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2010 promises more volatility and IFAs need to concentrate on service

Keep focus on clients

**Bruce
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**IFA
view**



What a turbulent year this has been. Despite the markets being among the most challenging and unpredictable in recent memory, I think most of us have come out a lot stronger than we could have hoped at the outset. The economy is slowly but surely easing its way out of recession and the banking crisis appears to just about be under control.

The beginning of the year was basically a test of faith. Those who kept their faith in the equity markets have been rewarded. The first quarter of the year was pretty awful but things have picked up and most of us have discovered we can live with more volatility than we would previously have thought. I think we all need to keep that faith as we are not quite out of the woods yet.

The whole financial sector has been in turmoil with noticeable

collapses from Keydata and Arch Cru. IFAs have come under fire through all this, taking a lot of the blame for giving investors "toxic" advice whereas the products themselves seem to have escaped most of the scrutiny.

Looking to 2010, the RDR looms ever closer and IFAs need to get up to speed on qualifications. It is a brave man who thinks a potential change in Government will change this situation, so the message is, keep studying.

I think we will begin to see a growing transparency of asset management charges driven by challenger brands, such as Vanguard. IFA profitability has taken a further knock and it will need greater investor confidence to change this next year.

I expect there will be more consolidation in the marketplace and the beginnings of a noticeable shift from indemnity commission towards fees.

The turbulence and uncertainty of the last couple of years has forced us all to take a more holistic view of advice and examine where we really add value to our clients. Life planning came a long way this year in recognition and

popularity as the idea of exploring a client's wellbeing is starting to resonate with more advisers. I expect that to increase throughout 2010.

The problems in Dubai came as a shock but I think the worst is behind us. The coming year will continue to deliver surprises but it is impossible to say what they will be and when they will arrive.

The main piece of advice I can give my fellow advisers and everyone else in the industry, is to continue to focus on our clients and ensure we provide them with a service they value and not to be surprised by future events that come our way.

As with any crisis, the aftermath is unknowable and challenging. The industry faces new regulations and challenges and I think many IFAs will suffer. The good will survive, the poor probably won't. Those of us who are left will have our work cut out dealing with the greater demand for holistic advice from those who want to feel at ease with themselves and their money. I, for one, am looking forward to it.

Bruce Wilson is managing director of Helm Godfrey