



**Higher National Qualifications (China)
Internal Assessment Report 2014
Financial Services**

The purpose of this report is to provide feedback to centres on verification in Higher National Qualifications in this subject.

Higher National Units

General comments

As a part of the qualifications verification process for Financial Services, 17 verification events were held as follows:

Centre visits	13 centres
Postal/central verification	4 centres

Visits were conducted during January and March 2014 by the Senior External Verifier. This is the first time that Financial Services Units have been verified in China by a Scottish-based verifier.

The Units reviewed were as follows:

DE5M 34	Financial Sector: An Introduction
DE5P 35	Investment
DE5R 35	Principles of Insurance
DE5T 35	Financing International Trade
H0C0 35	Personal and Business Lending
H0BW 35	Financial Services Regulatory Framework
H0BY 35	Pension Provision

Three of the Units, Personal and Business Lending, Financial Services Regulatory Framework, and Pension Provision, were being verified for the first time using the updated Unit specifications and assessment exemplars (AEs) and assessment support packs (ASPs) produced in 2013. In relation to these updated Units, this was a session where some centres had managed to make the necessary changes required to meet the new requirements. However, a number of centres had not managed to make that transition and this impacted on the outcome of their verification visit.

Overall, a number of issues were identified during the verification activities which resulted in the overall visit outcomes ranging from 'High level of confidence' to 'No confidence'. Thirteen centres were required to complete action plans to address issues identified (11 plans as a result of a visit and two plans from postal/central verification). In every case, having an understanding of the national standards was an issue identified at the centre.

As a result, this report is more detailed than in previous years to signpost centres to areas they need to pay specific attention to their delivery of the learning and assessment of the Higher National Diploma (HND) Financial Services in the future.

Unit specifications, instruments of assessment and exemplification materials

Some assessors were very familiar with the content of the Unit specifications and AEs/ASPs, while others had only very limited understanding. It was, however, pleasing to note that all centres were using the correct AEs/ASPs although some issues were noted in their application, which is highlighted further in the section covering administration of assessments below.

As stated previously, the three Units where changes had been made in 2013 were the source of many of the issues identified as teaching and assessment materials had not been revised to match the Unit specifications, although every centre was aware of the changes because they included the correct Unit specifications and AEs/ASPs in their verification packs.

Centres must ensure that all staff involved in the delivery of programmes are fully aware of the content of the current Unit specifications and that the teaching materials (handouts and PowerPoint slides) must fully reflect this content. Failure to do this means that students are not adequately prepared for their summative assessment. This highlights the importance of tutors/assessors/verifiers maintaining their continuous professional development (CPD) in relation to the technical content of the Units they are working with.

Evidence Requirements

There is also variable understanding of the Evidence Requirements of the Financial Services Units within the HND framework. Some centres have fully grasped what is required, however, difficulties exist elsewhere.

The most regularly recurring issue is a lack of understanding of the demands of the Evidence Requirements given that the Units are positioned on the Scottish Credit Qualifications Framework (SCQF) at levels 7 and 8. Typically, assessments are asking students to explain or analyse situations whereas centres are often accepting as valid answers lists of facts with no explanation or analysis, which is insufficient to meet the requirements at SCQF levels 7 and 8.

The Financial Services Units are typically positioned so that the student is in the role of the adviser, responding to questions from customers. The kind of response that is required does not lend itself to rote learning alone. There is a role for the assimilation of knowledge, however, the student then has to move on to the next stage and apply that knowledge to the situation they are being asked about. They have to determine which aspects of their knowledge apply and which do not given the scenario in the case study. They then have to explain both the product/service/legislation in language that is appropriate to the customer, having analysed the situation and recognised the specific needs of the customer.

Administration of assessments

Centres have many well documented processes and a lot of attention is given in centres to the completion of documentation. Unfortunately, in some centres, the focus on the documentation completion deadline can result in less attention being

given to the content of the documentation and the underpinning activities that should be happening in the delivery and assessment of learning. The following comments signpost areas where more attention should be given in centres.

Internal verification activities

The first area that gave rise to issues was that the majority of centres do not review an AE/ASP through the internal verification process as thoroughly as they should. The area of difficulty is that whilst most AEs/ASPs will still be valid in terms of the questions being asked of the students, the responses in the suggested solution might be out of date (for example, the functions of the Bank of England have changed, pension limits have been revised etc). There is also an issue in papers such as Investment, where the Government stock in some questions may have matured now or in Financing International Trade where the exchange rates are now unrealistic. These situations could all confuse students when under pressure in an examination situation.

All centres should review every AE/ASP they propose to use in detail at the start of the year and if they believe changes are required to the content including the suggested solution they should update the instrument and forward it to SQA for prior verification in the usual manner.

Internal verification prior to the delivery of the assessment should also ensure that there is a valid, prior verified re-assessment paper in place for each Unit ahead of delivery. Too many centres did not have any arrangements in place for re-assessment this year and this led to some last minute problems for these centres and ultimately inconvenienced their students.

A significant issue identified in some centres was that the technical accuracy of student responses was not being closely checked in the assessment and verification processes. Wherever possible, Qualification Verifiers will recognise that English is not the first language of the students — but there are minimum standards that have to be met. Financial Services is a subject where precision is important with facts and information being correctly conveyed to customers. Where assessment answers do not do this, they cannot be accepted as correct. Unfortunately, some assessors were giving full credit on the basis of key words being present (for example, Qualifying Years, Treating Customers Fairly) even though the student's subsequent explanations were factually inaccurate. These issues were also not identified by the internal verifier.

Internal verifiers have to be subject-matter experts in their own right and have to devote sufficient time when verifying assessment activity to check that the detail of the student's answer is correct.

In some centres there was very good evidence that the internal verification process was being used as it should be — as a contributor to the on-going development activities of the assessor. There was also a record of dialogue between assessors and verifiers as they determined the acceptability or otherwise of evidence and also a note of the assessor's comments following the feedback from the internal verifier. This cycle is something that is not happening

in all centres but should be. Too often internal verification forms were a series of ticks stating no issues were found and with no feedback to the assessor. Unfortunately, this light-touch approach was seen most often in the centres that also had issues with the technical accuracy of the assessment activities.

Several centres are using more than one assessor to deal with the number of assessments that have to be marked. Again, the effectiveness of the standardisation activities that should take place where this happens was very variable. Centres are reminded that there should be activities that ensure assessor decisions are standardised and these activities should be fully minuted, with decision logs maintained. This will assist not only in the consistency of assessment decision-making but will be good evidence to support criteria 4.2 and 4.3 during qualification verification.

Security of AEs/ASPs

It is disappointing to have to report that issues remain with the security of AEs/ASPs and students are still accessing the information and reproducing it verbatim in their assessments. What is very encouraging is that centres are more alert to this issue and several had identified where this breach in security had arisen and had taken appropriate action with those involved. However, there were still centres who were not fully alert to this issue and they were only identified by the Qualification Verifier during the visit.

A further example of misuse of the AEs/ASPs is the extent to which some teachers are using their content verbatim during teaching activities including transferring them onto their PowerPoint slides or handouts to explain concepts such as treating customers fairly (TCF) or lending assessment. This is a practice that must cease.

Student notes in the examination

Several of the Financial Services Units allow students to bring in notes to the examination. However, this is an area where in some centres the situation is giving rise to further examples of plagiarism and students using notes that are not their own work.

Notes must be a student's own work, not verbatim copying of the Student Learning Guides and students should be signing declarations to this effect with assessors and verifiers checking the notes submitted to confirm that there are no issues.

In a few instances, it was likely, given that all the student notes covered exactly the same topic headings in the same order, often only including information that was relevant to the questions being asked in the examination, that teaching of what should be included in these notes based on the content of the assessment is happening in some centres. This is another practice that must cease. The purpose of the notes is to enable the student to bring to the exam key facts and information they believe would be relevant given the content of the case study —

just as a financial services adviser would do some meeting preparation and bring in information to their discussions with the customer.

General feedback

The timing of visits in January gave little opportunity to meet with students and in March timing pressures in visits meant that conversations with students were limited. When meetings did take place the feedback was positive, all students were well motivated and were keen to progress to further study in the UK at the conclusion of their HND studies.

Some students did have difficulties understanding what was needed to pass and few were having the opportunity to practice assessments and receive feedback from their teachers prior to the examination. As a result, the failure rate in first-time assessments will be higher as students need to practice their skills in explaining the products, services and regulations of the financial services sector. Centres should look at the timings of the delivery of Units to ensure there is sufficient time to allow students to complete regular activities practising short written assessments throughout their study of each Unit.

Students did not report issues relating to access to first time assessment, although in some centres students were unaware of the re-assessment arrangements that were to apply for the Units where they had been assessed as unsatisfactory in their first assessment. It is important that the dates for re-assessment are scheduled as part of the centre's annual planning processes and these should be communicated to students early on in the assessment cycle. Long gaps between the initial and re-assessment activities will increase the need to conduct additional revision activities as there will be issues with knowledge retention.

The following are significant issues that were seen across most of the visits: (**Note:** Unit-specific issues that require to be addressed are included in the section entitled 'Specific areas for improvement').

1. Issues already discussed above

- ◆ The lack of updating of teaching and assessment materials and the use of materials that are based on out-of-date products, processes, regulations and rates
- ◆ The verbatim repetition of text material rote-learned by students with a lack of explanation or recognition of the exact context of the question that has been set
- ◆ The failure to reflect the Evidence Requirements in the assessment evidence — in particular, rote-learned lists based on the Student Learning Guides being repeated verbatim without regard for the need to explain items
- ◆ The failure of assessors to correctly identify technical inaccuracies (incorrect products, services or legislation) in the assessment responses of students — minor wording variances can have a significant impact on the validity of the advice being given to a customer

Three other recurring points which have significance are:

2. The standard of written English of many students

It is fully recognised that English is not the first language of the students and therefore, some latitude is given in relation to the standard of English seen in their written responses. However, there is an issue with the use of technical terminology and the accurate explanation of facts in response to the case study questions. Accurate explanation in response to a customer's questions is an important aspect of this HND and students must be required to answer correctly and with sufficient clear explanation. This requires some practice and formative assessment activities during the programme; and during both formative and summative assessment, assessors need to give students feedback on their English as well as the Financial Services elements of their assessments. In many cases, students were being given full credit for using some of the key words of a technical explanation when the rest of the explanation was incorrect or contradicted a point made earlier in the same answer.

3. Developing students' skills to respond to case study questions

Case studies play an important part in the assessment of Units within the Financial Services framework. They are testing the communications and analysis skills required at SCQF levels 7 and 8 and the standards expected in the UK financial services industry at HND level. Knowledge recall is important but it needs to be applied within the context of responding to a customer's needs. This involves taking on board information already known and using it to determine the next steps. As a result, there will be questions to the customer that do not need to be asked, products that are not applicable or, more importantly, direct conclusions that can be drawn from the particular circumstances. All this is not achievable by repeating the entire section of learning materials.

This level of analysis is a skill that students need help to develop and is one that they will be expected to display in employment or at the next stages in their academic careers. It is a skill that can only be 'learned by doing' and, from a review of most centres' lesson plans and the feedback being given in summative assessments, it is one that is not yet being given sufficient attention. Centres should be devoting a proportion of classroom time to formative assessment activities where students practise answering case-study-based questions and they should be receiving individual feedback on this work that goes beyond a review of the list of products/services/processes/regulations and looks at their skills in analysis and explanation.

4. Inconsistencies in overlapping subject content

Many lecturers/assessors are not working as part of a course team, which does make the delivery of the Units more difficult and issues arose during verification as a result. This was most telling where there is crossover of content between Units. In these cases, in those Units that were taught by different lecturers, there was no commonality of content. An example of this was in centres where both Investment and Pension Provision were verified, both of which covered stakeholder pensions. Students presented current information in their Pension

assessment and out-of-date information in their Investment assessment or *vice versa*. If they have not already done so, centres should be developing cross-matching documents where they identify content common to more than one Unit and have an internal process to determine responsibility for updating and sharing revised materials.

Areas of good practice

Whilst a number of issues have had to be highlighted in this report, it is also pleasing to report that in some centres good practice was identified and students were producing work of a high standard.

Examples of good induction processes were seen. These included the use of individual diagnostics, which encouraged the students to consider individual strengths and weaknesses and to set personal goals ahead of their study. It was good to see that the students also revisited these diagnostic activities throughout the programme to review progress and to revise their personal assessments and goals.

Some centres are delivering good support to students during the programme and are developing processes that clearly record the content of one-to-one support being given in tutorials. Also, students are required to commit to actions in the form of learning objectives ahead of their next tutorial. This personalisation of student support and tutorials is good practice and other centres are encouraged to do likewise.

The standard of feedback to students in some centres was high and included a review of the English proficiency as well as subject-matter-specific feedback. In some centres, where specific weaknesses in written English were identified during assessments or classroom activities, students were directed to additional classes in English to address this gap.

It is hoped that as centres take on the comments made elsewhere in this report, next year's report will be able to have much less content relating to issues and areas for improvement and will have a much larger section reporting good practice across all the centres visited.

Specific areas for improvement

Generic areas requiring attention are covered in the General feedback section above. Specific Unit-specific areas are covered in this section.

1. DE5M 34 Financial Sector Introduction

The Unit specification has not changed, however, the solution to the assessment exemplar is out of date. This is an issue that centres should pick up in their internal verification — but not all have. Centres should be aware that there have been significant changes in the regulatory sector and the role of the Bank of England. In addition, there are several new products being offered in relation to money transmission and the importance of the cheque has significantly reduced.

Centres should be ensuring that their teaching and assessment materials reflect this.

2. DE5P 35 Investment

Centres should ensure that where the stocks in their summative assessments have matured that they update the assessment to enable students to complete calculations based on current non-matured stocks. Likewise, if any questions relating to analysis include annual accounts, the year-end dates should be updated to be within the last two years. This will remove the risk of students digressing to discuss irrelevant matters relating to the maturity of the stocks or delays in reporting of accounts.

3. DE5R 35 Principles of Insurance

This is a Unit where it is particularly important that the student's explanations are clear and unambiguous, particularly when applying the information from the scenarios to the classes of insurance that apply and the perils that may or may not be covered.

4. DE5T 35 Financing International Trade

This is an assessment where centres should ensure that the student's answers take full account of the information given in the case study and that responses are directly related to what is contained there and not a generic response about all aspects of a topic.

5. H0C0 35 Personal and Business Lending

Students must make relevant commentary on ratios before credit is given in the assessment. The Unit specification requires students to '*Interpret financial data and information contained in an organisation's financial statements to evaluate the affordability and viability of a business lending proposition*'. It is not sufficient that students calculate the ratio and make a limited commentary (for example, the figure is rising or falling). Students need to go on and comment on the implications of the change, for example, if the debtor days are rising it is not enough to say the debtors are taking longer to pay. The student should make the connection that a possible reason could be the quality of an organisation's debtors is decreasing. This could mean a greater risk of further delays in payment or no payment at all. It could alternatively be that to secure sales the organisation is having to give customers more generous terms of trade — whatever the reason, this means there is likely to be an adverse impact on cash flow and more working capital may be required. This is the crux of the matter and the analysis which is the real interest to the lending banker.

6. H0BW 35 Financial Services Regulatory Framework

Students should be fully aware of the changes in the UK regulatory structure and should not be citing the Financial Services Authority as the regulator.

There is also a need for close attention to detail from assessors to ensure the students are explaining terminology and provisions in regulations accurately and that there are no contradictions in the advice or explanations they are giving. Where questions are set as mini case studies, the student's answers should reflect the circumstances detailed in the case study and should not be a generic response detailing all aspects of a subject in the order it is printed in their learning materials.

7. H0BY 35 Pension Provision

UK pensions provision is changing significantly at present and students need to reflect these changes in their answers. For students answering questions in the academic year 2014–15, their answers should reflect the pension, national insurance and taxation situation that applies in the UK Tax Year 2014–15 (ie that were introduced in April 2014).

This is a subject where the assessment is based on a case study and the previous comments made in this report about the need for answers to be relevant to the situation in the case study are particularly applicable here. As the assessment places students in an advisory role, their responses should also be clear and unambiguous.

The Evidence Requirements state that '*Candidates may bring a copy of the case study to the assessment event along with up to two pages of A4 notes that they have made personally.*' Many students were bringing in two pages of notes in minute handwriting that were effectively summaries of the entire learning guide. This does not give them the best help and can be counterproductive. Students should prepare their notes based on the pertinent issues in the case study (for example, employment type, age and pension situation of the case study customer) and they should provide possible background to any answers they might give. Ideally, these notes should be in bullet-point format for ease of use during the assessment.

Higher National Graded Units

The Units reviewed were as follows:

H0Y6 34: Financial Services Graded Unit 1

H0Y7 35: Financial Services Graded Unit 2

H0Y8 35: Financial Services Graded Unit 3

These are all revised Graded Units and it is the first year that they have been delivered by centres.

General comments

Graded Units were reviewed in a central verification event that took place in Beijing between 19 and 21 May 2014, and through postal verification in relation to Graded Unit 1. The Graded Units of 17 centres were verified in this activity. Eleven of the centres were required to complete action plans following this verification; for two of these centres the action plans covered two Graded Units.

This is the first time that the Financial Services Units have been verified by a Scottish-based verifier in China and she was supported in her work by an in-country verifier in relation to Graded Units 2 and 3.

Unit specifications, instruments of assessment and exemplification materials

As was the case with the other updated Units in the HND Financial Services framework, this was a session where some centres had managed to make the changes required to meet the new requirements of these Graded Units but a number of centres had not managed to make that transition and this impacted on the outcome of their Graded Unit verification.

In the case of Financial Services Graded Unit 1, the issue was that centres were focusing on a theoretical activity, whereas the assessment is a case study and the students should be focusing on answering the specific questions of the customer and recommending current products, not writing a generic thesis on the range of savings and investment products and the assessment of risk.

In the case of Financial Services Graded Unit 2, the issue was the same for all centres who had difficulties — that whilst the students appeared to have been prepared to a greater or lesser extent to complete the examination-based assessment, assessors had not fully grasped the requirements of the marking scheme as detailed in the assessment exemplar.

In the case of Financial Services Graded Unit 3, it was the same issue that was seen across most centres — given how many students did not appear to have understood the full requirements of the new brief, it seemed that assessors had not fully familiarised themselves with the changes that had been made and

therefore, had not briefed students accordingly. This issue of not appreciating the Evidence Requirements also impacted on the accuracy of the assessment decisions made by assessors and verifiers.

Evidence Requirements

At this stage there are still some issues with the understanding of the Evidence Requirements for the Graded Units. As with the case of the earlier Units reviewed in this report, much of the issues related to centres not requiring their students to answer questions with the required level of detail or focus on the actual questions asked.

In Graded Unit 1, students were writing very detailed theoretical pieces of work and were being given credit for this and were ignoring the specific needs of the customers in the case study, which is where the marks should be awarded. Too much emphasis was being put on the appropriateness of the structure of reports, which is a very minor consideration in this Graded Unit. Students were also being encouraged to conduct primary research in relation to this Unit. There is no need for students to do this and in fact it is unlikely to be productive as few, if any, financial services institutions will respond to surveys from individuals. All the research that requires to be completed can be conducted as secondary research using the internet.

In the case of Graded Unit 2, lists of facts were being given full marks in questions that had been set as requiring explanations. Elsewhere, there was insufficient accuracy in the explanation of technical terminology.

The issues with Graded Unit 3 were more significant than those with Graded Units 1 and 2 and were more widespread across centres. Many had not identified that the focus of Graded Unit 3 is not about information gathering but about the analysis of the information that had been gathered. Too many projects were examples of 'cut and paste' where students had gathered together a range of charts, data and tables from a variety of sources, whereas the Evidence Requirement at Stage 3 is for comparative analysis between the two organisations being reviewed and the benchmark indices selected.

Administration of assessments

The effectiveness of the administration of the assessments was variable. Firstly, there were issues in relation to the accuracy of assessments that had not been picked up in the internal verification process, which replicates the issues seen in relation to the other HND Units and commented on earlier in this report. As was the case then, there is insufficient recording about the quality of assessment decisions in the internal verification process and very little feedback given to assessors by internal verifiers to encourage and support them in their role.

Centres were not asked to present evidence on how they administered the delivery of Graded Units 1 and 3, however, from the assessment evidence presented in relation these Units, it appeared to involve quite a lot of content teaching to cover points raised in the Graded Unit questions resulting in many

investigations being submitted with identical, generic content covering some sections. This is not what is required in this Unit and centres should reconsider how they spend their time with students as they complete investigations. There is a need for teaching at the outset as students are prepared in the planning processes and given guidance on structure and technique, but thereafter the investigation is assessing the student's research and analysis skills — the role of the tutor/assessor is as a guide, answering questions and giving feedback on draft ideas and student contact time and activities should reflect this.

Of particular concern in relation to Graded Unit 3 was that in some centres students prepared full investigations (all three stages) based on organisations that did not meet the assessment brief, however, this was not detected in the feedback at Stage 1 where the issue should have been identified and addressed. The students involved had subsequently to undertake a significant piece of additional work, which could have been avoided if the centres' assessment and verification processes had been working as they should.

General feedback

As the verification activities were run as postal/central events, it was not possible to discuss the assessment and learning experiences with students.

In Graded Unit 2, very little feedback was given to students following this examination-based Unit assessment. Where centres did give feedback it was focused on those students for whom some re-assessment activity was required. Centres should be giving feedback to all students, regardless of how well they do, so that they can build on what they have learned for their future studies and understand where they have some areas of weakness to address, even where they have been successful in the assessment overall.

In the evidence reviewed in relation to Graded Units 1 and 3, the quality of the feedback given to students at each stage in the assessment process varied from very full and helpful comments being given at each stage in the process to no feedback other than marks and a standard commentary phrase used at the conclusion being shown on all investigations at the centre.

There was also evidence that several centres were marking all three stages of Graded Units 1 and 3 at the same time. This is not appropriate and is not the way that either investigation should be handled. Each stage should be marked and the feedback discussed individually with each student before they progress to the next stage of their Unit. The purposes of staging the investigation is so that the student can learn as they go along and can have the support and guidance of their assessor in the process and can build on lessons learned in earlier stages as they work towards the final stage. Centres must run these Graded Units in this way and future verification visits will be paying particular attention to reviewing how this feedback is being handled throughout the Units' delivery.

Areas of good practice

Despite the comments in the paragraphs above, it was good to see that some assessors were providing good and detailed feedback to students focusing on both the technical content of their work and also, where required, identifying when the written English was not at the required standard. In the centres where this level of feedback was given, there were no issues elsewhere with the assessment evidence and in addition to no action plans being required it was noticeable that the student pass rate, particularly in Graded Unit 3, was at a much higher level than was the result in other centres.

One centre had encouraged students to present their Stage 2 evidence in Graded Unit 3 in an electronic disc format. This was very effective and it ensured that the students focused on the required analysis in their work rather than in the presentation of the information. Other centres might like to consider this approach to the presentation of this aspect of Stage 2 of Graded Unit 3.

Specific areas for improvement

Financial Services Graded Unit 1

Centres must ensure that students prepare responses for the customer that are appropriate to their needs and not generic in nature. Therefore, discussions about products should not include lending products and motor insurance products and future needs should take account of the age of the customers and their assessment of risk/taxation positions.

Students should also be recommending products that are currently available — this is particularly important in relation to National Savings Bank products where there has been a significant reduction in the range of products offered. Whilst some latitude should always be given in respect of recent changes, recommendations including products that have not been offered for over two years (such as National Savings Certificates) should not be accepted.

Financial Services Graded Unit 2

Centres must ensure that the marking scheme in the assessment exemplar is followed closely and that when explaining technical matters, students are accurate in their responses and that there are no contradictions or aspects that would not be clearly understood by the customer/questioner.

Where a question asks that a student explains a term or explains features in a document, no credit should be given for naming terms/listing features. The marks should only be awarded where there technically correct explanations are given.

Financial Services Graded Unit 3

SQA is reviewing Graded Unit 3 to address some of the difficulties centres had in delivering this Unit in 2013–14. The new Unit specification and assessment exemplars are to be used in 2014–15 and will be available shortly. Centres must ensure they use this updated Unit specification and assessment exemplar for 2014 onwards.

The overall requirements of the new specification and assessment are identical, however, the mark allocation has been changed with credit being given for some aspects of information gathering in Stage 2 that was previously given marks in Stage 3. This will mean it is even more important that students are given incremental feedback as they complete each stage of the investigation.

To give further support to centres, the assessment exemplar has been further developed to include even more information to guide them to reach the correct assessment decisions. New documentation for recording assessment decisions and student feedback at each stage has also been developed.

When preparing students for this investigation and when assessing their work, the most important requirement of the assessment is to confirm the student's skills in analysing the information they have gathered and drawing conclusions from all aspects of this information (that is across the range of published information, media coverage and investment/financial performance of two organisations.)

The focus of the Investigation is not on the amount of information gathered, it is about the analysis of what has been gathered and the critical thinking that the student has applied.

Looking at the information the students had gathered in their assessments this year, the issue was not that they could not get at information, it was the opposite, they had too much but had not been selective in what they presented in their final submission. In some cases, they had too much of the wrong type of information (particularly media reporting that was not supporting points being made in their investigation). The major issue was that students did not move to the next required step and use the information as a whole to make valid points. As an example, one bank's share price dips in comparison to the other but this is on the day that a media report shows a statement from the bank that they are to make more compensation payments to customers in relation to mis-selling. This event can also be linked to stakeholder perceptions about the organisation and possibly when subsequently reviewing half-yearly financial results an impact on the overall profitability of the organisation. It might also lead to a change in product being sold to personal savers.

There were a significant number of instances of plagiarism identified that had not been detected by centres. These included using direct extracts from published sources (annual accounts, analysts' websites etc) to comment on the organisations' investment and financial performance.

The biggest issue was that in the section where students are awarded marks for their analysis of the data by charting share price comparisons between the two organisations and a recognised index, many students were using stock tracker websites and the only skills they were demonstrating were the ability to enter two organisations' names into the site, a date range and to cut and paste the output to their investigation. For the avoidance of doubt, specific reference has been made to this fact in the updated Unit specification highlighting that the outputs

from stock tracker sites are not to be used and that the work has to be the student's own work.

In all other cases, when material is included that has been sourced elsewhere, the student must fully reference this and centres should not give credit for the evidence if this has not happened. It is most important that students understand the need to reference and apply these principles at this stage in their study; those progressing to higher education in the UK will find they will be heavily penalised in their degree studies if they do not.

Care should be taken when assessing questions relating to the financial performance of financial services organisations. It is important, if they opt to use ratio analysis, that students select relevant performance ratios — ratios like stock turner, creditor and debtor days are not applicable. Comments relating to the liquidity ratio should be realistic — the nature of financial services business and their balance sheets are such that the current ratio is not going to generate the textbook return of greater than 1. It was disappointing to note many students were predicting the downfall of very sound financial institutions on the basis the current ratio was less than 1 and that these comments went unchallenged by assessors.

This report is much more detailed than previous reports and it is hoped that, by giving this level of feedback, centres can build on the work they have done in previous years and effectively deliver all the Units in the HND Financial Services framework against the backdrop of an industry that never stops changing its products, services, processes and regulations.