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SMSFs go back to advisers

Gap in service needs

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There has been a resurgence in the number of self-managed superannuation funds (SMSFs) seeking advice from financial planners, according to research firm Investment Trends.

New report data from the group has found almost 65 per cent of SMSFs investors have used one or most advisers in the past six months, an increase of 61 per cent in 2009.

According to previous surveys from the group, the proportion of SMSF trustees using accountants for investment advice between 2007 and 2008 fell by more than one third.

"We are seeing numbers begin to recover, although not yet to pre-crisis levels," Investment Trends analyst Recep Peker said.

In the past, SMSF trustees used advisers primarily to get a second opinion, to gain access to a wider range of investments and technical skills, the survey found.

However, the firm's latest report found significant service needs are not being met in the SMSF sector.

Of Australia's 428,000 SMSFs, 275,000 needed help running their fund, with 235,000 prepared to pay for support services such as compliance, investment advice and insurance, the report said.

"Despite the resurgence in the number of SMSF investors consulting advisers, there is still significant unmet demand for support in the market," Peker said.

The report also found that not all SMSFs were willing to pay for advice.

Although 15 per cent were more willing to pay for professional investment advice, 15 per cent expected to pay lower fees for advice, and 25 per cent said they were reluctant to pay for advice at all.

"During the past 12 months, around one in 10 SMSF investors stopped using a particular planner due to poor outcomes," Peker said.

"Yet over half say that they could not have done better without a planner."

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