

Financial advice and the types of guidance we can offer

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

Although TPAS, including the Pension Wise service, 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 factsheet 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.

1. 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 Conduct Authority (FCA). The FCA 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 FCA, 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 FCA, 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.

Since 31 December 2012, financial advisers can no longer take commission and will have to charge a fee. Under the new rules:

Advisers must set their own charges, in agreement with you, before they give you advice. You may still have the charges taken from your pension. However, the agreement will be between you and your adviser, not between your adviser and the insurer.

For business written after the end of 2012, advisers will only be able to charge you an ongoing amount if they give you an ongoing service.

If you are paying regular premiums, your adviser may let you pay over time, without an ongoing service, so that you can afford the advice.

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

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

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

The first is Unbiased Limited. Their web site address is www.unbiased.co.uk. When you have entered your postcode and answered a series of simple questions, you will be given a list of local independent financial advisers.

The second is the Money Advice Service and its Retirement Advisor Directory which is available at <https://directory.moneyadvice.service.org.uk>

The third is the Personal Finance Society. The web site address for their IFA finding site is www.findanadviser.org. When you have entered your postcode 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 0300 123 1047 and we will be able to get the information for you.

Why can't TPAS give me financial advice?

As explained, to be able to give financial advice, we would have to be regulated by the FCA.

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 services we offer. The leaflet can be found under 'Publications' and our website address is www.pensionsadvisoryservice.org.uk.

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

Although we can't give you financial advice, we can help you in other ways, such as:

- If you are looking to pay contributions to a personal pensions, stakeholder pension or self-invested personal pension, we can explain how these pension arrangements may differ from each other (for example, 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 think about.
- 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 I income by using your pot of money to buy an annuity with another provider (called 'Open Market Option').

**If you would like our help, please call our Helpline on 0300 123 1047 and speak to us.
Or use the contact details on the next page to get in touch.**

About Us

The Pensions Advisory Service (TPAS) works to make pensions accessible and understandable for everyone. We provide independent and impartial information and guidance about pensions, free of charge, to members of the public.

We help with all pension matters covering workplace, personal and stakeholder schemes and also the State Pension. We answer general questions, help with specific queries and offer guidance for people with complaints about their private pension scheme.

Contacting us



Pensions Helpline
(Monday-Friday 9:00am - 5:00pm)

0300 123 1047



Online enquiry form

www.pensionsadvisoryservice.org.uk/online-enquiry



Web chat live

www.pensionsadvisoryservice.org.uk



Write to us

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