

When is advice not advice?

Like most of you I suspect my junk mail simply gets put in the bin without even a glance at it but financial junk mail always gets my attention.

I recently received an invitation to a seminar, which in 90 minutes or so would stop my family paying Inheritance Tax, care fees, protect me from bankruptcy and many other nasties, all free of course including tea and coffee but no mention of biscuits! My reward for attending would be a free consultation in my own home.

This reminded me of a friend who once went to a seminar in the UK promoting sales of time-share properties in Spain. I know he had no money, he knew he had no money but simply by attending he qualified for a free holiday, including flights, to inspect one of their properties.

He duly attended the presentation and in order to get his free holiday he had to endure two hours of exceedingly high pressure sales tactics in order to get his vouchers. It was easy for him to put off the salesman; he simply had no money, no credit cards nothing so he kept asking for his vouchers until they gave up and capitulated. They did try and renege on the flights but a quick letter from a solicitor pal solved that problem.

So what's my issue with this financial seminar? Well it's the "woolly" area as to who is giving what advice. As an IFA my Company and I are authorised to give financial advice and are regulated by the FCA, the Financial Conduct Authority. Should I or my staff make a mistake then our clients are protected by the FSCS, the Financial Services Compensation Scheme and an Independent arbiter, the Financial Ombudsman, is available who will adjudicate on complaints without charge and can order compensation to be paid if we are in the wrong.

It follows that all above services have to be paid for somehow and hence whilst we are happy to discuss costs with clients before they commit to anything there is no such thing as free advice.

So I looked into this particular company and found that it is not regulated by anyone. No FCA, no ombudsman no FSCS, no anybody, so in the event of a complaint who would I complain to, the company themselves? Sure some of the people who work there are qualified in tax and legal matters but are they, as individuals, giving you advice?

It's this very grey area that bothers me. Who would visit me to give advice? Are they authorised by anybody? What protection do I have in law?

If you need advice please get it from qualified authorised Professionals, there really is no substitute.