**Financial service providers!** These draft Terms of Reference are for you to use when soliciting a third party (individual or agency) to assess your achievements in client protection. Based on the [*Guidelines for Third-Party Validations on Client Protection*](https://drive.google.com/file/d/1xqYKjiUolnFNVtc7NUr55J5aXQpHdwdl/view), these Terms of Reference are in MS Word for your convenience. You can easily copy-paste, modify to your own needs, and integrate into your own Request for Proposal documents and, later, your contract documents.

**TERMS OF REFERENCE**

**FOR CONSULTING SERVICES TO CONDUCT**

**ASSESSMENT OF CLIENT PROTECTION PRACTICES**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter “Organization”) wishes to engage the services of qualified individuals or organization (hereinafter “Consultant”) to provide a professional assessment of Organization’s policies, procedures, and practices with respect to the appropriate treatment of Organization’s own end clients (which assessment exercise is hereinafter referred to as “the Project” or “the Work”). Following below are the terms of reference for the Project.

***Background***

Organization is a financial service provider (FSP), headquartered in \_\_\_\_\_\_\_\_\_\_\_ , with operations in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and approximately \_\_\_\_\_\_ currently active clients. Organization is committed to the principles of client protection as set forth in [the Client Protection Standards (the “Standards”)](https://cerise-sptf.org/about-client-protection/#downloadmanual) issued by [Cerise+SPTF](https://cerise-sptf.org/) in February 2022 and as may be revised or updated from time to time.

Organization has joined the [Client Protection Pathway (“the Pathway”)](https://cerise-sptf.org/client-protection-pathway/), also managed by Cerise+SPTF, and as of the date of issuance of these Terms or Reference, Organization has accomplished Steps 1 and 2 of the Pathway.

Organization now seeks a Consultant to provide a third-party validation of its client protection policies, procedures, and practices, and seeks proposals which should include, at a minimum, the information detailed below.

***Type of Consultancy.*** Please indicate whether the Consultancy is proposed by individuals or by a company.

***Audit methodology.*** Please provide a detailed description of the technical approach and review methodology, including the specifications of the Review Committee, if any.[[1]](#footnote-1)

***Team.*** Please provide details of the team composition, including resumes for the key members. For Consultants who are responding as individuals, preference will be given to those who propose partnering as a team of two, as per best practice for objectivity and a balance of opinion. For teams of two, we recommend that both partners be trained by Cerise+SPTF, with one of them a CP-qualified auditor and the other, at a minimum, to have completed the Cerise+SPTF Level #2 training. All Consultants should certify that: the team proposed for the Project will be the team that, if selected, will perform the Work; that any substitutions to team members will require prior written consent from Organization; and that failure to disclose the unavailability of any member of the proposed team, or to obtain Organization’s prior written approval to any substitution, will constitute breach of contract.

***Qualifications.*** Please provide all relevant credentials on client protection assessments: training certificate(s) delivered by Cerise+SPTF; experience in the inclusive finance industry on similar assessments; experience and understanding of the specific country or region. For organizations: for every assessment project included in the proposal as evidence to substantiate the organization’s qualifications, please (a) indicate which specific individuals within the organization worked on such assessment project(s) and also (b) indicate whether those individual(s) is/are still employed by the organization and will serve on the proposed Project team.

***Tools.*** Please provide details as to the framework and scoring methodology to be used. Preference will be given to Consultants who propose to use, at a minimum, the Client Protection (CP) Standards framework and its assessment tools, namely [CP Full/Certif](https://en.spi-online.org/files/ressources/SPI%20Online%20audit%20tools/factsheet-7-CPFull.pdf), including the minimum requirements identified as Entry, Progress or Advanced level indicators, as well as the companion [tools to assess responsible pricing](https://en.spi-online.org/resources/view/resources-to-assess-responsible-pricing-indicators).

***On-site.*** Please detail the analytical approach, criteria and/or methodologies to be used to identify the branches to visit and the clients to interview.

***Data privacy, confidentiality, and informed consent.*** During a third-party validation such as the proposed Project, it is common for Consultants to gain access to privileged information from the Organization and from end clients. Please provide a statement describing: how end clients will be informed of their rights and of the Project goals in a way that will result in meaningful and informed consent; who within the Consultancy will have access to Project information and for which purposes; the steps Consultant takes to safeguard proprietary and confidential information.

***Data sharing & SPI Online.*** Note that all SPI Online users are requested to share their results to Cerise+SPTF. Those results will be entered into a confidential database to produce aggregated benchmarks that allow SPI users to compare their results with peer groups (anonymised).

***Impartiality and independence.*** Organization is seeking an objective assessment of its conformance (or non-conformance) with client protection standards and thus wishes to ensure that its chosen Consultant’s decisions are not influenced by other interests or by other parties. Accordingly, please include a statement of independence and impartiality, disclosing any potential relationships with Organization or related entities that could result in an actual or perceived conflict of interest. Such relationships include but are not limited to: ownership; membership; governance; management; personnel; shared resources; finances; contracts; family (blood or marriage); romantic or other intimate relationships; marketing and payment of a sales commission or other inducement for the referral of new clients. For any potential conflict disclosed, please provide detailed information about steps Consultant can take to neutralize the threat to impartiality or independence, bearing in mind that, although potential conflicts may or may not prove disqualifying, failure to disclose will constitute breach of contract if Organization selects Consultant and learns of the conflict after the fact.

***Deliverables.*** Please provide a detailed description of the products proposed for delivery. At a minimum, this should be a final report with: (i) assessors’ names, dates of on-site visits; (ii) detailed and substantiated observations on the compliance with each indicator, including clear indications on the areas of non-compliance or absent practices; (iii) APR calculation and benchmarking analysis; and (iv) the CP4 Companion tool with details on other components of pricing.

***Work for Hire.*** Please provide a statement acknowledging that if selected, Consultant’s work on this Project will constitute a work for hire, and that all deliverables, project notes, completed tools, Review Committee meeting minutes (where applicable), and all other material generated in the performance of the Project will be the Organization’s property and will be turned over to Organization upon Project completion.

***Budget and timeline.*** Please provide a detailed budget indicating total costs for the Project, broken down by labor (with line items for each proposed team member), travel, and incidentals. Please also provide a schedule for the Project, indicating the total number of work days anticipated to complete the Project, and the major activities and milestones from start to finish.

1. Preference will be given to Consultants which formally appoint a committee, independent of the assessors, that can review the assessment and which has among its members at least one person who has achieved Client Protection qualified auditor status as defined by [the SEPM Pros network.](https://en.spi-online.org/experts-and-financing) [↑](#footnote-ref-1)