

Independent Financial Advice

Independent Financial Advice is not the only option available.

If you go to your high street bank you may be greeted by a financial adviser, but they could well be 'tied' to recommending and promoting the products of the bank, or a single insurance/investment company to which the bank has an allegiance. So why do we need independent advisers, and how can customers be sure they are getting a fair deal?

The Financial Conduct Authority

The FCA, to give it its shorter title is the government watchdog that regulates all financial and insurance firms – this ranges from the largest multinational bank, to the financial adviser operating as a sole trader. The FCA handbook of rules and guidance lays down the laws to which all Independent Financial Advisers must adhere, and the way they treat customers is governed by the 'Conduct of Business' (COBS) rules. The rules are freely available from the FCA's website– <http://www.fca.org.uk>. Please note: this is an external site and our firm is not responsible for the content.

How do I know the company I am dealing with is independent?

Independent advisers are able to select the correct product for customers from the entire market – that means they can potentially recommend any product from any insurance company providing it suits the customer's needs and objectives. With such a wide choice of companies, investments and saving tools the customer can be reassured that they are not simply being provided with a standard recommendation – and are getting personalised advice.

To ensure you do get personal advice your financial adviser will collect certain details about you and your circumstances to enable him to correctly advise you. Remember to be as open and honest as you can, because the more information you provide, the more accurate the adviser can make his recommendations.

From November 1st 2007, all financial advisers have to provide their customers with the relevant important documents:

If the financial adviser is providing advice on investment related business, they must provide a Client Agreement. The Client Agreement has now replaced the 'Terms Of Business' Letter. This document can now also incorporate the information normally included in the 'Key Facts about our services' and 'Key Facts about the cost of our services' The content of the 'Key Facts' documents is listed below. The Client Agreement generally contains information on services provided by the firm, how the firm is paid for the business it conducts, their complaints procedure, Data Protection and coverage under the Financial Services Compensation Scheme (FSCS). (Please note that advisers can offer a 'shortened' client agreement alongside the regular 'Key Facts' documents if they so wish).

'Key Facts about our services' tells customers about the firm's activities, whether they offer advice from the whole market, or a range of companies, or even a single firm. It also includes information about the firm being authorised and regulated by the FCA.

'Key Facts about the cost of our services' tells the customer about the service provided by the firm, the payment options and the way in which the firm is remunerated. This document is only provided to clients obtaining Investment advice.

The firm will usually have their own 'Client Agreement' in addition to the 'Key Facts' document(s). This will include more information about the firm. Please note a Client Agreement is not required to be provided for advice on Mortgages and Insurance.

You can ask to see these documents at any time. Use the 'contact us' page of the website to request these.

What protection do I have?

Your financial adviser will always endeavour to do the very best for you. Whenever you deal with a financial adviser you will receive details on the complaints procedures offered by the firm. If you wish you can request a copy of these procedures at any time.

When the adviser is advising you on regulated products (including investments, insurance and mortgages) you have the protection of the Financial Ombudsman Service (FOS) and the Financial Services Compensation Scheme (FSCS).

If you are unhappy about the advice or service you have received you should firstly contact the firm that provided the advice or service. This gives them the chance to put things right and/or to provide their own version of events. Should you remain dissatisfied you can refer your complaint to FOS who will investigate the complaint independently and make a ruling. FOS work with customers and financial advisers to resolve a complaint, and when they do have to make a ruling it is binding upon the firm.

If you try to submit a complaint to a firm and the firm is dissolved, or unable to meet its obligations, you may have recourse to the FSCS (Financial Services Compensation Scheme). This is a service funded by all the companies within the industry to protect customers where firms have closed or gone into liquidation.

Anything else I should know?

Some financial advisers do give advice on products that are not regulated by FCA - such as general taxation and some Buy-to-Let mortgages. Your adviser will explain to you when you are receiving advice on an unregulated product. It is important you are happy with the advice, as you do not have the added protection of FOS or FSCS when dealing with some unregulated products.

Note: The Financial Conduct Authority does not regulate Taxation Advice and some Buy to Let Mortgages.

