

Know your financial adviser

Proceed with caution

- Before you trust a financial adviser, check the person's background.
- Not all titles or credentials for retirement or senior financial planning are the same.
- Watch out for sales pitches disguised as "educational" seminars.

Is your adviser really an expert in your needs?

Many financial advisers call themselves senior experts to gain your trust, but not all have your best interests at heart or the right kind of training to serve you well.

Insurance agents, brokers, financial planners, and other financial professionals sometimes have titles like "retirement adviser" and "senior specialist." There are dozens of similar-sounding titles that imply expertise in senior needs.

However, special titles don't always mean someone is qualified to help you manage your money. It's up to you to find out what the titles mean, and to check on the qualifications of the person offering you advice.





Is your financial adviser working in your best interest?

If you aren't sure, ask your adviser to put in writing any potential conflicts of interest including any situations in which your adviser will not be acting in your best interest.



Consider working only with advisers who will tell you in writing about any potential conflicts of interests. Make sure that you are comfortable with any conflicts.

Important questions



Does the title or certification your adviser uses require college-level coursework?

- Yes**  That's good. Senior experts train in complex topics like estate planning, income tax laws, and investments.
- No**  It can be harder to know if your adviser was well-trained.



Can you file a complaint if you have a problem with your financial adviser?

- Yes**  Training and education alone don't ensure ethical behavior. Organizations that grant senior financial credentials should make it easy for you to check your adviser's complaint history and file a complaint if necessary.
- No**  If the organization granting the credential doesn't take complaints and share adviser history, how do you know if advisers follow the rules?

Is the credential from an accredited organization?

- Yes**  This is a good sign. This means the organization has taken important steps to ensure the quality of its training program.
- No**  Beware. This is a sign that you should take a closer look at the certification.

Do you know how your financial adviser is paid?

- Yes**  Some advisers earn commission fees for selling you financial products or investments, while others charge an hourly fee or flat rate.
- No**  If you aren't sure, ask your adviser to explain the fees and put them in writing so you know all your costs.

Have you been invited to an investment seminar?

Any time you see a retirement or senior seminar advertised as “educational” or as a “workshop,” beware. The true goal may be to sell investments, insurance, or financial products at the seminar or in follow-up calls.

Watch out for freebies

Financial salespeople may use freebies like lunch and dinner invitations, golf trips, and country club outings to get you to come to marketing and sales events. They give you something knowing you’ll be more likely to give them something in return.

Watch out for high-pressure sales tactics

You may be asked to make a quick investments decision, or be warned that “opportunities are limited.” Don’t fall for these schemes. Good financial advisers won’t rush you because it takes time to make good investment decisions.

Watch out for exaggerated claims

If you are told about investments that make a lot of money without much risk, don’t believe it. If you think an adviser made exaggerated or unrealistic claims about investment risk or returns, report this to your state securities or insurance regulator.

Check your adviser’s background

Before hiring a financial adviser, it’s a good idea to ask for references and get a background report. If a financial adviser is regulated by state or federal government, you can check the status of their license, and find information about their professional history using these online resources:

FINRA Broker Check

finra.org

SEC Investment Advisor Public Disclosure Database

adviserinfo.sec.gov

Your state insurance regulator

naic.org

Your state securities regulator

nasaa.org

FINRA Professional Designations and Organizations Locator

finra.org/investors/professional-designations

For helpful tools and good information on investing

investor.gov

If you were a victim of fraud, or suspect that a financial adviser or broker is trying to defraud you, immediately report it to the Securities Exchange Commission or your state securities regulator. You will be protecting yourself and others.

Submit a tip or complaint to SEC at: sec.gov/tcr

Find your state regulator:
nasaa.org/contact-your-regulator

Contact us



Online

consumerfinance.gov



By phone

(855) 411-CFPB (2372)

(855) 729-CFPB (2372) TTY/TDD



By mail

P.O. Box 2900

Clinton, IA 52733-2900



Submit a complaint

consumerfinance.gov/complaint