

Do I need a financial adviser?

Educational series



Money talks, they say. And for most of us it creates quite a racket. Interest rates, market movements, fund performance, tax implications, superannuation rules – there’s a lot to think about. Getting professional help can make it easier.

Why would I go to a financial adviser?

People go to financial advisers because they don’t have the time, knowledge or self-motivation to do it themselves. Keeping up with constant changes in laws and regulations about tax and superannuation, as well as understanding market movements can be a minefield.

At the same time, that doesn’t mean you hand over total control to your adviser. You need to be comfortable with any advice your adviser provides.

So how does it work?

At the first meeting (often free) you’ll probably just go over some basics. The adviser may try and establish how much money you have now, where it is (and isn’t) and what your plans are for the short, medium and long term. They should also clearly explain what they offer and how they charge.

They may also go through some simple financial strategies, including some you may not have thought of. You should ask questions at this meeting and decide for yourself whether you feel comfortable with this financial adviser.

Would you be happy for them to manage your affairs?

If you decide to go ahead, the financial adviser will then develop a strategy, a plan and investment recommendations outlined in your personalised Statement of Advice. This may take several meetings.

Once you’re happy with the plan the financial adviser can place the investments on your behalf. You should then agree when you will next review your portfolio. (At least once a year is recommended.)

Information to take to a first meeting

- House details – estimated value and outstanding mortgage
- Superannuation – how much and where
- Investments and savings – how much and where
- Borrowings – how much and where
- Credit card and charge card balances
- Large upcoming anticipated expenses
- Regular outgoings – bills, groceries, hobbies etc...
- Insurance information
- Personal & household income.

How financial advisers can help

- Retirement planning
- Investment planning
- Tax-effective investing
- Planning for business owners
- Insurance
- Estate planning
- Centrelink benefits
- Cash management and budgeting

How much does a financial adviser cost?

Whatever the costs, it is a legal requirement that the financial adviser explains what and how much they charge and what you get in return. Generally, how much an adviser charges will depend on how complex the plan needs to be and how much money you have to invest. You will agree with your adviser on how you pay for their service. There may also be an ongoing fee. This usually includes a yearly review of your investments.

There's also a cost associated with not doing anything – how much could you lose through bad decisions if you don't get professional advice? You need to weigh up the pros and cons and then make your decision.

How do I find one?

The Financial Planning Association has a section on their website 'Find a Financial Planner' where you can search for an adviser in your postcode area. Visit www.fpa.asn.au or call them on **1800 626 393** for more information.

Many financial planning companies offer a free initial appointment where you get to ask whatever questions you like and decide if you want to use them. So make the most of it. Go and see a number of advisers and ask them all the same questions and see if you like the answers they give. Treat it like an audition (theirs, not yours).

Tips when talking with a financial adviser

- When comparing advisers ensure you're comparing like with like – some advisers may charge more, but offer a more comprehensive service.
- Have a checklist of questions to ask.
- Discuss fees and charges upfront.
- Get a copy of the FPA's booklet Getting Advice.
- Shop around – check out several advisers before you make a decision.
- Weigh up the cost of not using professional advice.

Need more information?

Please speak with your financial adviser or visit our website at colonialfirststate.com.au. Alternatively, you can contact us: Enquiries about existing investments, please call 13 13 36. Enquiries about new investments, please call 1300 360 645