July/August, 2013

THE SKY IS FALLING

By Ray Miles, Jim Stackpool, Dan Miles

“The sky is falling” – exclaimed Chicken Little as he ran around the countryside trying to find the King to warn him of this impending disaster.   So what has Chicken Little got to do with the financial services industry? Is the sky falling in on us?

Anecdotal evidence would suggest that the industry has some deep-seated issues and even deeper-seated credibility problems. The evidence is clear – we work in an industry that is in net outflows – both in funds and in clients. According to the Financial Review article on 3rd December 2012 by Investment Trends, research shows that client numbers have dropped 20% in the last five years. In other words, people are disengaging from financial advisers and choosing to do it themselves.

Even more concerning is the research emerging from CoreData. According to Andrew Inwood of CoreData - “As Australia emerges more solidly from the GFC, CoreData research shows that the planning model being adopted by Australians is changing significantly. In 2001, when CoreData first started conducting their consumer research into Mass Affluent and HNWI sentiment towards financial planning, 26% of the market stated that they would use a financial planner – for investment advice, structural advice and cost was the seventh most important factor in determining which planner they would use. Now, 11 years later, only 18% of Mass Affluent and HNW Australians would even consider using a planner and those who said they would said that the most useful thing that a planner could provide was structural advice and that they have very little confidence in a planner to make investment decisions. In fact, not only has their faith in the investment decisions of financial advisers fallen, but their focus on price has increased – it appears that consumers are focussing hard on the utility the planners provide – which is a straight focus on what can the planner do for me and how much is it going to cost”.

The two key issues seem to be:-

1. The industry value proposition does not stack up;
2. We are going through the greatest revolution the world has ever seen in relation to consumer behaviour and how they choose to engage in the purchase of products and services.

Ten years ago, if you wanted to plan an overseas trip, you would go and see a travel agent. Today, most people book online. Indeed, that now applies to buying books or videos. The amount of information available on the internet and the options available through that medium are causing a significant change in the way consumers will buy and pay for services.

We can continue to bury our heads in the sand and hope that the problem will go away but the truth is that unless we address the issues, the problem will get worse.

Let’s start with what should be the primary focus of our industry.

As an Industry, our absolute first focus should be on helping our clients to get their financial affairs in order and then help move them towards their goals and objectives.

By and large, the general public are, by their own admission, financially illiterate. When they come to us for advice, they do so trusting that we will put their best interests first. In many cases, they come to an adviser when they are at or near retirement with assets which have been built up over their entire working life – but it has to last them for the rest of their lifetime.

If the general public thought that the financial services industry took this responsibility seriously, they would not be disengaging from us.

There seems a general consensus among consumers that the focus of the industry is not on their best interests but very much about self interest. There is also a feeling that most parts of the industry are conflicted, and a general analysis would reveal they are correct.

The most concerning thing about all of this is that we continue to get regulation like FOFA that fails dismally in tackling the key issues that confront this industry. FOFA will not solve the following key issues that we believe the industry has.

There are three critical parts to our industry. Presently, none of them stand up under serious scrutiny:-

1. The financial services value chain

2. The advice model

3. The distribution model

So let's look at each with a critical eye. Let's start with the financial services value chain.

1. The Financial Services Value Chain - currently

From a customer point of view, the financial services value chain breaks down into three parts (i.e. their service comes in three separate components):-

In the financial services industry, we deal in both investment and risk. It is more difficult to break down the component parts of risk but if you replace investment with reinsurance/insurance costs, then the financial services value chain still breaks down into three parts. For the purpose of this exercise, we will focus on the investment part of the financial services value chain rather than the risk part.

The average cost of each part of the chain is about the same 80 basis points. Therefore, it looks like this:-

So let's look at each separate part:-

1. Administration costs, at 80 basis points, are too high. Indeed, on many platforms, the average is higher than that for a normal client. When Colonial First State released the First Wrap Product over two years ago now, they had research done on the platform costs. They published a chart which showed that costs for virtually all consumers were above 80 basis points if they had less than $200,000 in their account. In fact, administration costs remained above 80 basis points for up to $500,000 of funds on some platforms. The cost for clients with $50,000 to $100,000 was largely above 100 basis points. What is puzzling about this is that administration is a commodity. In the US, one of the biggest platforms is free for consumers. Whilst they have greater scale in the US, the cost of our platforms is clearly too high. Part of the problem in Australia is that the administration fee contains either:-
   - a rebate back to the dealer group; or

- they directly subsidise the cost of running dealer groups.

2. The second problem is that investment costs are also too high. When you consider that the average portfolio contains a fair amount of cash and fixed interest, then the average equities manager is being handsomely remunerated for managing a whole lot of money in bulk. There is a continuing trend towards the use of index funds and ETF's to drive the price down, but that tends to mask the problem rather than overcome it. The other point here is that the companies running the platforms have no incentive to reduce investment costs. Indeed, to get on an administration platform they need to pay, at the very least, shelf space fees per fund and quite often fund manager rebates. If you look at Industry Funds, they buy their investments through mandates and can generally get fund managers down to 20 to 40 basis points or around 1/3rd of the retail cost.

3. If you then look at the last piece of the value chain, the advice, there are two things that are immediately apparent:-

   (a) Advice should be, by far, the most expensive part of the process. This is the heavy lifting end where advisers have to attract clients, build plans and manage expectations. All the risk is taken here but, paradoxically, this is where most of the focus on cost has been in the last ten years. Whilst it is appropriate to look at the potential for the way an adviser is remunerated to see if it affects the advice given (i.e. the focus of FOFA changes), the issue is that this focus has been to the exclusion of looking critically at the administration and investment costs. Attacking the remuneration model for advisers does not address these administration and investment costs.

   (b) We must eventually get to the stage where clients are charged for the complexity of their circumstances, NOT for the amount of money they have. Representing client fees as a basis points charge is a recipe for disenchanted clients.

2. The Current Advice Model

So let's turn our attention to the advice model.

The current advice model is a compliance exercise rather than a discovery exercise. It is represented below. The advice model in its simplest form is:-

The first part of the current advice model starts with a fact finding process and a significant conversation around the client's needs and objectives. We then put the client through a risk profiling exercise to establish their appetite for risk. This risk profiling exercise is essentially done from a compliance point of view to justify the next set of recommendations that are made to the client in order to provide some sort of basis from which to defend the portfolios recommended. The problem here is that we essentially have to ignore the client's needs and objectives and follow their risk profile in putting together the recommended portfolio. We are yet to meet an adviser who has any faith or belief in the risk profiling system, yet it is the universally accepted model for the industry.

The second part of the process is that the portfolio is then constructed according to the risk profile output. This does not make any sense. Firstly, the risk profile has nothing to do with the needs and objectives of the client and indeed has probably very little to do with their appetite for risk. It also completely ignores the risks that they can and should take in their portfolio and the risks that they can't and shouldn't take in their portfolio.

Here is the real problem– portfolios are largely constructed based on a modelling technique that we know is flawed – or at least the assumptions that go into the models are flawed. In fact, they're completely wrong. We assume static correlation, volatilities and future returns to output the 5 risk profile asset allocations – but correlations move, volatility changes and future returns depend as much on the price you pay for the asset as any other factor – and those prices change every day! How do we take static assumptions and assume they are correct in a dynamic world? More on this below, but continuing to base client portfolios around a failed theory is tantamount to stupidity. We must do better.

What is even worse is advisers who refuse to use anything other than listed equities, hybrids and cash. They exclude a significant percentage of the investible universe, citing the 10 year return of Australian shares and cash as justification. What happened over the past 10 years rarely has anything to do with the next 10 – and often results reverse. Australia has spent decades at a time as an under performer – limiting yourself because of past performance is worse than insanity, it is outright irresponsible.

The end part of the process is that whatever is constructed gets placed on a cumbersome, overpriced platform. If you don't believe that, consider this. The self managed super fund market is the largest market by assets in this country by a significant margin. It is also the market with the most sophisticated level of investors and yet a very small percentage of money in self managed super funds sits on our platforms. Why is this so? The answer is very simple – they are firstly too expensive and secondly they add a layer of counter-party risk and expense that is completely unnecessary (i.e., custody). The next generation of investment services for customers will not look anything like the current platforms.

3. The Distribution Model

If fixing the advice model looks difficult, fixing the distribution model would seem nigh-on impossible! There are so many issues here, it is difficult to know where to start.

Let's start with this premise: advisers, by and large, do not like paying dealer margins. They have either seen no value from the dealer for their margins or they worked in an institutional dealership where they were forced down a product line or through compliance processes that were restrictive and did not allow them to act in the way they wanted. Others have simply dealt with dealers where promises were made but not delivered. In some respects, advisers have had the same experience with dealers as a lot of clients have had with advisers.

So we have this paradox – most advisers want to deal only with the clients who are prepared to pay a fair fee for their services, yet they do not afford their dealer the same courtesy. This explains almost all of the behaviour and the conflicts in the industry as we know it. Let us explain. If we break down the distribution world into the three different types of licensees then perhaps it will make a bit more sense.

These are:-

(a) Institutionally owned dealer groups

(b) Independently owned dealer groups

(c) Self licensed practices

Let's keep in mind that the accepted paradigm for dealers is that they do not make money out of dealer margins – the profit comes from rebates or product or both. According to a leading industry research house, the average dealer cost per adviser excluding adviser remuneration, in 2011, was $49,000. That is, $49,000 per individual who gives advice. That is what it costs – that does not allow for a profit margin. Most advisers would see it as a sound business decision if they could find a dealer who will do it for them for $10,000, $15,000 or $20,000. More on that later, but let's have a look at the three types of dealers.

(a) Institutionally owned dealer groups

This is not a paper designed to bash institutionally owned dealer groups. There are significant advantages for consumers in institutional dealer world, particularly if something goes wrong. There

have been many cases where fraud has been committed on a client and the institution has seen fit to reimburse the clients for their loss. From a consumer protection point of view and from an ASIC oversight point of view, this is an ideal outcome. The problem is that the institutions worked out fairly quickly that they can never charge advisers enough to make a profit out of the dealer group. Logically, this means that, in an institutionally owned dealer group, this lack of profit inevitably impacts on the products that are recommended. The institution then makes its money out of the product and cross-subsidises the dealer group. In recent times, we have seen this trend accelerate, with advisers agreeing to a limited approved product list in exchange for paying virtually no dealer margin. In real terms, this has two outcomes:-

(i) Effectively, the clients are paying the dealer margin through inflated administration and investment costs;

(ii) It sets the benchmark for dealer margins;

The real problem now in this market is Institutions drawing cheques to attract practices. It feels like we are back in the 80's when money was going everywhere in a desperate grab for distribution. This sends an extremely poor message to the entire marketplace and continues to encourage behaviour that is counter-productive from a client perspective. It also clearly demonstrates that product margins are too high.

The issue here is not whether it is right or wrong but simply that clients don't know. If they go into a Bank and see a Bank financial planner, they know they will likely get Bank product. On the other hand, if they go to a Practice that operates under the brand of the individual owners, the client does not know that they will be sold institutionally owned product. Clients will, most likely, not be aware that the adviser is being compensated by way of product fees as well as any fees paid direct to the adviser. At least, in a rebate environment, the client was, hopefully, aware that their adviser was receiving a rebate from the product in addition to the client fee. Now they don't. FOFA will not impinge on the ability of an institution to offset losses in advice businesses with profits from product This model will always be compromised unless and until the client understands this reality..

Can you imagine a world where some of your doctor's costs were being funded by a pharmaceutical company for recommending a restricted list of pharmaceutical products for all the doctor's clients. Would you go to a doctor who did that? Even worse, how would you feel if the doctor did not declare that conflict to you? I have no doubt that some clients would be comfortable with that scenario if they knew (i.e., the doctor declared that to them). I am sure that others would not. The issue here is that the client has a right to know.

Independently owned dealer groups

By and large, this is a rapidly shrinking market. Given that innovation will rarely come from institutions, it is this market where the future of the industry and better solutions rest. The problem is that for this marketplace to be credible it cannot rely on rebates from product to fund the running of the dealer group. It has to be able to charge a fee commensurate with the services provided and the risk taken but also with some margin so they can innovate to improve the world of a practice attached to the dealer group. A well funded, independent dealer group is indeed a rare entity. If advisers understood the importance of it, then perhaps that might change.

(b) Self Licensed Practices

Let us premise comments here by saying there are many high quality, self licensed Practices who do an outstanding job for their clients and are a credit to the industry. While many of these Practices went down this track because they felt that the licensee compromised their capacity to act in the best interests of clients, there are a large number that did so simply because they didn't want to pay dealer margins and felt they could run everything a whole lot more cheaply. Interestingly, many prospective clients have a similar opinion. The real issue here is that most individual licensees end up becoming under-resourced liabilities for the industry. Apart from one large dealer group, the bulk of the money

raised for Westpoint, Bridgepoint, Great Southern, Timbercorp and so on came from self-licensed Practices. They were also the big supporters of various debenture offerings and other failed investment schemes. In these scenarios, there are almost no effective client protection measures. Because there are so many self-licensed Practices and ASIC resources are not unlimited, it is very difficult for ASIC to get to the heart of these issues before they become problems.

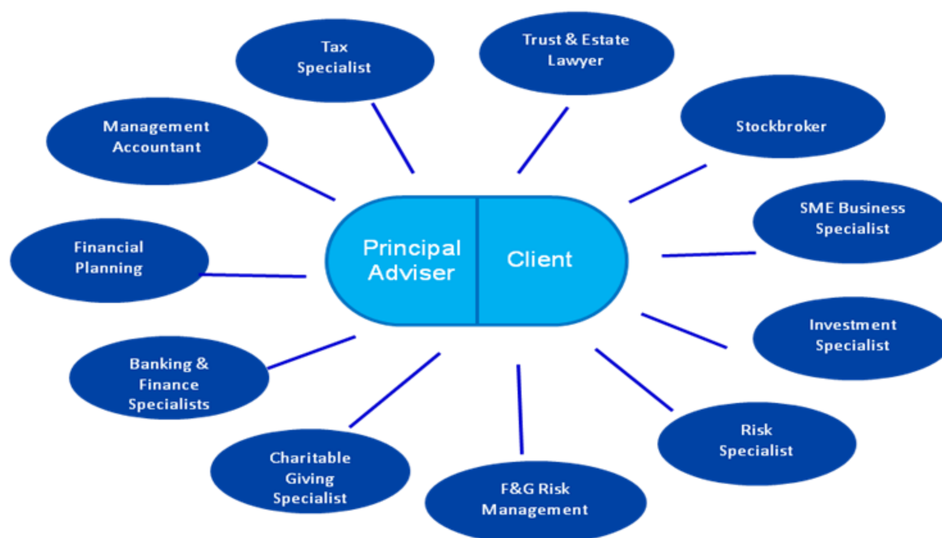
The Industry Paradox

It is an unacknowledged reality that the financial planning industry is, by and large, essentially a cottage industry. Most financial planning practices are inefficient and generate significantly lower profit than equivalent, well run businesses in other industries. That will not change until some money is spent to build better solutions to make Practices more profitable and more productive. That cannot happen at an individual Practice level. In the main, the institutions do provide significant resources to their Practices but there is a limit to how much they can spend or indeed how productively they could spend it.

WHAT IS THE SOLUTION?

The industry needs to be turned on its head. We need to innovate. As discussed above, it is unlikely that institutions will drive that innovation. There are a few exceptions (e.g. BT are currently developing the next generation platform), but the fastest and best innovation comes from the people who are closest to the customer and from businesses that are run by entrepreneurial thinkers and those people do not work inside institutions.

Let's look at what the industry advice model should look like. The model below is not new. The critical point is that our role is to get the client's financial life in order and keep it that way forever. It is then our responsibility to help them monitor their progress towards their goals and objectives (i.e., to keep them on track). In many cases, this means simply stopping them from making wrong decisions.



The actual advice process should look as follows:-

So what is Outcomes Based Advice?

Most advisers today confuse Outcomes Based Advice with events based advice.

Event-based advice is compliant advice surrounding a client's retirement, or investment placement, or insurance coverage, or debt requirement and the delivery of a relevant product to support this event.

Outcomes based advice involves the development of a comprehensive understanding of a client's longer term financial objectives followed by the delivery of appropriate advice to best achieve these objectives regardless of whether or not financial products are required.

To give a medical analogy, a medical practitioner gives and gets paid for outcomes-based advice when he/she recommends the best course of actions for their patients to regain longer term health, whereas a pharmacist gives event-based advice when their customer seeks the most appropriate drug for their ailment.

Most of today's financial advice model has not been centred around discussions of a client's long term objectives but around the placement of a financial product, usually resulting from an event (e.g., superannuation rollover, establishing a SMSF, passing on the family business, protecting a risk) in the client's life.

The new breed of advisers will be focused; having 'richer' outcomes-based client conversations. But just like a lot of those now non-existent computer hardware manufacturers of the 1980's who didn't step back and think about what makes a better computer solution or about how they could approach their trade differently, many financial advisers today are unknowingly experiencing a similar milestone in the evolution of financial advice and how they dispense it.

These 'richer' conversations that are increasingly popping up in the practices of firms who have been disciples of Bill Bachrach, or John Bowen, or George Kinder, or Dan Sullivan, or others, seem to have a very common theme.

The firms themselves seem to all be on a path to understanding how to deliver the advice component in a better way. (Yes, they are, of course, also trying to improve the product selection piece, be better at the technical aspects of tax or investments, and continually developing their efficiencies from various service platforms).

They want to know how to build a consistent, specific and methodical approach for all of their firms' client-facing team (not just the owner, not just the technically qualified advisory team members, but everyone who faces a client) that best enables their firm to understand the financial outcomes and financial world as seen through the eyes of their clients.

Many advisers are uncomfortable asking questions that often their clients don't know the answers to, or worse, that result in clients answering with outcomes that they as advisers have little control over or expertise in.

Growth and development isn't always a comfortable path for advisers and their clients. Financial planning is an industry with strong sales training foundations underpinning its origins and DNA. Making engagement conversations uncomfortable for clients contradicts the mindset of rapport building that is embedded in financial planning folklore and practices. Many advisers erroneously believe that trust follows rapport, where the reality is that it is the other way round!

Ironically, though, rich conversations are often the reason many advisers became advisers in the first place.

They sought deeper, lasting, strong professional engagements built upon foundations of confidence, trust and loyalty.

But whether due to pressures of time, or assumptions and perceptions as to why clients walk into our offices, or what our websites, brochures, and business cards say we do, or any number of other reasons, rich conversations have tended to only be reactive, rather than proactive, conversations.

The consistent, methodical and specific application of rich conversations between advisers and their clients (whether face- to-face or via fast-emerging social media platforms) will be a Facebook-like paradigm shift that will transform the delivery of financial advice far more effectively than any platform, product, bank, insurance group or piece of legislation.

Rich outcomes-based advice is simply a deep and honest conversation about the client's life – their goals and objectives and the likelihood of them being achieved.

Many advisers currently do this but are then forced by compliance to put together a risk profile on the client to feed into a portfolio that has nothing to do with the client's goals and objectives. Instead, it should then be an interactive conversation with the client about a REALISTIC potential range of outcomes that could occur depending on where they are invested. It is then a matter of finding out how comfortable they are with those ranges of outcomes, and if they aren't comfortable, going through options about what they can do about it. Some clients can handle market risk, but inflation, interest rate and longevity risk will kill them. Others don't need to take on extreme market risk, but liquidity risk could really be an issue. Others again can't handle big market falls, but they need exposure to potential upside as inflation could be a real problem (your typical retiree).

So, the discussions become focused on exactly what the client is prepared to trade off to get to where they need to get. It means that the review process for the client is not a discussion about markets but a discussion about whether they are on track and what needs to be done about it if they aren't. As a natural part of this discussion, we need to be constantly testing scenarios – including a discussion with the clients about what happens if something goes wrong; if either party in the relationship should be removed temporarily or permanently from the picture. What are the consequences as a result of this?

It is very interesting when you model how little difference it makes to the eventual outcomes for clients when they pay insurance premiums but how dramatic the difference is if they don't and something catastrophic happens.

The ultimate outcome of the discussions with clients should be that they have their financial house in very good order. Their structure, both from an asset protection and a succession/estate planning point of view, should now be in line with both their financial and emotional requirements. They should also have a professionally built, bespoke portfolio matched to their needs and objectives and, where appropriate, an insurance portfolio that ensures those objectives are achieved in the event of a catastrophe.

When we talk about professionally built, bespoke portfolios, that is what we need. If the GFC did nothing else, it proved that advisers pretending to be fund managers are as useful as an ashtray on a bike. By way of anecdotal evidence, consider the following true story:-

A Sydney dentist aged 56 with a $4 million balance in a self managed super fund being managed by an adviser picking stocks and managed funds etc. The client was due to retire mid-2008 and could have lived comfortably on the $4 million he had gathered over the years into his self managed super fund as at early 2007. By 2008, the $4 million had shrunk to $2 million. As at 2013, the dentist is still working.

Why was this client in a portfolio that could have halved in value, when they had plenty of money to fund their future lifestyle? Why were they taking risks they didn't need or want to take? Portfolios should be built with a focus on risk – what risks can a client take on and what can't they. A 65 year old with only $400k in savings can't afford to take on inflation or longevity risk by having all their money in cash. They will run out of money (unless they die!) in their mid 70's.

The value proposition for advice is not stock or managed fund picking. It is about getting the client's structure and financial life in order and keeping it that way forever; in fact, moving clients towards their goals and objectives in a professionally managed way.

So, if we start with the specific risks a client should take on and those they can't afford to, portfolios should be dynamically managed to focus on and control these risks. The current industry process does not do this, even though it claims to.

A Two minute critique of history

Here's a two minute synopsis on what accounts for the vast majority of portfolio construction in Australia, and in fact, the world. In 1952, Harry Markowitz developed the idea that combining assets that moved differently at different times meant you could get a better outcome with less risk when you combined these assets together in a portfolio (the concept of correlation). In other words, don't put all your eggs in one basket. His work resulted in an optimal portfolio that was about 60% US equities and 40% US Government bonds. This thought process and concept was revolutionary. Unfortunately, what followed wasn't.

Practitioners globally took this and essentially invested according to the 60/40 principle instead of the principle of risk reduction – even though this 60/40 result was very specific for the particular time period and data-set for which it was tested. Further, Harry Markowitz himself said that more robust models should be used to forecast future expected returns, risks and correlation to come up with a more robust model. They weren't. It spread globally and now we in Australia essentially do the same thing (though ours is closer to 70/30)

Next came a wave of new diversification where we still invested in 60/40 portfolios, but instead of 60% being in US equities and 40% in US Government Bonds, it was now 60% in 'growth' assets and 40% in 'defensive' assets. We started investing in different 'asset classes' - Property, infrastructure, high yield bonds, fund of hedge funds, sector funds, distressed debt, private equity etc… these became diversification, and were bucketed into 'growth' or 'defensive'. However, all these different 'asset classes', whilst they have different names, often share largely the same risk factors – the components of risk that contribute to the overall behaviour of the 'asset class'. All 'asset classes' are just a basket of risk factors, and if different 'asset classes' have the same risk factors, then they carry largely the same risks, and so aren't diversifiers at all! 2008 confirmed this with catastrophic results.

Back to the present and what we need to do in future.

The basis upon which portfolio construction and risk control is determined is sound, but the assumptions and application of the theory are not. The original basis of portfolio construction was about reducing risk – but since risk means different things to different people, and everyone has a different timeframe in which to measure outcomes, we can't keep using the same simplistic framework. With computing power, we can now focus on risk at an individual client level, but we need to think about portfolio construction differently, if we're going to be client specific.

There is one other spanner in the works – markets move, risks change and correlations are not static. Since market prices and circumstances change every day, risks and the potential returns associated with those risks do likewise. That being the case, how can one have static allocations to any asset over time, if you are managing to a risk target? Why do clients have fairly fixed allocations to 'growth' or 'defensive' assets, when the risks associated with them are constantly changing?

The new process should be to recognise that, with any forecast return, there comes a level of uncertainty and distribution of potential outcomes. To be able to model this involves a detailed assessment of all the risk drivers of each asset class across the investment spectrum and the inter-relationships across these asset classes. If this is completed with fundamental and mathematical rigour, the investment manager can get a true understanding of the risks present in a client's portfolio and how they relate to each other, and manage the portfolio, accordingly.

With an understanding of the client's requirements and a robust understanding of the risk drivers within every investment, we can build portfolios with a blank canvas – we can ignore the flawed assumptions and peer risk focus of the past and instead build portfolios with the sole intention of getting the client the best result given the trade-offs and risks they can, should or are prepared to take.

Low cost, bespoke, open-architecture delivery

For want of a better term, let us call this a Unified Managed Account. But, before talking about what it does, we should first talk about what it should cost.

In an ideal world, where it is not cross-subsidising distribution, the costs should be sub 20 basis points and where the buying power of the platform is used to increase the cash rates and term deposit rates and reduce the trading costs and the managed fund costs for the consumer. The net effect should be that the platform is free.

It should allow clients to own assets in whatever is the most logical entity for them to own that asset but it should report across all entities in the client "family".

It should be kept in mind that, for bonds or international equities, it is difficult to have them owned in the client's name, so custody would be required. Other than that, adding counter-party risk and another layer of costs in the form of custody should be avoided.

The key with this managed account service is that every portfolio should be bespoke for the client, but the "rules engine" should then ensure that the portfolios are managed to the exact client specification and the system allows that to be completely scaleable. It needs to be linked back to the advice process and the portfolios monitored virtually 24/7. That means that the system is always checking to ensure that the portfolio remains on track to the client's needs and objectives. If there is a major calamity anywhere in the world and the portfolio goes off track, some action can be taken quickly to move a portfolio back on track.

Conclusion

Financial advisers should play a critical role in the lives of all Australians. The message we are receiving from the public though is that they have lost faith in us. Getting faith back in the industry is not going to happen whilst we have headlines about cheques being thrown at advisers, compromised advice processes and a seeming inability to construct portfolios that work. Rather, the faith will return when clients feel they can go to an adviser who is always acting in their best interests and who has access to resources and systems that allow him to build the best possible outcome for them. Unfortunately, much of this seems a long way off for most of the industry.

It is now time for advisers to put their hands up instead of out. We need to stop trying to live in a subsidised world. We need to understand that, if we are to have the client's best interests at heart, our job is to drive down the price of the client's commodity parts (i.e. the platform and investment) and to understand that, if a client is going to pay a fair fee to us, then we need to pay a fair fee for all the services that we receive from other parts of the industry. If we achieve this, and the transparency it will bring, consumer confidence will return and financial advisers will be recognised for the significant value they offer and will cement their role as the cornerstone professionals of the entire industry.