charter and bye-laws of the body will require Privy Council approval.<sup>1</sup>

Once a professional body is granted a Charter, it is then able to grant Chartered titles to those individuals and firms which meet strict qualifying criteria. The CII must uphold the rules of its Charter, which means that holders of our Chartered titles must comply with the CII's CPD requirements and abide by the Code of Ethics and Conduct.

Anyone engaging the services of a Chartered professional has a guarantee that he or she has met the highest professional standards; that those standards are monitored and kept up to date through continuing professional development; and that there is an adequate remedy if things go wrong.

**“Provides an objective standard that clients know they can trust as being a sign of professionalism.”**

Survey respondent (Chartered member)

Chartered members are asked to submit CPD logs so that the CII can monitor activity (a random sample of members is chosen each year). A disciplinary process exists to deal with cases against members, and a complaints facility allows members of the public to register complaints against CII members. We also work closely with the relevant regulatory and supervisory bodies to ensure high standards are maintained.

<sup>1</sup> The original CII Charter of 1912, the supplemental Charter of 1987, and bye-laws are available online at: [www.cii.co.uk/documents/charter\\_bye\\_laws.pdf](http://www.cii.co.uk/documents/charter_bye_laws.pdf)

## The CII's Chartered titles

As the CII approaches its 100-year anniversary of being granted the original Royal Charter in 1912, we take pride in the continued success and growth of our Chartered titles.

As of 30 June 2009, our Chartered membership totals stood at 19,269 individual Chartered members, including:

- **2542 Chartered Insurance Brokers**
- **8411 Chartered Insurers** (for those working for insurance companies and Lloyd's Underwriting Agents)
- **6606 Chartered Insurance Practitioners** (for those employed in other insurance-related occupations)
- **1710 Chartered Financial Planners**, and in 2007 we introduced the concept of a Chartered firm, of which there are:
  - **60 firms of Chartered Insurance Brokers**
  - **230 firms of Chartered Financial Planners**

With more and more individuals taking on higher levels of qualification, we are optimistic about future growth of numbers of Chartered title-holders, and the higher standards of professionalism this will reinforce across the sector.

## Our Chartered campaign

The CII is working to support this growth by promoting Chartered titles for practitioners and firms, both within our membership and the broader insurance and financial planning sector to encourage take-up of a higher standard, and to the general public in order to convey the value of the Chartered title in raising professionalism and building trust.

Recent research we conducted with YouGov highlighted how important professional standards will be in regaining the public's trust in financial services after the banking crisis of 2008 and the ongoing recession. Nearly half of the UK population (49%) believe that the industry should raise the level of qualification needed to work in financial services.<sup>2</sup> For those individuals who have recently received professional financial advice, this figure rises to 56%.<sup>3</sup>

Accordingly, we believe that Chartered titles have a big role to play in securing the successful development and reputation of the insurance and financial planning sector going forward. Part of our role as a professional body is to ensure that our members develop the highest standards of professionalism and to promote the fundamental values of professionalism to members and the public.

**“Extremely valuable in this current economic climate where one is always trying to improve value to clients of professional independent advice.”**

Survey respondent (Chartered member)

In order to support the increased take up of our Chartered titles, and to raise awareness amongst members and the general public, we have launched a series of activities focusing on Chartered membership.

<sup>2</sup> YouGov Plc carried out the online survey between 29th May – 01st June 2009. Total sample size was 2064 adults. The figures have been weighted and are representative of all GB adults (aged 18+).

<sup>3</sup> YouGov Plc carried out the same survey with a filter group of respondents who answered 'Yes' to the following question: "Have you received professional financial advice in the past two years, or are you seriously considering obtaining professional financial advice in the near future? For example, advice for: travel, car or home insurance, life assurance, savings, pensions, mortgage, or other financial advice." The total sample size of this group was 2360, and field work was undertaken between 15th May – 19th May 2009.

### Corporate Chartered status

- The CII has conducted a thorough review of its Chartered titles for firms of Chartered Insurance Brokers and Chartered Financial Planners, both of which were introduced in 2007. The schemes have been amended recently so that firms will have to meet broader and more rigorous criteria for eligibility. Firms must meet six new compulsory criteria, including individual Chartered title-holders at the highest level of the organisation, Chartered title-holders available to customers, evidence of a professional development programme and core values and business practices in line with the CII Code of Ethics, as well as a range of discretionary criteria. These new requirements were set to ensure that the highest standards of professionalism are present throughout the entire firm.
- To mark the relaunch of Chartered status for firms, the CII is undertaking an extensive and ongoing communication campaign, including industry events such as Brokers Forum and roadshows, sharing research on the value of Chartered, and trade press and other media engagement to highlight the relevance of Chartered titles for firms.

### Online directories

- A searchable online database of members provides a directory of all members worldwide, so that the general public or other members have a means of confirming an individual's membership status. It includes an option to search specifically for Chartered members. The directory is available at: [www.cii.co.uk/membersearch](http://www.cii.co.uk/membersearch)
- An online Chartered Firm Directory is also available on the CII website. Customers and firms can use the directory to search for a particular firm, or for firms advising on particular types of financial products. The directory is available at: [www.cii.co.uk/pages/charteredtitle/search.aspx](http://www.cii.co.uk/pages/charteredtitle/search.aspx)

### PFS Chartered Business Dinners and Connections Club

- The new PFS Chartered Business Dinners (the first of which was held in Leeds in summer 2009) have been developed to facilitate networking amongst Chartered Financial Planners in a local community. They provide an opportunity for those at the helm of the profession to hear from a leading authority in a specialist field.
- The PFS Chartered Connections Club will facilitate professional connections between lawyers, Chartered Accountants, and Chartered Financial Planners at a local level, and two pilots are to be held in the West Country in September.
- In order to facilitate the dinners and Connections Club, 'Chartered Champions' are being appointed to each region. They will spread the message about what "Chartered" means to both peers in the market and most importantly to consumers through building relationships with local practitioners and the media.

### PFS Chartered Awards

- Finally, the Personal Finance Society launched its first inaugural Chartered Awards in June 2009 to recognise professional achievement in financial advice and to widen awareness of Chartered status.

**“Other financial professions use Chartered status as the norm (ACCA, RICS) and I think that the insurance industry should encourage and promote Chartered status.”**

Survey respondent (non-Chartered member)

## 2. The Public Interest Test

- **Awareness:** Chartered is the best-known professional title generally, and in the insurance and financial sector it is recognised far more than any other sector-specific title.
- **Trust and confidence:** Chartered not only has the advantage of public awareness, but it also has a strong identification with trust and confidence in professionalism.

Our Chartered campaign is supported by original research into awareness and views about the Chartered title. We surveyed our members (both Chartered and non-Chartered), the general public, and MPs to find out their views.

In May/June 2009, the CII commissioned YouGov to undertake research into the public’s views and perceptions on trust and confidence in the Chartered title and Chartered professionals.<sup>4</sup> We found that Chartered is the most highly regarded designation in terms of recognition, trust, and confidence – both in our sector of insurance and financial planning, and in the broader world of professional services.

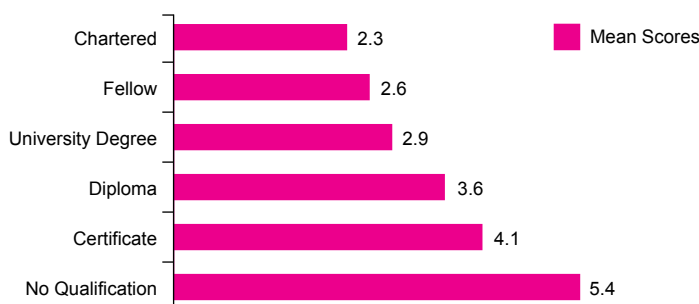
Research we carried out on MPs’ perceptions of the Chartered title (May 2009) shows even higher trust and confidence in Chartered – and over half of MPs surveyed felt that the Chartered title would result in the highest level of public trust in the practitioner’s professionalism.<sup>5</sup>

The following is a summary of key findings from our research.

### Awareness

The public ranks Chartered number one in terms of confidence in their professionalism, over other designations like Fellow and degree.

**Please rank the following qualification levels in terms of which provides you with the most confidence that the person you are dealing with is a professional? (Please rank the qualification levels from 1 to 6 where 1 = most professional & 6 = least professional).**



This public recognition translates across professional sectors, conferring a similar reputational advantage on those professions which are less well-known or newly-developed as it does on some of the longstanding liberal professions, like accountancy or law.

Many qualifications are well-recognised and highly-regarded within their specific sectors while remaining unknown and confusing to the average layperson – a mysterious ‘alphabet soup’ rather than a clear indication of competence.<sup>6</sup>

<sup>4</sup> YouGov 2009 – see footnotes 2 and 3.

<sup>5</sup> The survey was conducted among 160 MPs on the BPRI Political Opinion Panel between 27th April – 18th May 2009. The data has been weighted to a sample size of 100, and to ensure the correct party distribution within the House of Commons.

<sup>6</sup> We first set out our views on this subject in a 2007 position paper “Alphabet Soup: A new recipe?”.

The paper is available online at: [www.cii.co.uk/downloaddata/pfs\\_rdr\\_alphabetsoup\\_positionpaper.pdf](http://www.cii.co.uk/downloaddata/pfs_rdr_alphabetsoup_positionpaper.pdf)

Our research found strong evidence that this applies to insurance qualifications, where public recognition of Chartered far outstrips all other qualifications, whether they be awarded by the CII or another professional body.

This does not in any way diminish the specific, technical value of other advanced professional qualifications within the profession – indeed Fellowship remains very highly prized. It does, however, emphasise the importance of ‘Chartered’ as a recognised brand to the public.

### “Outside the industry, I think the Chartered Status does go some ways in ensuring public trust.”

Survey respondent (non-Chartered member)

Three out of four consumers (77%) recognise the Chartered title for people giving financial advice – seven times higher than recognition of CFP, the least known qualification (11%). Awareness of Chartered is even higher amongst those consumers who have received professional financial advice in the past two years (81%).

Similarly, consumer recognition of the Chartered title for general insurance practitioners is five times higher than any other qualification we tested.

While we are pleased to see relatively high levels of recognition of Chartered, we know that there is still much work to be done before the insurance and financial planning sector achieves the same recognition as other professions, like Chartered Accountant or Chartered Surveyor. The insurance profession, in particular, suffers from low public awareness.

### “Chartered means an ability to demonstrate a recognised level of professional achievement on a par with other professional bodies with which we seek to be compared as an industry.”

Survey respondent (Chartered member)

Changing public perceptions will take time, but we are committed to raising the standing of the profession. Our Chartered campaign will help spread awareness of what it means to be Chartered with the media and other key audiences, like policymakers and consumer groups, as well as the public. We will continue to focus on Chartered as the pinnacle of the profession throughout our ongoing wider professionalism agenda to raise standards and build trust in the industry.

## Trust and confidence

The Chartered title is not only well-recognised, but also strongly identified with trust, confidence, and high standards of professionalism.

The majority of consumers say that they would have more trust in advice from a Chartered professional than one who does not hold the title (58%). Consumers who have received professional financial advice in the past two years trust the Chartered title even more (68%).

### “Chartered status is a milestone in professional standing. With other professional firms it is a differentiator. It is a reassurance for clients, although they tend to trust the individual not the title.”

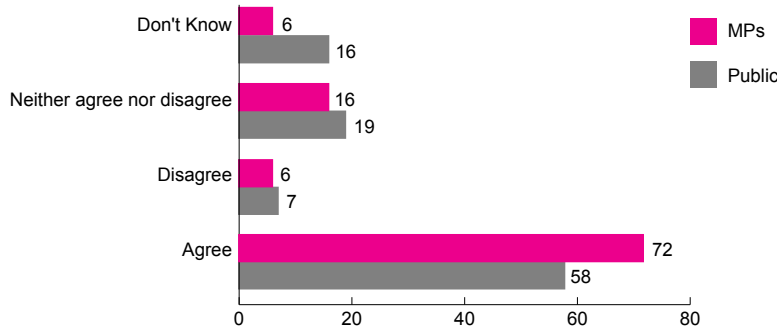
Survey respondent (Chartered member)

MPs have even stronger trust and confidence in Chartered professionals than the average member of the public, with 72% of MPs agreeing that they have greater trust in Chartered professionals.

**“Provides an objective standard that clients know they can trust as being a sign of professionalism.”**

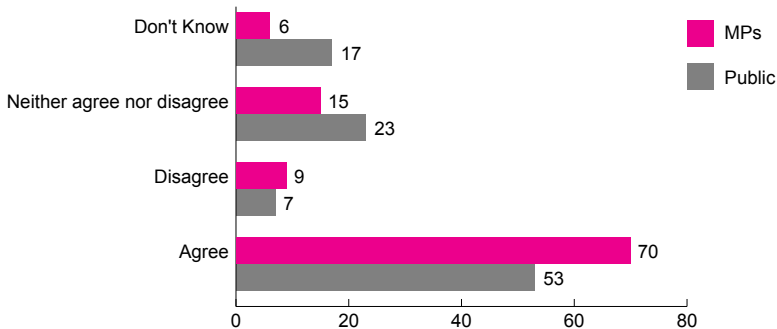
Survey respondent (Chartered member)

**“I would have greater trust in advice from Chartered professionals than professionals who are not Chartered.”**



The majority of consumers believe that they can expect greater professionalism from a Chartered professional 53%, with this rising to 63% for consumers who have obtained professional financial advice. MPs, again, show even greater confidence, with 70% agreeing that they would expect greater professionalism from Chartered professionals.

**“One can expect greater professionalism from Chartered persons and organisations.”**



This trust and confidence should not to be taken lightly – it is currently a rare commodity.

As a result of the banking scandals which ushered in the worst financial crisis for 70 years, the financial services industry as a whole is currently held in very low regard. Building consumer trust back will take time.

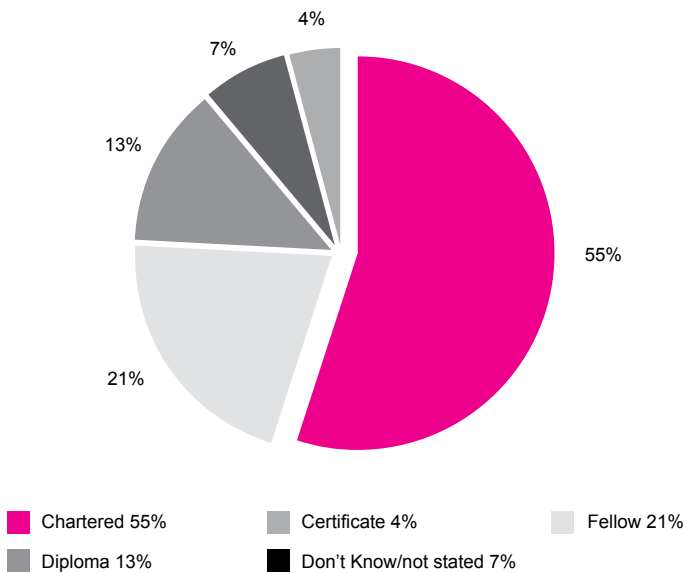
**“This should become more important when public trust of the financial services is at a low ebb... Those with Chartered status should stand out in their profession.”**

Survey respondent (Chartered member)

Part of dealing with the challenges that the crisis has produced will be empowering consumers with the capability to identify good services and products themselves. We believe that this necessitates a common approach to financial services qualifications – one which allows consumers to easily identify whether professionals are suitably qualified.

The Charter is one such designation, and it has the advantage of being well-established. The majority of MPs (55%) agree that more Chartered professionals would result in higher levels of public trust in professionalism.

**“Which of the following qualification levels would result in the highest level of public trust in the practitioner’s professionalism?” (MPs only)**



Building on this trust and confidence in Chartered, we remain committed to working together with other industry bodies to achieve more clarity and greater simplicity in qualifications across the sector.

### 3. Drive to Achieve

- **Pride in professionalism:** our survey finds that Chartered members are motivated by reaching the top of the profession and demonstrating their commitment to professionalism.
- **Aspiration for the future:** over two-thirds of non-Chartered members are considering achieving Chartered status a positive sign for the future reputation of the profession and the public interest.

The high regard for Chartered in the public arena represents a major opportunity for our sector – but do we have the talent to harness it, and the aspiration to achieve higher standards?

We conducted research into our own Chartered and non-Chartered members’ views on the Chartered title (June/July 2009)<sup>7</sup>. We are encouraged by the findings, which show that our Chartered members found the qualification difficult to achieve (87%), but they were motivated to succeed by the aspiration of reaching the pinnacle of the profession.

**“For me it is about personal achievement and helping me do my job better today and in the future as I continue to commit to a learning programme.”**

Survey respondent (non-Chartered member)

As we look to the future of the profession, we are happy to report that over two-thirds of non-Chartered members say that they are considering working towards Chartered status.

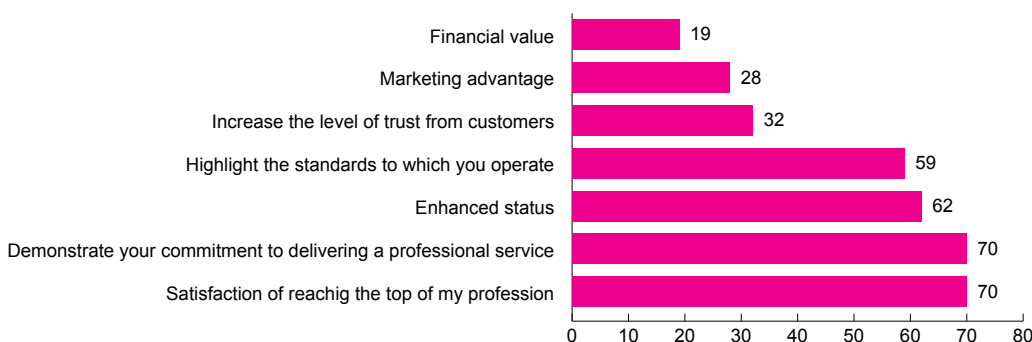
#### Pride in professionalism

Chartered members say that the two biggest motivators to achieving Chartered status were the “satisfaction of reaching the top of my profession” and to “demonstrate commitment to delivering a professional service” – over financial gain and enhanced status.

**“I wanted some sort of public recognition of my professionalism and expertise compared with others.”**

Survey respondent (Chartered member)

“What motivated you to achieve Chartered status? Please select all that apply.”



While it was not the main motive, Chartered members did report added financial value from the designation – particularly because it made them attractive to employers, facilitating career moves and career progression.

**“I think it demonstrates that you are professional in what you do, that you are committed to reaching the highest status in the profession and can help in career progression with better salary/benefits package.”**

Survey respondent (Chartered member)

The benefits of achieving Chartered status come with added responsibility. We found that members are held to a higher standard of professionalism and ethics in return for the trust and confidence the title inspires.

The majority of Chartered members agree that their clients expect greater professionalism from them than before (67%), and also expect a higher set of ethical standards (57%).

### Aspiration for the future

Improved consumer outcomes depend upon the aspiration of those currently in the sector to achieve, and the sector’s ability to attract and develop the best talent.

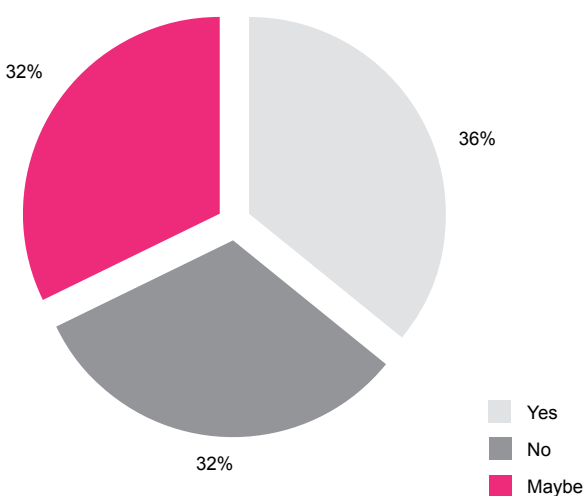
We are encouraged by our survey findings that over two-thirds of non-Chartered members say that they would consider achieving Chartered status (68%).

Internationally, we see even more opportunity for developing Chartered status. While our research thus far has been limited to perceptions in the UK, we have good reason to think that the Chartered title is very well-regarded in other countries, too. Many of our members already know this. Our 2007 member survey shows that a greater proportion of Chartered members reside abroad than any other membership level, with 27% of Chartered members based outside the UK, compared to 19% of members with other qualifications.

**“It gives more parity with individuals in other professions. It enhances the standing of the qualification. I definitely want to go for it.”**

Survey respondent (non-Chartered member)

“Do you aspire to achieving Chartered status?”



As more members achieve high levels of qualification, raising the bar for younger generations, we are optimistic about the prospects of a 'race to the top'. A higher standard within the sector would be beneficial for consumers, who would profit from clarity and a higher quality of service, and the profession, which would gain a valuable reputational advantage.

**“Without the knowledge that goes with Chartered standards the industry could decline over the next 20 years.”**

Survey respondent (Chartered member)

As a greater number of individuals and firms reach Chartered status, we will begin to see more parity of esteem with other professions. It will help put professionals in our sector on a par with other professionals, such as solicitors and accountants.

**“One has to look at the other professions which have chosen to make ‘Chartered’ status a minimum requirement for progression, e.g. actuaries, accountancy, and you can see the level of external recognition they have outside their industry.”**

Survey respondent (non-Chartered member)

With an improved reputation and heightened awareness, talent will follow. Higher standards, along with CPD and ethics, are imperative if we are to increase the status of the profession and make it a more attractive career option for the best and the brightest.

## 4. The Future of Chartered

- **Ongoing initiative:** the trust placed in Chartered gives the CII both historical precedent and modern context for building a twenty-first century profession, so improving the Chartered proposition is an integral part of our ongoing drive to evolve higher standards of professionalism.

Our Royal Charter's ambition to "secure and justify the confidence of the public" is at the heart of our efforts to guide the sector to a new standard of excellence fit for the twenty-first century.

Consumer trust is more important than ever. In this sense, Chartered, synonymous with trust, provides us with a modern context for the professional body model.

Even before the financial crisis, the growing power of the end customer due to more and better information has meant a steep rise in consumerist values. People have lost trust in the traditional authorities, preferring to trust in 'people like me' over professional experts.

Yet Chartered is a brand that has stood the test of time. It is known and trusted in the UK, and prized as a gold standard internationally.

While consumer recognition of Chartered is much higher than any other qualification in the insurance and financial planning sector, there is more work to be done in raising the profile of our Chartered qualifications to be as esteemed as, for example, Chartered Accountant and Chartered Surveyor.

### “An essential attribute of the modern insurance professional.”

Survey respondent (non-Chartered member)

The CII is working to strengthen the Chartered proposition by increasing public awareness and knowledge about what it means. Our Chartered campaign is an ongoing initiative. We see it as an integral part of our wider professionalism agenda, along with ethics, CPD, regulation, and promoting diversity and fair access.

As the sector faces up to skills shortages, an increasingly complex and competitive marketplace, and ongoing regulatory challenges, we must evolve higher standards of professionalism. The Chartered title is a strong foundation, and a powerful tool for differentiating oneself and conveying professionalism.

### “I think it crucial for the future of the business and for the personal future of those working within it that as many participants as possible secure Chartered status.”

Survey respondent (Chartered member)

The future is bright for a new tier of professionalism. We will be here to support and guide our members along the way.