

Wealthy investors prepared to pay for better advice

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Many of Australia's richest people are not completely satisfied with the level of financial advice they receive and they are willing to pay big dollars for a more comprehensive service, a survey has revealed.

A report by research group Investment Trends and Centric Wealth found that 57 per cent of investors were prepared to spend more this year to receive extra advice from financial planners, accountants and other professional financial advisers, a 5 percentage point increase from last year.

"The results don't tell us that the service is totally inadequate but they do suggest that people are looking for a more holistic service," Centric Wealth's director of portfolio construction Brett Sanders, says.

The survey of 2000 people with more than \$1 million in investable assets found that they spent \$590 million on primary investment advice in 2010, but were collectively willing to pay \$213 million more, or an additional \$1800 per person.

"People are clearly saying that they are willing to pay up to 21 per cent more to have their needs addressed," Sanders says.

The areas where wealthy investors said that they wanted more advice included estate planning, reviewing investment portfolios, asset protection and borrowing within superannuation.

The overall level of satisfaction with primary investment advice declined slightly in 2010. In particular, the survey showed that people were not as satisfied with financial planners because of the fees they charged.

"There is a real opportunity for financial advisers and accountants to being provide a more holistic service to get the other aspects of their financial affairs attended to," Sanders says.

The survey also showed that investors' level of concern with sharemarkets rose to 7.1 out of 10 in 2010, just shy of the 7.8 level observed during the global financial crisis.

"The Australian equity market did not continue its rapid growth in the early parts of 2010 and recorded a sharp 10 per cent correction in May 2010," Investment Trends chief operating officer Tim Cobb says.

"This, combined with two-third of respondents feeling the situation in some highly indebted countries may lead to a second wave of the GFC, led to a spike in investors' levels of concern."

The Australian Financial Review

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