

# The eight steps to finding a planner

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The team at *The West Australian's* Your Money personal finance section is regularly asked one question.

It's not about asset allocation, or how much super you can salary sacrifice, or the cut-off point for receiving the age pension.

It's this: Where can I find a good financial adviser?

What's worrying is that many of the people asking us for direction on this point have an adviser or planner but they

either don't trust them or don't feel they are getting value for money. Unfortunately, finding a good financial adviser is harder than finding a good doctor.

At least when you go looking for a new GP you know that all doctors in WA need to be registered to a board that has rigorous standards. Not so for the financial advice industry.

Michael Gething, WA regional commissioner with the Australian Securities and Investments Commission, has told investors looking for a new adviser to remember that as the

client, they are in charge.

"Remember, you're effectively interviewing planners for the job of assisting you with your finances — it's your money and you have the power to select or reject a planner," Mr Gething said.

"Doing some homework first is vital and you'll find that by taking that approach, many will be weeded out even before the first interview."

The good news is there are a few basic things you can do to minimise your chance of getting lumped with a ratbag.



## 3 Transparency

Determine who the planner really works for. All roads tend to lead to Rome in the financial planning industry — Rome being the Big Four banks. Don't be surprised if the seemingly independent suburban planning outfit you walk into is actually a subsidiary of ANZ or NAB. There's nothing wrong with this — there are many planners who have links to the big banks and deliver great service to their clients. But be aware there may be a bias to push you into a suite of products which are delivered by the parent company. Again, this is not necessarily a bad thing, because these products are often the best on the market. But go in with your eyes open.

## 1

### Don't reinvent the wheel



If you need a painter or a mechanic, there's a good chance you will ask friends and family for a recommendation. Don't be shy in asking them whether they have a financial adviser they are happy with. Just make sure the person they recommend has been providing advice for more than a couple of years — you don't want a fly-by-nighter. Ask your accountant as well.

### Find common ground



## 2

Make sure a prospective planner has clients similar to you. Planners specialise, so if you are a public servant in your 40s with kids at home and a huge mortgage, don't sign up with someone who bills themselves as an expert in self-funded retirees or small business people.



## 4 Qualifications

## 4

It wasn't that long ago that you could jump on the internet, fill out a questionnaire and walk away being able to tell the world, without lying, that you were a qualified financial adviser. Things have tightened up a bit but ideally your adviser should have a commerce or business degree in addition to an industry qualification. A B.Com, B.Bus or B.Econ means they should know the law, accounting, economics and financial mathematics. Industry qualifications such as Dip FP, ASIA and Dip FS indicate that the adviser has been taught and passed subjects uniquely associated with financial planning. Full membership of professional associations indicated by letters such as CPA, CFP, ASIA or ICA indicate that in addition to complying with the legal requirements, they are bound by professional rules of conduct with serious penalties for breaches.