

CII Diploma in Financial Planning v ifs Diploma for Financial Advisers

This article expresses Wizard Learning's (www.wizardlearning.com) view on the main aspects of these Diplomas. We have written this in response to a variety of queries we have received. The CII and ifs School of Finance websites both contain full details and should be looked at before making a decision on what best suits each individual's personal situation. These qualifications have both been set at level 4 by Ofqual (previously QCA).

Brief overview of the ifs Diploma

To achieve the ifs Diploma for Financial Advisers, you will be required to complete two main units. The first unit "Financial Planning Principles" consists of a 100 question multiple-choice test to ensure that the candidate understands the fundamental systems and structures that underpin the financial advice process. The pass mark is 70%.

Unit two "Advanced Financial Advice (AFA)" consists of a written assignment followed by a written exam about three months later. The assignment makes up 30% of the overall AFA mark and includes a series of technical questions as well as tasks revolving around the financial planning process. Tasks could include providing comparisons, explanations and report writing. The 3 hour written exam contributes to 70% of the overall AFA mark and follows a similar format to the assignment although obviously under exam conditions. However, each element of the AFA unit must be passed (with a mark of at least 50%) in order to successfully complete the qualification.

Brief overview of the CII Diploma

To achieve the CII Diploma, you will need to gain sufficient credits from a menu of technical based exams and/or an exam based on the financial planning process. Generally speaking if someone has gained a qualification such as the Certificate in Financial Planning, they will need to complete a minimum of 4 of the CII's Diploma exams to achieve the Diploma in Financial Planning. Exams are in a 2 hour written short answer format. The pass mark for each exam is around 55%.

What is best for me?

The ifs Diploma for Financial Advisers expects a high degree of technical knowledge. That being said, it does not perhaps go into the minutiae of technical detail that the CII Diploma exams do. The ifs qualification does also concentrate on the skills of an adviser providing tasks that will determine the ability to analyse client scenarios, clearly explain issues and make recommendations about complex issues in an easy to understand way. Criticisms levelled at each qualification have been that the ifs is lighter on technical detail whilst the CII's testing of advisory skills was non-existent within the menu of Diploma exams. The latter point has been addressed by the CII recently with the introduction of its J08 exam "Financial Planning Practice" although this is not a compulsory exam.

Your preferences will therefore be guided by what you want to achieve from the exams. Skills and knowledge go hand in hand and it depends upon the way you want to approach improving them via qualifications. Some would argue for instance, that the ifs are giving the more rounded approach albeit at the expense of technical detail, whilst others would consider that an extensive knowledge of particular areas helps one to explain issues to a customer with more ease and more confidence.

What is cheaper?

The ifs Diploma currently costs £595. Assuming you pass all elements with a score of at least 70% in Unit One and 50% for each part of Unit Two, there will be no more costs. Failure of one or both parts allows you to re-enrol for the next sitting at a reduced cost.

The CII charges are dependent upon membership of the institute. Taking the lowest cost assuming membership, the basic study text with updates currently cost £99 and exam entry £106, making a total cost of £205 per exam. Multiply this by four and your costs will be around £820.

What takes the least amount of time to pass?

This will depend upon your approach with the CII exams. It is not always recommended that an individual takes more than one of the Diploma exams at a time though many committed individuals will take and pass two per sitting. The two pensions exams J04 & J05 being a popular choice to take together as is the J01 Personal tax and J02 Trusts. Sittings are usually twice a year in April and October although recent demand has created the need for a further sitting in July 2009 (excludes J03 & J07). Therefore it is feasible to complete 4 exams within the space of a year though it is more likely to take longer.

The aim of the ifs Diploma is to complete the qualification over a period of about nine months. There are four registration intakes per year (January, April, July and October)

What if I want to do further studies?

The CII offers progression with its Diploma exams via the Advanced Diploma in Financial Planning which allows advisers to apply to become Chartered Financial Planners. With this qualification, the individual will have the opportunity to take complex situations and demonstrate analytical and advisory skills as well as a strong technical ability in order to answer the tasks set.

Currently the ifs offer no further progression to its Diploma qualification from a purely financial planning perspective although it does provide higher level qualifications in other areas.

Will I have to do further studies when the RDR requirements are finalised?

If you have already achieved a level 4 qualification by the time the RDR requirements are in place, you will only need to demonstrate your competence through the completion of CPD. Further details of the exact requirements have yet to be ratified.

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