**Professionalism and Governance**

**Professionalism Assignment 1 Notes**

(Recommended Time: 1 hour)

1. **You are a pensions administrator for a large consultancy, working on several schemes but specialising in complaint cases. You have recently issued a response to a member in relation to that member’s complaint about the calculation of his retirement benefits, which he believed to be higher than those quoted. The complaint was not upheld, and the member has called you to discuss your response. During the discussion, the member becomes irate, and is verbally abusive towards you repeatedly.**

**What action do you take?**

Your answer should consider the following:

1. Remain calm and professional. Politely ask the member to refrain from being abusive. You would be within your rights to advise that if the abuse does not top you will end the call, and to do so if necessary
2. Document as many details of the call, and the verbal abuse, as you can
3. Report the matter to your line manager immediately
4. If your organisation operates call recording ask for the recording of the call to be made available to you as soon as possible
5. You should ensure any internal process for complaints (actual or potential) has been followed and notified as appropriate
6. As soon as you have gathered as many facts as you can, call the member back. If email contact details are held, in the interim it may be helpful to send the member an email explaining that you are aware that there were issues with the call but that you are investigating and will come back to them in writing with a response to the queries they raised in the call
7. When preparing the written response, it’s important to be detached and non-judgemental. Stick to the facts and explain why the complaint was not upheld and why the higher retirement figures are incorrect
8. You check your Firm’s policy on treatment of staff such as Diversity and Inclusion policy to make sure your approach is following Firm procedures, and in what circumstances this is reported to the Trustees of the Scheme regarding one of their members.

The relevant standards of the Code of Professional Conduct are:

3.3 acting in compliance with all relevant statutory, regulatory and other legal requirements

3.5 acting objectively in all work they undertake, observing high standards of integrity and fair dealing

4.3 behave in a manner consistent with the obligation to act impartially.

**15 marks**

1. **You are a deferred member of a private sector scheme and you have just been appointed to the Trustee Board (Board A) as a member-nominated trustee (MNT). You also serve as an MNT on another Trustee Board (Board B) scheme in relation to another previous employment.**

**Shortly prior to your new MNT appointment, Board A appointed a new third party administration provider (TPA). Through your MNT appointment on Board B, you are aware that a this TPA is under investigation for suspected fraudulent activity in relation to Board B’s scheme, and that the investigation is being treated as highly confidential.**

**What do you do?**

Your answer should consider to the following:

1. Key issues are confidentiality and conflict of interest
2. The issue of confidentiality is a sensitive one and you should not involve any parties in discussions without good reason. Discussion of this ethical dilemma, in itself, risks breaching confidentiality.
3. You must not disclose to Board A any confidential information gained from your involvement with Board B.
4. The first step would be for you to evaluate the extent of the conflict of interest and whether it can be managed. What would a third party think?
5. Document your conflict of interest with Board A.
6. Investigate whether Board A has any issues with the new TPA, and consider whether you may have a duty to disclose your concerns with the Chair of Board A.
7. In any event you should document in detail the steps you take in resolving your

 dilemma, in case your judgement is challenged in the future.

The relevant standards of the Code of Professional Conduct are:

3.3 acting in compliance with all relevant statutory, regulatory and other legal requirements

4.5 respect confidential information from any source and not use such information

 **10 marks**

1. **You are the Client Manager for a scheme’s appointed third-party administration provider. A scheme member has contacted the client’s Pensions Manager to query the transfer value quoted on her recent Benefit Statement, as it is inconsistent with previous Statements. Upon investigation, you discover that the member is one of a group of members who have a protected Normal Retirement Age of 60, and that a recent data cleansing exercise has resulted in these members’ NRA being erroneously amended to age 65.**

**What do you do?**

a) Determine impact - is it a systemic or one-off error, and how many members have been affected?

b) Check with the team providing the data cleansing services that there are no other groups of members affected by these issues.

c) Check whether the issues that you have been made aware of are indicative of problems or lack of knowledge within the team and that there may be other work that is known to be carried out incorrectly

d) Inform the client as soon as you are aware and explain that you are investigating the position to determine how many members are affected and whether there may be other associated errors being made

e) Provide a timescale when you will go back to the client with your findings – number of affected members, etc.

f) If for any reason that deadline cannot be met inform the client and keep them updated on progress.

g) Ensure the errors on the member records are corrected as quickly as possible

h) Arrange for revised Benefit Statements to be issued to the members impacted by the error

i) Arrange a communication to the member who has raised the issue with the Pensions Manager, explaining what went wrong and apologising

j) Identify whether any retirement or transfer calculations have been issued to members while the incorrect NRA was held on their record and take steps to rectify these cases, including where any benefits have been settled, and inform the members affected

The relevant standard of the Code of Professional Conduct is:

3.6 conducting their professional work with proper regard to the technical and professional standards of them.

 **15 marks**