



**The professional
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RETAIL & BUSINESS BANKING DRAFT PROFESSIONAL STANDARDS



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About FINSIA

FINSIA — the Financial Services Institute of Australasia — is the not-for-profit professional membership body in Australia and New Zealand for the financial services industry.

With a heritage of over 135 years, FINSIA's purpose is raising standards of professionalism for the industry to deepen consumer trust and improve individual practitioner pride.

FINSIA has approximately 8000 members primarily across banking, institutional markets, funds management and securities including financial advice. Its members have access to gold standard professional qualifications, thought leading insights and influential networks to build their capabilities and advance their careers, while strengthening their professional standing in the community.

Why professional standards?

Professionalism provides an industry with many benefits. Among these include a decreased need for legislation and regulators to carry the compliance burden, a sense of pride and community among the professionals in the industry, improved customer outcomes and enhanced reputation. Over time the trust these outcomes can build provides enormous economic and social benefits.

But for professionalism to exist there are several building blocks that need to be in place. One of these is a set of professional standards that individuals in the industry can commit to. Although codes and standards do exist in the industry, they typically have been written at the industry or institutional level. FINSIA are facilitating the development of professional standards that have been written specifically for the individual and complement existing industry or institutional codes.

Who are these standards for?

These professional standards are written for individuals in the Retail and Business Banking sector of the banking and finance industry. These individuals might be working in operations (e.g. settlements, documentation, etc.), technology functions, sales and distribution roles, product development, or support functions (e.g. risk, finance, or human resources). They provide an opportunity for you, as an individual, to make a commitment to a set of standards that you will strive to uphold in your day-to-day work as a professional.

Where do these standards fit within financial services?

These standards will be the first of a series of individual professional standards FINSIA will facilitate the development of. While it will be the case that some features of these professional standards will be common to other parts of financial services industry, there will be nuances and differences that will need to be considered and incorporated. Therefore, although Retail and Business Banking is FINSIA's initial area of focus, a similar process will be employed to develop professional standards for other sectors of the industry.

How have the standards been structured?

Five professional standards have been identified that underpin the work of a professional banker. These are:

- Customer Primacy
- Honesty and Integrity
- Equity and Fairness
- Community and Society
- Competence

Beneath each professional standard practice standards have been articulated (21 in total). These are statements that provide guidance on the type of conduct that is expected of professionals working in retail and business banking to deliver the benefits provided by professionalism. The practice standards have not been written prescriptively – the objective is not to constrain the professional and provide no room for autonomy. Rather, they strike a balance between being broadly applicable but also containing enough detail so that they can be applied in practice.



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What is the scope of the standards?

These standards will not be enforceable by law. Rather, they provide individuals working in retail and business banking with a set of standards that outline what is expected of them as professionals. By agreeing to these standards, professionals are making a personal commitment to abide by the requirements within them. As mentioned, they are by design sufficiently broad so that they can be applied to the majority of activities individuals working in retail and business banking engage in as part of their roles.

Approval Process

At this stage, these are draft professional standards. Over the next six months we will be completing an extensive stakeholder engagement process to obtain feedback on the standards. No doubt they will evolve and adapt as we go through this process, something that can only be seen as a positive as ultimately these standards need to be shaped, owned, and embraced by the professionals they will apply to.



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PS1: Customer Primacy

I will do my utmost to ensure the best interests of my customer are prioritised and safeguarded.

PS 1.1 Understanding my client

I endeavour to deliver optimal outcomes for my clients, recognising that doing so requires me to balance competing priorities. To achieve this, first and foremost I aim to understand my client's objectives and financial situation. It is by understanding their objectives and financial situation that I am better placed to act in their best interest and deliver on their current and future financial needs. At times I recognise that this requires me to say "no" and forfeit opportunities to transact with clients.

PS 1.2 Dealing with clients responsibly

When providing a product or service to a client, I will do so prudently. I recognise that in addition to providing numerous benefits, the products, and services I deliver also create future obligations for my client. I therefore commit to understanding my client's capacity to manage these obligations, thus reducing, as much as is practically possible, the likelihood that they will be financially over committed. I will endeavour to never knowingly sell an unsuitable or unnecessary product to my client.

PS 1.3 Information and power asymmetry

In the majority of cases, I occupy a privileged position. Relative to many of my clients, my knowledge of banking and the products and services I deliver is superior. I recognise that this asymmetry can be intimidating for clients. I therefore approach my clients with the required awareness, humility, and sensitivity. As much as is reasonably possible, I will ensure that my clients are informed prior to making a decision. I will not exploit information asymmetry for my own personal benefit or the benefit of my employer.

PS 1.4 Technology & Artificial Intelligence

The advent of data analytics and machine learning is changing the face of banking. Many banking processes, some of which affect my clients, are increasingly becoming automated. Although it is not possible for me to have knowledge of all the automated decisions that affect my clients, when I become aware of an automated process that is creating a suboptimal outcome I will, to the best of my ability, do what I can to rectify it.

PS 1.5 Product design

Designing products and services that meet my client's objectives is challenging. It is not possible to tailor products and services that address every client scenario. In addition, product design is often undertaken centrally by specialised functions. If I am involved in product design, I will take reasonable steps to ensure products deliver the desired outcomes. If I distribute products or services, I will highlight issues associated with them when I become aware of them.

PS 1.6 Complaints

I will deal with all customer complaints in good faith. All complaints have merit and deserve to be treated with care and diligence. I will listen to my client's concerns, communicating with them in a candid and compassionate manner. When it is my responsibility to do so, I will put in place processes



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that enable an appropriately thorough and independent investigation to take place (if required) and redress any detriment to the client.

PS2: Honesty & Integrity

I commit to conducting myself with the highest levels of honesty and integrity, ensuring that my actions, choices, and decisions are supportive of both the law and these standards.

PS 2.1 Integrity

I understand that these standards will be brought to life through my actions, choices, and decisions. At all times I will do my utmost to conduct myself in a manner that is consistent with the law and the spirit of these standards.

PS 2.2 Honesty

In my dealings with all my stakeholders, be they clients, colleagues the institution that employs me or regulators, I will be honest and forthright. I will not lie, deceive, or distort the truth for personal gain or to protect the interests of my institution or colleagues, be it by commission or omission.

PS 2.3 Privacy and Confidentiality

My role provides me with access to private and confidential information. This should be treated with the necessary and required care. Unless I am required or authorised to do so, I will not disclose or seek out private or confidential information.

PS 2.4 Client and profession above conflicts

There will be times where conflicts arise, creating situations that could place the interest of other parties and myself above those of my client and profession. These conflicts can come in numerous forms – personal ambition, demands from an institution's shareholders or a close personal relationship with a client. I will appropriately manage these conflicts, recognising at all times that I am called to a higher duty.

PS 2.5 Commitment to institution's standards

I commit to conducting myself in a way that is consistent with the standards established by the institution that employs me. I will be faithful to their code of conduct and will not misappropriate my institution's capital, assets, data, confidential information, or intellectual property. In addition, I will not use company assets other than for the purposes for which they are intended.

PS 2.6 Accountability and speaking up

There may be times when I err and behave in a way that is not consistent with the law or these standards. In these moments, I will take responsibility for my actions. There may also be times when I witness a colleague behaving in a way that is illegal or at odds with these standards. In these situations, I will speak up.



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PS3: Equity & Fairness

I will strive to be impartial in my dealings with clients and colleagues and aim to make decisions that are objective and provide balanced outcomes.

PS 3.1 Client inclusion

My judgements on whether a client is capable of fulfilling the obligations associated with a product or service or whether the product or service is suitable for them will not be influenced by inappropriate discrimination or bias. In all my dealings, my goal is to be impartial and objective, relying on information that is relevant to the decision at hand.

PS 3.2 Client barriers

I understand that some of the products and services I provide are a necessity for all members of the community – they are required to participate in the economy and complete the transactions that are necessary for living. Therefore, where possible, I will endeavour to lower or remove barriers that may exist which make it difficult for clients to access these products and services, ensuring competing priorities are appropriately balanced.

PS 3.3 Technological bias

As per PS 1.4, the advent of data analytics and machine learning is resulting in many banking processes becoming automated. Even when developed with the best of intentions, automated processes can produce biased and discriminatory outcomes. If I become aware of an automated decision or process that is producing such outcomes, I will, to the best of my efforts, attempt to rectify them.

PS 3.4 Client versus commercial outcomes

In delivering products and services to my clients, I also understand that I must generate commercial outcomes for the institution that employs me and provides the capital. In doing this, at all times I will strive to find a balance between client and commercial outcomes. I will never compromise my client's interests to make a transaction commercially viable, nor will I inappropriately inflate commercial outcomes to the detriment of my client.

PS 3.5 Hardship and financial difficulty

Inevitably, some clients will experience hardship and financial challenges. In these circumstances I will, where it is appropriate to do so, provide clients with the support and flexibility they require to work through these challenges. I understand that my response in these times will be important in helping the client recover over the long term. I will balance the need to fulfil contractual obligations with the need to provide the necessary support and care.

PS 3.6 Inclusion in the workplace

In the workplace, I aim to create an environment that is welcoming and inclusive. I will not discriminate between colleagues based on their origin, background, or preferences and recognise the benefits that diversity can deliver. At times I may need to provide feedback (positive, constructive, or critical) to a colleague based on their performance, behaviour, or a decision they have made. I will do this professionally and respectfully, focusing on the behaviour in question and not the individual.

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PS4: Community & Society

I will use the important role I play in my community and broader society to deliver sustainable outcomes.

PS 4.1 Sustainable banking

As a member of the banking industry, I play an important role in the economy, contributing to the health and wellbeing of the communities and people within it. The decisions I make also contribute to helping solve some of society's biggest challenges. I understand the important role I play and am familiar with the commitments or undertakings my employer (or relevant industry body) has made with regards to their role in helping deliver sustainable outcomes.

PS5: Competence

As a professional I will strive to maintain the required level of knowledge and skills to perform my role dutifully and in a manner that is consistent with these standards.

PS 5.1 Minimum requirements

To be a professional banker, I commit to ensuring that I have the knowledge required to do my role. This knowledge can be acquired through in-house training provided by my institution or accredited courses delivered by recognised education or professional bodies. Amongst other things, this training should provide me with knowledge of banking products and services, risk management, credit risk and lending, technology, payments and settlements, law and regulation, compliance, ethical decision making and professionalism.

PS 5.2 Ongoing requirements

I also commit to ongoing learning, not only to reaffirm my base level knowledge, but to extend it and keep abreast of changes in the industry. This learning can be either formal or informal, recognising the value that different experiences in the workplace can provide. I will engage with my institution to ensure they support my learning requirements through flexible working arrangements, as allowed by their formal policies.