

10 ways that a financial adviser can help you.

If you've never sought professional financial advice before you might have a vague idea of what it entails, although maybe you could do with understanding a little more before deciding whether it is right for you. This article explains 10 ways that properly executed financial advice could benefit you.

1.



Qualified expertise and experience

A qualified financial adviser gives you access to a wealth of skill and expertise, which you otherwise might be missing. Advisers undertake years of training, gain professional qualifications and accumulate experience that can be invaluable when guiding your financial decision making. Sometimes no amount of personal research can replace the impact of professional guidance. Qualified advisers also adhere to a strict professional code of conduct - putting your interests first. In addition if an adviser is certified by an FCA (Financial Conduct Authority) regulated firm they have the added protection and peace of mind of the Financial Ombudsman Service and the Financial Services Compensation Scheme, should you need them.

2.



Professional representation

It may seem obvious, but the benefits of having an objective professional to guide and advise you in your financial planning shouldn't be overlooked. As a key mediator, they will gather information on all of your agreements to understand your position, then advise you and liaise with providers accordingly on your behalf. This can bring with it a greater feeling of being more in control and reduced anxiety, as the complexities of managing money and dealing with providers are handled by someone else.

3.



Understand your wishes

At the heart of good financial advice is understanding you and your wishes. Your adviser will work to understand what is important to you and help to clarify what you want your money to do for you. To do this, your adviser will guide you through a series of situations to find out what really matters to you and what you want to achieve. This might be straightforward with a single primary goal, such as saving up enough to retire on, but often people have several goals that are 'holistically' linked i.e. the decision you make in relation to one goal is likely to affect the other goals. Your adviser can also model different situations by using cashflow modelling, to show the potential impact that certain decisions may have on your overall finances. By having honest and open conversations with your adviser they will be able to fully understand your situation and desires in order to help you work towards them.

4.



Help you make an informed choice

Your adviser will provide you with the most suitable options to your circumstances and objectives, and help you to understand the different risks involved, so you can make an informed choice.

They will offer solutions to meet your goals, explain the features of any proposed solution and tell you what their relative advantages and disadvantages are. They may also challenge your opinions, play 'devil's advocate'.

You might see a certain solution as being best for you but your adviser may think differently, or at least 'test' your understanding and commitment to it by highlighting what may go wrong with it. It might in fact be that they agree with you, but by discussing all elements of a chosen solution, including the potentially disadvantageous elements, it will help to cement your understanding of what you are taking on. Ultimately, such transparency is a powerful way of having confidence in what you are doing and will help to build a trusting relationship with your adviser.

5.



Guide you towards your goals

Based on your conversations and decisions to date, everything you have discussed (such as your objectives, your circumstances, your options, your adviser's recommendations, their relative features, merits, risks etc.) will all be written into your unique financial plan. This will be in plain English, with action points and timescales all included. You'll receive clarification of anything you are not sure of.

6.



Technical knowhow

Rules, laws and allowances around finances and taxation are constantly changing. As a professional, your adviser must stay up to date with current changes and legislation, to ensure they retain their professional status so they will have access to the latest information available. This means your adviser will be aware of the impact of such changes and will have the ability to spot opportunities that are relevant to you – in terms of your tax planning, new policies or investments that may be suitable for you, or helping you gift money within your lifetime.

7.



Risk management

Invariably, whatever financial decision you make, there will always be risk associated with it. Even if you act cautiously and place all your money in a bank savings account, you risk the impact of inflation eating away at its value and reducing its spending power over time.

There are plenty of other risks that could also trip you up along the way. Are you concerned about the access your children may have to an inheritance if you gift it to them at a younger age? It might be nice to retire early but could that mean risking running out of money in old age? You might think about investing in one particular area that is proving very profitable at the moment but would that expose you to a potential downturn that could impact you more than if you had invested in a more widely spread portfolio? Your adviser will help you understand the type and levels of risks involved and their potential pitfalls. They will also help you to manage potential risks to a level you're comfortable with.

8.



Simplify managing finances

If you employ and retain a financial adviser you are shifting some of the burden managing of your financial circumstances on to them. If you have a busy life it could become all too easy to sort out your finances only to neglect them later on when other things distract you and take up your time. Your adviser, however, won't forget. They'll make sure things get done: they'll contact you to book regular meetings, notify you of information that is important to you, remind you of actions still to be taken. If you have an ongoing service, your adviser will also conduct an annual assessment of your providers and policies to ensure they remain good value and suitable for you – thereby potentially saving you money. Having someone else there to help you order and control your finances in this way can be of great comfort to many, and instils a strong sense of financial security which ultimately is what most of us are after.

9.



Saves you time

By now, momentum has gathered and a detailed, bespoke report has been produced for you setting out a well thought through financial plan that suits your needs. What needs to happen now to make it all worthwhile is to execute the recommendations that you agree to from the plan. This is often easier said than done. Inevitably reams of application forms and other documentation need assessing, completing, signing, checking, recording and sharing with various interested parties. This 'implementation' phase of the financial planning journey is an exercise in its own right and it may be reassuring to you that you don't need to go it alone! This will all be taken care of: documents will be sent to you with clear directions of how to complete and where to sign; they'll be sent to where they need to go; their progress will be monitored; and you'll usually be notified as and when things are complete.

10.



Keep you on track

Once you have implemented your plan, you have started on your journey towards your financial goals. Having a financial adviser is like having a highly efficient GPS navigation system, guiding you towards this destination. You may have a clear plan of where you are heading right now, but things will inevitably change along the journey – such as an unforeseen event, changes in the law or a new better way to reach your destination is discovered. Or you may decide to completely change direction altogether! Just like a car's navigation system, your financial adviser will adapt to these changes.

Typically you'll meet annually to review your situation, talk through changes and adapt your plans to accommodate them. Doing so will help ensure that everything stays on track and you're then more likely to achieve what you set out to do without things going awry.

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