

Adult Social Care

Getting Independent Financial Advice



Coventry City Council

ONE
COVENTRY

Updated March 2024

● Types of financial adviser

Financial advisers look at your personal circumstances and your financial plans and recommend products to help you meet your needs.

There are two types of financial advisers:

- Independent financial advisers (IFAs) give unbiased advice about the whole range of financial products from all the different companies available
- Restricted advisers give advice on a limited range of products.

They may specialise in one area, for example pensions, or they may only offer advice on products offered by a limited number of companies.

It is usually best to get independent financial advice so that you can look at the widest range of advice and products available.

● Making sure your adviser is qualified and registered

All financial advisers must have the following:

- Level 4 or above of the national Qualifications and Credit Framework
- A Statement of Professional Standing (SPS). This means they have signed up to a code of ethics and have completed at least 35 hours of professional training each year. SPS certificates must be renewed annually so check your adviser is up to date.

All financial advisers should be registered with the Financial Conduct Authority (FCA.) This means they meet the right standards, and you get more protection if you are not happy with the service. For example, you can complain to the Financial Services Ombudsman and may be able to claim compensation if things go wrong. If a financial adviser is not registered with the FCA, you can make a complaint to the FCA.

Do not be afraid to ask an adviser about their qualifications and Statement of Professional Standing.

You can check a financial adviser is registered with the FCA at <https://register.fca.org.uk>



● Before you see a financial adviser

How to check you are getting the right advice.

When you see an adviser, they should give you the right kind of advice for your financial needs. If they do not, you may be able to complain.

The financial products that an adviser recommends should:

- Be affordable for you
- Take account of whether you want to save for the long or short term
- Be suitable for risk you want to take-further information at www.citizensadvice.org.uk
- Take account of whether you pay tax

If an adviser ignores these points and recommends a product that is not right for you, and you later lose money because of this, you can complain.

An adviser only must give you the right kind of advice within the limits of what they are qualified to do. For example, if you see a restricted adviser, they will only recommend a suitable product for you from the range of products they sell. A restricted adviser does not have to tell you that you could buy a similar product from another company at a cheaper price. If you later find this out, you would not be able to complain.

For this reason, it might be better to go to an independent financial adviser who will be able to look at products from the whole of the market.

For further information and advice on debt and money visit www.citizensadvice.org.uk

**If a financial adviser cannot find a product to suit your needs, they must refer you to another adviser who can help you.
If they do not do this, you may be able to complain.**



● Checklist of things to do at your first meeting with an adviser

Here are some tips about things to do at your first meeting with a financial adviser:

- Check that the adviser you are seeing is qualified and registered to give you the advice you need. For further information on financial advice visit www.citizensadvice.org.uk
- Take notes so that you have a clear record of what was said at the meeting
- Ask lots of questions and make sure you understand everything you are told
- Take time to think about any decisions or to compare products with another adviser. You do not have to sign up for anything on the spot.
- Be prepared to answer questions honestly. A financial adviser will ask you lots of personal questions about your financial plans and personal circumstances so that they can recommend the most suitable products for you
- Check that your personal information is kept confidential and find out whether it is used for marketing purposes.

● What to think about before you see a financial adviser

Before you look for a financial adviser, try to work out what kind of advice you need. This will help you find the right adviser for your situation. Here is a checklist of some of the things to think about:

- Do you have spare money to invest? Take a good look at your finances to see how much you can afford to save. Make sure you have cleared any outstanding debts, loans, or bills first.
- How much risk are you prepared to take with your money? When you invest money, there is a chance you could lose money on your investment. Some investments are riskier than others but can make you more money if they do well. As a rule, the longer you invest for, the more likely you are to make money, rather than lose it.
- How long do you want to tie up your money for? The length of time you are willing to invest for affects the types of products an adviser will choose.
- Do you want advice on various kinds of investments? For example, ethical or environmentally friendly investments or financial products that invest according to Shariah principles.
- Are you looking for advice or just information? You may want someone to advise you what to do with your money or just information about a financial product so that you can make your own choice. Some financial advisers will provide both information and advice.
- Do you want one-off advice or advice on an on-going basis? Make sure you are clear about how much the advice will cost you and that you can afford it.

● Meeting with a financial adviser

How to check you're getting the right advice

When you first meet with a financial adviser, you should be given clear information on the services the adviser offers, including:

- Whether the advice is independent or restricted. If the advice is restricted, the adviser should tell you how it is restricted. For example, whether they are only offering products from certain companies.
- The level of advice you will receive. For example, you may just be looking for information to help you decide what to do, or you may need someone to suggest the best options for you.
- How much you will have to pay for the advice

Your adviser should also give you a key facts document with information about:

- The adviser or firm you are using and the services they offer
- The products they have recommended for you
- The right to change your mind about taking out a financial product and how long you must do it.
- Your right to be given further information or an explanation if there is something you do not understand.
- How to make a complaint if you are not happy with the service or product provided
- Who the firm is authorised and regulated by
- The cost of the service and/or product

If the adviser does not give you this information, make sure you ask them for it. For further information visit www.citizensadvice.org.uk

● How much will the advice cost

You will have to pay for financial advice, and you may also have to pay charges on the financial products you buy.

You need to be clear about how much the advice is costing you and what the charges are on the products you are recommended. Make sure you understand all the costs involved and compare fees and investment charges between different advisers before you make a final decision. You may be able to get the same product at a cheaper price with another adviser.

A tool to help you know what typical costs of advice are likely to be or your situation is available at www.unbiased.co.uk/tools/cost-of-advice



● Paying for independent financial advice

Ways to pay

Advisers are no longer paid by commission. This means that the advice they give should not be influenced by any commission they may earn on a particular investment.

Advice can be charged as:

- An hourly rate
- A set fee according to the work involved
- A monthly retainer
- A percentage of the money invested

Your adviser should explain to you how much their advice will cost and together you will need to agree how to pay for this. You could pay them upfront, or you may be able to agree that the adviser will take it from the sum that you invest.

Your adviser should set out the charges in a straightforward way and make sure you understand how much you are paying.

Fees may vary from adviser to adviser, so you should shop around to get the best deal. There may be extra charges for looking after your investments or providing advice on a regular basis.

● How to find a financial adviser

To get advice on the widest range of products and compare costs, you should look for an independent financial adviser. The following organisations can put you in touch with a qualified adviser in your area:

- At www.unbiased.co.uk - You can find independent and restricted 'whole of market' advisers on their website. Restricted 'whole of market' means advisers who can offer available products from all companies, but who may specialise in a particular area, such as pensions
- Personal Finance Society - You can find independent and restricted advisers on their website www.thepfs.org/yourmoney/find-an-adviser
- VouchedFor - You can also find independent advisers only on this website www.vouchedfor.co.uk

You may already have financial links with a bank or building society and trust their products, so feel more comfortable about seeking their advice. This is called taking restricted advice.

If you decide to do this, you need to be aware that there may be other financial products from other companies that are cheaper or better suited to your needs.

Complaints about financial advisers

You cannot complain to a financial adviser if your investment does not make as much money as you had hoped. But if you have lost money because of bad advice, wrong or misleading information or poor administration, you can complain to the adviser who originally gave you the advice.

You must follow the company's complaints procedure. If you are not satisfied with the response, where you take the complaint next depends on who gave you the advice. If the adviser you saw was authorised by the Financial Conduct Authority (FCA), you should take your complaint to the Financial Ombudsman. You can check whether they are authorised at <https://register.fca.org.uk/> To find out whether the Financial Ombudsman can deal with your complaint, you can call their consumer helpline on **0300 123 9123** (8am to 6pm Monday to Friday). There is also a special complaint form you can download and send to them by post. For more details on which complaints the Financial Ombudsman Service can help with visit their website

www.financial-ombudsman.org.uk/consumers/complaints-can-help

You can also find out from the consumer helpline whether the Financial Ombudsman can deal with a complaint about a company which is not authorised by the FCA. If you received financial advice from a solicitor or accountant, who is authorised by the FCA to give financial advice, you may need to take your complaint to the relevant professional body which regulates them.

For guidance on complaints about a solicitor or legal firm visit www.sra.org.uk

Guidance on complaining about accountants or accountancy firms can be found at www.frc.org.uk

If you are not sure where to complain, you can contact the FCA consumer helpline on **0800 111 6768**.

Contact Adult Social Care Direct
Call **024 7683 3003** or email ascdirect@coventry.gov.uk
or visit www.coventry.gov.uk/health-social-care

Speech impairment, deaf or hard of hearing? You can call using Next Generation Text (also known as Text Relay and TypeTalk): **18001 024 7683 3003**.

If you require this information in another language or format, please email ascdirect@coventry.gov.uk



○ Contact Adult Social Care Direct

Call **024 7683 3003**

or email ascdirect@coventry.gov.uk

or visit www.coventry.gov.uk/health-social-care

Speech impairment, deaf or hard of hearing? You can call using Next Generation Text (also known as Text Relay and TypeTalk): **18001 024 7683 3003**

If you require this information in another language or format, please email ascdirect@coventry.gov.uk

Jeśli potrzebujesz zawartych informacji w innym języku lub formacie, prosimy o wiadomość e-mail na adres ascdirect@coventry.gov.uk

ਜੇਕਰ ਤੁਹਾਨੂੰ ਇਹ ਜਾਣਕਾਰੀ ਕਿਸੇ ਹੋਰ ਭਾਸ਼ਾ ਜਾਂ ਫਾਰਮੈਟ ਵਿੱਚ ਚਾਹੀਦੀ ਹੈ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ

ascdirect@coventry.gov.uk 'ਤੇ ਈਮੇਲ ਕਰੋ

اگر آپ کو یہ معلومات کسی دوسری زبان یا فارمیٹ میں درکار ہوں تو براۓ مہربانی ascdirect@coventry.gov.uk پر ای میل کریں۔

إذا اردت الحصول على هذه المعلومات بلغة أو تنسيق آخر، يرجى إرسال بريد إلكتروني إلى: ascdirect@coventry.gov.uk

Dacă aveți nevoie de aceste informații într-o altă limbă sau format, vă rugăm trimiteți email la: ascdirect@coventry.gov.uk

እዚ ሓበሬታ ብኸልእ ቋንቋ ወይ ቅርጺ እንተደሊኹም ብኢመይል ከትጽሕፉ ትኸእሉ ኢኹም፡፡
ascdirect@coventry.gov.uk

○ Contact us

If you have any queries about the above information on getting independent financial advice, please contact:

Financial Assessments Team
Tel: 024 7697 5429

Coventry City Council
PO Box 15
Council House
Coventry CV1 5RR

