adviserlink

bestpracticereview

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writtenadvice

One of the elements of the AdviserLink bestpracticereview is an assessment of the client files in the area of written advice. Overall the adequacy of the written advice in respect of 22 items is assessed. Generally four clients files are investigated, giving 88 checks. Across advisers who have requested a review the average failure rate on the written advice checks is 36%, with a worst score of 100% failure rate.

The following are some of the areas you might like to consider for a review in your written advice. This is a sample of the areas where there are commonly failings.

How do you rate?

My advice is always in standard written form

I always put my advice in writing. My recommendations (unique to each client) follow a standard format so that I know all required content has been covered.

☐ Pass ☐ Fail

I have made a clear "Scope of Service" statement at the beginning.

One of the first items in my advice document is a statement that sets out whether the recommendations are comprehensive or only cover certain areas. If only some areas are covered it is clear that the others have not been addressed.

☐ Pass ☐ Fail

Client objectives are recited back

Using the words of my client I have recorded each objective they told me and also why it was important to them.

☐ Pass ☐ Fail

Client objectives are quantified

After being stated in general terms, every objective has been expressed in dollar values with any relevant dates.

☐ Pass ☐ Fail

All reccommendations have been supported by numerical analysis

All my recommendations, e.g. for insurance cover, regular saving for retirement, retirement income to be drawn from an investment portfolio have been substantiated with appropriate calculations. The calculation schedules are either included in the body of the plan or as an appendix

☐ Pass ☐ Fail

My plan is customised to the client

I have written at least half of the plan content specifically for this client. Where I have standard text I have ensured that as much as possible it has been edited to include references that are specific to this one in particular.

☐ Pass ☐ Fail

I have recommended what the client needs, not just what they can afford

Where there are limits on what the client can afford my first recommendation is always what they need to do to achieve the stated objective. If I know that the full recommendations are not achievable I only put forward a "second best" alternative after the full recommendation.

☐ Pass ☐ Fail

My plan has a signed authority to proceed and I use it every time

Every plan includes a sheet for the client to sign off their acceptance of the recommendations and provide an authority to proceed. There is an alternative for them to request I proceed, but with changes if they have requested, and a third alternative to state they do not wish to proceed.

☐ Pass ☐ Fail

bestpracticereview

Many advisers and adviser groups are looking ahead to the new financial services reform environment knowing that increased levels of rigour around client engagement is inevitable.

What we have found from interviewing our clients, is that the greatest potential damage to an organisation is not the cost of (client) compensation should something go wrong, it is the market damage caused to a brand's reputation that is the most costly.

To help meet the challenges of a changing and complex marketplace, Adviserlink has designed a financial advisory workplace assessment service called 'Best Practice Review'.

We're here to help you through the change

An Adviserlink Best Practice Review allows organisations to 'stress test' their client engagement process with a view of developing robust processes and systems in line with best practice standards.

Our review covers practice issues such as disclosure, business relationships with providers and promotional material, and client files. Depending on circumstances these are reviewed against a checklist of up to 130 items, the relevance of which is determined by the situation of the client.

The review is based on a questionnaire approach that is typically undertaken over 3 hours on-site. The base questionnaire is very comprehensive with the additional facility to customise questions that relate to the client's specific environment.

At the conclusion of this diagnostic review we discuss our findings in summary followed by a comprehensive report with conclusions and recommendations for change where appropriate.

In all cases, we subscribe to the dealer group managing the communication of the Best Practice Review findings in order to maintain control of the process.

Future-proof your business today

The cost for a Best Practice Review is $600 + GST, plus any travel and accommodation costs.

***Note** - If you cancel or seek to reschedule a review within 14 working days a cancellation and administration charge of 50% of the relevant fee will apply. If you cancel or seek to reschedule a review within 1 working day a cancellation and administration charge of 75% of the relevant fee will apply.*

Applicant's Details:

Mr. Mrs. Ms Miss full name

address

postcode

phone fax email

Confirmation:

I have an overall understanding of what is involved in a Best Practice Review and wish to arrange such a review for my practice.

Signature: **Date:**

Payment Details:

☐ Cheque made payable to Adviserlink Learning Limited ☐ Invoice Company ☐ Mastercard ☐ Visa

Card Number: ☐☐☐☐ ☐☐☐☐ ☐☐☐☐ ☐☐☐☐ Expiry Date: ☐☐ / ☐☐

Total Payment:$

Name of Cardholder: **Signature:**

Office Use Only

Date Received		Invoice Number	
Initial Date Booked		Date Invoice Paid	