

40668

Develop relationship and communicate with clients ethically and professionally in a financial services context

Kaupae Level	5
Whiwhinga Credit	20
Whāinga Purpose	<p>This skill standard is intended for people who want to build knowledge and skills to provide advice on regulated financial advice products.</p> <p>This skill standard will provide learners with the knowledge and skills to develop good relationships and communicate fairly, ethically, and professionally with clients as a financial adviser.</p> <p>This skill standard can be used in programmes leading to the New Zealand Certificate in Financial Services (Level 5) [Ref: 2315-3].</p>

Hua o te ako me Paearu aromatawai | Learning outcomes and assessment criteria

Hua o te ako Learning outcomes	Paearu aromatawai Assessment criteria
1. Develop client relationship in a fair, ethical, and professional manner in a financial advice services context.	a. Initiate and establish relationship with client by applying a process related to providing financial advice.
	b. Use effective questioning and listening techniques to understand and elicit client circumstances and needs.
	c. Determine ability and suitability to provide advice and apply appropriate action.
	d. Define and establish scope of service for engagement with client.

Hua o te ako Learning outcomes	Paearu aromatawai Assessment criteria
2. Communicate with clients in a financial advice services context.	a. Communicate with the client in a clear and effective manner, including explaining a financial advice process and managing client expectations on response times.
	b. Adapt messaging with client to suit client background and level of financial understanding.
	c. Use concept checking to ensure client understands the content, risks, and consequences of proceeding or not proceeding with the advice provided and apply appropriate action.
	d. Communicate and gain agreement with client throughout the relationship and the financial advice process.
3. Maintain adequate records of client interactions as a financial adviser.	a. Create and maintain adequate records in relation to client interactions of financial advice service.
	b. Store client information securely.
4. Apply relevant legislation, frameworks and the six step process as a financial adviser.	c. Explain financial advice in accordance with relevant legislation and the six step advice process.
	d. Interpret relevant legislation and frameworks when providing financial advice.
	e. Interpret the role of and expectations of the Code of Professional Conduct for Financial Service Providers.

Pārongo aromatawai me te taumata paearu | Assessment information and grade criteria

Assessment specifications:

Assessment should use real or realistic documentation where appropriate. Simulated examples are permitted.

Learners are not expected to use tools and systems that are only available to a licenced financial advice provider or requiring a licence to use.

Any use of digital advice tools or artificial intelligence will need to be in accordance with relevant organisational and industry codes of conduct and practice.

All activities must comply with legislation, regulations, and best practice, including any guidance notes published by the agency responsible for the relevant enactment or code.

Assessments of any aspects of the Six Step Process require that candidates can describe the process at a similar level to the many summarised forms that are published by local and international financial planning industry participants. Candidates are not required to be familiar with the formal terms of ISO 22222.

Client also includes potential clients. *Client* is intentionally broad to capture all types and include, individuals, partnerships, businesses, families, companies, trusts, charities, organisations, body corporates, and associations as current examples.

Definition

Client understanding financial advice refers to client having sufficient understanding of content, risks, consequences of the advice and the nature of any ongoing and other services related to the financial advice, to be able to make timely and informed decisions about the financial advice.

Ngā momo whiwhinga | Grades available

Achieved.

Ihirangi waitohu | Indicative content

Treating client's fairly and acting with integrity

- Standard 1 and 2 of [Code of Professional Conduct for Financial Advice Services](#).

Communicate in a clear, and effective manner

- Standard 4 of [Code of Professional Conduct for Financial Advice Services](#)
- client level of financial literacy
- client knowledge of financial products
- client financial background.

Define and establish scope of service/advice with client

- Standard 3 of the [Code of Professional Conduct for Financial Advice Services](#)
- client personal circumstances (vulnerability indicators)
- client goal or need for type of financial advice
- setting expectations between adviser and client
- meeting disclosure requirements
- obtaining privacy acknowledgement
- establishing scope of service
- any known limitations to the service
- obligations of parties
- agreeing nature of remuneration for the service.

Concept checking techniques

- pause and reflect
- situational questions.

Client understanding financial advice

- Standard 4 of [Code of Professional Conduct for Financial Advice Services](#)
- whether the financial advice is based on valid assumptions about the client's circumstances
- whether to follow the financial advice
- whether the fees and costs associated with following the financial advice, such as those of any financial advice product or platform, are acceptable
- whether and when to seek additional financial advice.

Record keeping

- Standard 5 of the [Code of Professional Conduct for Financial Advice Services](#)
- Customer Relationship Management system (CRM)
- Financial Markets Authority (FMA) Standard Conditions for full financial advice provider licence. Standard 1 – Record keeping
- recording why and how advice was provided
- evidence of adequate financial advice, logging of client interactions
- ability to retrieve records for inspection and being readily available
- responsible use of technology, such as digital assessment tools, and artificial intelligence.

Six Step Process refers to the financial services industry standard for the provision of personal financial advice internationally, derived from ISO 22222: 2005 Personal Financial Planning.

Rauemi | Resources

- Code of Professional Conduct for Financial Advice Services - <https://financialadvicecode.govt.nz/>
- Customer vulnerability and expectations for providers - [CustomerVulnerability-ourexpectationsforproviders.pdf \(fma.govt.nz\)](#)
- [Financial Markets Authority - Record-keeping-for-financial-advice-providers.pdf \(May 2022\)](#)
- Financial Markets Authority – [Standard Conditions for full financial advice provider licences November 2020](#)
- Financial Markets Authority- [Understanding Artificial Intelligence in Financial Services \(July 2024\)](#) by Mikayla Pakinga-Lawson, Amie White, Stuart Johnson
- Financial Markets Conducts Act 2013
- Financial Markets (Conduct of Institutions) Amendment Act 2022
- Industry and organisational manuals and standard operating procedures on client relationship building and conduct
- ISO 22222:2005 Personal Financial Planning – Requirements for personal financial planners, available from <https://www.iso.org>
- Privacy Act 2020;
and their subsequent amendments or replacements.

Pārongo Whakaū Kouna | Quality assurance information

Ngā rōpū whakatau-paerewa Standard Setting Body	Ringa Hora Services Workforce Development Council
Whakaritenga Rārangi Paetae Aromatawai DASS classification	Service Sector > Financial Services > Financial Services - Professional Practice
Ko te tohutoro ki ngā Whakaritenga i te Whakamanatanga me te Whakaōritenga CMR	0112

Hātepe Process	Putanga Version	Rā whakaputa Review Date	Rā whakamutunga mō te aromatawai Last date for assessment
Rēhitatanga Registration	1	29 May 2025	N/A
Kōrero whakakapinga Replacement information	N/A		
Rā arotake Planned review date	31 December 2030		

Please contact Ringa Hora Services Workforce Development Council at qualifications@ringahora.nz to suggest changes to the content of this skill standard.