



The key elements of quality advice



Our experience shows the best ways to avoid disputes is to put your client's interests at the centre of your service provision and understand their individual circumstances.

Follow the key features of quality advice in operating with a limited AFSL or full AFSL:

Know yourself

Understand your business and licencing structure. Understand the boundaries within which you can legally provide advice, and your own competencies. Consider whether your client should be referred to someone else for specialist advice. Clearly define and scope the terms of engagement with your client.

Know your client

Investigate your client's circumstances by making reasonable inquiries, understand their objectives. Establish priorities and specific and measurable goals and sort out any conflicts between goals and risk tolerances.

Know your product and strategy

Understand the strategy and products you will be advising on, including SMSFs. You will need to explain it in words your clients can understand, so tailor it to each client. Explain the downside of the advice (costs, responsibilities, time commitment) as well as the upside. Link your SMSF recommendations with strategy and goals and have sufficient knowledge of alternatives, so that you know when and where to refer your client.

Effectively engage and communicate

It is a two way process and you need to communicate in language your client can understand. Each client will have their own level of financial literacy, and the objective is to place your client in an informed position to make decisions. Record outcomes of your discussions; ensure your client understands the strategy, product, risk tolerances and capacity. Test that your client has understood your recommendations.



Who are we?

The Financial Ombudsman Service (FOS) Australia fairly and independently resolves disputes between consumers and member financial services providers.

Membership of the Financial Ombudsman Service is open to any financial services provider operating in Australia.

Our independent dispute resolution processes cover financial services disputes including banking, credit, loans, general insurance, life insurance, financial planning, investments, stock broking, managed funds and pooled superannuation trusts. We also cover estate planning, estate management and trustee services.

Contact us

To find out more and join Australia's leading EDR scheme for financial services.

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