

ON THE PLATFORM

Know elder abuse warning signs



Anna Hacker

Changes in an elderly client's personality, an indication that the client is becoming increasingly reliant on others, or seeing other people increasingly speaking on behalf of an elderly client — and not wanting the adviser to contact them — are all warning signs that elder abuse could be occurring.

According to statistics published by Alzheimers Australia, currently there are more than 340,000 Australians with dementia and this will rise to around 900,000 by 2050. On average symptoms of dementia are noticed by families three years before a firm diagnosis is made.

Financial advisers are in an ideal position to recognise and flag elder abuse incidence. Those who are in the early stage of dementia are particularly vulnerable to elder abuse.

An important issue for advisers to be across is the Noddy syndrome. This is when elderly people just agree to whatever is suggested by an authority figure, as they don't want to cause a fuss.

For example, if a family member calls the financial adviser and asks for a change in the financial strategy, and the financial adviser makes that change and presents it to the client, it is important to be mindful of how it is presented.

It can put elderly clients in a position where they need to go against the wishes of their close relatives if they object to the change. This is a

difficult position for most people. In the case of vulnerable elderly people, especially those in the early stages of dementia, they are likely to just nod and agree.

One way of dealing with this issue, is for financial advisers not to say "I was told you wanted to do x" but instead encourage the client to say what they want. If an adviser has any concerns, it is important to have file notes with as much information as possible recorded in the client's own words. If there is any question as to a client's capacity, proof of lack of capacity is required. If the client has an attorney, an adviser can deal with the attorney. If there is no attorney, it is a complicated situation.

For this reason it is important for financial advisers to also ensure their clients have estate plans in place, so that no matter what happens there will be a legal representative to approach.

Finally, advisers need to be mindful of how they deal with the relatives of elderly clients. It is important they are sure they have the authority to deal with the relatives. If so, it is important to recognise whether the relatives are acting in their own best interests, or in the best interests of the elderly client.

Anna Hacker is national manager estate planning with Equity Trustees

AT THE COALFACE

David Jarrott

Following in his father's footsteps has proved rewarding for the williamgrant boss, *Ben Harvey* discovers



Picture: Bill Hatto

Q. Why did you enter financial services?

A. I began my career as a chartered accountant working in corporate tax. I soon realised analysing phone books worth of legislation and largely dealing with the past wasn't for me. My father ran a financial planning business and I became a partner in this. Financial advising is far more people focused than accounting. You deal with their future goals and aspirations and help to show them the pathway to achieve these things.

Q. What is your favourite part of the job?

A. Heading into retirement is a stressful time for many people. Can I live the lifestyle I want to? Will I run out of money? Showing people the steps they can take, the structures they can put in place and the way in which they can invest their money to allow them to live the life they want is very rewarding. You can see the relief on their face knowing that they don't have to worry about this and can get on with enjoying their retirement.

Q. What is your investment approach?

A. Our clients are largely retirees or those close to retirement. Our investment philosophy is to take a conservative approach, to look to protect the downside risk to people's capital nest egg and to produce income to fund pension drawings. This will dictate what we invest in, but just as importantly, what we don't invest in. We will make pro-active changes where we see the need. For example, we currently have no exposure to bonds in clients' portfolios as we view the bond market to be in a bubble.

Q. Name one regulation you would change.

A. While I support most of the regulatory changes introduced by Governments over recent years, I would much prefer to see greater education rather than greater regulation. Educate consumers on financial literacy and enable them to make informed choices. Start at high school with financial programs so kids have a greater understanding on financial matters and can make better decisions from the day they start work.

David Jarrott is managing director of williamgrant Financial Consultants

FROM THE INSIDE

Nathan Morgan



Mentoring to lift standards

The financial planning industry is fast approaching the status of a profession, with higher standards of entry for financial advisers.

University degrees are now widely accepted as the minimum for aspiring planners.

However, being young, smart and well educated is still not enough to be able to effectively deliver financial advice.

A level of maturity and experience is vital in order to fully understand client needs and how best to help them achieve their goals and objectives.

The Australian Securities and Investments Commission's MoneySmart website confirms that getting the right advice can really make a big difference to your financial well-being.

Good financial advice can give you the peace of mind that your future plans are achievable.

Many people do not consider consulting a financial adviser until they are close to retirement. However, to reach a reasonable level of financial security, the earlier you start a regular plan of saving and investing, the better.

In my role as WA State manager for IOOF, I get the opportunity to work with numerous advisers who have great stories about the different people and families whose wealth they have helped build and protect.

After enjoying these stories for a number years I began asking myself how this accumulated wisdom could be passed on to new advisers and future generations.

I was fortunate to find the solution when I volunteered to assist the local committee of the Association of Financial Advisers.

Creating financial independence is something that IOOF has proudly been a part of since 1846 and so they were happy to support my involvement as we believe this can be achieved through good financial advice.

The AFA is the oldest association representing financial advisers and their clients in Australia and is driven by its member advisers' shared belief in the need for great advice for more Australians.

Through the AFA committee, I immediately got access to a number of tools and resources which had been made available to run a mentoring program.

The aim of the program was to bring experienced AFA members together with newer advisers and help them "bridge the gap" in knowledge, skills, experience and networks.

Before I knew it, the AFA asked me to help organise the program nationally, which I was able to do for a few years before I handed the national responsibility over to financial advisers to run.

I continue to support the program in WA with the help of the AFA State committee.

We have more than 20 financial advisers participating this year and pleasingly, women account for almost half. I received an unexpected surprise in October when I received a certificate of appreciation from the AFA at their national conference in Cairns.

It was touching that the AFA financial adviser community made the effort to acknowledge the small part I have been playing in helping shape the development of our profession.

Of course, the real reward of being involved is seeing financial advisers working together and giving their time voluntarily to help each other.

It means that this great industry is becoming a community — a community that can really help Australians create financial independence.

Nathan Morgan is IOOF State manager WA retail sales

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NUMBER OF VETERAN FINANCIAL ADVISERS MENTORING YOUNGER COLLEAGUES UNDER THE AFA PROGRAM