

# FINANCIAL SERVICES: ALTERNATIVE PATHWAY FOR INDIVIDUALS

## EVIDENCE CHECKLIST:

### CORE + PERSONAL LENDING STRAND

This is the Evidence Checklist referred to in the Alternative Pathway for Individuals - Application Evidence Guide.

The checklist sets out the criteria against which you will be assessed and provides guidance on the type of evidence you need to supply to show how you meet the criteria. Evidence can be in the form of the 3 client files you need to provide, or other relevant documents. You can also make notes in the “notes” column of the table. If there are gaps in the evidence provided, your assessor will discuss this with you.

You need to complete and submit this checklist as part of your application, along with other documentation such as:

- Evidence of training in current New Zealand legislation pertaining to Financial Services
- At least 2 professional referees
- Evidence of your Disclosure Statement (or equivalent)
- 3 complete client files
- A detailed work history
- Evidence of continuing professional development

## Core - Outcome 1

You will need to show evidence of how you apply good conduct obligations in client interactions, including the advice process and the key elements of legal, ethical, and professional obligations.

Evidence Required - what you need to show	✓	Notes to show how/ where you can demonstrate each requirement
Hold US 31855 <b>OR</b>  Proof of training with an approved and accredited NZ training provider		

## Core - Outcome 2

You will need show how you have provided a range of financial advice solutions to clients using knowledge of key financial institutions, systems, markets, and products/services.

Evidence Required - what you need to show		✓	Notes to show how/ where you can demonstrate each requirement
1.	Demonstrate knowledge of financial markets, systems, and market participants		
	<p>You will need to show evidence of the following, specific to the Strand you are completing:</p> <ul style="list-style-type: none"> <li>▪ The current market, participants, cycle, trends, and impact on clients</li> <li>▪ Products, providers, and intermediaries, e.g. Agencies or binders explained</li> <li>▪ License type, FAs, and other information as required for disclosure</li> </ul>		
2.	Demonstrate knowledge of financial products and services		
	<p>Client files/ evidence of the following:</p> <ul style="list-style-type: none"> <li>▪ Description of event risks that may impact on a family/individual</li> <li>▪ Evidence that you have discussed each of these event risks with the client</li> <li>▪ Financial analysis and requirements for each event risk</li> <li>▪ Recommendations for the range of suitable products</li> <li>▪ Recommendations on policy ownership which shows an understanding of estate planning</li> <li>▪ Commentary on any relevant tax considerations for policy premiums and impact of tax at claim time</li> <li>▪ Commentary on other related estate matters e.g. EPA's, up to date wills etc</li> <li>▪ What markets were approached</li> </ul>		

	<ul style="list-style-type: none"> <li>▪ Which products were identified as potentially suitable?</li> <li>▪ Any comparisons done for the various products</li> <li>▪ If overseas placements, was tax addressed if applicable</li> <li>▪ Are levies calculated correctly and shown clearly e.g. Fire service or EQC and explained?</li> <li>▪ Were any other relevant tax implications relevant</li> </ul>		
3.	Apply knowledge of financial markets, systems, participants, and services and products to provide financial advice solutions in a general financial services context		
	<p>Client files/ evidence of the following:</p> <ul style="list-style-type: none"> <li>▪ Risk File showing risk management techniques identified</li> <li>▪ Similar as above for products, pricing, research. Any comparisons done for the various products and recommendations as appropriate for client needs</li> <li>▪ Clarity on products which are insurable but not taken up by customer based on scope</li> <li>▪ Advice meets client's needs, links back to quantified needs identified in fact find etc.</li> </ul>		

## Core - Outcome 3

You will need show how you provided a range of financial advice solutions using knowledge of key factors in the economic environment that impact participants in the financial services sector.

Evidence Required - what you need to show	✓	Notes to show how/ where you can demonstrate each requirement
1. Demonstrate knowledge of factors in the economic environment that impact participants in the financial services sector		
<p>Client files/ evidence of the following:</p> <ul style="list-style-type: none"> <li>▪ Commentary on the market and current cycle</li> <li>▪ Reinsurance</li> <li>▪ Claims experience or legislation impacting the client or insurance sector which may impact costs or capacity</li> <li>▪ New providers or existing ones</li> <li>▪ Overseas factors</li> <li>▪ Changes in things like EQC limits, fire service levies, Wellington capacity etc.</li> <li>▪ Investment returns, global impacts, insurer financial security/claims paying ability, global economic issues</li> <li>▪ Client file notes, evidence of broad discussion re factors &amp; how they might impact on client.</li> </ul>		

2.	Apply knowledge of key factors in the economic environment to provide financial advice solutions		
	As above		

## Core - Outcome 4

You will need show how you interpreted applicable provisions in the regulatory framework to use when providing Financial Advice and Financial Advice Services.

Evidence Required - what you need to show	✓	Notes to show how/ where you can demonstrate each requirement
Hold US 31858 <b>OR</b>  Proof of training with an approved and accredited NZ training provider		

## Personal Lending Strand – Outcome 25

You will need to show how you provided personal lending services using knowledge of personal lending concepts, legislation, regulations, codes of conduct, and the purpose, responsibilities and roles of participants.

Evidence Required - what you need to show		✓	Notes to show how/ where you can demonstrate each requirement
1.	Explain and apply knowledge of the regulatory framework when providing personal lending services.		
	Client files/ evidence that shows the following: <ul style="list-style-type: none"> <li>▪ Documented process or policy on dealing with vulnerable borrowers.</li> <li>▪ Needs analysis and application form to demonstrate that the adviser has drilled into day to day expenses vs. income to assess affordability.</li> </ul>		
2.	Explain key roles in personal lending organisations.		
	Evidence showing you have knowledge of who the key stakeholders are in approving and managing a personal loan.		
3.	Explain key lending concepts and their relevance to typical personal lending situations.		
	Client files/ evidence showing the following: <ul style="list-style-type: none"> <li>▪ Discussion/file notes on any potential issues highlighted in analysis.</li> <li>▪ A duty of care that is reflected in the process use</li> <li>▪ Application form</li> <li>▪ Robust assessment of client's affordability - calculation of income vs. expenses</li> <li>▪ Communication with client on statement of advice</li> </ul>		



4.	Demonstrate knowledge of lending frameworks relating to personal lending.		
	<p>Evidence showing you have knowledge of:</p> <ul style="list-style-type: none"> <li>▪ The difference between secure and unsecured personal lending.</li> <li>▪ What would be a trigger point for you to consider someone as a vulnerable borrower</li> <li>▪ When to decline a borrower and why</li> <li>▪ Your process for follow up with clients post settlement to ensure the solution is working appropriately.</li> <li>▪ What type of advice to provide to a debt consolidation borrower</li> </ul>		

## Personal Lending Strand – Outcome 26

You will need to show how you developed solutions to a range of personal lending needs using knowledge of the relationship between personal lending products and individual's needs.

Evidence Required - what you need to show		✓	Notes to show how/ where you can demonstrate each requirement
1.	Gather client information to identify client personal borrowing needs.		
	Client files/ evidence that shows the following: <ul style="list-style-type: none"> <li>▪ Application form</li> <li>▪ Advisor notes</li> <li>▪ Analysis of affordability (income and expenses)</li> </ul>		
2.	Analyse and evaluate the financial situation of clients for personal lending.		
	Client files/ evidence that shows the following: <ul style="list-style-type: none"> <li>▪ Notes of discussions with client and how loan repayments will be covered and any foreseeable changes in circumstances.</li> <li>▪ Evidence you have evaluated the customers overall situation</li> </ul>		
3.	Apply knowledge of personal lending products to meet client personal borrowing needs.		
	Client files/ evidence showing the following: <ul style="list-style-type: none"> <li>▪ Evidence of product/s recommended and why this was recommended.</li> <li>▪ Evidence that alternatives have been considered.</li> </ul>		

## Personal Lending Strand – Outcome 27

You will need to show how you developed solutions to personal lending needs using knowledge of key lending concepts and frameworks.

Evidence Required - what you need to show		✓	Notes to show how/ where you can demonstrate each requirement
1.	Develop personal lending solutions for a client with reference to the lending frameworks.		
	Client files/ evidence that shows the following: <ul style="list-style-type: none"> <li>▪ Analysis of income vs. expenses and financial situation.</li> <li>▪ Notes on options considered and recommendations made</li> </ul>		
2.	Explain matters relating to borrowers, security assets, and loan guarantees.		
	Client files/ evidence that shows the following: <ul style="list-style-type: none"> <li>▪ That risks and obligations have been appropriately covered off or that the guarantor has been encouraged to get legal advice.</li> </ul>		
3.	Process a personal loan application.		
	Client files/ evidence showing the following: <ul style="list-style-type: none"> <li>▪ Application form includes income and expenses including other financial commitments.</li> <li>▪ Understanding of other financial commitments and terms of these if not being repaid.</li> <li>▪ Good diary note addressing affordability.</li> <li>▪ Affordability/servicing calculations.</li> <li>▪ Statement of position.</li> </ul>		

	<ul style="list-style-type: none"><li>▪ Demonstrated review of bank statements as part of analysing expenses and identifying other financial commitments.</li></ul>		
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## Personal Lending Strand – Outcome 28

You will need to show how you applied the Six Step advice process to provide advice in a personal lending context.

Evidence Required - what you need to show		✓	Notes to show how/ where you can demonstrate each requirement
1.	Provide advice in a personal lending context using the Six Step Process.		
	<p>Client files/ evidence that shows the following:</p> <ul style="list-style-type: none"> <li>▪ Evidence of receiving disclosure statement, agreeing scope of service, limitations of advice identified.</li> <li>▪ Goals are quantified, evidence of analysis of the client's situation &amp; researching lender's products.</li> <li>▪ Recommendations are specific and demonstrate link back to client goals &amp; needs.</li> <li>▪ Benefits, risks and disadvantages are clearly identified.</li> <li>▪ SOA contains implementation plan setting out adviser and client responsibilities, with timeframes.</li> <li>▪ Records of feedback from client, evidence of adviser ensuring client understands the recommendations, in file notes.</li> <li>▪ Evidence of client accepting the letter of offer and records of communications throughout the process.</li> <li>▪ Evidence of the adviser advising when the next contact will be and identifying when the client needs to contact the adviser e.g. material changes.</li> <li>▪ Evidence of adviser reviewing advice with client. This would be a templated letter and records of discussions.</li> <li>▪ Where required, if the advice has been updated, a new SOA has been completed.</li> </ul>		