

Making the right choice when it comes to choosing an IFA and managing your wealth in this present economic climate

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In these days of a changing economic climate and financial uncertainty, particularly in the last weeks with the takeovers and demise of some of the world's leading banks and financial institutions, it has never been more important to protect your wealth. But how do you go about choosing the right financial adviser? Paul Taylor, Managing Director of leading Worcester and Evesham-based firm of IFAs McCarthy Taylor, outlines the keys things to look out for when choosing an IFA.

"There is nothing that causes arguments more than money. In this age of pre-nuptial agreements, complex employee contracts and regulations for just about every financial transaction, it remains surprising how people choose their financial adviser.

"Of course, some people go it alone, preferring to tackle the maze of complex financial products themselves and rely on the internet."Some people are happy to trust their banks. Few people other than the extremely wealthy seem to have really selected an adviser. A recommendation from a satisfied friend is a good start, but would your friend know whether or not a better option was available? In making such an important decision can you afford to just rely on someone else's goodwill?

"If you want someone to work for you, then you need to pay them. Now it is true to say that if your adviser takes commissions that will come out of your money, but this situation creates a commercial relationship between provider and adviser. Choosing a fee-based IFA however, creates a direct relationship between client and adviser and truly fee-based independence, avoids any bias. It is always advisable to agree the scope of work and the cost with your IFA in advance so you know what you will be expected to pay for the advice that you receive.

"History shows us that advisers do get it wrong. Mis-selling pensions, split caps, precipice bonds, endowments...a sensible question to ask of any adviser is 'have you or your firm ever had to pay compensation or been found to have given poor advice?' You will be surprised to know how few can say no.

"Cost is important, but the cheapest option is not necessarily the best.. If an adviser charges a fee and looks for long term income by fund based or annual fee, they have an interest in keeping you happy. Up-front commissions call into question the motivation of the adviser and make a big hole in your fund. In life insurance products these increase premiums substantially. The key is to get value for money - the right advice at a reasonable price. If an adviser seems pre-occupied with products they may not understand your needs. Your financial affairs are intricately woven into your personal life. You need a capable adviser to trust, and develop a long term working relationship with.

"There are advisers happy to work on a fee basis but of course you also need to know that they have the technical knowledge to do the work. Ask them what qualifications they hold. Do they, or somebody in their firm, hold the specialist qualifications you need, for example on pensions transfer advice? Do they have advisers who are already qualified to the level envisaged under the Retail Distribution Review being carried out by the FSA - the Advanced Financial Planning Certificate or equivalent? Do they have relevant

experience of the issues which face you? To what extent do they rely upon third parties for investments – for example, do they rely upon packaged products such as With Profits funds, managed funds, fund of funds, hedge funds or structured products? How diverse and transparent is the offering they provide?

Just remember you're asking someone to look after your money so you don't want to have to have the argument!

If you are looking for independent fee-based financial advice, give McCarthy Taylor a ring today on Tel: 01386 422611.

For further information on this press release please contact Paul Taylor at McCarthy Taylor on 01386 422611 or email paul@mccarthytaylor.co.uk or Hilary Davies at 01386 425126 or Bryony Hancox's PA on 01386 425111

Alternatively you can speak to Angela Baker at Marketing IQ on Tel: 01905 359475 or e-mail@ angela.baker@marketing-iq.co.uk