

LIBF Level 3 Certificate for Automotive Finance Specialists (CertAutoFS)

Qualification Specification



Table of Contents

<u>PURPOSE OF THE QUALIFICATION</u>	3
WHY STUDY THE LIBF LEVEL 3 CERTIFICATE FOR AUTOMOTIVE FINANCE SPECIALISTS (CERTAUTOFS)?	3
OBJECTIVE	3
KEY CONTENT AREAS	3
QUALIFICATION OUTCOMES	4
KEY SKILLS DEVELOPED	4
ENTRY REQUIREMENTS	4
RECOGNITION OF PRIOR LEARNING	4
PROGRESSION AND PREPARATION FOR FURTHER STUDY	5
APPRENTICESHIPS	5
PREPARATION FOR EMPLOYMENT/PROFESSIONAL DEVELOPMENT	5
STRUCTURE	5
TOTAL QUALIFICATION TIME (TQT)	6
LEARNING RESOURCES	6
WHAT TO DO BEFORE THE ASSESSMENT	7
ASSESSMENT	7
QUALIFICATION GRADING	8
RESIT ATTEMPTS	8
APPENDIX 1 – REGULATION DETAIL	9
APPENDIX 2 – UNIT 1 – THE AUTOMOTIVE FINANCE MARKETPLACE (AFM)	10
APPENDIX 3 – UNIT 2 – UK AUTOMOTIVE FINANCE REGULATION (AFR)	14
APPENDIX 4 – UNIT 3 – CUSTOMER SERVICE AND MANAGEMENT IN AN AUTOMOTIVE FINANCE ENVIRONMENT (CSM)	17

Please Note - Uncontrolled document when printed.

Please always review the latest document available through the [website](#).

Purpose of the qualification

Why study the LIBF Level 3 Certificate for Automotive Finance Specialists (CertAutoFS)?

Our Level 3 Certificate for Automotive Finance Specialists (CertAutoFS) provides you with an automotive finance qualification for business managers, sales managers and others who are responsible for dealer finance and insurance performance. The qualification will allow you to develop specialist knowledge of the buying and selling process and evaluate the impact of the changing regulatory, operating and economic environment on issues relating to automotive finance.

CertAutoFS will allow you to demonstrate your knowledge and understanding of the sector, and provide a formal recognition of your professionalism.

Objective

CertAutoFS will enhance your understanding of the links between automotive finance and customer needs and develop an awareness of the obligations associated with automotive finance. It will also provide you with an understanding of the scope of automotive finance, the regulation and legislation that govern it, and the key customer service and management principles that can be used in everyday scenarios.

Key content areas

- The automotive finance environment.
- The costs associated with automotive finance.
- The regulatory and legislation framework within automotive finance.
- The key risks involved in automotive finance lending.
- Customer service and retention techniques.
- Skills and responsibilities of a business manager.

Qualification outcomes

On completing this qualification, you will understand:

Qual LO	Detail
LO1	Understand the automotive finance environment
LO2	Understand the regulatory and legislative framework within which automotive finance operates
LO3	Understand the key risks involved in automotive finance lending
LO4	Understand customer service and retention techniques for the automotive finance industry
LO5	Understand the skills and responsibilities of a business manager in the automotive finance environment

Key skills developed

The qualification will encourage you to

- Develop an understanding of the automotive finance industry and its products, as well as current trends and individual customer circumstances.
- Develop an understanding of current technical language and regulation of automotive finance.
- Increase your ability to work and study independently.

Entry requirements

It is recommended that you have passed the Finance and Leasing Association's specialist automotive finance (SAF) competence test before registering for the CertAutoFS. You are also expected to have basic numeric skills (manipulate financial and numerical data) and be satisfied of your ability to study in English.

Recognition of prior learning

We recognise prior learning in different forms. This means that you may not be required to register for every unit. The London Institute of Banking & Finance accredits SAF Expert and as such, holders of a current SAF Expert certificate are able to claim exemption from Unit 1 of CertAutoFS. If you are exempt from Unit 1, your final mark and grade boundary will be reflective of the remaining two units once completed. For further details, see [qualification grading](#). Information of how to apply for recognition is available on our [website](#).

Progression and preparation for further study

When you have successfully completed CertAutoFS you may want to consider further study with The London Institute of Banking & Finance. Our [Professional Qualifications](#) cover a wide range of topics and areas including banking, trade finance, financial advice, mortgage advice, complaints handling and other specialist qualifications.

Apprenticeships

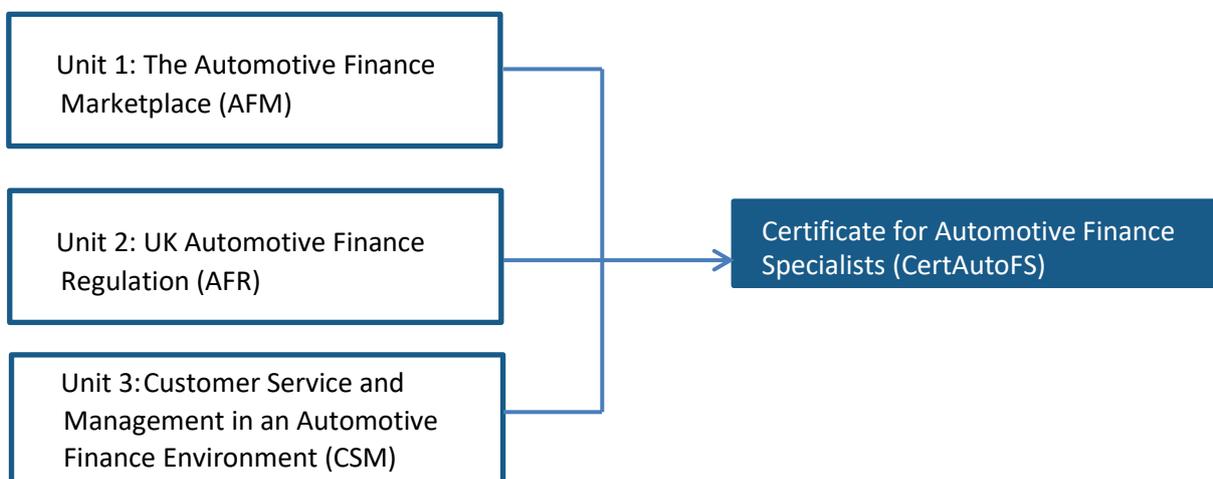
CertAutoFS is available as part of the Senior Financial Services Customer Advisor apprenticeship standards. It can also support the Level 3 Motor Finance Specialist apprenticeship standard. Further details can be found [here](#).

Preparation for employment/Professional development

CertAutoFS develops knowledge and understanding of the automotive finance environment but it does not qualify you for direct entry to a particular occupational role.

Structure

CertAutoFS is comprised of **three mandatory units**, which need to be successfully completed in order for you to achieve the certificate:



Total Qualification Time (TQT)

TQT is a prediction of the total time a student with no prior knowledge might need to complete the course.

TQT consists of two elements: guided learning (GL) and all other hours:

- GL is time spent studying under the immediate guidance or supervision of a teacher.
- All other hours include hours spent unsupervised in research, learning, e-learning, e-assessment, completing coursework, exam preparation, and formal assessments.

CertAutoFS is a distance learning qualification with on-demand examination sessions.

Guided Learning Hours	2 hours
Other hours	133 hours
Total Qualification Time	135 hours

Learning resources

You will be provided with the following learning resources:

- online access via MyLIBF to learning materials, including review questions to help consolidate learning,
- access to KnowledgeBank, an online information service and e-library,
- unit syllabus, student handbook, and, digital specimen paper.

In addition to the study texts supplied, you can purchase alternative learning support; this is provided in the form of the SAF Academy App.

The SAF Academy App has been developed by working in partnership with the Finance & Leasing Association and Fimtrac. The App based training programme is designed to support anyone working in the motor finance sector who wishes to raise or demonstrate their level of knowledge.

The App is additional to the study texts and materials included in the qualification registration fee. You can purchase the App when you register or later via your MyLIBF account, our student portal.

What to do before the assessment

You must be registered to sit examinations at a centre of your choice (subject to demand / availability); this is managed by you. Examinations are sat electronically at any one of the 150 Pearson VUE test centres across the UK. It is recommended that examinations are booked two months in advance of the date you wish to sit. However, subject to availability, an examination can be booked as little as two working days in advance. Examinations can be booked over the phone or via the [Pearson VUE website](#).

To prepare for all assessment elements, you should make use of all learning resources.

Assessment

The three units are mandatory and assessed. Each unit is assessed via the following method:

- i. Unit 1: 25 stand-alone multiple-choice questions and 1 case study with 5 associated questions
(total marks 30);
- ii. Unit 2: 40 stand-alone multiple-choice questions (total marks 40);
- iii. Unit 3: 15 stand-alone multiple-choice questions and 3 case studies
with 5 associated questions each (total marks 30).

Each item will require you to choose the correct answer from a choice of four possible answers. To achieve a pass you are required to achieve at least 70% in each unit.

Qualification grading

Individual units will be graded pass only. The overall qualification will be graded pass / distinction. To gain a pass you must achieve at least 70% in each unit.

The overall grade bands (out of a total of 100 marks, across all three units) are as follows:

CertAutoFS Qualification grade boundaries	
Grade	Raw mark
Pass	70-89
Distinction	90-100

If you are exempt from Unit 1, the overall grade bands (out of a total of 70 marks, across the remaining two units) are as follows:

CertAutoFS Qualification grade boundaries	
Grade	Raw mark
Pass	49-62
Distinction	63-70

Feedback is provided via analysis sheets (available on www.mylibf.com).

Resit attempts

There are no restrictions on the number of times you can resit a unit you have failed, although each unit will require a new registration.

Appendix 1 – Regulation detail

This document describes the regulation detail that is applicable to the qualification.

Qualification title	LIBF Level 3 Certificate for Automotive Finance Specialists (CertAutoFS)
Ofqual qualification number	601/5614/4
Regulated Qualifications Framework (RQF) level	3
European Qualifications Framework (EQF) level	4
Qualification Type	Vocationally-Related Qualification
Guided learning hours	2
Total qualification time	135
Total credits	14
Sector subject area	15 Business, Administration and Law
Sub SSA	15.1 Accounting and Finance
Overall grading type	Pass / Distinction
Assessment methods	Multiple-choice examination
Regulated in	England
Age ranges	16–18; 19+
Operational start date	1 June 2015
Qualification description	The CertAutoFS qualification consists of three mandatory units. A total credit value of 14 must be obtained for achievement of the qualification.

Appendix 2 – Unit 1 – The Automotive Finance Marketplace (AFM)

A description of Unit 1 (AFM) that provides detail on syllabus content, learning outcomes and assessment criteria, and specific unit level descriptors.

The Automotive Finance Marketplace (unit 1)

Unit narrative

In this unit, you will be introduced to key terminology used within the automotive finance industry and current market and economic trends. You will gain an understanding of automotive finance in the UK, focusing on key concepts, key products, processes and principles. You will also gain an appreciation of the financial implications associated with automotive finance lending, and how those costs can be calculated.

Unit profile

Unit title	The Automotive Finance Marketplace (AFM)
Ofqual unit reference number	M/506/9916
Unit level	3
Unit credit value	5
Typical study hours	45

Unit 1 assessment method

The assessment of Unit 1 will have one component:

- a. The assessment of Unit 1 comprises 25 stand-alone multiple-choice questions and 1 case study with 5 linked multiple-choice questions. The examination is to be completed in 35 minutes.
- b. The examination will be worth a total of 30 marks.

Unit 1 learning outcomes / assessment criteria

Learning outcome (LO) The learner will:	Assessment criteria (AC) The learner can:
1. Understand the automotive finance environment.	1.1 Identify the key features of automotive finance and the trends and external factors that can affect it. 1.2 Identify and distinguish between the key products, processes and principles of automotive finance. 1.3 Identify the financial implications associated with automotive finance lending.

Unit 1 syllabus

UNIT 1 INDICATIVE CONTENT	
LO1:	Understand the automotive finance environment.
AC 1.1	<p>The term 'automotive finance':</p> <ul style="list-style-type: none"> Automotive finance explained in general terms. How automotive finance is sold, in general terms. Why automotive finance exists. Distinguish between secured and unsecured finance agreements. The different types and sources of funding for consumers to purchase / rent a car, including non-point-of-sale. The pros and cons of the different agreement types available in showrooms. <p>The current market and economic trends and their impact on the automotive finance sector:</p> <ul style="list-style-type: none"> Current motor market and economic trends. Size of market (number of lenders, retailers, etc.). <p>How the changing views on finance and insurance can affect the automotive finance sector:</p> <ul style="list-style-type: none"> Ethics – changing views on finance and insurance. Changing trends in consumer behaviour. The general principles of a regulated market. <p>Key features of market awareness and their application to the automotive finance sector:</p> <ul style="list-style-type: none"> Market awareness, e.g. segmentation, buying behaviours, sales-funnel concept, etc. Dealer finance.

AC1.2	<p>The main automotive finance products, covering suitability, exclusions, key features and benefits to the customer, customer circumstances and risk. The products will include:</p> <ul style="list-style-type: none"> • HP; contract hire; • conditional sale; • credit sale; • lease purchase; • finance purchase; • finance lease; • variable-rate agreement; • personal contract purchase; • personal contract hire; • balloon-based contracts; • asset protection. <p>Key features of the automotive finance agreement:</p> <ul style="list-style-type: none"> • General terms and conditions of a standard finance agreement. • What can and cannot be done under agreements. • Adequate explanations. • Basic rights of lender and customer under the agreement. <p>The principles and processes of automotive finance lending:</p> <ul style="list-style-type: none"> • The Financial Conduct Authority's (FCA) Principles for Businesses (PRIN). • The steps that the FCA expects to see in a typical sales process. <p>Compare and contrast the different features of automotive finance products:</p> <ul style="list-style-type: none"> • Features / uses. • Rentals / monthly payments (i.e. payment structures). • End of contract / early settlement. <p>The key products used in the automotive finance industry to suit varying scenarios:</p> <ul style="list-style-type: none"> • Decisions and factors that need to be considered. • Rates and how you decide / work out the rates. • Requirements when you quote / enter into an agreement. • Responsible lending, including rules, code of conduct and personal circumstances (e.g. vulnerable customers). • Brief introduction to associated insurance products, such as guaranteed asset protection.
-------	---

AC1.3	<p>The financial implications associated with automotive finance lending and their links to the products:</p> <ul style="list-style-type: none"> • The figures / costs of different products. • Costs that are presented to customers in documentation. • Difference between the flat and APR rate of interest. • Part-exchange. • Deposits. • Variable-rate products. • Early settlement and APR. • VAT. • Resale value (depreciation). • Whole-life running costs of a car (tax, insurance, etc., included in the deal). Withdrawal and partial early settlement; also covers GMFV (guaranteed minimum future value). • General sources of information to refer customers to for specialist advice on the tax implications of automotive finance products. <p>Tax implications of automotive finance lending in general terms:</p> <ul style="list-style-type: none"> • Business-to-business focus including tax, allowances and VAT. • Where customers can go for tax information.
-------	--

Appendix 3 – Unit 2 – UK Automotive Finance Regulation (AFR)

A description of Unit 2 (AFR) that provides detail on syllabus content, learning outcomes and assessment criteria, and specific unit level descriptors.

UK Automotive Finance Regulation (Unit 2)

Unit narrative

In this unit, you are introduced to the regulation and legislation that underpins the UK automotive finance industry. You will gain an understanding of best practice and responsible lending associated with automotive finance and understand the need to know the customer and treat them fairly. You will also gain an understanding of the security and risks associated with automotive finance.

Unit profile

Unit title	UK Automotive Finance Regulation (AFR)
Ofqual unit reference number	A/506/9918
Unit level	3
Unit credit value	5
Typical study hours	50

Unit 2 assessment method

The assessment of Unit 2 will have one component:

- a. The assessment of Unit 2 comprises 40 stand-alone multiple-choice questions. The examination is to be completed in 45 minutes.
- b. The examination will be worth a total of 40 marks.

Unit 2 learning outcomes / assessment criteria

Learning outcome (LO) The learner will:	Assessment criteria (AC) The learner can:
1. Understand the regulatory and legislative framework within which automotive finance operates.	1.1 Identify the regulatory and legislative influences on the UK automotive finance sector. 1.2 Identify the principles, processes and best practices applicable to automotive finance lending.
2. Understand the key risks involved in automotive finance lending.	2.1 Identify the risks and financial crimes that can impact on automotive finance lending.

Unit 2 syllabus

UNIT 2 INDICATIVE CONTENT	
LO1:	Understand the regulatory and legislative framework within which automotive finance operates.
AC1.1	<p>The key financial services regulatory and legislative influences for the UK automotive finance sector:</p> <ul style="list-style-type: none"> The role and principles of the regulators: <ul style="list-style-type: none"> Financial Conduct Authority (FCA); Prudential Regulation Authority (PRA). Statutory powers of the regulators. Conforming to all regulatory requirements (commission disclosure, mental capacity, Data Protection Act, etc.). Sanctions that can be applied for non-compliance. Self-regulation. The FCA's expectations in CONC for credit brokers (including lender responsibilities when working with intermediaries; Data Protection Act). The principles of prescribed / legal documents. Distance selling regulations.
AC1.2	<p>The FCA's financial promotions regime and how it applies to advertising automotive finance:</p> <ul style="list-style-type: none"> Chapter 3 of the Consumer Credit sourcebook (CONC) incorporates rules and guidelines relating to consumer credit advertising, including what can and cannot be stated in a press advert, a showroom 'silent salesman', a web banner, a static display, and rules on APR, incentives, etc. <p>FCA guidance on financial incentives, and CONC rules on the payment of commission:</p> <ul style="list-style-type: none"> An outline of the incentives guidance: the general principles of the types of incentives the FCA recommends, and those that may lead to poor customer outcomes. The rules that apply and practical examples.

	<p>The need to know the customer and treat them fairly within the automotive finance sector:</p> <ul style="list-style-type: none"> • Treating customers fairly. • Know your customer. • The FCA's Principles for Businesses (PRIN). • Responsible lending (i.e. creditworthiness / affordability). <p>Fair business practice within the automotive finance lending sector:</p> <ul style="list-style-type: none"> • Which fair business practices and procedures in the showroom are legal requirements, and which others are seen as industry best practice. • Prevention of ill practice in terms of part exchange and negative equity, and the importance of full disclosure from / understanding of the customer. • Use of case studies.
LO2:	Understand the key risks involved in automotive finance lending.
AC2.1	<p>Types of security within automotive finance lending:</p> <ul style="list-style-type: none"> • Secured / unsecured agreements. • Guarantors / joint applications. <p>The impact of fraud and financial crime on automotive finance lending:</p> <ul style="list-style-type: none"> • Anti-money-laundering. • Bribery Act. • Application fraud and identification. • Conversion fraud. <p>Principles of risk management within automotive finance lending:</p> <ul style="list-style-type: none"> • What is risk? • CONC expectations. • Conduct risk / TCF. • Credit risk. • Risk to the business; the way it is operated and managed.

Appendix 4 – Unit 3 – Customer Service and Management in an Automotive Finance Environment (CSM)

A description of Unit 3 (CSM) that provides detail on syllabus content, learning outcomes and assessment criteria, and specific unit level descriptors.

Customer Service and Management in an Automotive Finance Environment (unit 3)

Unit narrative

In this unit, you are introduced to the evaluation of customer needs. You will gain an understanding of the features of different automotive finance products, and how they relate to customer-specific scenarios. You will become familiar with different management techniques that can be used in the automotive finance environment, with a focus on managing a department / profit centre / budgets and targets. You will also understand the importance of customer service and effective approaches to customer retention.

Unit profile

Unit title	Customer Service and Management in an Automotive Finance Environment (CSM)
Ofqual unit reference number	F/506/9919
Unit level	3
Unit credit value	4
Typical study hours	40

Unit 3 assessment method

The assessment of unit 3 will have one component:

- a. The assessment of Unit 3 comprises 15 stand-alone multiple-choice questions and 3 case studies with 5 associated questions each. The examination is to be completed in 40 minutes.
- b. The examination will be worth a total of 30 marks.

Unit 3 learning outcomes / assessment criteria

Learning outcome (LO) The learner will:	Assessment criteria (AC) The learner can:
1. Understand customer service and retention techniques for the automotive finance industry.	1.1 Identify the importance of and different approaches to customer service and retention.
2. Understand the skills and responsibilities of a business manager in the automotive finance environment.	2.1 Identify the skills and responsibilities of a good business manager, and the people-management techniques that can be used in the automotive finance environment.

Unit 3 syllabus

UNIT 3 INDICATIVE CONTENT	
LO1:	Understand customer service and retention techniques for the automotive finance industry.
AC 1.1	<p>Calculate the cost of automotive finance for personal and commercial consumers:</p> <ul style="list-style-type: none"> • Understanding the figures / costs of different products: <ul style="list-style-type: none"> i. Pros and cons of the different figures. ii. Transparency / implicit in the way finance is sold to customers. iii. Calculations that are presented to customers in documentation (e.g. deducting deposit contributions and part-exchange values from the total amount payable under a credit agreement). iv. Variable-rate products. v. Early settlement and APR calculations. • On- and off-balance-sheet accounting of finance arrangements. <p>The appropriateness of products and solutions to meet customers' circumstances:</p> <ul style="list-style-type: none"> • A variety of vehicle and product scenarios / case studies. • Identify the most suitable finance product available. • Ensuring the product meets the customer's needs. • Cross-reference to TCF and responsible lending. <p>Appropriate approaches to handling sensitive customer situations:</p> <ul style="list-style-type: none"> • Handling sensitive customer situations including mental health issues. • FCA guidance on mental capacity. <p>Complaints-handling processes and techniques:</p> <ul style="list-style-type: none"> • Recognising what is / is not a complaint (FOS jurisdiction). • Complaints in the showroom. • Complaint handling, including satisfactory-quality disputes. • FOS and its role in dealing with complaints.

	<p>The importance of effective customer service:</p> <ul style="list-style-type: none"> • Types of customer. • Customer profiling / segmentation. • Marketing. <p>Appropriate approaches to customer retention:</p> <ul style="list-style-type: none"> • Marketing. • Customer relationship management. • Retention techniques and incentives.
LO2:	Understand the skills and responsibilities of a business manager in the automotive finance environment.
AC 2.1	<p>The responsibilities and skills of a good manager:</p> <ul style="list-style-type: none"> • Business planning and processes. • Negotiation skills – the negotiation process; planning for a negotiation; negotiation strategy; persuasion techniques; negotiating with customers and with internal customers. • Introducing and managing change. • Managing and measuring business / financial risk. • FCA – focus on consumer outcomes. <p>The application of management techniques in an automotive environment:</p> <ul style="list-style-type: none"> • Management process. • Managing conflict; conflict resolution. • Motivating staff.