Money Talk

Is your approach to teaching personal finance a little light on leading by example? **Clare Griffiths** addresses a few key FAQs every professional should be asking...

Could you list the top three questions that every professional should be asking him/herself on the subject of financial management?

1. How much money do you have (in savings, investments etc.) and how much do you owe (credit card debts, mortgage etc.)?
2. What income do you have and what do you spend your money on (monthly income and outgoings)?
3. What are your financial priorities (for example paying off debt, saving for a deposit on a house, planning for retirement etc.)?

By answering these questions, you can start to set your priorities and plan how you can achieve your financial goals. And don't forget, review your finances regularly to make sure you remain on track; if your situation changes, you should review your priorities.

How can you tell whether you are being given genuinely independent financial advice?

Financial advisers are no longer allowed to get commission from financial services companies. Instead they set their own fees, based on the services they offer, and agree these with you before providing any services. This means that you can be sure the advice they give you is unbiased.

When choosing an adviser, ask friends or family if they can recommend one. Or search online at unbiased.co.uk to find advisers in your area, and speak to a few before deciding which is the one for you.

Be aware that some banks and building societies offer an 'information only' service where no fee is charged. While this might seem an attractive option, bear in mind that when buying direct you will only be talked through their products – not products from the whole market - and the 'adviser' will not assess the suitability of particular products for you.

Finally, always check that any firm you deal with is regulated by the Financial Conduct Authority – you can check the Financial Services Register on their website fca.org.uk.

What should you do if you suspect that you have been given poor financial advice?

Contact the firm that advised you first, setting out your concerns and asking them to explain their advice. Under the regulator's rules, the firm has eight weeks to respond.

If you remain unhappy, the Financial Ombudsman Service (FOS) may be able to help you. The FOS is a free, independent service for settling disputes between financial services firms and their customers. You can find more information on their website: financial-ombudsman.org.uk.

ABOUT THE EXPERT

CLARE GRIFFITHS IS A CHARTERED ACCOUNTANT WITH OVER 20 YEARS' EXPERIENCE IN FINANCIAL SERVICES. SHE IS SENIOR POLICY ADVISER AT THE ASSOCIATION OF PROFESSIONAL FINANCIAL ADVISERS (APFA), REPRESENTING THE INTERESTS OF THE FINANCIAL ADVISER PROFESSION TO THE REGULATOR AND GOVERNMENT.

Is it ever too late to come up with a financial plan for retirement and put it into action?

It's never too late – but the sooner you start planning for your retirement, the more chance you will have of achieving the retirement you want.

There are tools available online that will help you work out what state pension you'll get and when – visit gov.uk/state-pension-statement.

The Money Advice Service has information about how to calculate what you'll get from your existing pensions and how much you need to save if you want to increase your retirement income.

Do you think that we should place more emphasis on teaching financial management and planning to young people in our schools? Should the financial advice industry get involved?

The more opportunities there are to learn the basics of good financial management, the more likely it is that people will develop good habits in the future. So financial management is an important part of young people's education.

The financial services industry is already involved in many ways, for example through school programmes run by individual companies and through charities like pfeg (Personal Finance Education Group) which provides resources for schools and opportunities for advisers and other professionals to become a schools volunteer.