



If you've never taken financial advice before, this guide will help you find out more about it.

Financial advice – the facts

What is financial advice?

Advice on anything relating to your money may be considered financial advice. This can include advice on savings, investments, getting a mortgage, arranging your pension, saving tax, protecting your family – the list goes on. To be sure that the advice is impartial and has your best interests at heart, you need to talk to an independent or whole-of-market financial adviser.

What does a financial adviser do?

A financial adviser helps you manage your money at all stages of life. They might help you achieve a set goal (such as planning your retirement), or simply find ways to improve your finances in general.

There are two different kinds of financial advisers listed on unbiased.co.uk. Some are independent financial advisers (IFAs) and some are restricted whole-of-market advisers. Both kinds of adviser can provide you with unbiased financial advice – find out more about them on the next page.

What is an IFA?

An IFA will consider every aspect of your financial situation and give you advice that is tailored to you. If they recommend any products (e.g. mortgages or pensions) they can offer you the best choice from the whole of the market. Unlike a free guidance service, or information you may find online, the advice provided by an IFA will take account of your personal circumstances and will make clear recommendations.

An IFA is very different from the people employed by banks, building societies and insurance companies. These people may seem to be giving you advice, but will only recommend their own products. IFAs have no connection to providers and do not earn commission from the products they recommend, so their only responsibility is to you, their customer.

What is a restricted whole-of-market adviser?

A restricted whole-of-market adviser can also give you impartial advice, independent of any providers. The difference is that they are only qualified to advise on certain areas of finance, e.g. pensions or protection. Ask your adviser if there are any areas where they are restricted.



Why do people seek financial advice?

Most people who consult a financial adviser do so to plan for the future. If you already have money troubles, advice may be of only limited help. Its main value is in identifying problems and opportunities in advance, so as to prevent money worries before they arise. Advice can also help you work out whether your goals are realistic (e.g. retiring early) and to take any necessary steps to achieve them.

Could I benefit from financial advice?

You are likely to face several big financial decisions in your life, such as buying a home, starting a pension and planning your retirement. Getting these right can have dramatic long-term benefits, so seeking financial advice is always helpful and may even be essential.

For instance, there are now many ways to draw an income from your pension. A financial adviser can tell you which options are best for you, to ensure you have enough to live on throughout your retirement. The adviser can also put your plans into effect, while finding you the best deals on the market if you need to buy a product such as an annuity or drawdown scheme.

Sometimes financial advice is a legal requirement. If you have a final salary pension worth more than £30,000 and want to transfer it (e.g. to take it as a lump sum) then you must first take financial advice. There are many other ways in which financial advice can be useful at every stage of life.

