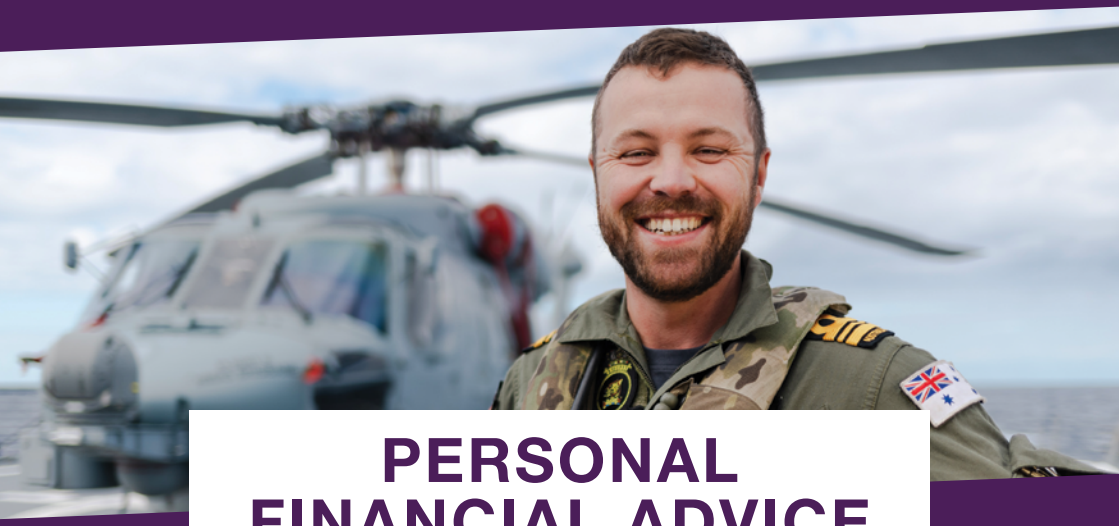
ADF
Australian Defence Force

**ADF FINANCIAL SERVICES CONSUMER CENTRE**
By Defence. For Defence.

This short guide outlines the key issues to consider when seeking a licensed financial adviser to provide suitable personal financial advice.



# PERSONAL FINANCIAL ADVICE

## WHO GIVES FINANCIAL ADVICE?

The terms **financial adviser** and **financial counsellor** are often confused.
That's understandable because they are so similar, but they are a world apart.

**Financial advisers/financial planners** are licensed to offer **personal financial** advice under an Australian Financial Services Licence (AFSL) issued by the Australian Securities and Investments Commission (ASIC). **Financial advisers** charge fees in various ways and you need to understand how they do this and how much is charged.

**Financial counsellors** work with people facing serious financial difficulty and offer options, advice and strategies to help resolve their situation. Financial counsellors have an exemption from holding an AFSL. Their services are free.

## ADF FINANCIAL ADVICE REFERRAL PROGRAM

As a response to requests from ADF members for referrals to licensed financial advisers, the ADF Financial Services Consumer Centre (the Centre) established the **ADF Financial Advice Referral Program** (the Program). Its purpose is to connect our people with licensed financial advisers who undertake in writing to meet certain ethical and professional standards.

Those standards require advisers not to receive/charge any form of commissions on, for example, superannuation, other investment products, mortgages, life insurance and direct real estate. The advisers must also undertake not to charge percentage-based fees on their clients assets and they must not receive any other form of product sales incentives.

Therefore, if you're consulting a financial adviser in the Program, you should expect to pay a genuine 'fee for service', based on an hourly rate and/or a flat fee.

## COST AND SCOPE OF FINANCIAL ADVICE

Financial advice can be expensive, mainly due to complex laws that regulate licensed financial advisers. In most cases, think thousands of dollars, not hundreds.

Therefore, before you appoint an adviser, it's important to understand:

1. **The cost of advice**. All licensed financial advisers should advise you of the cost, terms and conditions of their advice and issue you with a document called a Financial Services Guide (FSG).
2. **The scope of advice**. Some advisers prefer to offer comprehensive advice, while others offer limited, issues-based or one-off advice. Some advisers offer both.

We recommend contacting more than one adviser to fully understand the cost and scope of the services on offer. Reading through advisers' websites can be helpful.

## REIMBURSEMENT OF FEES FOR TRANSITIONING MEMBERS

Members who are leaving permanent service in the ADF are entitled to a one-off reimbursement of up to $1,000 in fees paid for personal financial advice to any **licensed financial adviser**.
This does not cover tax return preparation and accounting advice.

Your Transition Coach can assist you in arranging the reimbursement.

## MORE INFORMATION ABOUT FINANCIAL ADVICE/ADVISERS

1. Visit **Getting Financial Advice** on our website. This will help you to understand the financial advice process and some of the questions to ask.
   **adfconsumer.gov.au/getting-financial-advice**
2. Watch the video **'Financial Advisers - The Facts and The Fiction'** on our website.
3. Go to the **ADF Financial Advice Referral Program** to find the names, locations and contact details of all the advisers in the Program. **adfconsumer.gov.au/find-a-financial-adviser**
4. Review the **Australian Securities and Investments Commission's (ASIC) Financial Advisers Register** which lists all currently licensed advisers in Australia.
   **asic.gov.au/for-finance-professionals/afs-licensees/financial-advisers-register**
5. View the **Financial Advice Checklist** on our website or scan the QR code below.

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Receive helpful tips and consumer insights straight to your inbox each month.

**adfconsumer.gov.au/newsletter-signup**

## QUESTIONS?

Contact us via our website.

**adfconsumer.gov.au**

**Scan the QR code below**

**Financial Advice Page**