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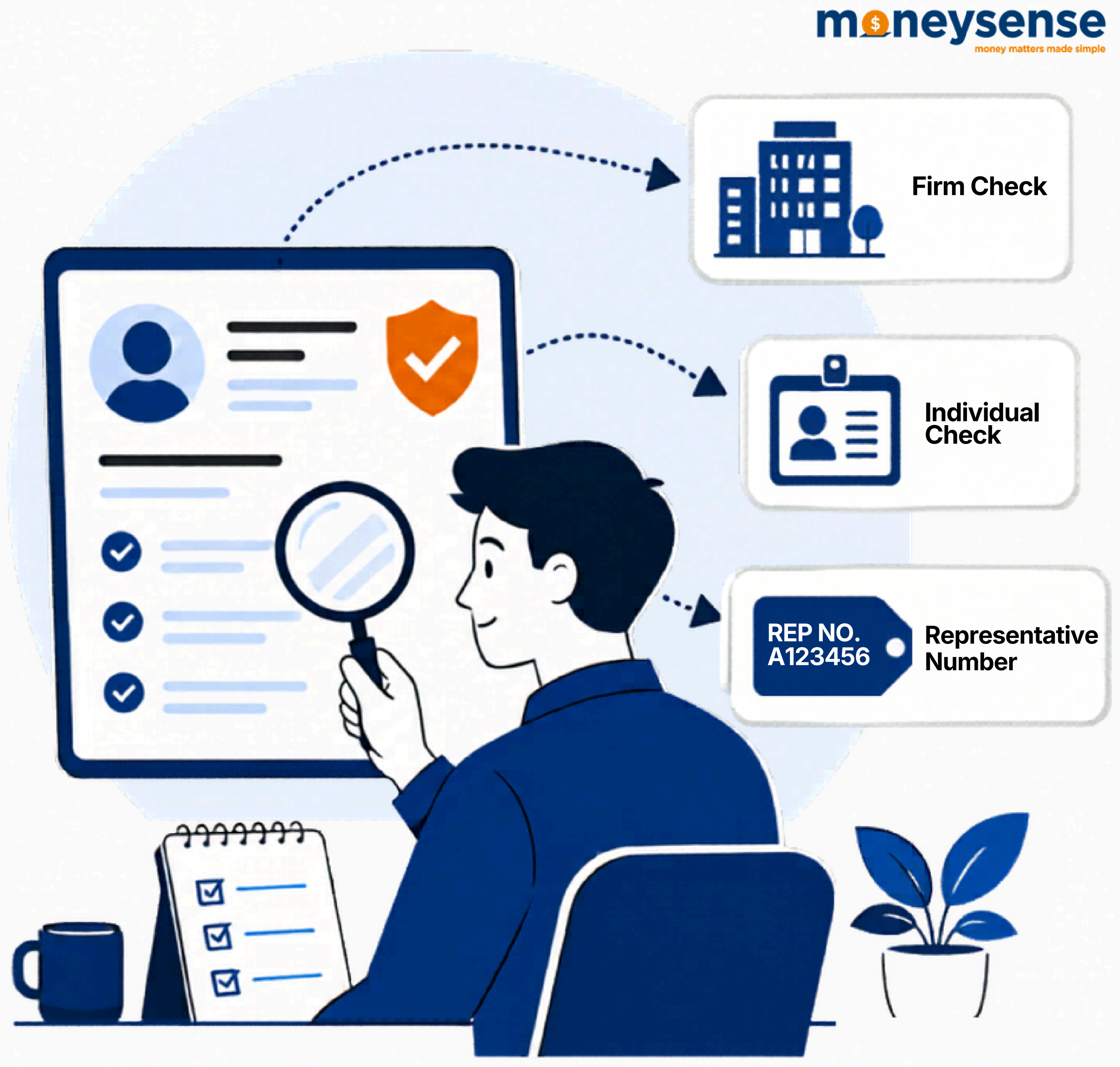
Financial advice: What to expect from your advisor

Before taking investment or life insurance advice, check whether both the firm and the individual are authorised.

This guide explains what seeking financial advice means, and what to watch out for.



What counts as financial advice?

Financial advice is when someone looks at your needs and financial situation and then recommends that you buy a specific investment or life insurance product to meet your goals.

It is different from simply giving product information.

Personalised = Advice

Product Information

- Explains a product
- General in nature
- Not personalised to your situation

Financial Advice

- Recommends a specific product
- Based on your personal situation
- Involves judgement of whether a product is suitable

If someone recommends a specific investment or life insurance product based on your situation, it is financial advice. Make sure they are authorised by MAS to do so.

Check both the firm and the individual

Only firms and individuals authorised by MAS may give financial advice on investment and life insurance products.

Step 1: Check the firm

- Use the MAS **Financial Institutions Directory**.
- It confirms whether the firm is authorised to provide financial advisory services.

Step 2: Check the individual

- Use the MAS **Financial Institution Representatives Register (FIRR)**.
- It confirms whether the person is registered as an FA representative.

Ask for the Representative Number

REP NO. A123456

Ask for the representative's unique MAS representative number — then verify it against the FIRR.

Watch out for impersonators. Verify the identity of the person using his ID in-person and at his firm's official premises.

With advice vs without advice

The key difference is accountability.

Accountability Changes

With advice

Your FA representative must consider whether the recommended product is suitable for your needs.

They should take into account:

- Financial objectives
- Investment horizon
- Risk profile
- Personal circumstances

Without advice

You are responsible for assessing whether the product suits your needs.

For example, if buying insurance without advice, you need to assess:

- Coverage needed
- Duration
- Affordability of premiums
- Whether the product fits your situation

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With advice, the FA representative must consider suitability. Execution-only means you are responsible for assessing suitability.