

BS 8577:2012



BSI Standards Publication

Framework for the provision of financial advice and planning services – Specification

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Published by BSI Standards Limited 2012

ISBN 978 0 580 75731 0

ICS 03.060

The following BSI references relate to the work on this standard:

Committee reference SVS/6/1

Draft for comment 12/30248292 DC

Publication history

First (present) edition, April 2012

Amendments issued since publication

Date	Text affected
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Foreword

Publishing information

This British Standard is published by BSI Standards Limited, under licence from The British Standards Institution, and came into effect on 30 April 2012. It was prepared by Subcommittee SVS/6/1, *Financial Planning*, under the authority of Technical Committee SVS/6, *Financial Services*. A list of organizations represented on this committee can be obtained on request to its secretary.

Presentational conventions

The provisions of this standard are presented in roman (i.e. upright) type. Its requirements are expressed in sentences in which the principal auxiliary verb is "shall".

Commentary, explanation and general informative material is presented in smaller italic type, and does not constitute a normative element.

Contractual and legal considerations

This publication does not purport to include all the necessary provisions of a contract. Users are responsible for its correct application.

Compliance with a British Standard cannot confer immunity from legal obligations.

0 Introduction

Consumers are increasingly expected to make provision for their own financial wellbeing; for most this means they require professional help. BS ISO 22222 already sets the standard for personal financial planners. This British Standard has been developed to help organizations establish an operational framework to support the consistent delivery of their financial advice and planning services to meet customer's needs.

Organizations seeking assurance of conformity to this British Standard may choose to undergo conformity assessment by an independent accredited third-party certification body which is accredited to the requirements set out in BS EN ISO/IEC 17024 and BS EN 45011 (ISO/IEC Guide 65)¹⁾.

1 Scope

This British Standard specifies requirements for organizations offering financial advice and planning services.

It applies to organizations or departments offering personal, corporate or business financial advice and/or planning services (e.g. distribution organizations, banks, building societies, whether independent or restricted) which operate, where applicable, within a regulated environment and recognized redress system. It is intended for implementation throughout the organization. It provides a structure to assist organizations in creating an environment that enables its personal financial planners (regardless of their employment status) to comply with the requirements of BS ISO 22222.

NOTE Examples of recognized redress systems are those operated by the Financial Ombudsmen Service and the Financial Services Compensation Scheme (FSCS).

For organizations that do not offer personal financial planning services as outlined in BS ISO 22222, this British Standard provides an operational framework against which they can be assessed.

2 Normative references

The following documents, in whole or in part, are normatively referenced in this document and are indispensable for its application. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

BS ISO 22222:2005, *Personal financial planning – Requirements for personal financial planners*

3 Terms and definitions

For the purposes of this British Standard, the following terms and definitions apply.

3.1 audit

systematic review to determine whether the activities of the organization are implemented effectively and are suitable for achieving the organization's policy and objectives

¹⁾ EN ISO/IEC 17065 is currently in development and when published will supersede BS EN 45011.

- 3.2 board**
group of people constituted as the decision-making body of an organization
NOTE This can include partnerships, limited companies and other organizational structures.
- 3.3 consumer**
person or corporate body that is a potential user of a product or service
- 3.4 culture**
set of shared attitudes, values, goals and practices, which characterize an institution, organization or group
- 3.5 customer**
end user of goods or services
NOTE This can include a prospect or client.
- 3.6 document**
set of templates which may include checklists, forms and tables, which are ready for use
- 3.7 fiduciary**
legal or ethical relationship of confidence or trust between two or more parties
- 3.8 financial advice and planning**
advice to fulfil a specific customer requirement and holistic planning service to establish customer longer term aims and objectives
NOTE These activities can be carried out by both financial advisers and financial planners.
- 3.9 operational framework**
framework including a set of interrelated or interacting elements, i.e. policies, procedures and documents, to establish and maintain the efficiency of an organization
- 3.10 organization**
group of people and facilities with an arrangement of responsibilities, authorities and relationships
NOTE This can include a firm, practice or business.
- 3.11 outsourcing**
contracting out a process that the organization needs for its operational framework and which the organization chooses to have performed by an external provider
- 3.12 personnel**
person or group of people who perform duties on behalf of an organization irrespective of their role and employment status
- 3.13 record**
set of completed checklists, forms and tables
- 3.14 regular**
frequency of review appropriate for the activity
- 3.15 resource**
asset, person, skill, information, premises, and supplies that an organization has available to use, when needed, to operate and meet its objectives