



Central Bank of Ireland  
Po Box 559  
Dame Street  
Dublin 2

15 February 2017

**Aviva's response to CBI Consultation Paper CP106 – Review of the Minimum Competency Code 2011**

Dear Sirs,

In Aviva, we fully support the concept of ensuring that staff that deal with consumers have adequate training and education. We believe that this can only be beneficial to achieving a more professional and consumer user-friendly industry.

We also welcome the opportunity to contribute to an industry wide discussion. We have highlighted, below, our view to the key relevant questions (questions 1-4) in the consultation paper.

**QUESTION 1**

**Do you agree that persons carrying out a relevant function in respect of any retail financial product that falls within the scope of the MCC should obtain a minimum level of experience prior to working without supervision? Please outline the reasons for your view.**

While it can be beneficial for a new employee to have experience, making this a mandatory requirement for all relevant functions could create a barrier to recruiting talented qualified staff. If a minimum qualification period was introduced we would welcome clarification on the definition of the term "experience". In our view the proposal would work best if the experience is based on the wider industry sector (e.g. Insurance, Banking, and Consumer Credit) and not at a product or single function level.

The regulations should help to enable companies to design financial services designed around customer's needs where employee's transferable skills are recognised and not be aligned to experience in a single category of products or a single function. There will be scenarios where a person's experience to date, albeit related to one retail product or one function area, will be transferrable to another product line / functional area.

The introduction of a 6 month experience requirement may result in creating a barrier for talented and highly qualified individuals from gaining valuable experience outside of the financial sector they are currently working in. This could mean that qualified individuals who work in one sector of financial services would feel confined in that sector at an early stage of their career as they would not be able to work in another sector without supervision for 6 months. The requirements could make it unattractive for companies to recruit qualified people with applicable skills from outside of their own financial services sector.

The introduction of a 6 month experience requirement also potentially creates a barrier for companies looking to innovate and operate in new markets or release new products designed around the customer's needs across the financial sector.

## QUESTION 2

**If you agree with (1) above, do you consider a minimum six-month period to be sufficient? Or should the length of experience depend on the role(s) being carried out, the complexity of the product or a qualification already held by a person? Please outline your view.**

The diversity and level of complexity across different products and roles makes it difficult to assign a minimum level of experience. Some less complex roles or products may not require this level of experience for qualified individuals. If the minimum period of experience is introduced then it should be noted that having a system whereby different experience requirements would apply for different roles and products would be complex and difficult to administer. In our view the proposal would work best if the period of experience was not variable depending on different roles/products and the experienced was based on the wider industry sector (e.g. Insurance, Banking, and Consumer Credit).

## QUESTION 3

**Do you agree with the proposal on how the experience requirement should be evidenced? i.e. that a regulated firm should sign a "certificate of experience" and retain supporting documentation to support the certificate? Please outline your views.**

We agree that some form of evidence of experience is required but would welcome clarification on the requirements.

In particular, the level and type of supporting documentation required, whether firms are obliged to seek or provide supporting documentation to or from other firms when employees leave or join and guidance on the length of time firms are required to hold supporting documentation.

We would support a proposal for a standardised template for the Certificate of Experience to be provided so that there is consistency across the industry. We would also welcome clarification as to whether employers are required to complete a Certificate of Experience for every employee who completes 6 months experience for each product/role, whether this is required just for qualified employees or whether it is required only upon request.

The automatic completion of a certificate of experience for all employees (regardless of their qualified status) would create an administrative burden.

## QUESTION 4

**Do you agree with the proposal set out above (The proposal that being directly involved in the design of retail financial products will be a specified function under the Code?) Please set out the reasons for your view.**

We would agree with the proposal that where product design is carried out by a range of experts who are not accredited persons, at least one key person in the product design decision-making

process shall hold a recognised qualification. However, we would recommend that a separate list of appropriate qualifications for this activity should be put in place.

In addition to the above questions we note that there is a proposal for firms to complete an annual review of MCC impacted individuals which will take account of the personal development and experience needs of staff members, regulatory developments and new retail financial products offered by the firm. We would welcome guidance on what the Central Bank's expectation is with respect to documenting this information and whether this requirement could be incorporated into employee's annual training. We would also welcome clarification as to where this information needs to be recorded and in particular whether this is required to be included on the MCC register.

We appreciate the opportunity to contribute to this consultation paper and we will look forward to the publication of a revised code.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read 'Shane O'Neill', written in a cursive style.

Shane O'Neill

Compliance Manager.

