

# Make sense of the pounds and pence

Now is the time to ensure your financial future is as secure and productive as it can be, says **Carla Fox**

**T**HERE is no doubt that reaching 50 means you have a wealth of life experience. However, with increasing life expectancy and improved healthcare, it also means there is a lot of life still to live.

That's more reason than ever to make sure your financial future is secure. Those who are in the position of taking early severance, paying off a mortgage or finding themselves with an inheritance need solid advice about how that money can best work for them.

It is also the ideal time to take out that folder with various policies and certificates, the result of investments made over the years, and find a way of making them work together.

For Alistair Creevy, managing director and owner of –IAS – Independent Advisers (Scotland), this is how his team can make a start in organising clients' future finances.

"What we find is that people have collected various investments over the years," he says, "and generally they have been collected without any coherent structure or strategy. There has been a pattern of having been sold something, but not having any regular updates on how it's doing or any idea of how it fits in with their overall financial future."

Of course, lives can take strange turns. Some people may come to IAS for help at a time when they least expected to be looking at retirement.

"It's important that the first thing we do is identify what the goals are," adds Creevy. "We speak to people in their 50s who have been

made redundant, or have maybe come into an inheritance, and at that time they realise that they need to do something about their finances. At that point we bring together the various products that have been sold to them and identify what their plans are."

As Alistair Creevy points out, those who are taking unexpected early retirement, such as many civil servants or other workers in the state sector at the moment, are coming into sums of money that they've probably never had in their lives.

Of course, as he says himself, some people may not have had the greatest experience with advisers in the past, and that's something IAS has to work on. "The biggest issue is the trust factor. In some cases, people have been sold something, they've been ripped off, or the adviser hasn't been truthful about the policy, so they are quite wary about going to anyone else. Breaking down prejudices is the biggest barrier – are they frightened to tell us all the information."

There has been in a shift in what people now genuinely require from an independent adviser, with people needing more of a well-rounded service rather than someone to simply sell them a financial product. "They want someone to tell them that the investment they take out will be

relevant in a year's time; in two years' time; in five years' time. They need to know how it interacts with what they are already planning, maybe for their children. Is it protected and how can it change if their circumstances change?"

"That's the biggest change in the advisory sector – it's a service. We try to let clients see exactly what we do. We go through charges with them, no hidden agendas. Once they leave the first meeting they know how we're paid and they should not go away thinking 'I didn't quite understand that'."

No matter what age you are everyone should have a financial plan in place and a strategy towards achieving those goals. This is where IAS can help.

● For further information visit: [www.iascotland.com](http://www.iascotland.com)



**Financial & Wealth Management Advisers**



## What they said

**I** use Independent Advisers (Scotland) as I've come to depend on them for sound, common sense-based advice which is specific to my circumstances and needs. Since becoming a client of IAS I have more peace of mind regarding my financial affairs. I value the no-nonsense, personal service I get from IAS. **Mr H Fullerton**

For me having an independent financial adviser means not

only do I get well-informed and up-to-date advice on investments, but also I have peace of mind in knowing that should my situation change in any way, good financial advice based on personal knowledge of my affairs is readily available to me. **Mrs C Belcher** Kew Gardens, London

I have been a client of IAS for the last four years. I am more than happy with the benefits I have received from the very compre-

hensive financial plan offered, specially tailored to my investment risk at a very attractive rate of remuneration. **Mr J Hurrell** Dunoon

IAS offers services tailored to your needs based on an expert knowledge of financial markets, as well as excellent knowledge of their clients. Complex financial considerations are explained in a clean and simple way. **Mr R Gill** Ayr

## Inheritance Tax

IF a client has a substantial amount of money the advisers at IAS tend to write it in trust. This means that assets can pass directly to beneficiaries in death, avoiding up to two years in probate and keeping legal expenses down.

"We write it in trust, the assets are paid out straight away. So for our large investments, and by that I mean £100,000 and over, we recommend writing it in trust. There's no additional cost but we feel it's a valuable service," says Alistair Creevy.

"With certain clients, the saving of inheritance tax is important if the estate is more than the nil rate band. It's not as urgent since the government introduced nil rate band sharing between spouses two years ago. It used to be £325,000 but now it's £650,000 for most married people – that's not an issue for many people but for those with substantial pensions, property and lump sums, inheritance tax planning remains important.

"There is no point in establishing an investment proposition if you end up losing 40%. It defeats the purpose. What happens sometimes is advisers can recommend something without thinking of the consequences on death – something which we will always consider as part of an individual financial plan."

## Wealth Management

HOW do you define wealth? Do you believe that investments and portfolios are only for the super-rich? You may be surprised to know that Alistair Creevy regards anything over £100,000 as a large investment sum, and one that needs to be handled carefully.

"What we find is that clients don't really know the different types of products that are available," he says. "There are various options and no right and wrong – it all depends on your tax status, your attitude to risk and your income requirements. There are various structures that can be put in place and that can also apply to your pension. Some people get quite bamboozled by the investment structures and the choice. We try to break that down and simplify it.

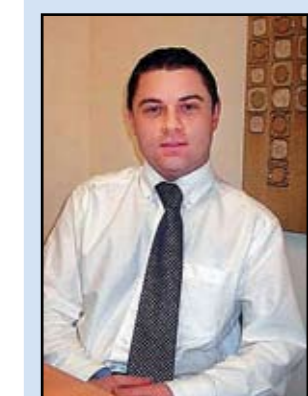
"We find that banks try to shoehorn them into one particular product, maybe some kind of bond. The thing is, £100,000 is now a norm for retirement or severance pays, or even tax-free lump sums. That's a substantial amount of money and you wouldn't put it all in one company. There is a lot more choice and questions to be asked.

"There have also been many changes to pension rules in recent years and making the wrong decision can be very costly should clients fail to seek appropriate professional advice."

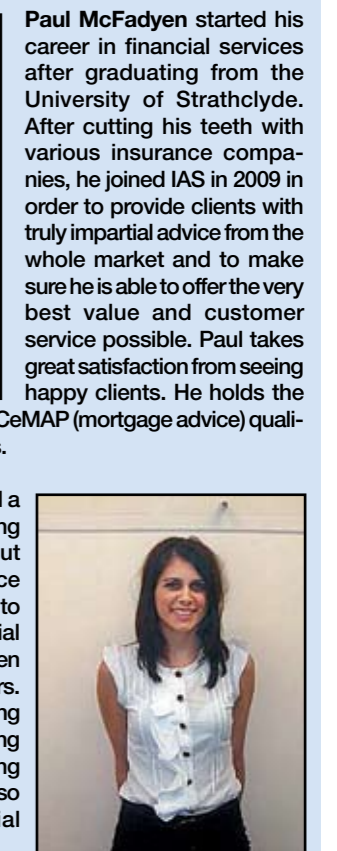
## Meet the team

Independent Advisers (Scotland) has a team of advisers from as far north as Thurso, down to Glasgow. Here are the key members of the Glasgow team

Alistair Creevy established Independent Advisers (Scotland) Ltd in 2003 following 25 years in financial services. He has served as chairman for the Life Assurance Association in the west of Scotland and is currently a member of the Personal Finance Society and The Institute of Financial Planning. He is also a certified financial planner. As managing director, his main objective is to have a practice which provides service and commitment to clients.



Paul McFadyen started his career in financial services after graduating from the University of Strathclyde. After cutting his teeth with various insurance companies, he joined IAS in 2009 in order to provide clients with truly impartial advice from the whole market and to make sure he is able to offer the very best value and customer service possible. Paul takes great satisfaction from seeing happy clients. He holds the CeFA (financial advice) and CeMAP (mortgage advice) qualifications plus various others.



Nadeen Watson completed a business degree specialising in international travel, but having enjoyed the finance part of the degree, decided to pursue a career in financial services instead. She has been with IAS for almost four years. She has developed from acting as a researcher and providing support to advisers to running the Glasgow office. She is also a fully qualified financial adviser.

## Will Planning

"Will planning is a particularly important area now," say Paul McFadyen and Nadeen Watson.

"We find that most clients don't want to go to a lawyer just to write a will – they think lawyers are there for more complex issues.

"However, it's not just making a will that's important, the most vital area that needs to be addressed is creating a power of attorney.

"Many people still don't realise that without this power of attorney, they will have no financial say whatsoever if a parent or a partner falls ill, and is unable to make any financial decisions.

"There's no point in making a financial plan without a will because it defeats the purpose of going to a good adviser. It's all part of looking after the family and the finances.

"We offer that service through qualified practitioners, as both of us are qualified will writers.

"It doesn't cost much to provide a will but it offers peace of mind."

Independent Advisers (Scotland) staff also believe that this service differentiates them from other financial advisers. They are members of the Institute of Scottish Professional Willwriters and follow the OFT-approved code of conduct.