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Financial Standard

Fin advice satisfaction down: Lifeplan

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The latest Lifeplan ICFS Financial Advice Satisfaction Index fell 4.3 per cent in the last six months, with financial planning clients unevenly split between those who are likely to stick with their planner and those that are more vulnerable to cutting ties altogether.

The Index, which measures investor perceptions of financial adviser services dropped 4.3 per cent in the past six months.

However the survey, which included responses from 400 people, also showed a gap between how younger and older clients viewed the services provided by their advisers.

"A breakdown of the findings reveals investors aged 30 to 44 years showed the least decline in perception of the performance of their financial advisers.

"This suggests advisers may need to spend more time assisting their clients either side of this age group - their youngest clients and those closest to retirement - to adjust to the market condition," said Matt Walsh, Lifeplan Funds Management general manager of strategy and Development.

The University of Adelaide's International Centre for Financial Services, which conducted the survey for Lifeplan, noted that the length of the relationship often contributed to the sentiment of the clients towards their advisers.

ICFS's Dr Akbar Z Ali, said "The findings showed the most positive perceptions were held by those investors who had long-term relationships of more than 10 years with the same adviser. Advisers would benefit from paying more attention to clients they have helped for less than five years, as investors in this category have less faith in their adviser's trust and reliability compared with clients of five years or more.



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"Providing high quality advice to 'new' investors—those who have sought professional advice due to the economic downturn—would also help build long-term relationships, as this category of investors has low expectations regarding future market conditions.

"Equally important are the smaller value investors who have been most affected by the decline in market conditions, while investors with higher investment levels have had marginally more positive perceptions," Ali said.

A bright spot for investors, according to Walsh, is the trust and reliability components of the survey, which was 2 per cent lower in contrast with views of investment performance decreasing by 12 per cent.

In April, the Index decreased by 3 points since the last survey conducted in October 2008 to 66.5. This was 9.1 per cent lower than the reading a year ago, was the lowest since the survey began in 2007.

Company release