



# The Money Guidance Competency Framework

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**Money &  
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## 1. What is The Money Guidance Competency Framework?

**The money guidance competency framework sets out the skills, knowledge and behaviours required to deliver impartial guidance on money management and financial wellbeing in the non-regulated space. The framework also links to further helpful information and relevant training currently available.<sup>1</sup>**

The framework has been developed collaboratively with our research partner Pye Tait Consulting; a working group of practitioners<sup>2</sup>; and, feedback from across the UK. Huge thanks to all those organisations and individuals who gave up their time to help shape this framework.

To find out more about how the framework was developed please visit [www.maps.org.uk/Money-Guidance-Practitioner-Framework](http://www.maps.org.uk/Money-Guidance-Practitioner-Framework)

## 2. Who is it for?

**The framework is designed for anyone who provides any type of money guidance or help with to individuals or groups: from young adults all the way through to older people in retirement.**

seeking advice on a specific life event, be vulnerable, or have complex needs. We recognise that money guidance will often form just part of a wider but interconnected and holistic service.

There is huge diversity in the spectrum of money guidance practitioners – for example volunteers, community workers, housing officers, mental health workers, money mentors to name a few. Whilst some of the people they serve are specifically seeking money guidance, we know that many are not. They may be

The framework is intended to apply to those working in all four nations of the UK and every effort has been made to ensure the language and terms used are accurate throughout with alternative terms used where appropriate.

## 3. Why do we need a competency framework?

**People across the UK should be receiving good quality money guidance regardless of where they go to get it. We want to raise the status and profile of money guidance and the quality of its delivery. Our vision is that people across the UK will be consistently receiving good quality money guidance, leading to better financial wellbeing.**

And there are tens of thousands of practitioners delivering money guidance in the non-regulated space in one form or another. Currently, there is no common view of what good looks like, lack of clarity about where regulated boundaries are and there are very few opportunities for practitioners to access evidence or exchange good practice about how to most effectively improve the money skills of the people they serve.

Practitioners are at the heart of many financial wellbeing interventions and have the power to make a real difference to the way people manage their money.

We recognise that a framework alone cannot achieve this vision- we are currently developing a programme

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<sup>1</sup> An extensive mapping exercise was undertaken to identify relevant training and qualifications relating to money guidance, this involved targeted internet and database searches, consultation with the working group and insight gained during feedback events and interviews completed in July 2019. These links are provided for your information and should not be interpreted as approval or

endorsement of the training or materials. We have no control over the content of those websites or resources.

<sup>2</sup> The practitioner working group was established in Nov 2018 and brought together representatives from a variety of cross sector organisations

to further help and support money guidance practitioners, however the framework will begin to:

- Help practitioners provide good support for customers
- Enable and empower practitioners to be clear and confident about the level of money guidance they provide
- Help professionalise this incredibly important work and create opportunities for development

- Aid skills development by setting a benchmark of expected performance across this broad cross sector
- Raise the profile of money guidance giving it the recognition and importance that it deserves
- Be a first step towards building and strengthening a community which will share good practice, experiences, insights, evidence, tools and resources

## 4. Other frameworks

The framework is also intended to complement, and link to, other existing frameworks. These include:

- [The Scottish National Standards for Information and Advice Providers \(A Quality Assurance Framework 2009\)](#)
- [The information & Advice Quality Framework for Wales \(IAFQ Wales\)](#)
- [The NI Advice Quality Standard \(August 2014\)](#)
- [The MaPS Debt Advice Quality Framework](#)
- [The Advice Quality Standard \(June 2016\)](#)

## 5. A word about “Advice”

We recognise the word ‘advice’ has different meanings in different contexts. In the context of money, giving “Advice” is a regulated activity. Only firms that are regulated by the FCA can offer this. This framework is for non-regulated money guidance. A helpful definition of the difference of guidance and advice is below<sup>3</sup>

Guidance	Advice
Guidance is an impartial service which will help you to identify your options and narrow down your choices but will not tell you what to do or which product to buy; the decision is yours.	Advice will recommend a specific product or course of action for you to take given your circumstances and financial goals. This will be personal to you, based on information you provide.
Providers of guidance are responsible for the accuracy and quality of the information they provide but not for any decision made based on it.	Advice will be provided by a qualified and regulated individual or online by a regulated organisation.
Guidance is free unless your provider clearly tells you otherwise.	Providers of advice are responsible and liable for the accuracy, quality and suitability of the recommendation that they make, and you are protected by law.
It will suggest what you <i>could</i> do.	It will recommend what you <i>should</i> do.

Money guidance practitioners do not provide personal recommendations for financial products, or recommendations on a specific course of action. However, money guidance practitioners do need to have a general and broad knowledge of the range of financial products and services available in the market place.

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<sup>3</sup> Adapted from the suggested definitions of advice and guidance as part of the HM Treasury/FCA Financial Advice Market Review (FAMR)

## 6. The Framework

The competency framework for money guidance practitioners sets out the skills, knowledge and behaviours required to deliver impartial guidance on money management and financial wellbeing in the non-regulated space. The diagram below illustrates how the competency framework is structured.

### Foundations

		Types
<p>Money guidance practitioners need all the foundation attributes.</p>	<p><b>Foundation – Skills and behaviours</b> These are the behaviours and personal characteristics that practitioners need.</p>	<ul style="list-style-type: none"> <li>A. Personal qualities and attributes</li> <li>B. Transferable skills</li> <li>C. Self-management</li> </ul>
	<p><b>Foundation – Knowledge and compliance</b> These are the underpinning knowledge of the boundaries of the role and the regulations that apply.</p>	<ul style="list-style-type: none"> <li>D. The boundaries of the service and of your role</li> <li>E. Signposting customers</li> <li>F. Compliance and safeguarding</li> </ul>

### Technical Domains

		Tier 1	Tier 2	Tier 3
<p>Each of the 12 technical domains is tiered, according to level of complexity. Not all domains require content at all 3 tiers.</p> <p>Money Guidance practitioners can self-identify at a particular domain and tier - completely dependent on the depth and breadth of service offered.</p>	1. Knowing your customer	■	■	
	2. Debt	■		
	3. Borrowing	■	■	
	4. Welfare and benefits	■	■	
	5. Budgeting and cashflow	■	■	■
	6. Savings	■	■	
	7. Investments	■	■	■
	8. Taxation	■	■	■
	9. Insurance	■	■	
	10. Households	■	■	■
	11. Pensions	■	■	■
	12. Planning for later life	■	■	■

### Levels of competence

#### Structure of the Framework

Anyone delivering any kind of money guidance needs to have some “must haves” - a minimum level of skills and knowledge. Then, depending on your role and your customers you may need to have more expertise in certain areas. The framework allows for such flexibility.

The framework sets out the competencies for the core cross-cutting foundations (based on the behaviours and personal characteristics that practitioners need) and the 12 domains, each of which are founded on technical knowledge. In order to deliver a safe, effective service, every money guidance practitioner needs to possess all of the cross-cutting “Foundation Competencies”; these are the minimum requirements.

Each of the 12 domains is tiered, according to the level of complexity at which the practitioner works. Not all domains require content at all 3 tiers. All tiers can be self-identified, completely dependent on the depth and breadth of service you or your organisation offers regarding money guidance. You may never provide the type of guidance set out in any of the domains at these higher tiers, or you may identify with particular domains.

#### Commonly used terms

The framework - particularly the technical domains - frequently refer to the money guidance practitioner having ‘awareness’, ‘knowledge’ or ‘understanding’. These three frequently used terms have been defined below for the purposes of this framework:

- **Awareness** - Refers to an individual’s knowledge that something exists
- **Knowledge** - Refers to an individual’s theoretical or practical understanding of a subject
- **Understanding** - Refers to an individual’s comprehension – their ability to know how something works and/or what it means

No hierarchy is intended across the domains – the ordering of the domains and numbering within each tier is there to aid easy recognition and referencing. No domain is better than another – all are fundamental in the provision of good quality money guidance to the public.

Within each domain the tiers provide clear progression and, in order to identify at a tier 2 or 3 in any of the domains, a practitioner must meet all of the competencies in the previous tiers, for that domain.

Further descriptions of the foundations and tiers can be found overleaf on p7:

### Job Titles

Those providing money guidance - as all or part of their role - hold a wide variety of job titles including for example: Volunteer, Money Helpline Operator, Financial Capability Coach, Housing Officer, Mental Health worker, Advisor, Community Worker – to name just a few. It is not possible to specify where on the framework each job title fits due to the varied roles of

those who hold the same job title – take for example the title ‘Volunteer’ which may refer to someone working in a library who signposts people to appropriate sources for further information or, to someone working on a voluntary basis who provides in-depth guidance as a result of their qualifications, knowledge and experience.

### Foundation and Tier descriptors

#### Foundations

The foundation level details the skills, behaviours and required knowledge of the boundaries of the role for all practitioners.

At foundation level, practitioners signpost customers to appropriate sources of further support, advice or information. They elicit simple, factual information from the customer in order to signpost them to appropriate sources.

#### Tier 1

At this level, practitioners provide customers with factual information (or access to the information) which enables them to do more about their own situation. They have a general awareness of other services or resources that might be able to offer further help and advice, and part of this role involves signposting customers to these. They may also explain terminology or provide clarification of a document (such as a bank statement).

Tier 1 practitioners do not provide information or guidance tailored to customers’ circumstances, but generalist information which customers can act on. Responsibility for any further action rests with customers.

#### Tier 2

Practitioners at this level focus on customers’ individual circumstances, exploring their needs, setting out options available to them and identifying the implications and consequences of any action. The practitioner may see the same customer/s on an ongoing basis and may offer practical assistance with interpreting letters and forms. As well as signposting customers to other sources and agencies, the practitioner might also formally refer customers to other organisations.

At this level the practitioner may offer some coaching to customers to improve their financial capability and money management skills.

#### Tier 3

Tier 3 focuses on specialist areas of bespoke information provision. At this level, practitioners will likely specialise in a particular area such as benefits and welfare, or housing. This naturally requires them to have an in-depth knowledge of the relevant regulations and organisations as well as the features of specific products and services.

They will have very well-developed questioning and listening skills, and the confidence to deal with complex cases. Practitioners at Tier 3 may also be involved in case-work.

### 6.1 Foundation skills and behaviours

Practitioners operating at each Tier should have the foundation competencies in:

- A. Personal qualities and attributes
- B. Transferable skills
- C. Self-management

The foundation competencies are a prerequisite for providing a safe, quality service to customers. Whilst some are specific to money guidance, many of these competencies are related to giving good, effective advice in general. They may already feature in practitioner job descriptions, within organisational frameworks or within general advice guidelines. As such, they are a fundamental part of being able to deliver good quality money guidance.

#### A. Personal qualities and attributes

These qualities are at the core of The Framework. The breadth and complexity of information and guidance on money management and financial wellbeing means that practitioners need to draw deeply upon their personal qualities to handle the demands of the role.

##### A1. Personal integrity

Those who offer guidance on money management and financial wellbeing bring a sense of integrity to what they do. The practitioner will act as a role model for involvement with customers and demonstrate a commitment to equal opportunities.

##### A2. Self-awareness

Practitioners should know their own strengths and limitations and use failure or misjudgement as an opportunity for learning. Practitioners need to have an awareness of their own emotions and know how to control them, adapting them appropriately to the situation. They will be aware of their own personal impact on others, particularly when they are under pressure.

##### A3. Impartiality

Providers of money guidance must do so impartially; both in terms of the information they provide and in terms of any organisations the customer is signposted to. Practitioners will therefore be objective, not allowing themselves to be influenced by personal feelings or opinions. They must also be empathetic and sensitive to the wishes of the customer but not allow those feelings of empathy to influence the provision of best advice and guidance. Awareness of actual and potential conflicts of interest and what actions to be taken in those circumstances is important.

##### A4. Diplomacy

Practitioners must possess the quality of diplomacy and be sensitive and skilful in managing relations with others. The ability to maintain a positive attitude is an attribute which they should possess alongside reliability.

##### A5. Flexibility

Practitioners must be flexible in their approach, showing awareness and understanding of the needs and preferences of others.



### **A6. Rapport building**

A key aspect of providing money guidance well is having an ability to empathise with a customers' situation and gauging their current level of confidence and ability to manage their money. Practitioners who work face to face with customers should understand the importance of non-verbal communication, such as body language, and how different cultures use and interpret body language in different ways. Practitioners should have an understanding of the importance of building trust and rapport with others, and methods for achieving this in different situations (e.g. over the phone, individuals and in groups) and for a range of people, including customers with challenging behaviours.

### B. Transferable skills

Strong transferrable skills are fundamental to the provision of impartial guidance on money management and financial wellbeing. This includes working well with others – including colleagues and other agencies – as well as correctly using the appropriate organisational systems and procedures, keeping accurate records and attention to detail. Practitioners should also have good levels of literacy and numeracy to communicate what can often be complex information in a straightforward and understandable way.

#### **B1. Literacy**

Accurate spelling and punctuation, particularly when practitioners might be required to record customer information, and particularly at Tiers 2 and 3, accurate and succinct writing for record-keeping and making referrals.

#### **B2. Numeracy**

The ability to reason and apply numerical concepts, comprehending fundamental arithmetic (i.e. addition, subtraction, multiplication and division). Depending on the practitioner's role, at Tiers 2 and 3, ability to calculate fractions; percentages; simple and compound interest may be required.

#### **B3. IT**

Computer skills to ensure accurate records can be maintained and relevant information accessed in a timely, secure manner.

#### **B4. Digital**

Depending on the role, skills in the use of online tools and calculators, as well as the ability to use comparison sites and online tools (e.g. mortgage and/or benefits calculators). This will also involve an element of critical analysis to judge the relevance and legitimacy of the information being presented.

#### **B5. Attention to detail**

Accuracy and attention to detail are essential for maintaining clear and accurate records (including any reference numbers and codes; information about customers' circumstances).

#### **B6. Communication**

The ability to communicate effectively both verbally and in writing. When communicating with others, the practitioner uses appropriate language, respecting equality and diversity and, where relevant, using appropriate non-verbal cues.

#### **B7. Working with others**

The practitioner identifies and confirms the needs and expectations of colleagues and customers, establishing and maintaining productive working relationships with relevant people. They have the ability to deal with disagreements in an amicable and constructive way to maintain good relationships. Where appropriate, the practitioner should contribute actively to effective team working by co-operating with colleagues, using appropriate methods of communication; identifying conflicts which may cause problems to productivity and promptly seeking solutions from the responsible person.

#### **B8. Record-keeping**

Record relevant information in a manner which is easy to follow and allows other workers to understand it, ensuring that information is grouped logically and is readily accessible. Practitioners should identify any barriers or factors that might impact on outcomes and exchange information according to organisational procedures.

### C. Self-management

This domain is about maintaining adequate knowledge and skills to deliver a good service and, in some cases, developing knowledge and skills in order to provide guidance at a higher tier. This may mean keeping up to date on financial matters, for example, updates to legislation and regulations and key organisations which is important for ensuring that practitioners are giving accurate and up to date information, and for knowing where to signpost customers. In addition, it may involve self-reflection, gaining knowledge or improving skills. Practitioners may develop their practice using either formal and/or informal methods.

#### C1. Self-management

Self-management, supported by emotional self-awareness, enables practitioners to regulate their own behaviour, even when provoked. This quality sees practitioners recognising the limits of their authority and knowing the actions to be taken when that limit is reached. They should be tenacious and resilient in the face of difficulty and be able to cope with an increasingly complex environment – with the blurring of organisational boundaries and the requirement to work in partnership with other organisations (e.g. when making or taking referrals). The practitioner should take appropriate time for reflection and also seek out appropriate personal support when needed, for example when/after dealing with complex or traumatic cases.

#### C2. Improve practice

Practitioners should be capable of accepting feedback/criticism in a positive manner and assessing its validity and importance. They should seek to evaluate their own performance, either against set targets and goals, or by reflecting on their own work and actions. Setting and prioritising clear and realistic goals and targets for own development and using a range of valid and reliable evidence to assess own work, which includes an assessment of the effects of own behaviour and values on others, is a critical part of practitioners' improving practice/continuing professional development.

#### C3. Continuing professional development

Practitioners must keep up to date with legislation, codes of practice and guidelines, understanding the importance of complying with national, local, professional and organisational requirements. It is imperative that practitioners maintain an understanding of the limitations of their role, their own limits and those of the service. Finally, they must maintain the required soft skills necessary to deal with customers e.g. effective communication skills.

## 5.2 Foundation knowledge and compliance

Practitioners operating at each Tier should also have the foundation competencies in:

- D. The boundaries of the service and of your role
- E. Signposting customers
- F. Compliance and safeguarding

### D. The boundaries of the service and of your role

Every practitioner must be aware of what they can and cannot say to customers, depending on the organisation he or she works for, and depending on the type of advice and guidance being given.

#### D1. Regulated financial products and activities<sup>4</sup>

- Understanding of the scope of information and guidance which can be provided, and that 'advice' and recommendations are regulated activities (refer to definitions on page 4).
- A broad understanding of the types of activities that are beyond the remit of the practitioner (e.g. debt advice, consumer credit, investment businesses, funeral plan contracts, electronic money, insurance business and distribution, operating a dormant account, home finance).
- Understanding of the difference between providing information and guidance, and advice, particularly with relevance to regulated financial products and activities.

#### D2. Introduce the service to others

- Provide information to customers about the service you are providing, including:
  - Explaining what information you can and cannot provide.
  - Explaining any costs and fees associated with using the service, if applicable.

#### D3. Providing support within the limits of your role

- Provide information and guidance within the limits of relevant financial regulations and in line with organisational policies and procedures, and check customers' understanding.
- Where appropriate, agree with customers any further activities that are necessary to meet their needs.
- Identify any needs that cannot be met and refer customers to alternative sources in line with organisational policies and procedures.
- Knowledge of local and/or national organisations to which customers can be signposted or referred.
- Knowledge of any relationships between the practitioner organisation and other external organisations and agencies to which customers can be signposted or referred.

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<sup>4</sup> The Financial Conduct Authority maintains a list of the financial activities they regulate, here:

<https://www.fca.org.uk/firms/authorisation/how-to-apply/activities>

## E. Signposting customers

All practitioners – no matter their job role – must be able to elicit simple, factual information from the customer in order to signpost them to appropriate sources of further support, advice or information.

### E1. Obtaining information

- Awareness of:
  - Different reasons customers may have for seeking information.
  - The type of information or areas in which support might be sought (e.g. debt, borrowing, welfare and benefits).
  - The importance of timely action.
- Ask basic questions to obtain information about the customer's circumstances.

### E2. Signpost

- Signpost the customer to appropriate sources of further information or support, in line with organisational procedures.
- Where red flags are identified, alert, or refer customers to, appropriate authorities (e.g. police, food bank, shelters) - as per your organisation's own policy.

## F. Compliance and safeguarding

This domain is about working legally and safely. This means working in compliance with the relevant regulations, legislation and organisational procedures that govern confidentiality and data protection, as well as those that protect the rights of customers. Practitioners must also work safely to protect themselves and others from any physical risk or hazards.

### F1. Handle information safely and securely

- Understand the legal requirements for the protection of personal data (Data Protection Act, GDPR).
- Apply organisational protocols and principles for the storage and security of personal data.
- Understand and respect individuals' right to confidentiality.
- Understand who is entitled to access records/data.
- Keep accurate records in line with security, confidentiality and data protection.
- Handle and destroy data safely.

### F2. Health and safety

- Understand and comply with health and safety procedures in the workplace.

### F3. Safeguarding

- Understand that vulnerable groups can be particularly at risk of financial and other types of abuse.
- Understand that you may be required to undergo certain checks (e.g. Disclosure and Barring Service) to provide face to face guidance to certain groups.
- Support practices that help to safeguard individuals from harm or abuse.
- Be aware of the appropriate actions to take when faced with cases of actual or potential harm or abuse.
- Knowledge of organisations and agencies to which safeguarding concerns can or should be reported.

### F4. Dealing with poor, illegal or unsafe practice

- Understand how to identify poor, illegal or unsafe practice.
- Understand your own responsibilities for reporting bad, illegal or unsafe practice.
- Understand the escalation procedures and systems for reporting (internally and to outside agencies).

## 6.3 Technical Knowledge Domains

The following sets out the competencies for the 12 domains (detailed on p5) according to the level of complexity at which the practitioner is working.

### 1. Knowing your customer

This domain is about understanding who the customer is and their needs – which they may or may not be aware of – and draws on many of the cross-cutting behaviours and skills that underpin practice. It requires the practitioner to develop an understanding of their customers, including background, circumstances, expectations and goals.

#### Tier 1

- 1.1.1 Ask questions and listen carefully to the customers' responses, clarifying when appropriate, to determine the complexity and urgency of need
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- 1.1.2 Awareness of the holistic nature of money guidance, and that many areas are linked (e.g. debt and benefits; homes and mortgages and borrowing etc.)
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- 1.1.3 Awareness of the ways in which life events can affect an individual's circumstances, for example:
- Illness
  - Having a baby or child, including adopting and fostering
  - New job, moving jobs, redundancy
  - Bereavement
  - Divorce, separation and relationship breakdown
  - Major purchases
- 
- 1.1.4 Awareness of the 'red flags' indicating urgent need and/or vulnerability, and how to identify them:
- Risk of self-harm/safeguarding risk
  - No food
  - Risk of homelessness
  - Bailiff/sheriff officers and/or enforcement action
  - Economic and financial abuse
- 
- 1.1.5 Awareness of Power of Attorney and third party access
- 
- 1.1.6 Awareness of scams and what to do if a customer has been the subject of a scam

#### Tier 2

- 1.2.1 Ask detailed and probing questions, listening carefully to:
- Understand customers' own awareness of their need and their level of prior understanding
  - Understand if customers' circumstances have recently changed or if they are likely to
  - Explore options, their pros and cons and whether alternatives might be more suitable (e.g. saving instead of borrowing) to the customers' circumstances
  - Identify any additional problems or needs
- 
- 1.2.2 Ask detailed and specific questions about customers individual circumstances which may include personal data and sensitive information
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- 1.2.3 Help customers to identify their own issues, goals and priorities, including any potential challenges or barriers
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- 1.2.4 Check customers' understanding of their options, assessing their level of understanding through questioning



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1.2.5 Clarify customers' goals, expectations and, where appropriate, an understanding of the service and its policies.

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1.2.6 Conduct research

- Into local, regional and national agencies for signposting and referrals
  - To identify up to date information concerning the customers' need or issue
  - To find out, understand and use evidence and insight that relates to delivering money guidance
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1.2.7 Understand how much information should be provided for different types of customers/what type of information is suitable.

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1.2.8 Understand how to address concerns about fraud or identity theft.

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1.2.9 Facilitate customers to act on their own behalf, where appropriate with the aim of empowering them to manage their own affairs and change behaviours.

### 2. Debt

It is important that you are aware of **where the regulated boundaries are and do not go beyond them (please refer to Section D 'The boundaries of the service and of your role' on p.13 and the description of advice on p.4 )**. Guidance can provide information and/or options for customers' choice of debt solution without making an explicit recommendation. You must **not** recommend a specific course of action based on the customers' individual circumstances and/or goals.

#### Tier 1

- 2.1.1 Awareness of the common types of debt on which customers typically seek advice and guidance (e.g. credit cards, loans, council tax/rates etc.)
- 2.1.2 Awareness of the difference between priority and non-priority debts
- 2.1.3 Awareness off the likely triggers for debt
- 2.1.4 Awareness of reasons why individuals might seek out loans from illegal or dubious source such as loan sharks, family and friends and typical issues this can cause
- 2.1.5 Determine if customers are managing to keep up with payments, if they cannot cope, or if there is an urgent situation (e.g. enforcement agents)
- 2.1.6 Signpost or refer customers to appropriate local and national organisations that provide advice and guidance on debt issues and sources of support
- 2.1.7 Support customers in accessing online portals and using toolkits, which might include completing information on their behalf
- 2.1.8 Provide factual information in response to specific, targeted questions (e.g. describing a debt management plan; individual voluntary arrangement etc.)
- 2.1.9 Awareness of scams and what to do if a customer has been the subject of a scam

### 3. Borrowing

It is important that you are aware of **where the regulated boundaries are and do not go beyond them (please refer to Section D ‘The boundaries of the service and of your role’ on p.13 and the description of advice on p.4 )**. Guidance should provide information and/or options on customers' choice of borrowing method (e.g. credit card, loan etc.) without making an explicit recommendation.

#### Tier 1

- 3.1.1 Awareness of main sources of credit and lending and the differences between them
- 3.1.2 Awareness of sources of illegal or informal money lending, such as loan sharks, family and friends
- 3.1.3 Awareness of the sources of affordable credit available those with poor credit history, such as credit unions
- 3.1.4 Awareness of how to work out the costs involved in borrowing
- 3.1.5 Awareness of the difference between secured and unsecured borrowing
- 3.1.6 Awareness of the process of buying a home (e.g. securing a mortgage; valuation and surveys; removals etc.)
- 3.1.7 Signpost or refer customers to appropriate sources of information on loans and other products, including price comparison sites
- 3.1.8 Awareness of scams and what to do if a customer has been the subject of a scam

#### Tier 2

- 3.2.1 Knowledge of how guarantor loans operate
- 3.2.2 Knowledge of credit scores, how they can be affected (including how they can be improved) and how they are used
- 3.2.3 Knowledge of how to correct incorrect information on a credit file
- 3.2.4 Knowledge of the range of sources of credit and borrowing
- 3.2.5 Knowledge of the types of products that are available to individuals with poor credit history
- 3.2.6 Knowledge of sources of guidance for calculating interest and repayments, such as online calculators
- 3.2.7 Knowledge of credit reference agencies and organisations
- 3.2.8 Knowledge of how to use price comparison sites, calculators and other tools, and advise customers on their use
- 3.2.9 Knowledge of the typical costs involved in moving home (e.g. removal, storage; furnishings and decoration etc.)
- 3.2.10 Knowledge of the up-front and ongoing costs involved in home-ownership (legal fees; stamp duty/land transaction tax; maintenance etc.)
- 3.2.11 Knowledge of the factors that are taken into account by lenders when making a mortgage offer
- 3.2.12 Knowledge of government and other low-cost buying and ‘assist-to-buy’/assisted home ownership schemes (including shared ownership)
- 3.2.13 Knowledge of the different types of mortgages (e.g. interest-only; variable rate; tracker etc.)

### 4. Welfare and benefits

We recognise that benefit entitlement can form a significant backdrop to someone's financial life and that it is important for money guidance practitioners to be aware of its implications.

We also need to recognise that the welfare landscape has changed significantly due to wide scale benefit reforms, increased demand, complexity and scale.

In areas that are regulated (such as debt and pensions), this framework goes up to but does not *cross* those boundaries. In the case of Welfare and Benefits, in the absence of a regulated boundary but taking into account the specialist nature and complexity of the area, the framework has been restricted to those areas general money guidance practitioners are likely to cover and we link to existing relevant frameworks that cover benefits and welfare in more detail.

#### Tier 1

- 4.1.1 Awareness of the main benefits available, covering the life events relevant to your customers (e.g. births, deaths, bringing up children, divorce/separation, job loss, retirement, illness and disability, caring)
- 4.1.2 Awareness of which agencies and offices administer different types of benefits (e.g. DWP, HMRC, Local Authorities etc.)
- 4.1.3 Awareness of which *organisations* offer specialist benefits advice and tools for benefits calculations, familiarity with websites and how to refer customers to them
- 4.1.4 Awareness of Appointeeships
- 4.1.5 Identify any vulnerabilities in customers which may prove a barrier to making or managing a successful benefit claim (or dealing with a benefits problem)
- 4.1.6 Signpost to relevant sources of support (e.g. literacy and numeracy, mental health, substance misuse, physical mobility, digital confidence and access, economic or domestic abuse)
- 4.1.7 Awareness of scams and what to do if a customer has been the subject of a scam

#### Tier 2

- 4.2.1 Knowledge of the application process for welfare benefits and the basic information required (e.g. which forms of ID are acceptable, which banks offer fee-free basic bank accounts, how to provide proof of address etc.)
- 4.2.2 Knowledge of the financial considerations of making and managing a Universal Credit claim (e.g. payment in arrears, needing a transactional bank account, managing five-week wait for first payment etc.)
- 4.2.3 Knowledge of other government and non-government sources of support (e.g. Budgeting loans and advances, local welfare assistance funds, grants and discounts etc.)
- 4.2.4 Knowledge of the range of government benefits and statutory payments available and the ability to use this to explore a customer's situation to give an indication of the benefits that are likely to be available to them
- 4.2.5 Understanding of the main eligibility criteria of benefit entitlement, appropriate to the individual and how a change in their circumstance can affect this
- 4.2.6 Knowledge of where to signpost people to start benefits application, appropriate to the individual
- 4.2.7 Understanding of the principles of Universal Credit
- 4.2.8 Understanding of the process involved and impact on the customer when moving from legacy benefits onto UC and where to signpost for further support

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- 4.2.9 Understanding of how the principle of means testing affects benefit eligibility and entitlement (e.g. how total household income and savings will affect benefits)

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- 4.2.10 Understanding of potential triggers within the benefits system for increased financial hardship and to explain to the customer how to mitigate (e.g. coping with gaps in benefit payments, sanctions, drop in income from migration to UC etc.)

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- 4.2.11 Understanding of how to use benefits calculator tools to assist a customer to get a better sense of how much they are likely to get, check if they will be better or worse off when moving from legacy benefits to UC

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- 4.2.12 Signpost to appropriate support for disputing a benefits decision

### 5. Budgeting and cashflow

#### Tier 1

- 5.1.1 Awareness of the principles of budgeting
- 5.1.2 Awareness of available tools to assist with budgeting and planning
- 5.1.3 Awareness of methods for reducing household outgoings (e.g. switching energy or mobile provider etc.)
- 5.1.4 Awareness of ways of increasing income (e.g. checking customers are receiving all the benefits to which they are entitled, selling unwanted goods etc.)
- 5.1.5 Awareness of the different types of bank accounts (e.g. current, savings, joint etc.) and the differences between them
- 5.1.6 Awareness of the basic process of how to open a bank account, including the suitable documentation needed
- 5.1.7 Awareness of how to set up regular payments (e.g. standing orders, direct debits)
- 5.1.8 Understanding of why a bank account is useful (e.g. keeping money secure; managing income/outgoings; receiving payments etc.).
- 5.1.9 Signpost or refer customers to appropriate sources of information on insurance products, including price comparison sites.
- 5.1.10 Awareness of scams and what to do if a customer has been the subject of a scam

#### Tier 2

- 5.2.1 Knowledge of how to complete (or assist/guide) a straight-forward personal budget sheet/financial statement
- 5.2.2 Knowledge of methods for reducing monthly outgoings
- 5.2.3 Knowledge of how to make digital payments and use online digital banking facilities and apps
- 5.2.4 Knowledge of typical day to day and often overlooked expenses that should be budgeted for
- 5.2.5 Knowledge of the advantages and risks of using fin-tech (e.g. money management apps, online/ mobile banking, digital payments etc.) and how it can assist with budgeting and monitoring income and outgoings
- 5.2.6 Knowledge of how to address concerns about fraud or identity theft
- 5.2.7 Awareness of basic banking product features, benefits, exclusions and warranties
- 5.2.8 Knowledge of a variety of methods of income maximisation

#### Tier 3

- 5.3.1 Detailed knowledge of how to draw up a comprehensive budget and use a budget planner to break down spending
- 5.3.2 Detailed knowledge of how to use toolkits and online calculators and how to advise on getting the best out of them
- 5.3.3 Facilitate customers to act on their own behalf where appropriate, with the aim of empowering them to budget and manage cashflow independently and change their behaviour

### 6. Savings

It is important that you are aware of **where the regulated boundaries are and do not go beyond them (please refer to Section D 'The boundaries of the service and of your role' on p.13 and the description of advice on p.4 )**. Guidance should provide information and/or options on the customers' choice of savings product (i.e. easy access, ISAs etc.) without making an explicit recommendation.

#### Tier 1

- 6.1.1 Awareness of the benefits of saving
- 6.1.2 Awareness of strategies to help people save and overcome behavioural barriers (e.g. using a separate account for saving; saving on payday rather than at the end of the month etc.)
- 6.1.3 Awareness of the differences between saving versus borrowing
- 6.1.4 Awareness of the difference between savings and investments
- 6.1.5 Awareness of the availability of a broad range of savings products on the market, including informal savings products
- 6.1.6 Awareness of how to set up regular payments into a savings account
- 6.1.7 Awareness of how to compare the features of different savings products
- 6.1.8 Signpost or refer customers to appropriate sources of information on savings products, including price comparison sites.
- 6.1.9 Awareness of scams and what to do if a customer has been the subject of a scam

#### Tier 2

- 6.2.1 Understanding of how to calculate the affordability of saving and the factors to take into account (e.g. using a budget planner)
- 6.2.2 Understanding of how to calculate the minimum savings required to provide security for an individual, based on their individual circumstances (e.g. income and outgoings)
- 6.2.3 Understanding of the difference between simple and compound interest
- 6.2.4 Understanding of ways of maximising savings
- 6.2.5 Understanding of the circumstances in which investments may be suitable for an individual to consider, and the risks involved
- 6.2.6 Understanding of mechanisms and behaviours for developing a savings habit
- 6.2.7 Knowledge of the broad range of savings products available on the market (e.g. easy access, notice savings, ISAs etc.)
- 6.2.8 Knowledge of the range of accounts available for different age groups (e.g. children's accounts and trusts etc.) the range of taxable and non-taxable savings products, the advantages and disadvantages of each
- 6.2.9 Knowledge of ways of increasing tax efficiency (e.g. use of tax-free savings products: ISAs etc.)
- 6.2.10 Knowledge of the Personal Savings Allowance

### 7. Investments

It is important that you are aware of **where the regulated boundaries are and do not go beyond them (please refer to Section D ‘The boundaries of the service and of your role’ on p.13 and the description of advice on p.4 )**. Guidance should provide information and/or options on the customers' choice of investment option (e.g. trader funds, shares etc.), without making an explicit recommendation.

#### Tier 1

- 7.1.1 Awareness of what an investment is
- 7.1.2 Awareness of the concept or risk versus reward and how this applies to investments
- 7.1.3 Awareness of scams and what to do if a customer has been the subject of a scam

#### Tier 2

- 7.2.1 Knowledge of different types of investment products
- 7.2.2 Awareness of investment principles
- 7.2.3 Awareness of trader funds
- 7.2.4 Awareness of what ‘shares’ are
- 7.2.5 Awareness of the rules of the use of Individual Savings Accounts (ISAs)
- 7.2.6 Awareness of the practice of ‘wrapping investments’

#### Tier 3

- 7.3.1 Knowledge of regulated and unregulated products
- 7.3.2 Knowledge of asset classes and diversification
- 7.3.3 Knowledge of how shares and investments work
- 7.3.4 Knowledge of different funds and how they are valued
- 7.3.5 Knowledge of investment charges
- 7.3.6 Knowledge of where to get detailed information about investments
- 7.3.7 Knowledge of the types of fees of Independent Financial Advisers (IFAs)
- 7.3.8 Knowledge of the importance of using an IfA



## 8. Taxation

### Tier 1

- 8.1.1 Knowing there is an issue – awareness and signposting to relevant source and information (e.g. to websites and to HMRC website etc.)
- 8.1.2 Awareness of tax related communications from HMRC
- 8.1.3 Awareness of tax bands and of personal allowances (e.g. married persons allowance)
- 8.1.4 Awareness of saving allowances
- 8.1.5 Awareness of issues around income tax, capital gains tax and inheritance tax
- 8.1.6 Awareness of the differences between employment and self-employment
- 8.1.7 Signpost or refer customers to appropriate sources of information on taxation
- 8.1.8 Awareness of scams and what to do if a customer has been the subject of a scam

### Tier 2

- 8.2.1 Knowledge and understanding of tax related communications from HMRC
- 8.2.2 Knowledge of capital gains tax calculations and what tax the customer should pay
- 8.2.3 Knowledge of how tax bands work and of personal allowances (e.g. married persons allowance)
- 8.2.4 Knowledge of stamp duty / land transaction tax
- 8.2.5 Knowledge of rules changing
- 8.2.6 Knowledge of how saving allowances interact
- 8.2.7 Knowledge of issues around income tax, capital gains tax and inheritance tax
- 8.2.8 Knowledge of the differences between employment and self-employment

### Tier 3

- 8.3.1 Detailed knowledge and understanding of the consequences of tax related communications from HMRC

### 9. Insurance

It is important that you are aware of **where the regulated boundaries are and do not go beyond them (please refer to Section D ‘The boundaries of the service and of your role’ on p.13 and the description of advice on p.4 )**. Guidance should provide information and/or options regarding insurance, without making an explicit recommendation on a product.

#### Tier 1

- 9.1.1 Awareness of the purpose and benefits of insurance
- 9.1.2 Awareness of the main types of insurance products (e.g. buildings and contents; vehicle; travel etc.)
- 9.1.3 Awareness of different types of protection insurance
- 9.1.4 Awareness of national and local sources of guidance on insurance products, including comparison sites
- 9.1.5 Awareness of the importance of shopping around for an insurance policy and keeping insurance providers up-to date with changes to circumstances
- 9.1.6 Awareness of how to make an insurance claim
- 9.1.7 Signpost or refer customers to appropriate sources of information on insurance products, including price comparison sites
- 9.1.8 Awareness of scams and what to do if a customer has been the subject of a scam

#### Tier 2

- 9.2.1 Knowledge of a range of different types of insurance, whether they are mandatory, and their purposes (e.g. Home Buildings Insurance, Vehicle Insurance, Guaranteed Asset Protection (GAP) Insurance, etc.)
- 9.2.2 Knowledge of ways in which insurance products can be purchased (e.g. brokers, comparison sites, supermarkets etc.)
- 9.2.3 Knowledge of how to search for insurances which may have been forgotten
- 9.2.4 Knowledge of insurance claims procedures including steps involved and likely timescales
- 9.2.5 Knowledge of the regulations covering insurance
- 9.2.6 Understanding of the factors to take into account when assessing whether or not to take out an insurance policy
- 9.2.7 Understanding of what counts towards the risk when taking out an insurance policy, and how risk factors affect insurance premiums
- 9.2.8 Understanding of the circumstances under which a customer may require specialist insurance and methods of securing this (including referrals to the British Insurance Brokers’ Association (BIBA))
- 9.2.9 Understanding of the different types of protection insurance and their main features
- 9.2.10 Understanding of the process of making an insurance claim
- 9.2.11 Understanding of how to make a complaint when something goes wrong
- 9.2.12 Understanding of the ability to use comparison sites to compare insurance policies and quotes

## 10. Households

### Tier 1

- 10.1.1 Awareness of the typical costs involved in renting or owning a home (deposit; rent/mortgage; service and utilities – water, gas, electricity etc.)
- 10.1.2 Awareness of other costs and typical bills (e.g. TV licence, insurance, broadband etc.)
- 10.1.3 Awareness of the process of renting a home (e.g. references; deposit; removals etc.)
- 10.1.4 Awareness of ways to save energy around the house
- 10.1.5 Awareness of the features of and how to read common household bills (e.g. council tax/rates, water, gas etc.)
- 10.1.6 Awareness of the existence of grants to fund improvements, aids and adaptations for a home
- 10.1.7 Awareness of the differences between social housing and private housing
- 10.1.8 Signpost or refer customers to appropriate sources of information on renting, home ownership and housing advice
- 10.1.9 Awareness of scams and what to do if a customer has been the subject of a scam

### Tier 2

- 10.2.1 Knowledge of the main features of tenancy agreements and the costs involved for landlord and tenant (e.g. agency fees and deposits)
- 10.2.2 Knowledge of availability of grants for moving costs
- 10.2.3 Knowledge of tenant's and landlord's rights and responsibilities
- 10.2.4 Knowledge of the grants to fund improvements, aids and adaptations for a home
- 10.2.5 Understanding of the advantages and disadvantages of renting versus buying a home
- 10.2.6 Understanding of the procedures used by main lenders
- 10.2.7 Understanding of the role of mortgage advisors
- 10.2.8 Understanding of the changes in personal circumstances that might affect an individual's ability to pay their rent/mortgage

### Tier 3

- 10.3.1 Familiarity with and ability to confidently use, online toolkits and calculators (e.g. stamp duty/land transaction tax calculators, mortgage affordability calculators etc.)
- 10.3.2 Support customers in accessing online portals and using toolkits, which might include completing information on their behalf

### 11. Pensions

It is important that you are aware of **where the regulated boundaries are and do not go beyond them (please refer to Section D 'The boundaries of the service and of your role' on p.13 and the description of advice on p.4 )**. Guidance can provide information and/or options around choice of pension scheme or withdrawal but not make an explicit recommendation.

#### Tier 1

- 11.1.1 Awareness of the importance of retirement planning
- 11.1.2 Awareness of what a pension is and how to distinguish between different types
- 11.1.3 Awareness of what auto-enrolment is and how it works
- 11.1.4 Awareness of when and how the State Pension can be claimed and that it is based on an individual's National Insurance contributions
- 11.1.5 Signpost or refer customers to appropriate sources of information on pensions and/or support for retirement planning
- 11.1.6 Awareness of scams and what to do if a customer has been the subject of a scam

#### Tier 2

- 11.2.1 Knowledge of the features and main differences between types of pension (e.g. State Pension, defined benefit, defined contribution etc.)
- 11.2.2 Knowledge of when and how the State Pension can be claimed and that it is based on an individual's National Insurance contributions
- 11.2.3 Knowledge of the advantages of retirement planning, including how to obtain a pension forecast
- 11.2.4 Knowledge of how to read a pension statement
- 11.2.5 Knowledge of the potential implications and effects of auto-enrolment on an individual's circumstances
- 11.2.6 Knowledge of pensions eligibility criteria
- 11.2.7 Knowledge of the effect of deferring retirement pension
- 11.2.8 Knowledge of entitlement to Additional State Pension
- 11.2.9 Understanding of the factors to take into account when considering investing in a pensions scheme
- 11.2.10 Understanding of pensions Law
- 11.2.11 Understanding of how the State Pension is calculated, its qualifying period and how to claim
- 11.2.12 Understanding of how to increase a State Pension

#### Tier 3

- 11.3.1 Knowledge of how to use specialist pensions and retirement calculators
- 11.3.2 Knowledge of how to check on how much has been accrued in an individual's pension pot
- 11.3.3 Knowledge of how to resolve issues which arise during the claims process
- 11.3.4 Knowledge of access to specialist support (e.g. The Pensions Advisory Service, Money Advice Service, Pensions Ombudsman, etc.)

- 11.3.5 Knowledge of how and when the Annual Allowance (AA) and Lifetime Allowance (LTA) rules apply, including knowledge of how the Tapered Annual Allowance applies, and the protections available to customers with benefits in excess of the LTA
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- 11.3.6 Knowledge of the importance of safeguarded benefits within a pension, that customers should seek financial advice before they consider giving up these benefits and of the risks to customers who are considering a transfer of a DB pension to a DC arrangement.

## 12. Planning for later life

### Tier 1

- 12.1.1 Awareness of what a will is and why you may have one
- 12.1.2 Awareness of pre-paid funeral plans
- 12.1.3 Awareness of the factors that contribute towards funeral costs (e.g. casket, cremation, burial etc.)
- 12.1.4 Awareness of support available nationally and locally for carers
- 12.1.5 Awareness of the complexity of care costs
- 12.1.6 Awareness of Power of Attorney and third party access
- 12.1.7 Signpost or refer customers to appropriate sources of information and support
- 12.1.8 Awareness of scams and what to do if a customer has been the subject of a scam

### Tier 2

- 12.2.1 Knowledge of the process for creating a will
- 12.2.2 Knowledge of the difference between a will and a trust
- 12.2.3 Knowledge of what a pre-paid funeral plan usually includes and who provides them
- 12.2.4 Knowledge of the eligibility criteria and application process for support for carers (e.g. Carers Allowance), and other routes such as NHS and Local Authority funding
- 12.2.5 Knowledge of Power of Attorney, how to obtain it and the areas that it covers
- 12.2.6 Knowledge of the impact of claiming support on other benefits entitlements
- 12.2.7 Knowledge of inheritance tax, when this applies and when this doesn't apply
- 12.2.8 Knowledge of care costs and funding available (e.g. NHS continuing Healthcare, Local Authority funding support etc.)
- 12.2.9 Knowledge of equity release and recognise the limits of advice that can be given (please refer to [Section D 'The boundaries of the service and of your role'](#) on p.13 and the description of advice on p.4)

### Tier 3

- 12.3.1 Knowledge of the use of wills and trusts and the role of an Attorney and an Executor
- 12.3.2 Knowledge of the regulations covering wills and legacy planning and recognise the limits of advice that can be given (please refer to [Section D 'The boundaries of the service and of your role'](#) on p.13 and the description of advice on p.4)
- 12.3.3 Knowledge of the use of trusts and other structures to meet long-term wishes
- 12.3.4 Knowledge of the impact of intestacy (including when partners are not married/civil partnership), powers of attorney or court protection
- 12.3.5 Knowledge of care cost funding appeals processes
- 12.3.6 Understanding of probate and how this can affect liability for debts