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## FINANCIAL ADVICE AND THE TYPES OF GUIDANCE TPAS CAN OFFER

The Pensions Advisory Service (TPAS) receives many telephone calls, e-mails and letters from people who are looking for financial advice, such as, 'I am looking to pay into a pension arrangement. What type of pension arrangement would best suit me?'

Although TPAS can give general pensions information and tell you the kind of issues you need to consider, we cannot tell you what you should do or recommend a particular pension product, unlike an independent financial adviser.

This fact sheet explains:

- What is meant by independent financial advice;
- The role of an independent financial adviser;
- Why TPAS cannot give such advice; and
- How we can still help you if you are looking for financial advice.

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### What is 'independent financial advice'?

Independent financial advice is where a professional adviser assesses your financial and personal circumstances and recommends specific products or services that the adviser feels are most suited to you. An independent financial adviser (IFA) should recommend financial products having researched the whole market.

This should not be confused with advisers who can only offer certain financial products from one service provider. These called 'tied agents' or 'multi-tied agents' who recommend products from a limited selection of providers.

#### Are IFAs governed by rules and regulations?

Yes they are. To become an independent financial adviser, the individual or firm has to be authorised by the Financial Services Authority (FSA). The FSA regulates financial advisers.

TPAS is not regulated to provide financial advice and we do not have the resources to ask the detailed questions about your financial situation required to give financial advice nor can we recommend one product over another. However, we can explain the options you may have, answer any general questions and talk you through possible implications.

## Can an IFA give advice on any product?

When an IFA applies to the FSA, they list the type of products they wish to give advice on and provide evidence that they have successfully completed the appropriate financial planning examinations. Financial advice can be given on areas such as investments, retirement planning, transferring pension benefits, choosing an annuity, pension income drawdown, life assurance or mortgages.

If accepted by the FSA, the IFA can only give financial advice on those products for which they are authorised.

## What information will the IFA want from me?

When you go to see an IFA they will carry out a survey of your financial position, preferences and goals. This is sometimes called a 'fact find.'

They will then advise you on the appropriate action to meet your goals; and if necessary recommend a suitable financial product to match your needs.

## Will I be charged for their services?

Yes. When you go to see an IFA, they must give you information about the service they provide which includes how they will be paid. It is important that you are clear on this at the very beginning as this may have a significant impact on the cost of any service or product you may take.

You should have the choice of paying them a fee out of your own pocket or if you choose certain services/products, the financial adviser may be paid commission by the service provider.

The amount of commission and how it is deducted varies from product to product. Again this can have a significant impact on the cost of the service. It is important to check how much you will be paying overall. The cheapest option in the short term may not represent such good value in the long term.

There are changes planned to the way independent financial advisers are remunerated. If introduced by the end of 2012, independent financial advisers will only be able to charge a fee for their services and not commission.

An IFA may provide a free service for the first thirty minutes of the appointment, but you should check this before you go ahead.

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## But I don't know a financial adviser. What can I do?

There are two places where you can find a list of financial advisers which are local to you.

The first is [IFA Promotion Limited](#). Their web site address is [www.unbiased.co.uk](http://www.unbiased.co.uk). When you have entered your post code and answered a series of simple questions, you will be given a list of local independent financial advisers.

The second is the [Personal Finance Society](#). Their web site address is [www.findanadviser.org](http://www.findanadviser.org). When you have entered your post code and the type of advice you are looking for, you will be given a list of local independent financial advisers.

Don't worry if you do not have access to a computer. You can [telephone our helpline on 0845 6012923](#) and we will be able to get the information for you.

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## Why can't TPAS give me financial advice?

As explained, to be able to give financial advice, we would have to be authorised by the FSA.

Our role is to help members of the public who have a complaint or dispute with their company pension scheme or pension provider. We also provide general pensions information.

You can find a leaflet on our website which explains the service we offer. The leaflet can be found under 'Publications' and our web site address is [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk).

### So what can TPAS do for me if they cannot give me financial advice?

Although TPAS cannot give you financial advice, we can help you in other ways, such as:

- If you are looking to pay contributions to a personal pension, stakeholder pension or self-invested personal pension, we can explain how these pension arrangements may differ from each other (i.e. charges, investment opportunities, flexibility etc.).
- If you are considering transferring your pension benefits to another pension arrangement, we can explain the things you need to consider.
- If you are buying an annuity with your pension pot and you have received a number of options from your pension provider, we can explain what those options mean. We can also explain how you may be able to improve your retirement income by using your pot of money to buy an annuity with another pension provider (known as an 'Open Market Option').

If you would like our help, please telephone our helpline on 0845 6012923 and speak to us.

# Spotlight on: Financial Advice

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Besides the helpline, we also have a useful planner and guides on our web site, to assist you. The annuity planner can be found on our home page and our guides on saving for retirement can be found under 'Publications.'

You can also find a number of useful planners and guides on the Consumer Financial Education Body (CFEB) website, which is:

[www.moneymadeclear.org.uk](http://www.moneymadeclear.org.uk)

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## About Us

The Pensions Advisory Service has been providing help and guidance to members of the public on pension matters since 1983 either by telephone or written advice. We can also help people who have a pension complaint or dispute.

Our service is free and sustained by a nationwide network of volunteer advisers, who are supported and augmented by technical and administrative staff based in our London office.

### Contacting us

#### The Pensions Advisory Service

11 Belgrave Road  
London SW1V 1RB

We regret that we are unable to accept visitors at our office.

Helpline	0845 601 2923
General Office	020 7630 2250
Fax	020 7592 7000



**HELPLINE**  
**0845 601 2923**

[enquiries@pensionsadvisoryservice.org.uk](mailto:enquiries@pensionsadvisoryservice.org.uk)

[www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

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