



QUESTIONS TO ASK A PLANNER

Last week was “Financial Planning Week” and it enjoys the support of not only the Financial Planning Association (FPA) but also the Australia Securities and Investments Commission (ASIC) and the Parliamentary Secretary. The value of advice was highlighted via various media including TV shows like Sunrise and Kerri Anne. With consumer research showing increasing demand for financial advice what questions should you ask before choosing a Financial Planner.

1. *Are you a member of the Financial Planning Association?*

FPA practitioner members must adhere to a code of ethics and professional standards. To find FPA members, go to www.fpa.asn.au.

2. *Are you a CERTIFIED FINANCIAL PLANNER™ (CFP®)?*

A CFP® professional has attained the highest accreditation available to a financial planner in Australia, based on examination, ethics, experience and continuing education.

3. *Can I see your Financial Services Guide (FSG)?*

The FSG explains the nature of the financial services being offered, the fees charged and how the person providing the service deals with customer complaints. A financial planner is required by law to give a client an FSG before providing any financial advice

4. *How do you charge for your services?*

This depends on how complex your situation is and the level of service that the Financial Planner provides. Your Financial Planner will prepare a Statement of Advice which will detail all fees and charges payable to the planner, both from commissions and fees. Ideally the planner should charge on a fee only basis. This removes any conflicts of interest associated with commissions.

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5. *Will I receive written advice?*

By law, if you proceed to get advice, the financial planner must provide a written 'Statement of Advice'. The Statement of Advice should include:

- a) The advice the planner has given the client;
- b) The information on which it is based;
- c) How they get paid;
- d) Any interest, associations or relationships that could influence the advice given.

Who authorises you to give advice?

Ownership of the planner's business can affect the services and products you are offered. Many advisory businesses are owned by major financial institutions, such as banks, fund managers and life insurance companies. Even if they operate under a different name, the FSG will tell you if they are owned or associated with other companies. Only a few financial advisory companies are independently owned.