



December 1, 2023

Certified Financial Planner Board of Standards  
1425 K Street NW #800  
Washington, DC 20005

Re: Sanction Guidelines and Fitness Standards for Candidates for CFP® Certification and Former CFP® Professionals Seeking Reinstatement

Dear Sir or Madam:

I am writing on behalf of Consumer Reports<sup>1</sup> to express our strong support for the CFP Board's Proposed Revisions to its Sanctions Guidelines and Fitness Standards.

As an organization that represents consumers, we greatly appreciate the CFP Board's commitment and ongoing efforts to promote to the highest standards of professional competency and ethics, which benefit and protect the public. At the same time, it's critical for the CFP Board to have appropriate, comprehensive and reasonable sanctions in place that reflect the seriousness of the misconduct that has occurred. Maintaining strong rules of the road is critical for deterring misconduct, promoting compliance, holding those who engage in misconduct accountable, and instilling public confidence and trust in the financial planning profession.

Based on our review, we agree with Consumer Federation of America (CFA) that the CFP Board's proposed revisions to its Sanctions Guidelines and Fitness Standards are appropriate and reasonable particularly in light of the significant aggravating and mitigating factors that the CFP Board has set forth and indicated how they should apply in a particular case. These guidelines will give the Disciplinary and Ethics Commission (DEC) an appropriate framework to begin its analysis of potential wrongdoing, as well as the flexibility to issue sanctions that are appropriate to the circumstances. We urge the CFP Board to please adopt these revisions in final form, with additional minor revisions, as discussed below.

We especially support the significantly improved listing of aggravating and mitigating factors, which will help guide the application of sanctions. The proposed revisions would strengthen sanctions guidelines when a respondent breaches their fiduciary duty, which is a very serious

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<sup>1</sup> Founded in 1936, Consumer Reports (CR) is an independent, nonprofit and nonpartisan organization that works with consumers to create a fair and just marketplace. Known for its rigorous testing and ratings of products, CR advocates for laws and company practices that put consumers first. CR is dedicated to amplifying the voices of consumers to promote safety, digital rights, financial fairness, and sustainability. The organization surveys millions of Americans every year, reports extensively on the challenges and opportunities for today's consumers, and provides ad-free content and tools to 6 million members across the U.S.

## Sanction Guidelines and Fitness Standards, page 2

matter for investors and the public. Whereas the current sanction guideline for this misconduct would be a suspension for the respondent, the proposed sanction guideline would be a revocation, with potential mitigation to a lower sanction based upon application of the aggravating and mitigating factors. We commend the CFP Board for taking this strong position when a respondent breaches their fiduciary duty, because of the overriding critical importance of complying with this standard for the investing public.

We also encourage the CFP Board to consider strengthening the proposed guidelines and fitness standards in two key areas proposed by Consumer Federation of America.

- Any fraud or misrepresentation involving professional services, including failing to provide financial planning to a client notwithstanding contrary representations to the client, should be subject to a sanction guideline of revocation, with potential mitigation to a lower sanction based upon application of the aggravating and mitigating factors. While the proposed revisions regarding this category of misconduct are not unreasonable, we believe that the harm that would result from such misconduct should warrant higher sanctions.
- In addition, given the public interest in promoting transparency when a respondent engages in any kind of misconduct, public censure should be the lowest sanction guideline, with potential aggravation to a higher sanction or mitigation to a lower sanction based upon application of the aggravating and mitigating factors.

In conclusion, we applaud the CFP Board for its strong commitment and ongoing efforts to develop appropriate guidelines of conduct for the financial planning profession. We urge the CFP Board to promptly finalize these proposed revisions, with these suggested improvements.

Sincerely,



Chuck Bell, Programs Director  
Consumer Reports

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