BEYOND WEALTH
FINANCIAL MANAGEMENT

# What is the difference between an independent and restricted adviser?

# Introduction

When you start looking for financial advice, you will likely come across the term’s independent adviser and restricted adviser. Whilst both types of advisers are fully regulated by the Financial Conduct Authority (FCA) and qualified to provide advice, there is an important difference in how they work and the range of products that they can recommend.

Understanding this distinction can help you to make an informed decision about the type of adviser that best suits your needs. The difference is not about the quality of advice but about the scope of the market that they consider when making recommendations.

## Independent financial adviser

An independent financial adviser (IFA) is able to consider products and providers from across the whole market. This means that they are not limited to a specific panel of companies or a particular type of product. When making a recommendation, an independent adviser researches a wide range of options to find one that is most suitable for your circumstances, goals and attitude to risk.

Independent advisers can advise on most retail investment products, including pensions, investments and protection policies. Their role is to provide unbiased advice based on a comprehensive review of what is available.

For some clients, the ability to access the full market provides reassurance that their options have been fully explored.

## Restricted financial adviser

A restricted adviser, sometimes referred to as a 'tied' adviser, can only recommend certain products or providers, often dictated by the company that they work for. It is important to note that this does not mean the advice is lower quality or not specific to your circumstances.

It simply means that the adviser works within defined limits. For example, a restricted adviser might:

- Recommend products from a selected panel of providers. For example ABC financial planning firm might have contracts with a small number of product providers so only recommend their products.
- Specialise in certain areas, such as pensions or protection and only offer these services.
- Only advise on products offered by their own firm. For example, a financial adviser working for NatWest would only recommend ISA's provided by NatWest.

The restriction must be clearly explained to you. Advisers are required to tell you whether they are independent or restricted and what that means in practice.

For many clients, a restricted adviser may still offer solutions that fully meet their needs, particularly if the adviser specialises in a specific area as if you are seeking pension support only, a specialised pensions adviser could have more experience in that area than an independent financial adviser.

# How to decide what's right for you

The most important factor is not the label if independent or restricted but whether the adviser's service meets your needs.

Below are some questions that you may wish to ask:

- What range of products do you consider?
- Are you tied to certain providers?
- How do you select the products you recommend?

These questions can help you to understand how the adviser works and whether their approach gives you confidence. For many people, especially those seeking straightforward guidance or working with a modest budget, the most important thing is clear explanations, transparency about costs and advice that feels practical and suitable.

# About Beyond Wealth

Here at Beyond Wealth, we are independent financial advisers so we can search the whole of the market. This means that we are not tied to any providers and we will make unbiased recommendations to you based on our research and which products we feel best suit your circumstances.

We do not receive any referral fees from any investment providers that we work with so you can be confident that our recommendations are made in your best interests. Our charges are based on a percentage of funds meaning that the amount that you will pay will depend on the size of your portfolio. We offer both one off and ongoing advice and any charges will be transparently outlined to you before any services are provided.

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

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