What to expect from a financial adviser

Planning for retirement can feel complicated, and the choices you make can have a lasting impact on your financial future. While you can manage this yourself, many people find it more effective and reassuring to work with a qualified financial adviser.

If you've never used an adviser before, it can be hard to know where to begin. This guide is designed to help you get started, highlight what to look for before you commit, and explain what you're paying for and the value you should expect in return.

Finding an adviser

Your adviser must have the necessary qualifications and be someone you can **trust** to **listen** to you, **understand** your needs and **work in your best interests**.

- A good place to start is with friends and family. If you know someone who has taken advice in the past, ask whether they would recommend the firm or adviser they used. First-hand experience can be a helpful guide, although it's still a personal judgement — so it's worth asking someone whose approach and values feel similar to your own.
- Alternatively, you can use the 'find an adviser' services offered by www.MoneyHelper.org.uk, www.unbiased.co.uk or www.vouchedfor.co.uk to find someone in your area and pay them a visit. Read what they say about themselves and the services they offer and make sure to check out any **customer reviews**.
- Their website should also tell you if the adviser has advanced qualifications such as '**Chartered'** or '**Certified Financial Planner'** status, and whether they offer '**independent**' financial advice or can only recommend the products of a single or limited range of companies.
- Anyone thinking of transferring their defined benefit pension should first check that the company has the right permissions to help via http://fca.org.uk/firm-checker
- Advisers who have signed up to the **Consumer Duty Alliance** have additionally committed to a voluntary set of standards to put good client outcomes at the heart of their service and offer a 'safe pair of hands'.

Working with a Financial Adviser

It can also be difficult to know what to expect once you commit to working with an adviser.

Many advisers will offer an **initial meeting** to explain how they work and give you a chance to decide whether they're a good fit for you. This is typically free of charge.

Advisers must also provide you with a Client Agreement Letter (CAL), which sets out their terms and conditions. While these documents can be detailed, they are an important reference point and can help clarify your rights and expectations throughout the advice process.

The advice process

The advice process will vary from adviser to adviser but should include the same basic steps.

- **Information gathering or 'fact-finding'** – your adviser needs to understand what matters to you and the type of lifestyle and retirement you want. They should ask about 'soft facts', such as your family values and lifestyle, as well as the 'hard facts' about your employment and financial assets. It's important to be open — if they don't have the full picture, they may not be able to give you the right advice.
- **Research and Analysis** – once they have a full picture of your circumstances, they will review all existing policies, cash savings and other assets to assess whether you already have enough to support your retirement or whether further action is needed. This part of the process can take time, especially if you have accumulated a range of savings and investments.
- **Report and recommendations** – once they have analysed your current situation, your adviser will provide a **personal recommendation**. The recommendation report will tell you which **products** and **investments** they believe are most suitable for you, and may also include a **cashflow plan**, showing you how much you can afford to spend each year without running out of money. This is covered by regulation, meaning that you have rights if the advice turns out to be unsuitable[1].
- **Implementation** – if you agree to follow their advice, your adviser will help you with any paperwork. Where a transfer has been recommended, this will involve liaising with both the existing and the new product provider.
- **Ongoing service** – your adviser will explain whether ongoing advice is appropriate for you. This should only be recommended if it genuinely adds value — most commonly when your pensions remain invested and you are taking an income directly from the fund (known as income drawdown).

  If you have a guaranteed pension from your employer or via an annuity this should not require ongoing management.

Fees and charges

Financial advice is not cheap. You are paying for the expertise of someone who has had to study and gain both experience and advanced level qualifications before they can speak to you.

- They should however, be able to explain their fee structure and must provide you with a **personalised charges document** before you proceed.
- It is possible for their fee to be paid via a deduction from your pensions or investments rather than a direct cash payment. This is known '**adviser charging'** and is intended to make financial advice more affordable to everyone.

Financial advice can make a real difference by helping you fully understand your retirement income, make well-judged, tax-efficient decisions, and avoid common pitfalls such as spending too much, too soon.

[1] This does not include situations where the outcome is due to factors that the adviser could not have foreseen, such as changes to legislation, or where the risks were explained to you and you agreed to accept them (e.g. investment risk).