



BEYOND WEALTH
FINANCIAL MANAGEMENT

What information will
you ask me for and why?



Introduction

If you have never met with a financial adviser before, you may be surprised by how many questions you are asked. Some of them may feel uncomfortable as they will be very personal. It is natural to wonder why this information is needed.

The simple answer is this: financial advice must be suitable for you. Advisers are required to base their recommendations on a clear understanding of your personal and financial circumstances and objectives. Without accurate information, it is impossible to give personalised advice.

Your personal details

At the start of the process, you will be asked for basic personal information. This information is needed for several reasons. Firstly, firms must verify your identity as part of anti-money laundering regulations. Additionally, your age plays a significant role in financial planning. For example, retirement planning advice for someone aged 30 will look very different from advice for someone aged 58.

You may also be asked about your marital status or whether you have dependents. This helps the adviser to understand who relies on you financially and whether protection or inheritance planning should form part of the discussion.

Your income

Your adviser will ask about all sources of income. It is important that you share all forms of income, even if it isn't regular as this will allow the adviser to plan the most tax efficient strategy.

Forms of income include:

- Salary or wages
- Self-employed income
- Bonuses or commission
- Benefits
- Pension income
- Income from rental properties

Understanding your income allows the adviser to assess affordability. For example, if you earn £2,000 per month after tax and your essential spending is £1,900, there is limited room for additional savings or investments without reviewing your budget.

If you are self-employed or have variable income, the adviser may look at average earnings over time to build a realistic picture.

Your regular outgoings

You will also be asked about your monthly spending. This should be split into essential outgoings, such as your mortgage or rent, utility bills, council tax, food and childcare and non-essential outgoings such as subscriptions, eating out, leisure activities and holidays.

This is not about judging how you spend your money. It is about understanding your financial capacity and where changes could be made in order to reach your financial goals. For example, if you are hoping to save £300 per month but your budget shows you only have £150 available after essential costs, your non-essential spending would need adjusting in order to reach that goal.

Your debts and financial commitments

Any outstanding debts will need to be discussed. This includes credit cards, personal loans, car finance and mortgages.

The interest rate on your debt is particularly important. For example, paying 24% interest on a credit card is usually more costly than the potential returns from investing. In that situation, clearing the debt may be a higher priority than starting an investment plan.

Mortgage details are also relevant, especially if you are approaching the end of a fixed rate or considering moving home. It is essential that you are honest about any debts. It can be difficult to admit if you are in hardship but if the adviser doesn't have the full picture of your financial situation, then they could recommend a product that is not suited to your circumstances.

Your savings

Advisers will ask how much you have in savings and where it is held. You may also be asked about whether you have an 'emergency fund'. An emergency fund is money set aside for unexpected events, such as a broken boiler or a period of illness resulting in you being unable to work. A common guideline is to hold three to six months of essential expenses in an easily accessible savings account.

If you have no emergency savings, building this up may be the first step before considering longer-term investments.

Your pensions and investments

If you have workplace pensions, personal pensions, ISAs or other investments, the adviser will ask for statements or policy details.

This information will help them to understand:

- How much you have saved
- Where it is invested
- What the charges are
- What level of risk you are taking

For example, you might be asked to provide a recent statement from your workplace pension and details of a stocks and shares ISA. From this, the adviser can see the total value of your savings, the types of funds that you are invested in, the fees that you are paying and whether your investments are currently set at a higher or lower level of risk. This helps them to assess whether your existing arrangements are suitable for your needs and future plans.

Without seeing the details, it would not be possible to recommend changes confidently.

Your protection policies

You may be asked whether you have any protection policies such as life insurance, critical illness cover, income protection or private medical insurance. The adviser will ask this as they need to understand what would happen financially if you became seriously ill or passed away.

For example, if you are the main earner in your household and have a mortgage, life insurance could help to protect your family from losing their home should you pass away. If you have no sick pay through work, income protection could be an important consideration should you find yourself unable to work due to sickness or injury.

Your goals and timescales

One of the most important parts of the conversation your adviser will have with you is understanding what you want to achieve from working together.

You may be asked questions such as:

- When would you like to retire?
- Are you planning to buy a property?
- Do you want to help your children financially in the future?
- What does financial security mean to you?

The timescale attached to your goal makes a significant difference. Saving for something in two years requires a different approach from investing for retirement in 25 years. Clear goals allow advice to be focused and practical rather than general.

Your attitude to risk

If investing is part of the discussion, you will be asked about your attitude to risk and your capacity for loss. This means understanding how comfortable you feel with investment ups and downs and whether you could afford for your investments to fall in value temporarily.

For example, a 30-year-old investing for the long-term with a stable income may be able to accept more risk than a 55-year-old who needs to access their money in the near future for retirement.

This is not a test of right or wrong answers. It is about ensuring that any recommendation matches your comfort level and financial reality.

Why so much detail is necessary

It may seem like a lot of information to share. However, financial advice must be based on a full and accurate picture. If an adviser recommended a pension contribution without knowing that you had high-interest debt, the advice might not be suitable. If they suggested investing without understanding your short-term plans, you could be exposed to unnecessary risk. The more accurate and honest the information you provide, the better the advice can be.

Everything that you share is treated as confidential and handled in line with data protection regulations. Advisers are professionally and legally required to protect your personal information. If you are unsure why a question is being asked, you are entitled to ask. A good adviser will explain clearly how each piece of information is used.

Providing full and accurate information allows your adviser to build a financial plan that reflects your goals, your responsibilities and your comfort with risk. It is the foundation for advice that works for you, not a one-size-fits-all solution.



BEYOND WEALTH
FINANCIAL MANAGEMENT

Beyond Wealth Financial Management Ltd

Tel: 01258 821529

enquiries@beyondwealthfm.co.uk

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