



BEYOND WEALTH
FINANCIAL MANAGEMENT

What is the difference between guidance and regulated financial advice?



Introduction

When looking for support with your finances, you may hear the terms *guidance* and *regulated financial advice*. Although they can sound similar, they are not the same. Understanding the difference can help you to decide what level of support you will benefit from most.

What is guidance?

Financial guidance provides general information to help you to understand your options. It explains how financial products work, outlines common choices and helps you to think about what you might want to do next.

Guidance does not recommend a specific product or tell you exactly what you should do. Instead, it gives you information so you can make your own decision.

For example, guidance might explain:

- The difference between a pension and an ISA
- The types of investment funds available
- How income drawdown works in retirement

Guidance can be helpful if you are at an early stage and want to understand your choices before seeking regulated advice. Guidance is just for information purposes only and is not personalised. There are a range of free services who can provide basic financial guidance on debt, money management and benefits such as the [Citizens Advice Bureau](#) and [MoneyHelper](#). These services are backed by the Government and are designed to increase the public's knowledge of finance.

What is regulated financial advice?

Regulated financial advice is personalised to you. It involves a qualified professional reviewing your financial situation, understanding your goals and recommending specific products or actions based on your needs.

In the UK, regulated financial advice must be provided by someone authorised by the Financial Conduct Authority (FCA). This means that they must follow strict rules, ensure their advice is suitable and act in your best interests.

For example, regulated advice might include:

- Recommending a specific pension transfer
- Advising you to invest in a particular type of fund
- Suggesting a specific protection policy

If something goes wrong, regulated advice comes with consumer protections and access to formal complaints procedures.

The key difference

The key difference is personalisation and responsibility. Financial guidance gives general information to help you to understand your options but you will not have someone making recommendations. Regulated financial advice provides a specific recommendation tailored to your circumstances, and the adviser is responsible for ensuring that it is suitable.

For example, if you have a lump sum of £5,000 that you want to save, someone giving guidance would explain the types of savings vehicles that are available in general terms. Someone giving regulated advice would ask you what your goal for your savings are and from there would research the market to explore the best type of savings vehicle and product provider to help you to achieve your goal.

A key part of a financial adviser's role is to ensure you understand the risks associated with pensions and investments before making any decisions. This includes explaining that the value of investments can go down as well as up, meaning that you could get back less than you originally invested. A financial adviser will take the time to assess your attitude to risk and capacity for loss, helping to recommend solutions that are appropriate for you and ensuring you are comfortable with the level of uncertainty involved.

Which do you need?

If you simply want to understand how something works, guidance may be enough. However, if you are making an important financial decision such as accessing your pension, setting up an investment portfolio or if you have a specific financial goal, regulated financial advice can provide reassurance and protection.

Choosing the right level of support depends on the complexity of your situation and how confident you feel making financial decisions on your own.

Whether you have a goal or you're not sure where to start, we'd like to support you. If you would like a no obligation discussion with one of our team, please reach out today.



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