

# Financial services products and solutions

At the end of this unit, candidates should be able to demonstrate a knowledge and understanding of:

- key customer needs and the factors that affect these;
- how customers and financial services professionals identify needs and solutions;
- the main protection, mortgage repayment and savings and investment products;
- the main tax wrappers.

Summary of learning outcomes	Number of questions in the examination*
1. Understand protection, investment and pensions needs and the factors that affect them	5
2. Understand the process of identifying appropriate financial solutions	6
3. Explain the main features of protection products	17
4. State the main features of mortgage repayment vehicles and mortgage protection products	5
5. Explain the range of savings and investment products available to customers	22
6. Explain the main tax wrappers available to customers	20

\*The test specification has an in-built element of flexibility. It is designed to be used as a guide for study and is not a statement of actual number of questions that will appear in every exam. However, the number of questions testing each learning outcome will generally be within the range plus or minus 2 of the number indicated.

## Important notes

- **Method of assessment: 75 multiple choice questions (MCQs). 2 hours are allowed for this examination.**
- **This syllabus will be examined from 1 September 2017 to 31 August 2018.**
- **Candidates will be examined on the basis of English law and practice in the tax year 2017/2018 unless otherwise stated.**
- **Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:**
  1. Visit [www.cii.co.uk/qualifications](http://www.cii.co.uk/qualifications)
  2. Select the appropriate qualification
  3. Select your unit on the right hand side of the page

- 1. Understand protection, investment and pensions needs and the factors that affect them**
  - 1.1 Explain how the personal financial lifecycle, individual circumstances and external factors affect financial needs
  - 1.2 Describe the purpose and the main categories of taxation and their relevance to the life and pensions sector
- 2. Understand the process of identifying appropriate financial solutions**
  - 2.1 Describe sources of information, advice and guidance
  - 2.2 Explain how customer needs and solutions are identified
- 3. Explain the main features of protection products**
  - 3.1 Explain the main types and features of life assurance
  - 3.2 Explain the main types and features of health protection products
- 4. State the main features of mortgage repayment vehicles and mortgage protection products**
  - 4.1 State the use of protection products and repayment vehicles in the context of mortgages
- 5. Explain the range of savings and investment products available to customers**
  - 5.1 Explain the main features of investing in cash, bonds, property and equities
  - 5.2 Explain the main features of collective investments
- 6. Explain the main tax wrappers available to customers**
  - 6.1 Explain the main features of defined contribution and defined benefit pension schemes
  - 6.2 Explain the main retirement options available
  - 6.3 Explain the main features of Individual Savings Accounts
  - 6.4 Describe other tax planning vehicles available

## Reading list

The following list provides details of various publications which may assist you with your studies.

**Note: The examination will test the syllabus alone.**

The reading list is provided for guidance only and is not in itself the subject of the examination.

The publications will help you keep up-to-date with developments and will provide a wider coverage of syllabus topics.

CII/PFS members can borrow most of the additional study materials below from Knowledge Services. CII study texts can be consulted from within the library.

New materials are added frequently - for information about new releases and lending service, please go to [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) or email [knowledge@cii.co.uk](mailto:knowledge@cii.co.uk).

### CII study texts

Financial services products and solutions. London: CII. Study text LP2.

### Books (and eBooks)

A modern approach to lifetime tax planning for private clients (with precedents). Christopher Whitehouse, Lesley King. Bristol: Jordans, 2014.

CCH Tax planning: individuals 2016-17. Paul Robbins. Kingston: Wolters Kluwer, 2016.

Guide to taxpayers' rights and HMRC powers. 4th. ed. Robert W Maas. Tottel Publishing, 2016.

Financial planning with trusts. 5th ed. John Wooley. Chester: Claritax Books, 2016.

Financial services marketing: an international guide to principles and practice. 2nd ed. Christine Ennew and Nigel Waite. Oxford: Routledge, 2013.\*

Investments: principles and concepts. Charles P Jones. Wiley, 2014.

Investments. 10th global edition. Zvi Bodie, Alex Kane, Alan J. Marcus. Berkshire: McGraw-Hill, 2014.

The Financial Times guide to investing. 3rd edition. Glen Arnold. FT Prentice Hall, 2014.

Pension magic: how to make the taxman pay for your retirement. 6th ed. Nick Braun PhD. Kircaldy: Tax Cafe, 2016.

Pension tax guide: a tax guide 2016-2017. 3rd ed. Robert Gaines. Chester: Claritax Books, 2016.

### eBooks

The following ebooks are available through Discovery via [www.cii.co.uk/discovery](http://www.cii.co.uk/discovery) (CII/PFS members only):

Behavioural finance and investor type: managing behaviour to make better investment decisions. Michael M Pompian. Hoboken: Wiley, 2012.

Investor behaviour: the psychology of financial planning and investing. H. Kent Baker. Hoboken, New Jersey: Wiley, 2014.

## Factfiles and other online resources

CII factfiles are concise, easy to digest but technically dense resources designed to enrich the knowledge of members. Covering general insurance, life and pensions and financial services sectors, the factfile collection includes key industry topics as well as less familiar or specialist areas with information drawn together in a way not readily available elsewhere. Available online via [www.cii.co.uk/ciifactfiles](http://www.cii.co.uk/ciifactfiles) (CII/PFS members only).

- Behavioural finance. Nick Edwards.
- Critical illness insurance. Andy Couchman.
- Equity release. Brad Baker.
- Long-term care insurance. Andy Couchman.
- Recent developments in investment product design. Nick Edwards.
- Recent developments in mortgage product design. Brad Baker.
- Recent developments in life product design. Robert Surridge

Consumer vulnerability. FCA Occasional Paper No. 8. February 2015. Available online via [www.fca.org.uk](http://www.fca.org.uk).

Forecast reports on life assurance, critical illness insurance, income protection insurance, personal accident and health insurance. Timetric. Available via [www.cii.co.uk/forecastreports](http://www.cii.co.uk/forecastreports) (CII/PFS members only).

Guaranteed Guidance for retirement. What consumers want. CII Policy and Public Affairs, Nick Hurman. 2014. Available online at [www.cii.co.uk/32081](http://www.cii.co.uk/32081).

The Government's retirement freedoms, Pension Wise, and views on preparedness. CII Policy and Public Affairs. Available online at [www.cii.co.uk/32998](http://www.cii.co.uk/32998).

Additional articles and technical bulletins are available under the Life and Pensions section of the website at [www.cii.co.uk/knowledge/life-pensions](http://www.cii.co.uk/knowledge/life-pensions).

## Journals and magazines

Financial adviser. London: FT Business. Weekly. Also available online at [www.ftadviser.com](http://www.ftadviser.com).

Personal finance professional (previously Financial solutions). London: CII. Six issues a year. Also available at [www.thepfs.org/knowledge](http://www.thepfs.org/knowledge) (CII/PFS members only).

Life insurance international. London: Timetric. Monthly.

Money management. London: FT Business. Monthly. Also available via [www.ftadviser.com](http://www.ftadviser.com).

Money marketing. London: Centaur Communications. Weekly. Also available online at [www.moneymarketing.co.uk](http://www.moneymarketing.co.uk).

Pensions age. London: Perspective. Monthly. Also available at [www.pensionsage.com](http://www.pensionsage.com).

Pensions insight. Newsquest Specialist Media. Monthly. Also available at [www.pensions-insight.co.uk](http://www.pensions-insight.co.uk).

Retirement strategy. Supplement to Money marketing. London: Centaur Communications. Monthly. Also available at [www.moneymarketing.co.uk](http://www.moneymarketing.co.uk).

## Reference materials

Concise encyclopedia of insurance terms. Laurence S. Silver, et al. New York: Routledge, 2010.\*

Harriman's financial dictionary: over 2,600 essential financial terms. Edited by Simon Briscoe and Jane Fuller. Petersfield: Harriman House, 2007.\*

Financial Conduct Authority (FCA) Handbook. Available at [www.handbook.fca.org.uk/handbook](http://www.handbook.fca.org.uk/handbook).

Lamont's glossary: the definitive plain English money and investment dictionary. Barclay W Lamont. 10th ed. London: Taxbriefs, 2009. Also available online via [www.cii.co.uk/lamont](http://www.cii.co.uk/lamont) (CII/PFS members only).

"Life, pensions & protection". Chapter: The insurance manual. Stourbridge, West Midlands: Insurance Publishing & Printing Co. Looseleaf, updated.

Prudential Regulation Authority (PRA) Rulebook Online. Available at [www.prarulebook.co.uk](http://www.prarulebook.co.uk)

St James's Place tax guide. Walter Sinclair. Basingstoke, Hampshire: Palgrave Macmillan. Annual.\*

The professional adviser's factfile. Taxbriefs. London: Taxbriefs. Looseleaf, updated.

\*Also available as an ebook through Discovery via [www.cii.co.uk/discovery](http://www.cii.co.uk/discovery) (CII/PFS members only).

## Examination guides

An examination guide, which includes a specimen paper, is available to purchase via [www.cii.co.uk](http://www.cii.co.uk).

If you have a current study text enrolment, the current examination guide is included and is accessible via Revisionmate ([www.revisionmate.com](http://www.revisionmate.com)). Details of how to access Revisionmate are on the first page of your study text.

It is recommended that you only study from the most recent versions of the examination guides.

## Exam technique/study skills

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements.

The Insurance Institute of London holds a lecture on revision techniques for CII exams approximately three times a year. The slides from their most recent lectures can be found at [www.cii.co.uk/iilrevision](http://www.cii.co.uk/iilrevision) (CII/PFS members only).