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Ten questions to ask a prospective financial planner

1. Are you a member of the Financial Planning Association?

FPA practitioner members must adhere to a code of ethics and professional standards. To find FPA members, use the FPA's "[Find a Planner](#)" service.

2. Are you a CERTIFIED FINANCIAL PLANNER™ professional, or a practitioner member of the FPA?

A CFP® professional has attained the highest accreditation available to a financial planner in Australia, based on examination, ethics, experience and continuing education. Other practitioner members of the FPA (Associates and Affiliates) have met experience and examination requirements which are higher than the minimum set down by law.

3. Can I see your Financial Services Guide?

The FSG explains the nature of the financial services being offered, the fees and commissions charged and how the person providing the service deals with customer complaints. A financial planner is required by law to give a client a FSG before providing any financial advice.

4. How long have you been a financial planner?

The more experience the better. If the planner has less than two years experience, ask if someone else within the financial planning business would take a look at the advice as well.

5. What do you specialise in?

Some planners specialise in certain areas – retirement planning, high net worth planning and so on. The client should ask a few questions about the planner's approach to ensure they are in tune with the client's lifestyle and needs. The client should also ask if the planner will implement the plan or refer it to someone else.

6. How do you charge for your services?

The planner should be able to give the client an estimate of the cost of advice based on the work the client is asking for and the options for paying. The planner must by law let the client know all the costs and sources of potential income to them arising from the financial plan.

7. Will I receive written advice?

By law, the financial planner must provide a written Statement of Advice if personal financial advice has been given. The SoA should include:

- The advice the planner has given the client
- The information on which it is based
- How they get paid (including any commissions)
- Any interests, associations or relationships that could influence the advice given.

8. How often will you review my advice and what will it cost me?

Every plan needs to be reviewed, so the client should ask how much the financial planner will charge for ongoing reviews and how often they will be carried out. As a client's goals and life changes, so should their plan.

9. If I have any issues with the planner's strategy how will they be resolved?

The client should ask at the beginning what happens if they don't want to accept their

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planner's advice; at what stage they become obliged to make a payment; and what happens should they want to terminate the planner's services.

10. Who authorises you to give advice and are you licensed by ASIC?

Ownership of your financial planner's business can influence the services and products you're offered. Many advisory businesses are owned by major financial institutions like banks, fund managers and life insurance companies. Even if they operate under a different name, the FSG will tell you if they're owned or associated with other companies. Other financial advisory businesses are independently owned. Both work under the same legal requirements to give appropriate advice to their clients. In fact, by law any person or company that provides personal financial advice is required to have an Australian Financial Services Licence (AFSL) or be authorised by a licensee.

Helpful tip:

- [Checklist for choosing your financial planner](#)

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