ISSUE 12 ■ WINTER 2021

FISHFINANCIAL

SMARTMONEY

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INSIDE THIS ISSUE

Welcome to the Winter 2021 issue of *Smart Money.* In these uncertain times, it can help to focus on the things you can control. And working out what your money's doing for you now and where it might come from in the future can give you real peace of mind. With the beginning of a new year, many of us may already have made resolutions about how we can improve our financial health in 2021. And even though we may resolve to improve our finances, it's knowing where to begin that's key. Turn to page 08 for the full article.

The coronavirus (COVID-19) pandemic has caused many households to reassess their financial defences with the purchase of protection insurance. The diagnosis of a serious illness can mean a very difficult time for your health and your wealth. If you were to become critically ill and could not earn a living, would your family cope financially, especially to pay bills, mortgage and other expenses? Our lifestyles may vary, but on page 07 we look at why we all need to make financial safeguards.

Whether you're starting out or well into your wealth creation journey, professional financial advice helps you to define your goals and the path to getting there. It gives you a map and ongoing support to help you take control of your future. Everyone has different goals in life. But whatever your goals, receiving advice can help bring you closer to achieving them. Find out more on page 10.

TIME TO REASSESS HOW TO RESHAPE YOUR PERSONAL FINANCIAL JOURNEY?

The start of a new year is the perfect time to reassess how to reshape your personal financial journey. Whatever your circumstances and needs, we're here to listen to your future plans and support you in achieving them. We look forward to hearing from you.

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DOUGLAS HAY

I recently joined the Fish Financial team in September to become the latest member of the company's highly successful graduate scheme. Since then, I have been indoctrinated into a team of passionate individuals who strive towards providing the best financial advice to our clients. It has become very clear early on why Fish Financial has continued to grow consistently over the years. I believe this to be the result of the team's unity, integrity and leadership, which always focuses on the end result.

I have spent the previous five years completing a variety of Finance and Economics courses during my time as a student at the University of Aberdeen. The opportunity to apply my knowledge to our clients' unique financial situations provides a great deal of satisfaction on a daily basis. This, coupled with the company's support to pursue further development in the field of financial planning, ensures that what I know today will only be eclipsed by what I know tomorrow.

When I'm not working, you'll find me exploring lots of local restaurants and eateries – as a massive foodie, I'm always on a search to try something new. If I'm not in a restaurant, I'll be at home trying to re-create the magic recipe, but it never seems to work quite as well! My other passions include skiing, diving and motorsport. ■

EXAM SUCCESS

Whilst the COVID-19 pandemic has dominated the news headlines, we here at Fish Financial have been making our own headlines with several of the team studying in lockdown and taking their exams with huge success!

Josh joined Fish in August 2019 as a Graduate Trainee Financial Advisor and aims to gain his Diploma in Regulated Financial Planning. Having already passed three exams, in tax, pensions and regulation, Josh has continued his success by passing R05 – Financial Protection exam. Margaret brings a wealth of experience to the Client Services team, and her willingness to continue to develop a knowledge and understanding of customer needs has led to Margaret studying and passing LP2 – Financial Services Products and Solutions exam.

David's role at Fish includes Compliance and technical support, particularly within Defined Benefit Transfers as the firm's Pension Transfer Specialist. David continues to add to his wide range of qualifications by achieving J10 – Discretionary Investment Management exam.

Congratulations Josh, Margaret and David on your success! ■

SAVE THE CHILDREN CHRISTMAS JUMPER DAY

This year has not been so good for lots of children and grown-ups alike, so the Fish team decided to support the Save the Children Christmas Jumper Day! The team donned their best Christmas jumpers and brought in homemade goodies for donations to this very worthy cause which helps warm tummies, save lives and change the future. ■

STATE PENSION AGE RISES

HOW COULD THE CHANGE IMPACT ON YOUR RETIREMENT PLANS?

For the first time in over a decade, the point at which people can claim a State Pension (the 'State Pension age') is simple. If you have reached your 66th birthday, you can claim it. Otherwise you cannot.

Men and women born between 6 October 1954 and 5 April 1960 start receiving their pension on their 66th birthday. For those born after that, there will be a phased increase in State Pension age to age 67 in 2028, and eventually age 68 from 2037.

'TRIPLE LOCK' PLEDGE IS SAFE

Back in 2010, women could claim their State Pension from age 60, while men could claim theirs at age 65, but in 2018 women had their State Pension age increase to age 65 too. Further increases to the pension age are also expected for younger generations.

It comes as the Chancellor, Rishi Sunak, vowed the 'triple lock' pledge is safe. Mr Sunak said: 'We care very much about pensioners and making sure they have security and that's indeed our policy.'

INCREASING AS PEOPLE LIVE LONGER

Under this pledge, the State Pension increases each year in line with the highest of average earnings, prices (as measured by inflation) or 2.5%. The full State Pension for new recipients is worth £175.20 a week. To receive the full amount, various criteria, including 35 qualifying years of National Insurance, must be satisfied.

The age at which people receive the State Pension has been increasing as people live longer, and the government has plans for the increase to 68 to be brought forward. However, the increases have been controversial, particularly for women who have seen the most significant rise.

PEOPLE RECONSIDER RETIREMENT PLANS

Women born in the 1950s have been subjected to rapid changes and those involved in the WASPI (Women Against State Pension Inequality) campaign lost their legal challenge, claiming the move was unlawful discrimination.

The coronavirus (COVID-19) crisis has led many people to reconsider retirement plans, especially those who feel they are more at risk from the outbreak. Former pensions minister Ros Altmann argued that the crisis meant there was a 'strong case' for people to be given early access to their State Pension, even if it were at a reduced rate. She also pointed out the large differences in life expectancy in different areas of the UK.

FUTURE FOR BOTH IS NOT ENTIRELY CLEAR

Millions of people who will rely on their State Pension in retirement need to know two things: how much will they receive, and when. The future for both is not entirely clear. Firstly, the age at which the State Pension begins has been rising, and will continue to do so.

Secondly, there is always plenty of debate over the future of the triple lock – the pledge to ensure that the State Pension rises by a minimum of 2.5% each year.

LONG-TERM FINANCIAL PLANNING

And if young workers think this has nothing to do with them, they should think again. How long we work before we receive state financial support in retirement is a vital issue for long-term financial planning.

Younger workers have also been urged by pension providers to consider their retirement options, with a strong likelihood of State Pension age rising further as time passes.

A TIMELY REMINDER TO EVERYONE

The increase to the State Pension age provides a timely reminder to everyone to check their pension pots and ask themselves whether the savings they've built up are enough for the kind of life they want in retirement.

As average life expectancy continues to increase, the State Pension age will inevitably follow suit. This means younger savers need to plan and assume they might not reach their State Pension age until 70 or even beyond. Anyone who aspires to more than the bare minimum in retirement needs to take responsibility as early as possible to build their own retirement pot. ■

DON'T KNOW WHERE TO START?

It's important to think about how much money you might need in the future and whether you'll have enough to give you the lifestyle you want. You might be eligible for the State Pension but can you manage on this alone? Also, you may want to retire before your State Pension age. To discuss your retirement planning options – please contact us.

FINANCIAL ACTION PLAN

10 STEPS TO HELP YOU BUILD A BETTER FINANCIAL FUTURE

In these uncertain times, it can help to focus on the things you can control. And working out what your money's doing for you now and where it might come from in the future can give you real peace of mind.

Many of us may be starting to think about how we can improve our financial health in 2021 – and even though we may resolve to improve our finances, it's knowing where to begin that's key.

1. SHOW ME THE MONEY

The first step to getting your finances on track is to know where your money is going. But that isn't always obvious. Tracking your expenses can keep your spending on a parallel track with your income and help you avoid overspending. This goes hand in hand with setting up a budget. You may have a good handle on your monthly bills, but what about your daily expenses? You may be surprised by how much money you spend on smaller items. Review all of your expenses for ways to cut back, and then decide what to do with the extra money. Set specific goals, such as building an emergency savings fund, paying off your credit card bills or increasing your retirement savings.

2. REDUCING BORROWING

Next make a list of all the borrowing you have – including mortgage, personal loans, store cards, credit cards and bank overdrafts. Calculate the amount you owe and remember that you should update this as the year progresses to track your progress. If you cannot reduce your overall borrowing, then you need to ensure you are paying as low an interest rate as possible. This may mean switching credit cards or mortgages, or consolidating various borrowings into one loan.

3. TAX REALLY MATTERS

There are plenty of tax allowances to make use of each financial year – remember this runs from 6 April to 5 April the following year – so it's worth being aware of which annual allowances you can benefit from. All tax rates quoted in this article are applicable to the current 2020/21 financial year.

One of the most popular ways to save tax is by fully utilising your individual annual Individual Savings Account (ISA) allowance, which is £20,000. You may save or invest your ISA allowance into one or more different ISAs, or you can put up to £4,000 into a Lifetime ISA (you must be aged 18 or over but under age 40 to open a Lifetime ISA). You won't pay income tax, dividend tax or capital gains tax on the proceeds of any investments you hold within an ISA.

In addition, investors have a £2,000 tax-free dividend allowance held outside of an ISA. Basic-rate taxpayers pay 7.5% on dividends. Higher-rate taxpayers pay 32.5% on dividends. However, if your dividend income is above this amount, investing in an ISA could give you the benefit of additional tax-efficient payments.

If you are a basic-rate taxpayer the Personal Savings Allowance (PSA) permits you to earn up to £1,000 interest on your savings without paying any income tax on it. If you are a higher-rate taxpayer you have a PSA of £500 before you pay tax, while additional-rate taxpayers who earn over £150,000 do not qualify for the PSA. ISAs may remain worthwhile for those additional-rate taxpayers who don't qualify, or who have a large amount of savings and have used up the PSA.

If you have investments held outside a pension or ISA, these will usually be subject to capital gains tax when they are sold or given to someone other than your spouse. The gain is usually calculated as the sale proceeds less purchase cost from assets and is taxable at 10% (basic-rate taxpayers) or 20% (higher and additional-rate taxpayers) except for residential property, where the rates are 18% and 28%.

Everyone has an annual tax-free capital gains allowance, currently £12,300. Gains up to this amount can be realised tax-free. If an asset is held jointly with a spouse, both can use their annual exemption against the gain, effectively doubling the tax-free allowance amount.

However, remember that tax rules can change in the future and their effects depend on your particular circumstances, which can also alter over time.

4. GOOD INVESTING HABITS

Investing money regularly, instead of as a one-off lump sum, can reduce the impact of a market downturn on your portfolio. If you are looking for a smoother ride during volatile markets, pound-cost averaging – where money is drip-fed into the market over time – may be an appropriate

option. Steady, regular investments can provide you with some protection in case of sudden market corrections.

Given that we don't know what markets will do from day to day or month to month, this stops you from investing all of your money at a peak and maximising losses. Some of your money will be invested when markets are down, so when they recover you are rewarded. Over the longer term, investing monthly averages out the highs and lows.

5. PENSION SAVINGS BOOST

It's important to think about how much money you might need in the future and whether you'll have enough to give you the lifestyle you want. Making the right choices now could make a big difference to how much money you have in the future and saving into a pension plan could help you achieve the lifestyle you would like.

Even if you feel that your savings are on track to live comfortably in retirement, you can still top up your pension plan to help give your savings a boost and increase your potential wealth in retirement.

One of the great things about saving into some pension types is the tax relief you can receive. This means that if you're a basic-rate tax payer, for every £100 saved into your pension the cost to you is only £80. This could effectively be even less if you're a higher or additional-rate tax payer.

Tax rules may be altered in the future, and their effect depends on your personal situation, which can also change. Bear in mind, too, that you can't ordinarily draw benefits from a pension arrangement until you are aged at least 55 (rising to 57 by 2028), so this is a long-term investment.

6. FOCUS YOUR GOALS

Did you start 2020 with plans to save and invest more money and reduce borrowings, but lost your way? Refocusing your finances and recommitting to financial goals can seem challenging, especially during the coronavirus (COVID-19) pandemic, but it's not a lost cause.

Focus on making several small, short, achievable financial goals. By setting smaller goals and achieving them one at a time, you're more likely to stay motivated and reach them.

Remember, yesterday is done and gone. You cannot change what you did yesterday, whether you made good choices or bad ones. But you can change what happens today. Being clear on your financial goals is essential to making the most of your money. Making decisions with a clear endpoint in mind can make it easier to achieve financial security and independence and allow you to enjoy the life you want.

7. STICK TO YOUR PLAN

As governments around the world take further action to stem the spread of coronavirus, stock markets continue to react with increased volatility. During any period of volatility, thinking about your reasons for investing and what you ultimately plan to do with your money is important. But market volatility is unavoidable and is part of market behaviour. Markets move through stages of growth, slowing down and speeding up. Unfortunately, the timing of those cycles can be unpredictable.

Selling out in fear can be the worst thing to do. Large falls can often be followed by large rises, leading to the risk of losing on both sides – selling when prices are depressed and not buying in until they have moved higher. Avoid the daily monitoring of investments during falling markets as this can result in an over-emotional reaction and lead to making irrational decisions.

8. SMOOTH OUT RETURNS

When it comes to investing, you need to take on some risk in order to generate a return. One of the best ways to control that risk is through something called 'diversification'. 'Don't put all your eggs in one basket' is a common expression. This means ensuring that you spread your capital amongst different investments so that you're not reliant upon a single investment for all of your returns.

Different types of investments perform in different ways over time. When some rise in value, others are not changing or decreasing. So diversification helps to smooth out your returns. The key benefit of diversification is that it helps to minimise risk of capital loss to your investment portfolio.

9. DISCUSS YOUR CONCERNS

When faced with certain choices and in the midst of volatile periods, some people may understandably fall prey to their stock market emotions and make decisions that are not in their best long-term financial interest. But it's natural to feel worried.

Even experienced investors steeped in the market's historical cycles may feel torn between emotions and knowledge. That's why having a professional financial adviser, who can advise you before making any decisions, is key. This will enable you to discuss your concerns to help keep those market emotions in check and work together to ensure your long-term investment strategy remains on track.

10. REINVEST DIVIDENDS

Dividends are payments of some of the profits made by a company to its shareholders. They are not guaranteed, and are at the discretion of the company, but when they are paid, you have the option to reinvest them into more of that company's shares. Reinvesting dividends provides benefits that shouldn't be ignored.

In a current era of low interest rates, investors need to use every tool they can to make the most of their money. Reinvesting dividends can add significant wealth over normal investment returns and is one of the most powerful tools available for boosting returns over time. Those seemingly small amounts reinvested can grow into much larger amounts when used to buy even more shares of stock that can pay further dividends in turn. ■

BRINGING YOUR FINANCIAL PLANS TO LIFE

Planning for a successful future means different things to different people. Whatever your plans, expert professional financial advice can help bring them to life. As the impact of coronavirus is felt across the UK, you may have concerns about how it could affect you and your money. Please contact us to find out more or discuss your future plans with us.

THE CRITICAL FACTOR

LIFE-CHANGING COVER, FOR LIFE-CHANGING EVENTS

The coronavirus (COVID-19) pandemic has caused many households to reassess their financial defences with the purchase of protection insurance. The diagnosis of a serious illness can mean a very difficult time for your health and your wealth. If you were to become critically ill and could not earn a living, would your family cope financially, especially to pay bills, mortgage and other expenses?

Our lifestyles may vary, but we all need to make financial safeguards. Critical illness cover can provide vital financial security when you need it most. Most homebuyers purchase life assurance when they arrange a mortgage, but overlook critical illness cover, another form of financial protection that we are statistically more likely to need before reaching retirement.

FINDING THE RIGHT PEACE OF MIND

With the right protection in place, you and your loved ones won't have to worry about money when money is the last thing they want to worry about. It's essential to find the right peace of mind when faced with the difficulty of dealing with a critical illness. Critical illness insurance pays a tax-free lump sum on diagnosis of any one of a list of specified serious illnesses, including cancer, heart attack and stroke.

The good news is that medical advances mean more people than ever are surviving life-threatening conditions that might have killed earlier generations. Critical illness insurance provides cash to allow you to pursue a less stressful lifestyle while you recover from illness, or you can use it for any other purpose.

COMBINING DIFFERENT COVER TYPES

It's almost impossible to predict certain events that may occur within our lives, so having critical illness cover in place for you and your family, or if you run a business or company, offers protection when you may need it more than anything else.

You can choose how much cover you want and whether you want to combine different cover types. You can also choose to take out cover with your partner.

Even if you are single with no dependants, critical illness cover can be used to pay off your mortgage, which means that you would have fewer bills or a lump sum to use if you became very unwell. And if you are part of a couple, it can provide much-needed financial support at a time of emotional stress. Whether or not you need critical illness cover as well as life insurance will depend entirely on your individual circumstances. ■

DO YOU NEED CRITICAL ILLNESS COVER?

It's easy to think a critical illness isn't going to happen to you, but should the worst happen you can help make sure your family and loved ones are protected by easing their financial worries. To discuss how we can help, speak to us to find out more.

NEW YEAR, NEW START TO YOUR FINANCES

TAKING TIME TO UNDERSTAND YOUR FINANCIAL PLANS WILL REALLY PAY OFF

At the start of every year we have great intentions, as financial promises are renewed. Getting our financial life in order will be a top priority for many as we enter 2021. Consider focusing on two key areas: goals related to being prepared for the unexpected this year, and those related to what you want to be different at the end of the year.

10 AREAS TO CONSIDER WHEN SETTING NEW YEAR FINANCIAL GOALS

New Year's resolutions can be notoriously difficult to stick by. However, there are a few ways to help make sure you start the year on a positive financial footing.

1. NEW YEAR, NEW FINANCIAL GOALS

There's nothing like the fresh start of a New Year. Which makes it the perfect time to sit down and set some financial resolutions for the next 365 days. Having clear financial goals to work towards will give you a sense of purpose and motivation to spend less and to save and invest more throughout the year ahead. To ensure you achieve your financial resolutions, it helps to break the bigger goals down into more manageable bite-sized objectives that you can gradually work through bit by bit to create better financial habits.

2. GO OVER YOUR BUDGET

Review this past year's budget. What did and didn't work for you? If your current budgeting methods and tools aren't working, look for a better way to track your spending. Assess your income and expenses, looking for places to save money. Revise your budget to reflect any changes to your income or expenses in the new year. If you don't have a budget, it's time to make one. Ask yourself: what are my priorities? How can I make this sustainable?

3. REVIEW YOUR BORROWING

Find out if you could save money by refinancing your mortgage, car loan or student loan. If you have high-interest debt, make a plan to pay it down. If you don't have enough extra money in your budget to make a big dent, investigate credit cards with a 0% introductory balance transfer offer. Could you transfer your high-interest balances to a card with a temporary 0% interest introductory period to save on interest? The key is making a plan to pay off the balances before the introductory period ends and you begin paying a standard interest rate. Are you utilising less than 25% of your available credit across all of your cards and loans at any one time? Anything higher could affect your overall credit rating score.

4. CHECK THE INTEREST RATE ON YOUR SAVINGS

Different types of savings accounts have different rules on how much you can put in and when. Could you deposit money into another account where you receive a better rate of interest? It's important to check how your savings are growing and at a rate above inflation, and then decide if you need to make changes. When choosing a savings account, you need to think carefully about whether you will need access to your money, how long you are looking to save for, and how you want to operate it.

5. TAKE A LOOK AT YOUR INVESTMENTS

Whether your goal is to create a nest egg for early retirement or to leave something behind for grandchildren, reviewing what your goals are and whether you're on track is important. Ask yourself these questions: How long should I be prepared to put my money away for? Do I want to invest for income, growth, or both? Are my investments aligned with my values and life goals? How can I grow my wealth? Differing circumstances and goals may mean that what was once appropriate, no longer is. It's important that you feel comfortable with the level of risk you're taking with investments. Should I review my investment portfolio? Is my portfolio sufficiently diversified? Does my portfolio reflect my goals and risk profile?

6. PLANNING FOR YOUR RETIREMENT

Even if retirement seems a long way off, think about what you want your money to do for you when you stop working. Ask yourself: Do I know how much money I may need in retirement? How long will my money need to last for? How much should I be saving today? The earlier you start the process of planning for your retirement, the more manageable it will be, and the less of an impact it'll have on your daily finances. Questions to include: Am I taking full advantage of the tax-efficiency of my Personal Pension or Workplace Pension? What am I looking forward to doing the most in retirement? How much retirement savings will I actually need? How much can I afford to spend yearly once I have retired?

7. COMBINING A NUMBER OF DIFFERENT PENSIONS

It's not uncommon now for people to have built up a number of pensions during the course of their lives. Ask yourself the following: Over my career, have I worked for different employers and built up a number of different pension pots and/or pension schemes? Do I have personal pensions built up during times spent being self-employed? Pension consolidation could potentially be a way to maximise the value of your investments. It can make it easier to track how well a fund is performing in putting your money to work on the markets to boost your investment returns. However, consolidating a pension isn't for everyone.

8. MAKE THE MOST OF YOUR TAX-EFFICIENT ALLOWANCES

Time is running out if you haven't taken full advantage of your tax-efficient allowances before the end of the tax year on 5 April. Every tax year, commencing on 6 April, you receive new Individual Savings Account (ISA) and pension allowances. Questions to ask: Have I fully maximised my contribution levels for the current 2020/21 annual £20,000 ISA allowance, and annual £40,000 pension allowance? Can I take advantage of pension carry forward to make extra pension contributions? Am I fully using my Personal Savings Allowance for tax-free interest payments? What is my financial gifts tax allowance? Can I use my Capital Gains annual allowance to create tax-free returns?

9. REVIEW YOUR ESTATE PLAN

There is never a good reason to not have a Will. How can I write my family's future? Have I written a Will, or does my existing Will need updating? Making a Will is not a task that many people look forward to. It can easily slip down the to-do list – for a number of reasons. A Lasting Power of Attorney for Health and Welfare (LPA) will also allow you to give someone you trust the legal power to make decisions on your behalf in case you later become unable to make decisions for yourself. How can I leave money to charity? How much money can I give away each year in gifts without tax implications? Can I make regular gifts out of my surplus income? Should I put my assets into a trust during my lifetime?

10. CHECK WHEN YOUR NEXT REVIEW IS

You're not sure what to prioritise – your pension, your mortgage or your ISA. You're starting to lose sleep over whether you're saving enough for your children's education. And you can't quite recall whether you have accumulated four, five – or was it six? – pension pots from previous jobs. Now may be time to consider your next financial review so that we can discuss your immediate and future plans, and talk you through your financial goals. ■

HELPING YOU TOWARDS YOUR GOALS

The beginning of a new year is the perfect time to consider your existing financial goals and decide if they still align with your priorities. It may also be a good time to check if you have the right systems and support needed to achieve these goals when you want to. If you'd like to know more about how we can help you achieve your financial and life goals, please contact us.

WHY SEEK PROFESSIONAL FINANCIAL ADVICE?

TACKLING PROBLEMS, CREATING A PLAN, DEALING WITH CHALLENGES

Whether you're starting out or well into your wealth creation journey, professional financial advice helps you to define your goals and the path to getting there. It gives you a map and ongoing support to help you take control of your future.

Everyone has different goals in life. But whatever your goals, receiving advice can help bring you closer to achieving them. When it comes to managing your money, trying to build wealth, securing your future and drawing up an effective plan for fulfilling your financial objectives, professional financial advice is essential.

REASSURANCE, EXPERTISE AND CONFIDENCE

Now more than ever, households need the reassurance, expertise and confidence that professional financial advice provides during these difficult times. The effects of the coronavirus (COVID-19) are likely to have long-lasting effects on our finances for years to come.

There is a proven direct correlation between a person's financial and mental wellbeing. New research[1] has identified how professional financial advice helps to improve the emotional wellbeing of clients by making them feel more confident and financially resilient when compared to those who have not received advice – especially in times of crisis.

COMMONLY RECOGNISED EMOTIONAL BENEFITS

Around 17 million people in the UK have received financial advice. For advised clients, the most commonly recognised emotional benefits of their adviser's services is having access to expertise, which makes them feel more confident in their financial plans, feeling more in control of their finances and gaining peace of mind.

The research also shows that advised clients feel positive about the service they received – with the key areas of satisfaction being the quality of advice and expertise (82%), communication style (81%) and trustworthiness (81%).

FEELING MORE CONFIDENT ABOUT THE FUTURE

The research highlights that people who receive professional financial advice feel more confident about the future and more financially resilient. Around three in five (63%) who received advice said they felt financially secure and stable compared to just half (48%) who had not received advice. Four in ten (41%) who had not received advice felt anxious about their household finances compared to just a third (32%) of those who were advised.

Advisers also helped people to boost their knowledge and gain a better understanding of their finances – particularly when it comes to protection and retirement planning. Advised clients feel up to three times more confident about understanding products and financial matters, compared with people who don't have an adviser.

A GREATER UNDERSTANDING OF FINANCIAL PRODUCTS

Understanding of financial products was much greater amongst those who were advised compared to the non-advised. A quarter of non-advised individuals said they would not know where to start when asked about life insurance (23%) or protecting against serious illness (24%).

In comparison, just 7% of those who were advised gave this response when asked about life insurance and 8% would not know where to start when asked about protecting against serious illness.

BEING MORE PREPARED FOR LIFE'S SHOCKS

The research also looked at how the coronavirus (COVID-19) crisis made non-advised clients feel about their finances. A third (35%) of people felt anxious about their financial situation and 65% have come to appreciate the value in being more prepared for life's shocks.

An experienced adviser offers professional, tailored advice based on your individual circumstances and future aspirations. By understanding the mistakes that unadvised investors make, we are able to demonstrate the value that an adviser brings. ■

THE VALUE OF PROFESSIONAL FINANCIAL ADVICE

At a time when many people will be worried about their financial future, as the economic impact of COVID-19 continues to be felt, receiving professional financial advice is vital. This research illustrates how advice can offer real help to people in the successful achievement of their goals. If you would like to discuss your particular situation, please contact us.

Source data:

[1] Royal London engaged with a UK nationally representative sample of 4,007 people. The research found 26% of UK population have received financial advice. Based on the latest population figures from the ONS, this equates to around 17 million (17,367,169) people. https://adviser.royallondon.com/globalassets/docs/adviser/misc/brp8pd0008-feeling-the-benefit-of-financial-advice-adviser-report.pdf

LIFE GOALS

ARE YOU BUILDING THE FUTURE YOU WANT?

Creating a financial roadmap for the future you want involves a close analysis of your personal finances and an assessment of other building blocks. Lifestyle matters look at how to balance work and leisure, how to make smart choices for the future and many other items regarding how to help you enjoy the journey.

'How do you ensure the plans you make are going to get you to where you want to be financially?' 'How can you achieve the life you want?' Your financial roadmap should provide you with clarity about your future. It should detail every aspect of your vision – your hopes, fears and goals. It should also describe exactly how your future will look and help you to know exactly where you are headed and when you are likely to arrive.

Life can change – the birth of a child, the death of a loved one, the loss of a job, a major purchase – which will readjust your financial roadmap. At these major life events, it's important to chart a new course to ensure you meet your financial, lifestyle and retirement goals.

Take some time and ask yourself these questions:

- Can I sleep comfortably knowing I'll have enough money for my future?
- Do I have the security of knowing where I'm heading financially?
- Am I going to be able to maintain my current lifestyle once I stop working?
- Do I feel empowered financially to live the life I want today and tomorrow?
- Have I made sufficient financial plans to live the life I want?
- Do I have a complete understanding of my financial position?
- What is 'my number' to make my current and future lifestyle secure?

MAKING WISE FINANCIAL DECISIONS

Part of this process is to understand 'your number' – in other words, the amount of money you'll ultimately need to ensure complete peace of mind in knowing your future lifestyle is secure and making sure you don't run out of money before you run out of life. The process starts by identifying your goals for the future and following up by setting a timeline for achieving them.

If you do not know where you are going, how will you know when you get there? This is very true about financial goals. You need to set financial goals to help you make wise financial decisions, and also as a reward for your efforts. Goals should be clear, concise, detailed and written down. Unwritten goals are just wishes.

HOW TO MAKE SMART CHOICES FOR THE FUTURE

In order to achieve all your goals, you will need a plan. Starting from assets you already have available, you will need to determine how much more you need to accumulate and when you will need it. Don't neglect to consider that the price of your goal items might actually increase as well. ■

WE'RE READY TO LISTEN

We're here to make this process as simple as possible for you so that you can have peace of mind knowing that everything is taken care of. When it comes to planning for your future and that of your family you'll want to be sure that you have everything covered – and that's where we can help. To discuss your future plans, please speak to us.

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