

Money Marketing, 25 July 2011

## Advice still needs a human touch

The Money Advice Service website has raised much debate over the last few weeks. Free or not, it is here to stay and we probably need to find a way to embrace the positives rather than dismiss it out of hand.

My initial reaction is that there is broad spectrum of quite detailed and useful information available on the site. Given that financial education was not on the national curriculum for so long, we probably do need a comprehensive website for people to refer to for some general financial guidance.

But this is not advice. The website name seeks to deceive the public, as on almost every page, there is a statement indicating that the information provided is not advice and to seek professional help. So why not change the website name to the Money Information Service?

Having said that, the website is in plain English and well laid out with many appropriate links to other sites for further support. As a first port of call and general reference point, it could be excellent.

I do not feel that this site is a threat to the IFA community per se. The pension comparison page would be sufficient for most people to view and wonder where to start. Or worse still, go back to doing nothing because it's too confusing.

The healthcheck action plan gives clients food for thought and non-specific answers. But the impression given is all so policy driven, which endorses the age-old opinion that advisers are product floggers, not financial planners.

We have all seen unfortunate outcomes, however, when clients self advise, particularly with more complex areas such as pension transfers. There is certainly a danger of poor self advice and disappointment if clients use some of the calculators on this website and this is my main concern.

The divorce and separation calculator is a case in point. I used this live with two clients who are divorcing amicably.

The budget planner was excellent - it really helped them see how their income and expenditure could be rebalanced to meet all of their needs. But when we got to the splitting calculator that changed. They worked out between them how they could share the property equity and both rehouse themselves. Result! Until I gently pointed out that neither of them could get the required mortgage nor afford the payments.

The pension-splitting calculator should not even be included in the current format. In short, there are way too many pitfalls for a sliding button to address, particularly

regarding final salary scheme transfer values, underfunding and shadow membership.

The MAS is, in places, a very useful website. As grounds for advice versus an experienced financial adviser - no contest.

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