



BEYOND WEALTH
FINANCIAL MANAGEMENT

Is my money safe with a financial adviser?



Introduction

If you are thinking about getting financial advice, it is completely natural to ask whether your money will be safe. Trust is important when it comes to your finances and you deserve to understand the protections that are in place.

In the UK, financial advisers are regulated by the Financial Conduct Authority (FCA) and there are systems designed to protect you if something goes wrong. Two key protections are the Financial Services Compensation Scheme (FSCS) and the formal complaints process.

How regulation protects you

Financial advisers who provide regulated advice must be authorised by the Financial Conduct Authority (FCA). This means that they must follow strict rules, act in your best interests and ensure that any advice they give is suitable for your circumstances.

Regulated firms must meet the FCA's professional standards. They are also required to explain risks clearly and be transparent about fees and charges. This regulatory framework provides an important layer of protection for clients.

What is the Financial Services Compensation Scheme (FSCS)?

The Financial Services Compensation Scheme (FSCS) is a UK protection scheme that helps to protect your money if a financial firm fails or goes out of business. It exists to provide a safety net for consumers who have money held with authorised financial services firms.

There are separate protection figures depending on what product you hold. The different protection figures can be explored in detail in the [what we cover section](#) on the FSCS website.

The key figures to highlight are:

- Up to £120,000 per person, per banking license, for deposit accounts.
- Up to £85,000 per person, per firm, for investments.
- Up to 100% of your claim if your pension provider fails. Up to £85,000 if your SIPP operator fails and up to £85,000 for bad pension advice.

There is a separate protection figure for what is referred to as a 'temporary high balance' for cash deposits. This is £1.4 million and is protected for up to six months for specific life events such as home sales, inheritances or compensation payments. More information on [temporary high balances](#) can be found via the temporary high balances section on the FSCS website.

It is important to understand that the FSCS does not protect against normal investment losses caused by market movements. Investments can go up and down in value and that risk cannot be removed. However, the scheme may protect you if losses result from poor advice or firm failure and the firm is unable to pay compensation itself.

What happens if you are unhappy with the advice that you receive?

If you are unhappy with the advice that you receive, you have the right to make a complaint. The first step is to complain directly to the firm that provided the advice. Regulated firms must have a formal complaints procedure and must respond within set timeframes.

If you are not satisfied with their response, you can take your complaint to the Financial Ombudsman Service. The Financial Ombudsman Service is an independent body that looks at complaints between consumers and financial firms. It will review the case fairly and decide whether compensation should be paid.

This process is free for consumers and provides an important safeguard if something goes wrong. You are not able to refer to the Financial Ombudsman Service until you have followed the firm's complaint procedures.

Is financial advice completely risk free?

Whilst there are strong protections in place, it is important to understand that investing always involves some level of risk. Markets can rise and fall and the value of investments can go down as well as up. No adviser can remove normal market risk.

However, regulated advice ensures that any recommendations are suitable for you and that you are fully informed about the risks involved. If advice is unsuitable or a firm fails, consumer protection systems exist to support you.

We understand that making financial decisions and trusting someone else with your money can feel overwhelming but you do not have to navigate them alone. Our team is here to listen, explain your options to you in plain language and help you to take practical steps that fit your situation. Contact us today to arrange a friendly, no-pressure conversation and find out how we can support you in planning for your future.



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