

Investment and pension advice - worth paying for?

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Most of us have pensions, and some of us have investments – but why bother seeking financial advice on these? The past two years have seen the reputation of the financial services sector take a veritable nosedive in terms of the public's perception. Bankers are now synonymous with greed and few financial companies are treated without suspicion – many of us might agree that this is fully deserved.

In November of last year, the Daily Mail published a series of articles drawing attention to the way in which financial advisers charge their clients, and using pointed examples to illustrate the supposed need to be wary of advisers. The article went on to explain the particular methods in which charges are taken from people's pensions and investments.

However, the article erroneously failed to highlight that there are huge financial and circumstantial benefits to consulting a reputable financial adviser on pensions and investments.

A financial adviser should always disclose any charges to their client before going ahead with a recommendation. In some cases, a fee for pensions and investment advice will be based on a percentage of the investment amount, typically between three and five percent or the adviser may charge an hourly rate, as would an accountant or solicitor. An independent adviser will give the client the option of paying for the advice they receive in this way, or alternatively via the product itself (for example, through annual charges). In some cases there may be an ongoing advisory charge that will again be disclosed by the advisor.

As further peace of mind, it should be remembered that a financial adviser's remit is to make recommendations that are suitable to a customer's objectives and circumstances. The aim is invariably to bring the customer's investment strategy in line with their circumstances and attitude to risk and to provide regular guidance on how best to stay close to their objectives.

As a customer's circumstances and objectives change over time, so too does the advice and the financial plan. This is where a regular review from a financial adviser becomes invaluable.

Absolutely anyone at all who has a pension or investment who would like to see how they can achieve more focus with their money should have no hesitation in making contact with an independent financial adviser. Most advisers will operate on the basis of not charging a fee for an initial consultation, and there is no obligation to proceed with any advice. In this respect, there is nothing to be lost by arranging an initial discussion with your local IFA today.

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