



How to get information and advice about your investments (August 2005)

Ref IS/4

This information sheet refers to the situation in England. If you live in Scotland, Wales or Northern Ireland you may wish to contact:

Age Concern Scotland, Causewayside House, 160 Causewayside, Edinburgh EH9 1PR, tel: 0845 125 9732 (local call rate), website: www.ageconcernscotland.org.uk;

Age Concern Cymru, Units 13 & 14 Neptune Court, Vanguard Way, Cardiff CF24 5PJ, tel: 029 2043 1555 (national call rate); website: www.accymru.org.uk;

Age Concern Northern Ireland, 3 Lower Crescent, Belfast BT7 1NR, tel: 028 9032 5055 (national call rate) Monday to Friday 9.30am - 1pm.

Age Concern is not able to give financial advice nor recommend particular financial advisers. This paper suggests things to think about before making decisions or getting advice. Investing money always carries a risk – some options involve more risk than others, but may offer a higher return. Some adult and community colleges offer courses such as financial planning, and how the stock market works.

You will probably need professional financial advice if:

- you have a substantial sum of money to invest;

- you want to know how to get a better return from your savings;
- you are planning ahead and want to ensure you have an adequate income for your retirement;
- you need to know more about pensions;
- you are thinking of buying shares, bonds etc;
- you want to buy an insurance plan.

What are your needs?

To help you plan what is best for your needs, consider how you will be affected by changes to your circumstances, for example:

- Do you wish to increase your income now or in the longer term?
- Are you looking for growth in your capital?
- Will you need access to your savings quickly?
- Are you able to tie some of it up in a longer term investment?
- Have you any plans for substantial expenditure in the near future such as home improvements or travel?
- Are you prepared to take any risks with your money?
- Can you afford to lose this money if it is a high risk investment?

Try to keep some money in an account with instant access for use in an emergency.

Sources of investment advice

- Banks
- Building societies
- Accountants
- Solicitors
- Insurance brokers

All financial advisers must be registered through a self-regulatory organisation or a professional body, so always check your adviser is registered. Contact the Financial Services Authority (FSA) (details at the end of this sheet) for a list of all authorised advisers. They also produce a free leaflet for investors.

Using a Financial Adviser

- Check with the FSA Register that the adviser is authorised.

- Check the type of the adviser – are they independent, or tied to a single company or several companies?
- Have a clear idea of what you are looking for, and don't be embarrassed to ask questions;
- Read about the product and think of your questions about it before choosing it;
- Ask if there is anything you don't understand, and ask the adviser why they are recommending a particular product or company;
- Check everything before you sign, especially all terms and conditions – if you are not happy about the deal, don't go ahead;
- Don't ever sign a blank form;
- Keep the literature you're given and a copy of your application;
- Check the paperwork when it arrives and get in touch with the adviser immediately if you find an error.

Before making a choice, talk to a few different advisers including at least one independent adviser. Many advisers, including fee based advisers, will give a free preliminary discussion. Check whether there will be any charge before making an appointment.

After you have talked to different advisers you will be in a better position to decide who you have most confidence in. Before making a final choice be sure you know how the adviser is paid, and if you choose a fee based adviser, what the expected cost will be.

Types of Advisers

It is also important to find out how your adviser is paid. Many financial advisers will be paid through commission. This means that if you invest in certain types of products your adviser will receive a commission from the company. If you do not take their advice, or your adviser suggests your money is best left in an account such as a building society account, they will not receive any commission. Although there may be no direct charge for advice, if you buy a product that gives your adviser commission you will still be paying indirectly.

Other advisers may charge a set fee or an hourly rate regardless of whether you take their advice or not, or may charge a fee that is reduced by the amount of any commission paid. Advisers should by law give you the best advice for your circumstances regardless of the commission they receive. To try to ensure that the commission rates are not influencing the

advice, you can ask your adviser how much commission he or she will receive from the different products recommended.

Tied adviser/agents are linked to one particular company or group of companies. They cannot help you shop around; they can only advise within the range of products their company/ies provides

Independent Financial Advisers (IFAs) are not linked to one company or group of companies. They can help you shop around and can give advice on a much wider range of products. They will probably still receive commission from different products, and the commission may vary.

Some organisations and individuals may give specialist advice, for example about care home fees. These may be a useful additional source of advice, and you can check if they are registered with the Financial Services Authority in the same way as other financial advisers.

Further information about savings and investments

Financial Services Authority, 25 The North Colonnade, Canary Wharf, London, E14 5HS. Website www.fsa.gov.uk/consumer. To find out whether a financial adviser is on the Central Register or to make other financial enquires, tel: 0845 606 1234 (local rate call). To check whether a Firm is on the FSA register, a Firm and Person check service is also available on the Website. *The FSA Guide to Financial Advice* and other leaflets are available free from the publications line: 0845 456 1555 or on the website.

The website covers news and alerts on financial services and products. It has a checklist giving general advice, on issues such as financial planning, mortgages and loans, pensions, savings and investments, and different types of financial products and services.

Age Concern is not able to recommend particular investment products. Age Concern's publication *Your Taxes and Savings* covers the tax system and the different types of savings and investments which are available. The 2005-06 edition costs £6.99 and is available from Age Concern Books, Units 5 and 6, Industrial Estate, Brecon, Powys LD3 8LA. If ordering by post send a cheque or money order payable to Age Concern England to the above address for the appropriate amount plus p&p. (**Postage and packing**: mainland UK and Northern Ireland: £1.99 for the first book, 75p for each additional book up to a maximum of £7.50. For customers

ordering from outside the mainland UK and NI: credit card payments only; please telephone for international postage rates or email sales@ageconcernbooks.co.uk). Telephone our hotline: **0870 44 22 120**. (Opening hours: 9am–7pm Monday to Friday, 9am–5pm Saturday and Sunday). Website: www.ageconcern.org.uk/bookshop (secure online bookshop).

Help the Aged produces a leaflet called *Managing your savings* which gives information about savings and investment options. This is available free on receipt of a stamped addressed envelope (9" x 6") from the Information Department, Help the Aged, 207-221 Pentonville Road, London N1 9UZ, website www.helptheaged.org.uk. A copy can also be obtained via the website under 'Financial Information'.

The Pre-Retirement Association (PRA) has a website, www.learnaboutmoney.org, which helps you through learning units about taxes, pensions, and financial planning. The PRA, 9 Chesham Road, Guildford, Surrey GU1 3LS. Tel: 01483 301170.

You can also learn more about investments by

- reading the personal financial pages in newspapers,
- looking out for money programmes on the radio or television,
- consulting books on investment or retirement planning in your local library.

If you would like

- to receive this information in large print

phone 0800 00 99 66 (free call) or write to Age Concern FREEPOST (SWB 30375), Ashburton, Devon TQ13 7ZZ.

Find out more about Age Concern England online at www.ageconcern.org.uk

Please note that the inclusion of named agencies, companies, products, services or publications in this factsheet does not constitute a recommendation or endorsement by Age Concern. Whilst every effort is made to ensure accuracy, Age Concern cannot be held responsible for errors or omissions.

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