



QUESTIONS TO ASK A PROSPECTIVE FINANCIAL PLANNER



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There are a few reasons why it can be hard to find the right financial planner:

- **There are many financial planners to choose from:** With so many financial planners out there, it can be difficult to know where to start and how to narrow down your options.
- **It can be hard to know what to look for:** There are different types of financial planners that use different professional titles such as financial planner, financial adviser, wealth manager, wealth planner, lifestyle planner or even financial life planner! Most firms also have different services, target clients, processes and fees which can make it hard to know what to look for.
- **There may be a lack of transparency around fees:** Some financial planners may not be forthcoming about how they are compensated – fixed, percentage and hourly fees are some ways planners charge for their services.
- **Different financial planners have different specialties:** Financial planners can have different areas of focus, such as retirement planning, investment management, or estate planning. It can be challenging to find a financial planner who has expertise in the areas that are most relevant to your needs.
- **Trust is important:** Choosing a financial planner is a big decision and it is important to find someone you trust. It can be hard to know if you can trust a financial planner, especially if you are not familiar with the financial industry.
- **It can be hard to determine if a financial planner is a good fit:** It is important to find a financial planner who is a good fit for your personality and communication style.

Overall, finding the right financial planner can be a challenging process, but it is important to take the time to do your research and ask the right questions to find someone who a good fit for your needs is.

That is why we have created this document to help you ask some of the most important questions when speaking to different financial planners.

1. WHAT DO YOU DO?

You're looking for a concise explanation about the type and benefits of the service the financial planner can provide.

2. WHAT QUALIFICATIONS DO YOU HOLD PERSONALLY?

We'd also recommend asking if these qualifications are above the minimum level.

- University degree
- Industry or professional qualifications
- Are they above the minimum that you are required to hold?

3. WHAT QUALIFICATIONS DOES YOUR TEAM HOLD?

An experienced financial planner who doesn't hold higher level qualifications can show a commitment to education by hiring a younger, well-qualified staff around him/her/they.

- University degree
- Industry or professional qualifications

4. WHAT'S YOUR INVESTMENT APPROACH OR PHILOSOPHY?

What are the investment fund costs (on average) in your portfolios? What are the platform costs?

You can compare the answers on these costs between the planners you interview. Like with any other product or service, cost on its own tells you very little. However, when combined with the answers to all other questions it might give you some extra insight or help you make a decision between firms

5. WILL YOU ACT IN A FIDUCIARY CAPACITY WHEN PROVIDING ME WITH ADVICE?

Personally, I'd get the answer to this one in writing. Investopedia defines a fiduciary as "a person or organisation that acts on behalf of another person or persons, putting their client's interests ahead of their own, with a duty to preserve good faith and trust.

Being a fiduciary thus requires being bound both legally and ethically to act in the other's best interests."

Any financial planner worth their salt will specify in writing that they are acting in this capacity. You

might be surprised to learn that most planners you will come across are not acting in a fiduciary capacity and therefore have not explicitly agreed to put the client's interests before their own.

6. HOW MUCH ACCESS WILL I GET TO YOU WHEN I NEED YOU?

Most planners will provide an annual review meeting but will also allow you telephone and email access to them whenever you need it.

7. ARE YOU INDEPENDENT OR RESTRICTED?

In many cases a restricted planner is restricted because they belong to a large organisation that wants to limit their planners' liability by reducing the number of investment funds and other products they need to consider before giving advice.

Some of these organisations will nudge or incentivise their planners to use in-house investment options (which are generally more expensive for no extra value).

It's contentious and potentially misleading to write this as there are some restricted firms that have simply narrowed their focus to some high-quality investments and financial products.

But in my experience, that's rare and probably beyond the scope of most retail clients to be able to ascertain with certainty. We'd suggest going for an independent planner on that basis. (Although independence on its own means absolutely nothing. There are good and bad planners who are independent).

8. DO YOU HAVE OTHER CLIENTS SIMILAR TO ME?

It's always good to know that the financial planner you're working with has worked with people similar to you in the past. It would be even better if they specialised in people like you.

9. ARE YOU DIRECTLY AUTHORISED BY THE FCA OR AN APPOINTED REPRESENTATIVE OF ANOTHER ORGANISATION?

The financial planner should be regulated through the financial services firm they work for. You can check the Financial Services Register to make sure the firm is authorised.

10. HOW DO YOU CHARGE?

Is this separated for the initial advice, implementation and ongoing advice? What am I likely to pay for each stage of advice? Can I walk away after the initial advice if I don't want to go any further?

11. HOW BIG IS YOUR TEAM?

There are lots of smaller planners who might be offended that we've included this as a question to ask. However, it is worth asking to ascertain if there is some backup and other support within the business as it might ensure a better standard of service in the medium term.

12. WOULD I HAVE A DEDICATED PERSON TO CONTACT WHEN NEEDED?

Ideally, this would not be the financial planner. You'll find they're busy in meetings a lot of the time. So, another dedicated point of contact within the firm is preferable.

13. WHAT ARE YOUR PLANS FOR THE BUSINESS OVER THE NEXT 10 YEARS?

It's important in our view to hear what the businesses' plans are. Will the business be sold within the next 5 years?

Most clients don't like that thought very much, so be sure to probe a little if you sense hesitation on the part of the financial planner.

14. WHO OWNS THE COMPANY?

Definitely worth knowing. You can make up your own mind as to whether the answer is one you like or don't like.

Is there a larger company (for example, a fund manager or venture capital firm) that has a stake in the ownership?

15. HOW MANY CLIENTS DO YOU WORK WITH AT PRESENT?

This is important as too many clients per financial planner may impact the time the financial planner can spend with you and the quality of advice/service may decline. Over 100 clients per

financial planner may be an indication that capacity has been reached.

Have they got capacity to take on new clients?

16. WHAT IS THE BEST THING THAT YOU HAVE EVER DONE/ ACHIEVED FOR ONE OF YOUR CLIENTS?

You are looking for an answer on how the financial planner helped clients achieve goals and objectives.

17. CAN YOU PUT ME IN TOUCH WITH A COUPLE OF YOUR CLIENTS TO HAVE A CHAT WITH?

While no financial planner is likely to connect you with someone who will give them a bad report, you can ask a few questions of the existing clients and the way they answer might give you some extra confidence or scepticism.

18. HOW LONG WILL IT TAKE TO RECEIVE ADVICE?

Good quality advice takes time and is a process, not a singular event. Unfortunately, a lot of the delays in the process can be down to obtaining important information from your existing product providers. This is not the financial planner's fault.