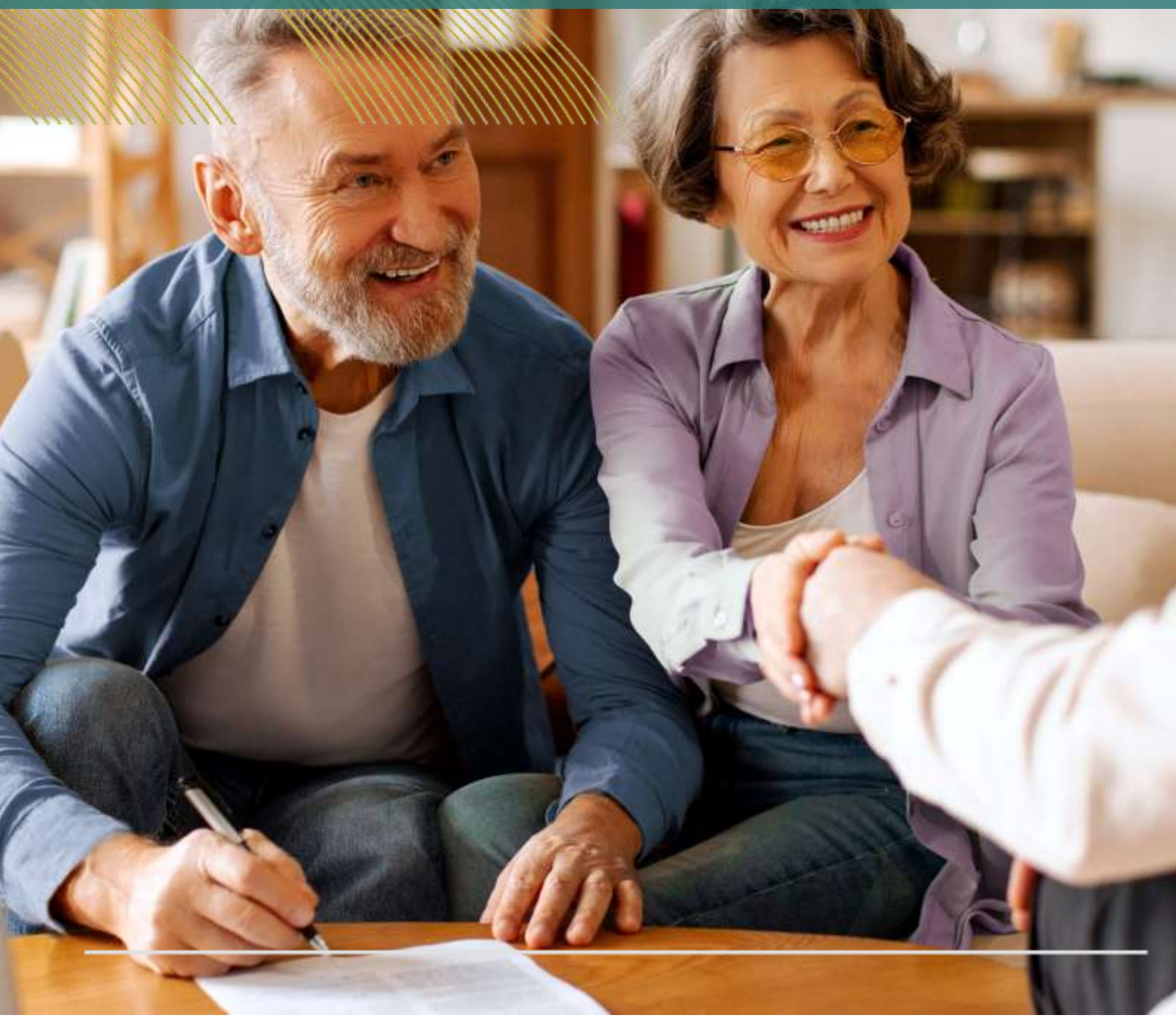




BEYOND WEALTH
FINANCIAL MANAGEMENT

What is a fact find?



Introduction

If you decide to move forward with financial advice, one of the first formal steps is something called a “fact find”. The name can sound technical but the idea is simple. A fact find is a structured way for your adviser to gather all the key information about your personal and financial situation.

It forms the foundation of any advice that you receive. Without it, an adviser would be guessing. With it, they can give recommendations that are tailored to you.

Why is a fact find necessary?

Financial advisers are required to make sure their advice is suitable in line with the Financial Conduct Authority's (FCA) Consumer Duty. This means that they must understand your circumstances before recommending anything.

A fact find helps to answer important questions such as:

- Can you afford the recommendation?
- Does it match your goals and timescales?
- Is the level of risk appropriate for you?
- Are there more urgent financial priorities to address first?

For example, it would not usually be appropriate to recommend long-term investing if you have no emergency savings and are relying on credit cards for unexpected expenses. The fact find ensures that these issues are identified early.

What does a fact find include?

A fact find usually covers several areas of your life and finances. It may be completed online, on paper or during a meeting where the adviser fills it in with you.

It typically includes:

- Personal information
- Income and employment
- Essential and non-essential spending
- Assets
- Liabilities
- Existing insurance policies
- Goals and objectives

What if I do not know all the answers?

You are not expected to have every figure memorised. If you do not know the exact value of a pension or the interest rate on a loan, you can provide an estimate and supply the details later. It is better to say “I’m not sure” than to guess. Accurate information leads to better advice.

Is the fact find confidential?

Yes. The information that you provide is treated as confidential and handled in line with data protection laws. Advisers are professionally obliged to protect your information and use it only for the purpose of providing advice.

If you are unsure why a particular question is being asked, you can ask for clarification. A good adviser will explain how the information relates to your financial plan.

What happens after the fact find?

Once the fact find is complete, the adviser will review the information carefully. They will assess your financial position, identify any risks or gaps and consider suitable recommendations.

For example, they may identify that:

- You need to build an emergency fund before investing.
- You are under-saving for retirement based on your desired retirement age.
- You have protection gaps that could put your family at risk.
- You could benefit from consolidating old pension pots.

These recommendations will usually be set out in a written report, explaining what is suggested, why it is suitable and what it will cost.

Why the fact find matters

Although it can feel detailed, the fact find is a compulsory 'know your customer' regulatory requirement set out by the Financial Conduct Authority (FCA). It is one of the most important parts of the advice process. It ensures that recommendations are based on facts rather than assumptions.

Think of it as the financial equivalent of a medical consultation. A doctor would not prescribe treatment without understanding your symptoms and medical history. In the same way, a financial adviser should not recommend solutions without fully understanding your circumstances.

The fact find is just one part of the process. A thorough fact find is completed in conjunction with ongoing discussions and follow-ups which are equally as important to ensure that the advice remains relevant and suitable as your life and needs evolve.





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