

Questions that you should ask any Financial Adviser

Overview

Finding the right financial adviser is an onerous task – but it can be made easier by asking some key questions before you agree to appoint them to help you to control your financial matters. You need an experienced professional as you will be giving them details of your financial situation and entrusting them to guide you appropriately.

So, what questions should you ask?

- **Are you a Whole of Market Independent Financial Adviser?** - Many advisers are not actually independent and cannot advise you across the whole of the market, so this should be a key question. If an adviser is NOT a whole of market independent adviser he or she will be categorised as restricted and therefore limited in the advice according to that restriction.
- **Is your firm Chartered?** - Only a small number of financial advice firms carry the status of Chartered Financial Planners as awarded by the Chartered Insurance Institute. It is the “gold standard” that IFA firms should aspire to and is achieved by the highest levels of experience, expertise and professionalism.
- **How much do you charge your clients?** - IFAs moved away from the murky world of “commission” years ago and now work on fee schedules which reflect the amount of work undertaken. A good IFA will give you an indication of the cost of advice, or a pretty accurate estimate. Often clients will require ongoing advice on a pension or investment and an annual advice fee will be agreed, often this will be a % of the funds being managed.
- **What services does your firm provide?** - Do the advisers in the firm specialise in the areas that are most appropriate to your situation? Most IFAs offer “holistic” advice, but it is useful to know that the firm has specialist expertise to call upon.
- **Will I only be dealing with you or with a team?** – If the firm only has one or two advisers you will be more likely to just be dealing with that adviser which may suit some people, but dealing with an adviser who has a team behind them does have many advantages. Some of the work on your behalf can be done by other team members, you have access to more than one contact and importantly if your adviser is sick or on holiday you are able to speak with someone who knows and understands your situation.
- **Why do you think you will be a good adviser for me?** - A good IFA will be able to instil confidence in their ability to help with your situation at the very first meeting. They should speak with confidence and list their key qualities as well as the firms.
- **How long has your firm been in business?** If a firm has been around for a long time, say 10 or 20 years, this is a pretty good indication that they are doing things in the right way.
- **What can I expect from a first meeting with you?** -Most good IFAs will offer an initial meeting at their expense. This will enable the IFA to make an honest assessment of the degree to which they can assist, with regard to the particular needs of that client. Most importantly it will give you the opportunity to get a feel for the IFA and how comfortable you will feel with that person during the advice process. Never be afraid to ask a friend, relative or partner to accompany you especially if you have never dealt with a financial adviser before.
- **How often will we meet to review progress?** - With a good financial adviser, there should be an agreement to meet at least once a year to review progress on your investments, but at the same time you need to be reassured that you will have access to your adviser to discuss things more frequently if necessary.

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- **How will the review meeting take place?** - Generally it is a good idea to meet at the office of your adviser. This will give you the chance to meet other members of the team who are involved in your financial affairs. Alternatively the IFA should be willing to travel to your home as well as offering the opportunity to speak via telephone or Skype.
- **Where do your clients come from?** - Most IFAs should have clients that have come from various sources – internet, ads, client referrals and through solicitors & accountants. They should not be afraid of giving you the names of those with whom they have a good relationship and who can verify the quality of the IFA.
- Not so much a question, but an **observation – look at the advisers website!** - You can tell a lot about an IFA from the website, not just the glossy stuff, but about the values that the IFA adheres to. Are they active within the community? Is the website current and up to date with its news? Does it contain useful information or videos? How easy will it be to contact someone at the firm?
- **Can you show me a typical financial planning report?** - Whilst there is no such thing as a “one size fits all” report, the adviser should be able to illustrate the format and style that will be adopted.
- **Has your companies’ expertise been recognised within the industry?** - An IFA that has been recognised by industry awards clearly shows a determination to be seen as a leader in their field. Also ask if the IFA has had any technical articles published in the national or trade press. Once again this will show that the IFA is considered to be an authority on a particular subject.
- Whole of Market Independent
- Chartered Financial Planners?
- Heritage & History?
- Recognition – Awards?
- Experience?
- Depth of team & support?
- Ease of access to adviser?



To arrange an initial meeting at our cost, or to drop in for a cup of coffee to find out more about us.

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“Intelligent, Independent Financial Advice”

In conclusion

There is no “silver bullet” in choosing an IFA, but good old common sense and gut-feeling can go a long way towards making the right decision for you.

Most IFAs are committed to giving good service to clients and your decision is not easy. But don't be afraid to ask any of these or other questions that come to mind, and try to tick as many of the following boxes as possible –

All information has been prepared with care to ensure accuracy and is based upon our understanding of legislation and HMRC practice, which can be subject to change. This is intended to provide information only and should not be considered as advice.