

What does an IFA do?

by Vivian Slattery, Director of Monetary Solutions Ltd

Unfortunately, the financial services industry has got quite a bad name for itself for various reasons. Because of this, some people have questioned whether they need an Independent Financial Adviser (IFA).

Benefits of having an IFA

As an IFA, the first thing I do when I see a new client is look at their existing policies. Many people have accumulated a number of policies over the years but have never reviewed them. Over the years, pension and savings products have changed quite substantially, so it's important to review them in case there is now a better alternative that should be considered.

On many occasions we have discovered that people have policies which are not quite what they thought they were. They may have taken them out online and not understood them, or they took them out years ago and have forgotten the terms.

Also, with sickness insurance, some policies will only pay out a percentage of earned income. There have been times that our new prospects' salaries have been reduced but they haven't reviewed their contracts accordingly.

It is important that you review your fund choice and asset allocation regularly. Just because a fund was performing well when you took out a pension or an investment does not mean this will always be the case. Performance can vary considerably even for funds that invest in the same areas, but many people aren't aware what funds they are invested

in, let alone how their funds have performed. Also, your asset allocation needs to be reviewed. The closer you are to the maturity date or retirement, the less risk you can afford to take. At this stage, it is important to make sure that the funds are lower risk rate funds.

Back in October 2008, I remember seeing many clips on the news of people saying that they were just about to take retirement, but that their pension fund had gone down substantially and they were now going to have to postpone it. The likelihood is that these individuals had funds with a high proportion of equities.

Regular reviews

I think the real benefit of having an IFA is that we help people to focus on what they are doing with their savings and money. We offer to review our clients' savings and investments on an annual basis. As I have said before, we all know that regular visits to the dentist can prevent rot setting in – the same principle applies to your financial situation.

What to do

At Monetary Solutions, you can arrange a free consultation without obligation, so why not pick up the phone today, call us on **020 8760 9940**, and book yours. We look forward to hearing from you soon.

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