

Advisers react to Royal Commission revelations

BY [JAMIE WILLIAMSON AND KARREN VERGARA](#) | FRIDAY, 27 APR 2018 3:55PM

Financial advisers are struggling to comprehend the level of misconduct revealed by the past fortnight's Royal Commission hearings.

Will the non-aligned advice space be strengthened by the findings? Or will the vertically integrated model withstand the scrutiny?

It remains to be seen what the outcome will be, but one thing is certain - there are many advisers willing to fight for the profession they believe in.

They have their say below.

Matthew Walker, director, WLM Financial

We at WLM are shocked and disheartened by what is being revealed. How is it possible in this day and age?

We welcome the Banking Royal Commission and hope the outcome will result in a better, more robust system for all Australians.

In the meantime, we're aware that many will be suffering, or have lost confidence with their planners. This is a disappointing side-effect of these types of high profile enquiries, but it does give us the opportunity to reinforce who we are and that we're here to help.

Brett Evans, managing director, Atlas Wealth Management

The revelations that have come out of the commission over the last two weeks have unfortunately not been surprising. We were well aware of the problems inside the major banks and financial institutions.

As the bulk of the bad news has been centred around the larger institutions I think the revelations will only strengthen the non-aligned advisers value proposition and we don't see any detriment to Atlas' ability to service clients with the highest level of advice and professionalism.

Anne Graham, managing director, Story Wealth Management

The stories that have come out of the Royal Commission over the past two weeks have been surprising, disappointing and damaging. There's no doubt that in the short term at least, there will be a further erosion of public trust.

Even though headlines in mainstream media will be damning, the media is not responsible for the situation, those who have done the wrong thing are. Now is not the time for good advisers to hide or become silent - it is the time to show leadership and to act like the professionals many of us are.

It's time to be vocal and actively bring about change from within. We need to have open communication with our clients and our teams and lead by example for they too will be impacted by the revelations from the RC.

Michelle Brisbane, managing director and adviser, Ethical Investment Services

As a long-term adviser I welcome the Royal Commission, as I believe that trust begins with the truth. The larger institutions may see an exodus of disillusioned clients whose trust has been irreparably broken.

Stand-alone practices like Ethical Investment Services (EIS) are likely to have these clients knocking on their doors as the institutions flounder in their response and work out how to rebuild trust.

The majority of advisers have very clear beliefs around what quality advice is and isn't. The 'good' people in this industry are there because they have a genuine desire to help others. At EIS we provide advice to those we believe will benefit from our recommendations. If we believe there is no future value to be created from a course of action, we tell it straight, even when it's not what someone wants to hear.

Early in my career (well before best interest duty was legislated) I remember my first boss saying: "Michelle, if you just do the right thing by people you'll be a good adviser and have a great business." I've always remembered this advice.

Stewart Bell, financial adviser business coach, Audere Consulting

Many of the issues raised are NOT ours to respond to.

We are not the advisers who do the wrong thing. We are not the paraplanner who signed off on something that should never have seen the light of day. We are not the person who lied to the regulator multiple times. We are not the consultant who doctored an independent report.

We believe that where a fee is paid for ongoing support and services, those services will be provided. This includes making sure we are both proactive in our communication, steadfast in sticking to the principles that underpin smart financial decision making, and being available when needed.

Christine Swanson, director and financial adviser, Prominent Financial Services

The majority of the submissions have surrounded banks and larger financial institutions, it seems pretty obvious that the larger the organisation the harder it is to scrutinise the actions of individuals and hold them accountable on a daily basis.

Banks and larger organisations will need to overhaul their advice departments to ensure they have totally automated processes and systems in place to safeguard situations like this occurring again, millions of dollars will need to be spent on systems to ensure the public's best interests are protected.

The banks may outsource or sell their financial advice arms. This will damage the banks' reputations even further and I see smaller, more personalised financial services practices benefiting from the fall out.