



BEYOND WEALTH  
FINANCIAL MANAGEMENT

# What does a financial adviser actually do?



## Introduction

Financial advice can sometimes feel like an alien language. You may hear terms like “financial planning”, “wealth management” or “investment advice” and wonder what they mean in practice. What does a financial adviser actually do day to day? and more importantly, what do they do for you?

This guide explains the role of a financial adviser and how they will work with you.

## What is the difference between a Financial Adviser and a Financial Planner?

Before understanding what a Financial Adviser does, it is first important to understand the difference between an Adviser and a Planner. The terms “Financial Adviser” and “Financial Planner” are often used interchangeably in and in many cases they overlap. However, there can be subtle differences in focus, approach and scope of service. Understanding the distinction can help you to decide what type of support best suits your needs.

A Financial Adviser is a regulated professional who provides advice on specific financial products and strategies. In the UK, Financial Advisers are authorised and regulated by the Financial Conduct Authority (FCA). This means they must meet certain qualification standards, provide suitable recommendations and follow strict conduct and compliance rules.

Financial Adviser’s typically advise on areas such as:

- Pensions and retirement income
- Investments
- Protection policies (life cover, critical illness and income protection)
- Tax-efficient savings such as ISAs
- In some cases, mortgages and equity release

The emphasis is often on making suitable recommendations and arranging specific financial products that meet your needs. A Financial Planner usually takes a broader, long-term view of your finances. Rather than focusing primarily on individual products, a Financial Planner focuses on building a structured financial plan around your longer-term life goals. That is not to say that a Financial Adviser doesn’t consider your long-term goals because they do as your goals are an essential part of product recommendation.

## Understanding your personal situation

A financial adviser will take time to learn about your current financial position. This typically includes your income, expenditure, savings, debts, pensions, investments and any property that you own but it goes beyond numbers. An adviser will also ask about your family situation, employment, health considerations and future plans.

This process is often referred to as a ‘fact find’. The purpose of this fact-finding process is not to ‘be nosy’, judge or overwhelm you. It is to build a clear, accurate picture of where you are now, so that any recommendations are suitable and realistic.

You should not feel pressured to share any information that you do not feel comfortable with, especially before you have built a working relationship, but if you do not feel comfortable sharing specific information, then the adviser will be limited on the advice that they can give.



## Helping you to clarify your goals

Many people approach an adviser with a broad aim such as “I want to retire comfortably” or “I want to sort out my finances”. One of the adviser’s key roles is to help you to turn those general ambitions into specific, measurable goals.

For example, that might mean identifying aspects such as:

- When you would like to retire
- How much income you might need in retirement
- Whether you want to help any children or other family members financially
- Whether you are planning a major life change such as moving home or starting a business

Clear goals provide direction. Without them, financial decisions can feel reactive rather than purposeful.

## Understanding attitude to risk and capacity for loss

This is perhaps one of the most important parts of the advice process. A financial adviser will assess your attitude to risk through a structured and documented process designed to understand both your emotional comfort with investment volatility and your financial capacity to withstand losses.

This usually begins with a risk profiling questionnaire. This where you will answer a series of carefully designed questions about how you would feel if your investments rose or fall in value, how long you intend to invest for and what level of return you are aiming for. The answers to this help to indicate whether you are cautious, balanced or adventurous in your approach to risk.

At Beyond wealth, our assessment of clients’ attitude to risk and capacity for loss is underpinned by the Defaqto risk profiling methodology. This uses a scale of 1-10 to identify how comfortable a client feels with taking risk with 1-2 being very cautious/low risk and 10 being adventurous/high risk.

You will answer a range of statements based on how strongly you agree or disagree with them or whether you feel neutral and then your attitude to risk score will be produced. Some common style of statements may include:

- I feel comfortable investing in the stock market
- I generally look for the safer investments, even if that means lower returns
- I have little experience of investing in stocks, shares or investment funds
- I find investment matters easy to understand

Once you have answered all of the statements, a score between 1 and 10 will be produced. The adviser will use this score to then recommend products within your risk level.

However, a tick box questionnaire alone is not enough. The adviser will also discuss the results in detail with you to ensure that your answers genuinely reflect your feelings and understanding. This conversation helps to identify whether you truly accept the possibility of short-term losses in pursuit of long-term growth.

Importantly, the adviser also assesses capacity for loss. This is different from attitude to risk as capacity for loss considers whether you could financially afford a drop in the value of your investments without it affecting your lifestyle or essential needs.

Under rules set by the regulator, the Financial Conduct Authority (FCA), advisers must ensure any recommendation is suitable, taking into account both attitude to risk and capacity for loss.

## Creating a structured financial plan

Once your circumstances, objectives, attitude to risk and capacity for loss are understood, a financial adviser will create a financial plan with you and present their recommended products and solutions that are appropriate for you.

For example, if you are in your early 30s and you're wanting to build your wealth then the adviser might recommend some investment products. If you are nearing retirement, then they adviser might recommend that you increase your pension contributions and reduce your investment contributions. This part of the advice process is very personal to you.

The adviser's responsibility is to ensure that recommendations are suitable for your circumstances as a whole.

## Providing ongoing reviews and support

Financial advice is rarely a one-off event. Circumstances change, markets move and legislation changes. As a minimum you should have a review meeting annually but if anything changes in the meantime in your circumstances, you will need to inform your adviser so that they can conduct an interim review.

Reviews are important as they provide an opportunity to check that your plan remains on track, adjust investments where necessary, respond to life events such as redundancy, inheritance or illness and also allows for the adviser to update you on relevant tax changes.

Regular reviews can provide reassurance and help to prevent small issues from becoming larger problems.

## What a Financial Adviser does not do

Whilst it is important to know what an adviser does, it is equally important to understand what an adviser does not do.

A financial adviser should never guarantee investment returns. When discussing investments, the adviser should say wording along the lines of the below

Investments carry risk. The value of your investments and any income from them can go down as well as up and you may not get back the full amount that you invested.

Similarly, an adviser should never tell you that any investments are free from risk. Although the likes of the Government backed National Savings & Investment products are very low risk, no investment is free from all risk.

An adviser should never make decisions without your agreement. If you decide not to act on a recommendation, the adviser should never go ahead with the recommendation even if they believe it to be in your best interests.

Aside from what the adviser should not do, you should not transfer all responsibility for your finances to your adviser. Whilst you trust your adviser and their recommendations, you are ultimately responsible for your own finances.

Advice is a partnership. The adviser provides expertise and recommendations and you make informed decisions based on that advice.

## Summary

Working with a Beyond Wealth financial adviser doesn't have to be complicated or intimidating. Many clients value their adviser not just for technical expertise but for perspective. Money decisions can be emotional; market downturns can cause anxiety and major life events can create uncertainty.

We provide calm, objective guidance when it matters most. With a Beyond Wealth adviser by your side, you can feel more confident, make informed choices and take control of your financial future.

**If you are ready to discuss your financial plan or investment strategy with one of our financial advisers, please get in touch.**



BEYOND WEALTH  
FINANCIAL MANAGEMENT

## Beyond Wealth Financial Management Ltd

Tel: 01258 821529

[enquiries@beyondwealthfm.co.uk](mailto:enquiries@beyondwealthfm.co.uk)

[www.beyondwealthfm.co.uk](http://www.beyondwealthfm.co.uk)

### **Important information**

The contents featured in this publication are for your general information and use only and is not intended to address your particular requirements. Articles should not be relied upon in their entirety and shall not be deemed to be, or constitute, advice. Although endeavours have been made to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No individual or company should act upon such information without receiving appropriate professional advice after a thorough examination of their particular situation. We cannot accept responsibility for any loss as a result of acts or omissions taken in respect of any articles.

Beyond Wealth (Financial Management) Limited is an appointed representative of Lyncombe Consultants Limited which is authorised and regulated by the Financial Conduct Authority.

Beyond Wealth (Financial Management) Limited is registered in England and Wales under company number: 15029890. Registered office: Brookdale Centre, Manchester Road, Knutsford, England, WA16 0SR