

# Choosing a financial adviser

## Who needs financial advice?

Every stage in life presents different financial challenges and opportunities.

Life events (planned for or unexpected) can also impact on your financial position.

So, whether you are starting out, managing savings and debt for the first time, supporting a family or facing retirement, it is important to consider whether to seek professional advice to help you manage your financial situation.

## What does a financial adviser do?

A licensed, or appropriately authorised, financial adviser will take into account your short-medium-and-long-term financial goals and your lifestyle needs, before recommending appropriate strategies for you.

The key word is strategies – good financial planning is about strategy development. These strategies should encompass a broad range of areas from tax management to investments to estate planning, social security and insurance.

Each of these areas can be complex. In seeking advice from a licensed, or appropriately authorised, financial adviser, you are engaging their expertise and ability to translate technical know-how into a practical financial plan that suits your particular financial needs and goals.

## Choosing a financial adviser – a checklist

Not everyone seeks professional advice however, and one of the reasons we may be reluctant to do so is because we don't know what to expect, or what questions to ask.

Having a checklist like the one below can help, and you should never be afraid to ask questions to appropriately assess and choose a financial adviser.

Importantly, any person offering financial services must hold an Australian Financial Services Licence (AFSL) or act as an authorised representative of a person who holds an AFSL. You should check that your financial adviser is appropriately licensed or authorised.

### Financial Adviser Checklist

- Company:
  - What is the company background and associations?
  - What are their in-house products?
  - What type of licences do they hold (eg. are there any restrictions on what they can advise you on)?
- What are their adviser qualifications and experience?
- What is the initial and ongoing service you can expect to receive?
- What are the charges and how are they remunerated?
- What is the extent of the investment research they can provide?
- Do they have professional indemnity insurance?
- Are they members of the Financial Planning Association?

## Documents you should receive

In dealing with a licensed, or appropriately authorised, financial adviser you will almost certainly be provided with one or more of the following disclosure documents.

The documents that you should receive contain different information depending on the purpose for which they are provided.

A **Financial Services Guide** (FSG) should include an explanation of services offered, company operations, remuneration (including commissions), vested interests or relationships, as well as outlining a complaints procedure.

A **Statement of Advice** (SoA) is given when personal advice is provided. It is an explanation of personal circumstances taken into account, advice given, supporting research, related fees and commissions and relevant interests and associations.

The **Product Disclosure Statement** (PDS) is an explanation of all features and fees of an investment product including the benefits and risks of investing, commissions, information regarding cooling off, complaints procedures and anything else that can affect your decision to invest.

## Building a relationship of trust

Finally, it is important to choose a licensed, or appropriately authorised, financial adviser with whom you can develop a relationship of trust and understanding.

There is an abundance of financial information readily available today. Sometimes you just need someone you can trust, who can provide advice and information you can understand, and who will work with you at every stage of life.

## In summary...

A licensed, or appropriately authorised, financial adviser can help you identify your financial goals and put in place strategies that are right for your stage in life and lifestyle needs.

It's important to have a checklist of questions and criteria to assess a financial adviser. Be familiar with the disclosure documents you should be provided with.

And finally, look for an ongoing relationship of trust and understanding.

To speak directly with a Mercer financial adviser call 1800 633 403.  
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