



Our Guide to Financial Planning



About this guide

We'd like to tell you more about what financial advice involves and how it can benefit you.

You may wonder why we need to do this, but research by **unbiased.co.uk** shows many people who work and save hard never choose to enjoy the benefits provided by sound financial advice, and we'll go on to tell you more about these.

Help to answer life's most important questions

Independent financial advice has come a long way since the 1980's and 90's, when advisers were seen as intermediaries between clients and product providers. Today we're genuinely interested in our clients as people, with much more focus on understanding your life goals and building a personalised plan to help you achieve them.

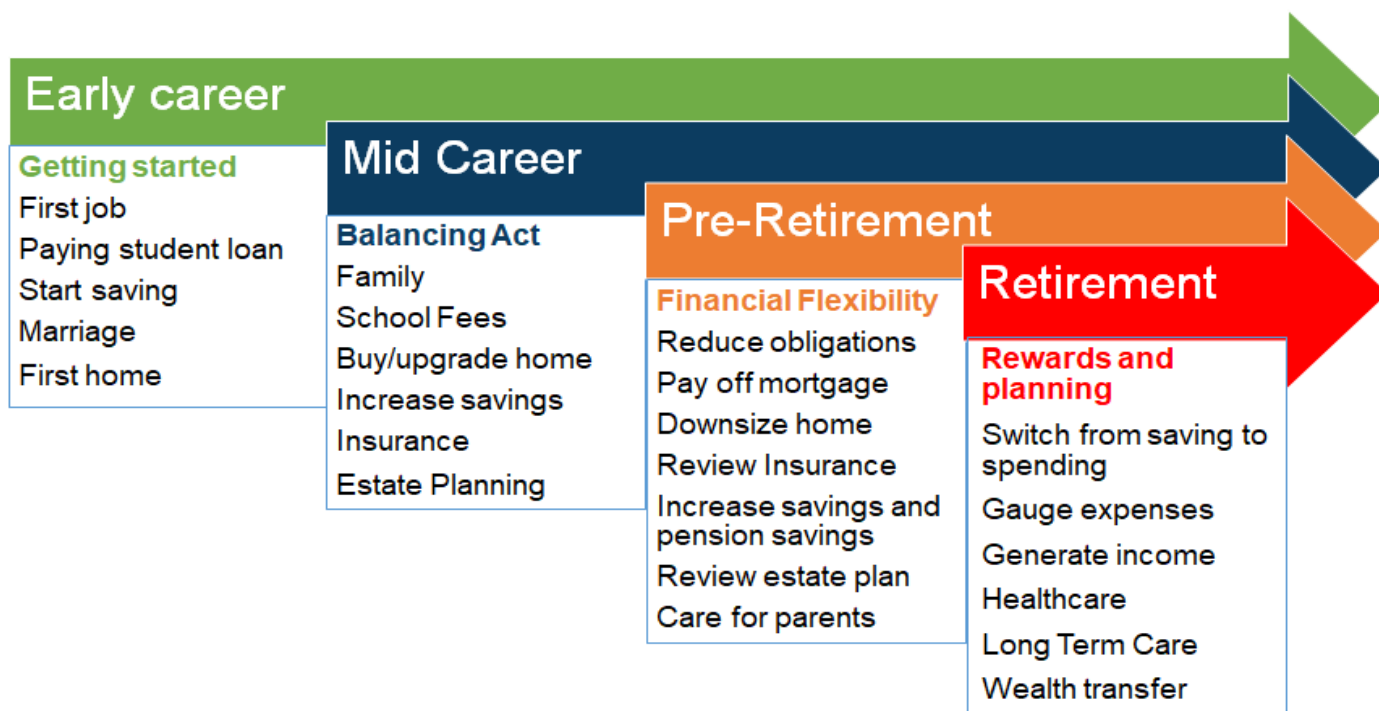
We still recommend suitable products when necessary, but primarily look to provide peace of mind through the quality and suitability of the advice we provide, making complex financial matters simple for you while helping you plan for life events, including any unexpected ones. We'll take the time to listen to you, and offer tailored solutions which meet your aims and alleviate your concerns.

Your trusted expert - a second opinion before making big decisions

It's natural to seek advice before making any big decision, so it's no surprise advice on retirement planning is the main reason people search for an independent financial adviser. After all, few decisions are bigger than the choices you'll need to make around the pension fund you've saved over your entire working life!

We'll all make other big decisions throughout our lives, some just as important as choosing your best retirement option, so there's a number of stages in life when it may also be beneficial to seek financial advice.

The 4 main financial planning life stages



What is Financial Planning?

It's a professional service for individuals, families and businesses needing help to arrange their financial needs and goals. It could involve changing how you spend your money, thinking about how your family would manage without your income if you were to become ill or die prematurely, or explaining the benefits of putting a valid Will in place to protect your family.

It usually involves looking at all these together, and helping you come up with your 'plan'. Some people do this on their own, but if your needs are more complex then you may need the help of a financial adviser.

Here at Hoyl, we use a straightforward 4-step process to help you make sensible decisions about meeting your financial needs and reaching your financial goals and ambitions.

We'll start by helping you work-out your short, medium and long term goals, think about the priority of each, how much it may cost and when you'll need the money needed. This will help you start to focus on planning your finances and work out how you can achieve each of your goals.

Don't forget you'll also have to plan for some of the hurdles you may need to overcome too, so it's about getting organised and being in control of your finances - rather than letting your finances control you.

Your financial plan can be created using the 4 steps below, and your financial adviser will of course be pleased to help you with each of these steps along the way.



What are the benefits of Financial Planning?

It's difficult to put a figure on the value of good financial advice, but in 2017 researchers at the International Longevity Centre UK (ILC) commissioned by Royal London tried to do exactly that.

Their research followed 2 groups of individuals, starting in 2001 to 2006, and tried to work out exactly how much better off each was due to the financial advice they received.



They found that, on average, after 10 years:

- Receiving professional financial advice had resulted in a total boost to wealth (in pensions and financial assets) of £47,706 in 2014/16.
- The benefits of financial advice had seen an 11% boost to the pension wealth of those termed “more affluent” and a massive 24% boost for those termed as “just getting by”.
- While having an ongoing relationship with a financial adviser resulted in a better financial outcome for all those involved, those receiving advice at both time points had almost 50% higher average pension wealth than those who only received advice at the start.

You can see the actual report by going to <https://www.royallondon.com/siteassets/site-docs/media-centre/policy-papers/ilc-what-its-worth-final.pdf> or we'll be pleased to send you a copy.

ILC's research clearly shows the benefits of working with a trusted adviser to develop a financial plan, and meeting regularly to make sure you stay on track. This is even more important during times when investment markets are volatile, such as during the financial crisis in 2008, and more recent turmoil caused by Brexit and Covid-19.

What's more, their final report concluded financial advice delivers real value to those who receive it, and has the potential to benefit a far wider group of people, if only they could be persuaded to take it up.

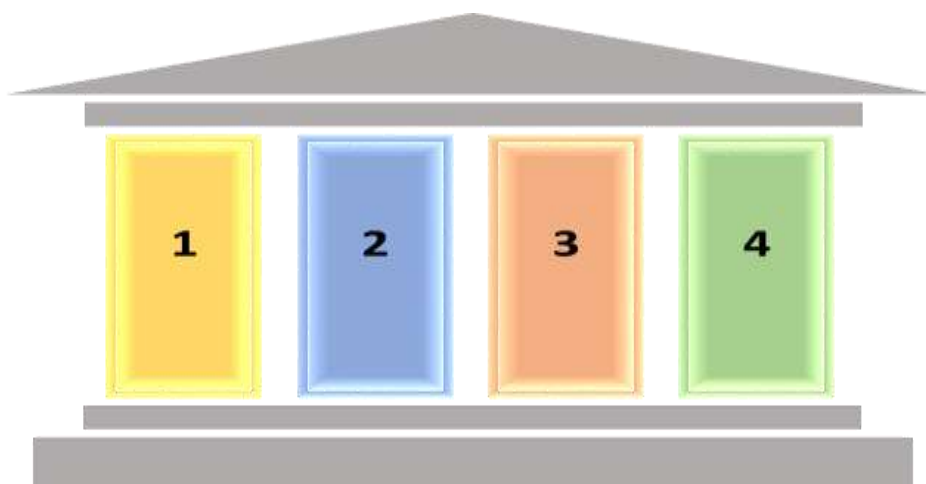
While this research mainly focused on pension wealth, as we've already mentioned, there are lots of reasons you might need to consult a financial adviser to help deliver a better outcome for you, including:

- Keeping you on track and focused on the long term
- Help to choose investments that match your attitude to risk and give the best possible returns
- Helping you to make difficult financial decisions
- Help you deal with the ups and downs of the investment markets
- Help you establish and agree your financial goals and objectives
- Help you create a long-term plan to meet them
- Provide guidance and reassurance

So, as you can see, the benefits of financial planning are all based around planning for the future and building a long term, trusted working relationship with your financial adviser.

How does Financial Planning deliver better outcomes?

Now we've shown receiving advice will deliver better outcomes for you compared to those who don't take advice, let's look at the 4 main pillars of financial advice, how advice is provided, and what it covers.



1.Help to develop better financial habits – while most investors understand how important it is to stay disciplined when investment markets are more volatile, few actually do, which can lead them to take exactly the wrong course of action.

We'll create a clear, bespoke, financial plan for you to follow, based on your own, individual situation, needs, aims and ambitions for the future. We'll then help you stick to it, making sure you don't get carried away when the markets are booming and also help reassure you when they're falling.

We can help you build your own knowledge, see what really matters when making financial decisions and stay true to what really works for you. We'll help show you investing is a tool to protect your money, rather than a gamble full of hidden risks and pitfalls, and we'll focus on your investments and the things we can control. For example, we can't control inflation or investment conditions – but we can control the way your investments react to them.

2.Planning at a risk level you feel comfortable with – all investments include an element of risk to the money you invest, and you could get back less than you pay in, so it's important you understand these risks and only invest at a risk level you fully understand and feel comfortable with.

We'll use carefully structured questions to help us understand your attitude to risk, how much you feel you understand about investing, including any investments you already hold. We'll then use sophisticated modelling software to find the solution which meets your agreed risk level and gives you the potential for improved returns, while protecting your money as much as possible during unsettled investment conditions.

You can be sure we'll only recommend solutions that meet your needs and aims, whether this is using one of our model portfolios, or a solution provided by a range of Discretionary Fund Managers, but we'll always make sure you fully understand how your money will be invested and feel comfortable with it.

3.Guidance with tax allowances – we'll make sure your investments are structured in a way which is tax efficient, and makes use of any allowances you're entitled too, especially around pensions, which have seen several changes in recent years. We can also help guide you in other areas, such as on the use of your annual Capital Gains Tax allowance.

This is an important area which will add value to your investments each year and have huge future benefits. We may, as an example, recommend you use your annual ISA allowance each year to help build a fund you can access with no tax liability in the future. You could then choose to use this as part of your retirement income plan, minimising the future level of tax you may have to pay.

4.Spending Strategies - now and in the future – We'll work to understand your future needs and goals, whether it's saving to buy your first home, reducing any debts, saving for University fees, planning a once in a lifetime holiday, starting a business or simply building an emergency fund to help you feel more financially secure.

We'll then create a strategy which works for you and review this with you regularly, to help keep you on track.

What else should I consider?

What are 'Independent' and 'Restricted' advisers?

While all financial advisers will look at your personal circumstances and recommend solutions to help meet your needs, there are actually 2 different types of advisers:

Independent Financial Advisers – like us here at Hoyl, these offer unbiased advice about a complete range of financial products from all different companies across the entire market

Restricted Advisers – these can only recommend and give advice on a limited range of products. They may specialise in one area, such as pensions, but can only advise you on products from a limited number of companies.

Being confident in your financial adviser's expertise

All financial advisers must hold the following qualifications:

Level 4 or above of the national Qualifications and Credit Framework – this shows your adviser has a deep technical and applied understanding of principles, processes and products, which enables them to analyse options relevant to specialist areas.

A Statement of Professional Standing (SPS) - this means they've signed-up to a code of ethics and must complete at least 35 hours of professional training every year. SPS certificates must be renewed every 12 months, so you can check your adviser's is up-to-date.

These qualifications ensure your adviser fully understands the choices available to you, together with the risks and benefits of every recommendation they make to you, their client.

All firms of financial advisers must be registered with the Financial Conduct Authority. This means they meet standards which give you more protection if you're unhappy with their service. For example, it means you can complain to the Financial Services Ombudsman if things go wrong, and may be able to claim compensation.

Please feel free to ask any of our advisers about their qualifications and Statement of Professional Standing. You can also find this, and more on our website, hoyl.co.uk, together with a link to VouchedFor.co.uk, an independent service which helps people find reliable, independent professional services. There you can read lots of recent reviews for many of our advisers provided by their own clients.

All our advisers are qualified to Diploma level and some are Chartered Financial Planners. All are supported by industry leading technology and a team of highly qualified mentors, paraplanners and compliance support, with many years of experience, so you can be sure they have the skills and knowledge needed to develop and recommend a successful financial plan for you.

Can I get advice from my bank or by speaking to friends?

Many people consult their bank, building society or insurance company when making financial decisions. However, the service they receive can be very different, and in most cases won't include a personalised recommendation.

While most banks, building societies and specialist brokers can discuss the different choices available, they must leave it to you to decide which product you need. This means you're making a decision based on 'information', as they can't usually assess the suitability of a product for your needs. More importantly, it means you'll have fewer rights to claim compensation if the product turns out to be unsuitable for you.

Receiving financial advice means you can make a complaint to the Financial Ombudsman Service about 'mis-selling' and possibly claim compensation if you later find the product recommended is unsuitable - although this doesn't protect you against any losses if the investment markets should simply go down.

Here at Hoyl Independent Advisers we believe in the value of advice, so we'll always look to provide both financial advice and a personalised recommendation which you can be sure will meet your needs.

How much does financial advice cost?

Financial advice is a professional service, so as you'd expect, there are costs involved.

If you're looking for general financial planning advice, or advice on a particular investment, it's likely you'll need to pay a fee.

Our advisers will always be clear about their fees and agree these with you, including how you intend to pay them, before they begin any chargeable work on your behalf.



Since the rules around fees for financial advice changed in 2012, no adviser has been allowed to receive commission from a pension or investment provider, as this could result in a conflict of interests.

Some mortgage advisers still charge fees upfront for advice, while others receive a flat rate introducer's fee from the product provider. Receiving mortgage advice directly from your lender is usually free.

We'll always clearly explain any fees in connection with the advice we provide to you. All fees are shown in our Client Agreement, and you can read an example of this on our website at any time, or ask us to send you a copy. No Hoyl adviser will ever charge a fee without you first giving your consent, and we're always happy to give you an estimate of how much any advice we provide may cost.

What more do Hoyl Independent Advisers offer?

We're proud to provide bespoke, high-quality independent financial advice, and delighted to be recognised by **FTAdviser** as one of the **UK's Top 100 Financial Advisers for the last 4 years running**, reflecting our strong belief in ethical conduct and our reputation as a firm who upholds the highest professional standards.

We offer a range of financial services to our personal and corporate clients, to cover all their mortgage, pension, insurance and investment needs. Our advisers cover the whole of the UK, and you can be 100% sure they'll only recommend solutions which meet your needs.

We're committed to providing the highest levels of service and financial advice. Our clients are the heart of our business, and we've designed our business around you, so you can always count on us to:

- Be clear, honest and open when we deal with you
- Not place our interests above yours
- Communicate clearly, quickly and without the usual industry related jargon
- Seek your thoughts and views on the service you receive to make sure it meets, and hopefully exceeds your expectations, and helps us understand any aspects we can improve further

We hope you've found our guide helpful and we look forward to welcoming you as a client.

Please do get in touch with us directly, or your adviser, if you'd like to know more, discuss anything mentioned in more detail. We'll always be pleased to help you.