

Finding a good financial planner

Over the past couple of years, there's been a lot written about the benefits of obtaining good financial advice - but what exactly does financial planning involve?

- ▶ How do you find the right financial planner for you?
- ▶ What are the Do's and Don'ts when seeking advice?
- ▶ What are the key questions to ask a potential planner?
- ▶ How much will financial advice cost?

In this fact sheet, we explore these questions and demystify common issues faced by those seeking financial advice.

The truth is that most of us would spend more money on coffee in a year than we would spend on financial advice.

Often we feel like we don't have enough money to invest, and feel uncomfortable about asking for financial advice. But this is even more of a reason why we should see a planner, so that they can help us to use the money we have now, to build financial security for our future.

Importantly a financial planner can help with everyday financial matters including: retirement or transition to retirement, income streams, superannuation, insurance, debt consolidation and budgeting, investing and wealth creation and estate planning.

Finding the right financial planner for you

When looking for a planner, a good place to start is to ask your friends and colleagues about their experiences. If you are a member of an Industry Super Fund, they will



either provide in-house financial planning services or will be able to refer you to a fee-based planner.

Finding a good financial planner can be difficult, especially if you're unsure about exactly what you're after. However, forming a strong relationship with a qualified financial planner can help to ensure that you make informed decisions about your financial future and plan and achieve your financial goals.

The Do's and Don'ts when seeking advice

Do's

- Think about your goals and what you are trying to achieve.
- Contact your industry super fund for a referral.
- Speak to your colleagues about their financial planner if they have one.
- Find someone that you trust and feel comfortable with.
- Ensure that your financial planner is properly licensed. You can check their licence details through ASIC's consumer site www.fido.gov.au.
- Take advantage of your initial consultation. Most reputable planners offer this free of charge.
- Be aware of promises for higher than usual returns - if it sounds too good to be true it probably is.

Don'ts

- Be afraid to ask questions, if there's anything you're unsure of.
- Agree to any recommendations or plans that you don't understand.
- Be put off by financial jargon – ask what it means
- Rush into anything.
- Be afraid to meet with several planners before you make a decision about which one you feel most comfortable with.
- Be afraid to say no. You are the client and you are paying for the service. If you are not completely comfortable with the recommendations or advice you receive, tell your financial planner.



Key questions to ask your potential planner

- 1 How long have you been giving formal advice and what are your qualifications?
- 2 Do you get paid any commissions or other financial benefits for recommending any particular products to me?
- 3 Are there any financial products, providers or super funds that you don't recommend and why?
- 4 How much will this advice cost me? Do you offer a flat fee-for-service option or charge commissions, percentage or asset based fees?
- 5 How do you keep up to date with financial news and changes, including legislative changes?
- 6 Who are you or your firm licensed through? If this is a bank or major financial services company, will this influence the advice I receive from you, or the products you recommend?

A good financial planner will be able to answer all of these questions promptly and listen to any concerns you may have.

Once you have found a suitable financial planner, you can begin achieving your financial goals.

But wait a minute - how much will the advice cost you ask?

The cost of financial advice



You may have heard that financial advice is expensive. This is not always the case.

Financial planning costs can greatly vary, depending upon the level of advice you require. If you have only one financial issue to discuss you may be able to receive limited advice rather than a full plan.

This can save time and money. More complex plans can be more costly, but they may save you from financial mistakes you may have made if you didn't receive any advice.

A financial planner may charge an upfront fee for service or they may charge commissions. (For more information about upfront fees and commissions, please refer to our fact sheet 'Fees vs Commissions').

The single most important thing is that you find out exactly what fees you will be charged, now and in

the future. Also make sure that you feel comfortable paying according to this fee structure.

Every financial planner is required by law to provide you with a written Financial Services Guide (FSG). You should receive this at or prior to your first meeting.

This document should clearly outline all of the planner's fees and services. This will help you compare fees and understand what you are paying for.

Remember that financial planning is a professional service and as such it demands an appropriate cost. You are paying a financial planner for their level of expertise in financial matters.

If you have any questions about financial planning or wish to arrange a free consultation with a qualified IFFP Planner, please call **1300 138 848** or visit **iffp.com.au**