



Healthier relationships with money



An Employees Guide To Financial Advice

We were asked to create a impartial guide to what people can expect from financial advice including the costs, the various options and the benefits aswell as options to do it yourself.

We used the new [ChatGPT](#) website and were pretty impressed!!

We even added some extra questions which you can read below...





What types of financial advice is there?

Financial advice can come in various forms and cost differently, depending on the type and complexity of advice you seek. Here are some common types of financial advice and what you can expect:

1. Do-it-yourself (DIY) option: You can find plenty of free resources and tools online, such as budgeting apps, investment calculators, or personal finance blogs, to help you manage your finances. The benefit of doing it yourself is that it is often low cost and can provide you with a good foundation of knowledge.
2. Online Advice: You can find online financial advisors that offer low-cost, automated advice using algorithms and investment models. The cost is often lower compared to human advisors and you can access advice 24/7.
3. Human advisors: You can find financial advisors who offer personalized advice and help with specific financial goals like retirement planning, estate planning, tax planning, etc. The cost of these advisors is higher compared to the online options and can range from hourly or project-based fees to a percentage of the assets they manage for you.
4. Bank advisors: Some banks offer financial advice as a part of their services. The cost of these services varies based on the type and complexity of advice.

Regardless of the type of financial advice you seek, it's important to consider the costs and benefits, and to fully understand the services offered. You should also be aware of any conflicts of interest that may exist, and make sure you're comfortable with the level of risk involved in any investment recommendations made.





How do initial and ongoing fees work?

1. Initial fees: Some financial advisors may charge an upfront fee for their services, also known as an initial fee. This fee is typically a flat fee or a percentage of the assets they will be managing for you. The amount of the fee depends on the complexity of the advice and services provided.
2. Ongoing fees: Most financial advisors charge ongoing fees, also known as asset management fees, to cover the cost of providing ongoing services and advice. These fees are usually a percentage of the assets under management and can range from 0.5% to 2% or more, depending on the advisor and the services provided.

It's important to understand the fees associated with financial advice, as they can have a significant impact on your overall investment returns over time. When choosing a financial advisor, it's important to consider not only the initial fees, but also the ongoing fees, as they can add up over time. Be sure to ask about all the fees associated with the services provided, and don't hesitate to negotiate or compare fees with other advisers.





What five questions should I ask a financial adviser?

When choosing a financial advisor, it's important to ask the right questions to ensure they're a good fit for your needs. Here are five questions to consider asking:

1. What services do you provide and how do you get compensated for them?
2. Can you explain your investment philosophy and approach?
3. Can you provide references or a track record of your performance?
4. How do you communicate with your clients and how often do you provide updates?
5. Can you explain your process for addressing conflicts of interest and ensuring impartial advice?

Asking these questions can help you better understand the services and expertise of a financial advisor, as well as their experience and track record. This information can help you make an informed decision about whether the advisor is a good fit for your financial needs and goals.





What questions will a financial adviser ask me?

A financial advisor will typically ask a variety of questions to better understand your financial situation and goals. Here are some common questions a financial advisor may ask you:

1. What are your financial goals? This may include retirement planning, saving for a major purchase, or investing for the future.
2. What is your current financial situation? This may include your income, expenses, debts, assets, and investments.
3. Have you already established a budget or investment plan? This may include information about any current investments, savings accounts, or retirement plans you have in place.
4. What is your risk tolerance? This refers to how comfortable you are with the possibility of losing some or all of your investment.
5. What is your time horizon? This refers to the length of time you plan to hold onto investments and how soon you will need the money.
6. Are there any specific concerns or obstacles you're facing with your finances? This may include paying off debt, managing taxes, or preparing for a major life event.

By asking these questions, a financial advisor can gain a better understanding of your financial situation, goals, and risk tolerance, and provide personalized recommendations that align with your unique needs and objectives.





How can an adviser help me with cash flow modelling?

A financial advisor can help you with cash flow modeling by creating a comprehensive and realistic projection of your future financial situation. Cash flow modeling is a tool that can help you understand how much money you can expect to have coming in and going out, and when, so you can make informed decisions about your finances.

1. Assessing your current financial situation: A financial advisor will review your current financial situation, including your income, expenses, debts, and investments, to get a clear picture of your current cash flow.
2. Projecting future income and expenses: The advisor will use this information to project your future income and expenses, taking into account any expected changes in your financial situation, such as retirement, a major purchase, or an increase in expenses.
3. Modeling different scenarios: The advisor can help you model different scenarios, such as a change in income or an unexpected expense, to see how these changes will impact your cash flow.
4. Evaluating your options: The advisor can help you evaluate your options and make recommendations based on your goals and risk tolerance, such as adjusting your spending, increasing your savings, or making changes to your investments.

By creating a comprehensive and realistic cash flow model, a financial advisor can help you make informed decisions about your finances, understand the impact of different financial scenarios, and make adjustments as needed to meet your goals and ensure a secure financial future.





How can I find a trusted financial adviser?

1. Ask for referrals: Ask friends, family, or colleagues for recommendations for a financial advisor they have used and trust.
2. Check credentials: Look for a financial advisor who is authorized and regulated by the Financial Conduct Authority (FCA). You can check the FCA's register of financial advisors to see if an advisor is authorized.
3. Consider their experience: Look for an advisor who has relevant experience and expertise in the areas you need advice on, such as retirement planning, investment strategies, or tax planning.
4. Ask about their approach: Ask the advisor about their investment philosophy and approach, as well as their qualifications and certifications.
5. Get a sense of their personality: Choose a financial advisor you feel comfortable working with and who you believe will have your best interests in mind.
6. Check for conflicts of interest: Make sure the advisor is impartial and has no conflicts of interest that could influence their advice.
7. Ask about fees: Ask the advisor about their fees, including both initial and ongoing fees, and make sure you understand what you're paying for.
8. Your employer may have access to professional advice as an employee benefit or various known providers who offer initial appointments at no cost and with no obligation.





What websites can I use to find a trusted financial adviser?

There are several websites you can use to find a financial advisor in the UK, including:

1. The Financial Conduct Authority (FCA) Register: This is the official register of financial advisors authorized by the FCA. You can search the register to find a financial advisor and check their qualifications, experience, and regulatory status.
2. VouchedFor: This website allows you to search for financial advisors based on your location, goals, and investment preferences. You can also read reviews and ratings from previous clients to get a sense of the advisor's reputation.
3. Unbiased: This is a directory of financial advisors who are not tied to a particular product or investment. You can search for advisors based on your location and financial needs, and compare their qualifications and services.
4. Money Advice Service: This is a government-backed service that provides free, impartial advice on money and financial planning. You can use their website to find a financial advisor and get advice on a variety of financial topics.





What's the difference between financial education, guidance and advice?

Financial education, guidance, and advice are different forms of financial support, each with a specific purpose and level of detail.

1. Financial education: Financial education refers to the process of learning about personal finance and financial management. It includes information about financial concepts, such as budgeting, saving, investing, and retirement planning, as well as practical tips and tools for managing money.
2. Financial guidance: Financial guidance is a form of support that provides information and recommendations to help individuals make informed decisions about their finances. It is typically less specific and tailored to individual circumstances than financial advice.
3. Financial advice: Financial advice is a more comprehensive form of support that is tailored to an individual's specific financial situation and goals. Financial advisors use their expertise to provide advice on financial products and strategies, such as investments, pensions, and insurance, and help individuals make informed decisions about their finances. Financial advice may come with fees.

In summary, financial education provides general information about personal finance, financial guidance provides recommendations, and financial advice provides tailored recommendations based on a person's specific financial situation.





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