

Ten Questions To Ask A Financial Adviser

Approaching a financial adviser for help, particularly the first time you do it, can be an intimidating experience. Any adviser worth their salt should endeavour to make you feel as comfortable as possible in a first meeting, but even with the best of intentions there is almost certainly going to be a knowledge gap. Indeed, that's the whole point you are there in the first place!

To offer a tangential example, as I am in conventional terms hopeless when it comes to anything remotely practical, I know nothing about the inner workings of my car. Therefore when I approach a mechanic, it is very difficult for me to get a sense of whether they are credible or not. I don't even know where to begin, what questions to ask.

So while I wait for someone to send me the ten questions to ask a mechanic, I have produced this cheat sheet for you - "*Ten Questions To Ask A Financial Adviser*".

These aren't listed in any kind of specific order, if you are ever meeting with an adviser you can pick and choose from them as needed. But I would suggest that these will at least give you a decent idea of the person you are sat across the table from.

1. Are you registered with the FCA (the Financial Conduct Authority)?

If the answer to this is anything other than "yes, and here is where you can find me" – well...you have my permission to run a mile.

Our answer: Beechgrove Financial Planning is a trading style of Sylva Financial Planning. Sylva Financial Planning are regulated by the Financial Conduct Authority, Reference Number: 523565. You can find our entry on the FCA Register [here](#).

2. What qualifications do you have?

Like many industries, financial services professionals have a range of qualifications and associated acronyms. In order to practice all regulated financial advisers must have a Qualifications and Credit Framework (QCF) Level 4 at the minimum and submit an annual Statement of Professional Standing (SPS).

Our answer: Dave is qualified as a Certified Financial Planner® which is the only globally recognised standard of financial planning. It is equivalent to a university degree, and a Level 7 qualification within the financial services framework.

3. Who will I call when I have a question?

Advice firms run all kinds of different models and your day to day contact with the firm may not be with the person you meet in that first meeting. This may work just fine for you. But if you are expecting to deal full-time with that adviser, and it transpires that you will only have access to them once a year then there is potential for disappointment.

Our answer: Your primary day to day contact will be David Henry. If Dave is unavailable, you will be able to speak with Aditya Chaverakar who provides administrative support or Philip Knapton who acts as a locum for Dave's clients.

4. How will we communicate with each other, and how often will we meet face to face?

Most advice firms will provide an annual review meeting with you as standard – but it is important to be clear on whether the ongoing service you receive will cover "out of the blue" meetings or calls too.



Post COVID a lot of clients have been happy to arrange video calls, rather than have me sit in their living room eating their biscuits. But regardless of whether you prefer face to face conversation or calls or WhatsApp's as your primary method of communication, it is also important to be clear about this from the outset.

Our answer: The annual fee you pay covers any number of calls or conversations with us, via any medium.

5. Are you independent?

To be considered independent, a financial adviser must be able to recommend a wide range of products and providers from across the whole of the market.

A restricted financial adviser on the other hand is one who is only permitted to recommend specific types of products from certain providers.



Our answer: We are fully independent.

6. How many clients do you think that you can look after well?

An organised principal financial planner at a firm should have a clear idea of where their business is headed, and be transparent about that with you.

A key part of what you are paying for is the trust that you have in your adviser, and that is only built through consistency of relationship over time. It isn't much fun to feel side-lined by your adviser as their firm grows.

Our answer: Speaking with clients is by far and away the best part of the job. As such, it is incredibly important to me to maintain high touch and personal relationships with the people we serve. With the current infrastructure in place, we will be looking to work with no more than 80-100 households.

7. How do you invest clients' money?

I have my own views about how money should be managed, and others will naturally disagree. This is what makes a market.

But what you should be looking for here is evidence of a well thought out approach that your adviser is easily able to articulate clearly.

As an aside, none of you ever need to invest in anything unregulated. Ever.

Our answer: We invest in accordance with academically defined, time tested principles and do not make predictions (guesses) about what the future might hold.

Control the controllables - keep costs low, remain properly diversified and minimise the potential for behavioural errors.

8. And how do you invest your money?

I'm astonished we don't get asked this more. As the client you are potentially entrusting your life savings to this person, don't you think it is important to know that they are eating their own cooking?

Our answer: Myself and my family are invested in exactly the same products I recommend to my clients, and I am happy to show you the relevant accounts to corroborate this.

9. How will you charge me for your services?

Advice firms' charging structures naturally differ and a diverse marketplace can only be a good thing for consumers. The profession has made great strides in how fees are presented, but I still see some charging structures that rival the enigma code in terms of complexity.

Your adviser should be able to clearly explain all the charges that you will pay – not only for their services, but also for any financial products they recommend as well.

Our answer: We charge a flat annual retainer equivalent to 1% of the value of your overall wealth (excluding the value of your home). This annual fee is subject to a minimum figure of £3,000 and is capped at a maximum of £6,000.

We do not charge any additional initial or one-off fees for specific work, and if we ever receive a commission or referral fee from a third party we will refund it to you.

10. What conflicts of interest do you think exist in your role as my adviser?

No business model is entirely without conflict. If your adviser is charging a percentage fee based on the assets that they manage on your behalf – then they may be incentivised to recommend you invest as much of your money with them as possible.

Again, it's a matter of transparency. A good adviser will be able to articulate any potential conflicts they foresee, and identify how they would seek to mitigate them.

Our answer: Our fee structure was designed to minimise conflicts. Our annual fee does not change depending on the advice we give, so we have no incentive other than to recommend the best for you.



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Dave has fifteen years of experience in financial services, advising individual clients and their families. He has a particular expertise in advising Fractional and Interim C-Level executives, as well as soon to be and recent retirees.