

How to Find the Right Adviser: PART 1 Doing Your Homework

You've realised you need financial advice, but where do you start?

The recent Royal Commission inquiry into the banking and financial services sector has shown us that sadly, financial advisers don't always have their clients' best interest at heart. While the inquiry is dealing mainly with the banks and major institutions, it pays to be better informed about what you should be looking for in an adviser, whatever the size of the company.

This part 1 guide is to help you find out a little more about a financial adviser before you make an enquiry. Be sure to read part 2 [here](#) for tips on what to ask in your first meeting.

A. Visit their website

You can tell a lot from a company's website. If they have 'Copyright 2009' at the bottom of their website, then maybe they haven't quite caught on with the times nor considered a client's experience, which is probably one of the most important aspects to a successful relationship.

Their website should provide some basic information on their services, a bit about their team or the main advisers and how to contact them.

A. Check the ASIC financial adviser register

ASIC's MoneySmart website is a great place to check their credentials. It provides "a register of people who provide personal financial advice". You can search the financial adviser's name, license number or ABN to find where they've worked, their qualifications, if they're under the umbrella of any banks or other institutions and more.

B. Check for any record of bans or disqualifications

The register above will list any records of bad behaviour which should ring alarm bells for you. ASIC has regulatory powers to ban or disqualify any advisers who have had any history of wrongdoing and any misconduct will be listed here.

C. Check their qualifications and training

The ASIC register will also list the adviser's qualifications and training. At present, there are no requirements to hold a university degree to become a financial adviser. However, seeing the qualifications of each adviser can give you an indication of their level of education.

D. Search online ratings

There are some helpful websites when it comes to looking at reviews and ratings. AdviserRatings (adviserratings.com.au) is a good place to start as they have a large database of advisers with feedback direct from the client.



Checking the reviews on their company website or social media page is worth a look for any alarmingly bad negative feedback but keep in mind if there are 300 x 5-star ratings, there's a chance they might not be genuine.

E. Read their Financial Services Guide (FSG)

Once you've filtered down to a few select advisers, look for their FSG (most have them available on their website). The FSG is a document that all advisers are required to provide to prospective clients before they provide advice. It must contain information such as what services they offer, which Australian Financial Services Licence (AFSL) they work for, what fees you can expect to pay, any relationships or associations they are a part of, what conflicts of interests they have and more.

One of the best ways to finding a good financial adviser is asking your friends and family if they know of someone who they've dealt with. Often referrals are a safe way to ensure you're not getting a dud, as they've usually had a good experience.

However, if you are searching from scratch, these are the six areas you must investigate before picking up the phone or sending them an email. It pays to do your homework beforehand, so you don't end up with a bad experience or worse, have a negative impact on your financial wellbeing for the long-term.

Read part 2 of 'How to Find the Right Adviser' from our website [here](#).



ABOUT THE AUTHOR

Darren Johns is an award-winning financial adviser and director of Align Financial, a privately-owned advice firm based in Sydney's Northern Beaches.

By gaining a deep understanding of what clients really want, Darren works as a 'Personal CFO' and helps people align their money with their values.