

Hello,

I have to say that the initial "musings" from Michelle Levy on the above issue have come as a breath of fresh air.

In the past 24 hours, I have had to decline to provide advice to people who desperately need it, all because of the obligation on me to analyse their entire financial situation, scope the advice, then prepare a SoA, including alternative strategies and why they were not recommended.

"Please do me a Statement of Advice" said NO CLIENT EVER!

In over four decades as an adviser, I have had to go from speaking with a client about their needs, then recommending a solution, to the above process, adding weeks on unnecessary delay, not to mention thousands of dollars in cost, while, at the same time, providing documentation that makes what I recommend and why ANYTHING but clear!

I have been saying for years that all that needs to happen is that the adviser keeps detailed notes on any discussion with a client and the advice presented, as well as outlining any charges to the client. Copies of these notes could be provided to the client upon request.

If this was the process to be followed, the following benefits would be achieved:

1. The cost of advice would be significantly lowered;
2. The adviser would have capacity to see more clients (something already desperately needed);
3. The ability of advisers to obtain PI insurance would increase, while simultaneously lowering premiums;
4. The client would understand the advice provided;
5. The population would have significantly increased faith in the advice profession.

All of the above benefits would be obtained with almost ZERO downside.

As for disclosure of fees, if clients enter into an ongoing service agreement, there should be no need to renew it annually unless it is being altered.

That said, perhaps a renewal every, say, three years would avoid any potential issue of clients forgetting they exist.

I sincerely hope the proposed changes come into effect as soon as possible.

I am genuinely tired of doing work I have no desire to do, that the clients don't want and, more importantly, don't want to pay for, given it of absolutely no benefit to them.

Many thanks,

Wayne

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