

Steve Dodge writes on mistakes!

Firstly I must say thank you to the reader who spotted a mistake in my September article when I referred to 60 BP shares being worth £3,000 and producing £132.80 income. That should have read 600 shares, the value and income remaining the same, so it did not affect the underlying message of the article I'm pleased to say.

On the subject of mistakes, I came across a wonderful quote from Red Adair, the Guy who put out the Oil fires in the first Gulf war: -

“If you think it's expensive to hire a professional to do the job – wait until you hire an amateur”

I recently saw a lady who came to see me back in January. She had inherited around £80,000 and after living on benefits for many years was at last able to fend for herself. Besides needing income for holidays etc. she also was desperate to spend money on her home, which was cold and draughty, including a new kitchen, bathroom and central heating.

Markets were rock bottom at that time, and I produced a detailed report, keeping her risks down and giving her a very healthy income. (See article in February journal!)

It also just so happens that another client of mine introduced me to a Kitchen/Bathroom fitter nearly 20 years ago. He's far from perfect but he's economical and he does a good safe job..... eventually. I put them in touch with each other and neither of us heard from her again, until last week.

She appeared in my office with such a tale of woe I really felt sorry for her. Basically she took the advice of a friendly neighbour and left her funds with the Bank, which are now earning next to nothing in interest. The same neighbour recommended another builder who took £10,000 of her money and left her with an unsafe heating system, now condemned by the gas board and a huge hole in the floor of her bedroom/ living room ceiling where the flood took place.

It is now going to cost more to put the house and heating right than the original quote from my friendly builder but at least she got him in to sort out the mess.

“Tell me” she asked, “ How much have I lost by not taking your advice?” It was over 30%, (yes 30%) and I simply did not have the heart to tell her. “A good bit” I replied.

Well the moral of the tale is clearly Red Adair's quote above. I did feel I should have done more to persuade her to take our advice, but what could I do without appearing too pushy?

Please, if you need advice see an IFA and please don't ignore the advice you are given, after all there is no point in “hiring a dog and barking oneself”!