



By tailoring financial products to the needs of financial planners, BOQ Specialist thinks planners are more likely to recommend the products to their own clients. Glenn Freeman reports.

A down-the-line endorsement

Cash-flow management underpins the role that financial planners play in creating stable foundations on which their clients can build wealth. For this reason, products such as those offered by BOQ Specialist – formerly Investec Bank (Australia) Limited – play an important role.

BOQ Specialist – a wholly owned subsidiary of Bank of Queensland, formed through the acquisition of Investec’s Professional Finance business – provides a suite of financial products and services specifically tailored for financial planners.

“Whether by delivering products that are a little bit more innovative, helping [clients] when they want to be helped rather than just when the bank’s open for business – I suppose that underpins a lot about where we differentiate ourselves within the market,” says Gareth Bird, head of adviser services, BOQ Specialist.

“For us, that’s where the model is different from the other providers out there.”

BOQ Specialist has been servicing this space for two years. This is built on its delivery of a similar model to accountants (for whom it has provided financial products for around seven years) and medical practitioners (for 15 to 20 years).

“For us, the really exciting part about the adviser space is that they can become valuable advocates for your products,” Bird says.

“Do advisers either use the financial products and services that they recommend themselves, or do they not? If advisers have a great experience with us they are likely to recommend us to their clients.

“On our side, if they have a good everyday banking experience, it makes them consider what other products we offer and often they take up more products with us. Our solutions do make a difference then, and they [advisers] are able to make those recommendations or suggestions to their clients, whether in an advice or non-advice dynamic.

Rockford Wealth Advisers

This is one of the most recent financial planning practices to sign on with BOQ Specialist. Licensed by Risk and Investment Advisers Australia (RIAA), Rockford is a full-service financial planning business with around 15 authorised representatives.

Managing director Grant Scalmer says he first encountered Investec (now BOQ Specialist) through one of his clients, a large radiology firm.

After that firm had borrowed around \$3 million from Investec to fund new x-ray and examination equipment, Rockford became involved by designing a risk insurance product to protect the loans and Investec.

He says the relationship with BOQ Specialist “works well for both sides”.

“I like the way [BOQ Specialist] approach it, and the fact that they are making a concerted effort to address gaps that they see in the market to financial planners and their clients,” Scalmer says.

“We certainly intend to make it available not only for our clients, but will be presenting it at our professional development days for advisers within RIAA.”

“For those advisers that do look after cash-flow management...some of the products and offerings we have would be very well suited to that kind of advice.”

Just as this represents a significant opportunity, Bird also acknowledges the challenge in ensuring financial planners have a positive experience with the products.

“It’s been a conscious decision of ours to go down that route,” he says. “Effectively, we are putting a lot of existing business, technically, at risk because if you end up doing a bad job on their own personal finances, are they going to trust you to look after their clients?”

However, Bird stresses that they’re not trying to target the mass market, instead focusing on niche offerings, backed up by very specific infrastructure and support.

TRANSACTIONAL BANKING SOLUTIONS

A credit card offering is one of the solutions BOQ Specialist offers financial planners. The cards are competing within the premium space, with a \$150 annual fee, tied to the Qantas Frequent Flyer system.

BOQ Specialist also offers a higher level Signature card with a more aggressive points rewards system and access to an international lounge network.

“Our cards work well for everyday spend, and if you travel – there are insurance and increased rewards,” Bird says. “In addition to that, we’ve also tied the cards back into our core offering.”

He refers to various other features such as the ability to, in some instances, pay for some large transactions through the credit card account, enabling customers to earn reward points.

Bird cites an example from within its medical practitioner space, where a medical specialist has purchased a new x-ray machine and is going to essentially lease it from them.

“We can run that million-dollar x-ray machine through their Qantas or Visa Signature card and pick up the points,” he says.

However, Bird says what makes this transaction different is that, unlike a traditional credit card purchase, it is settled in the back office.

“What’s more, as they make those repayments over a three-, four- or five-year term, for instance, they can earn rewards points on their repayments,” he says. “That’s where we’ve been able to tie the new products back into the existing business.”

FOR US, THE REALLY EXCITING PART ABOUT THE ADVISER SPACE IS THAT THEY CAN BECOME VALUABLE ADVOCATES FOR YOUR PRODUCTS

“This feature isn’t limited to doctors. While advisers don’t need large equipment, they can use their BOQ Specialist credit card to purchase a car, for example. We would run the transaction through the card and the adviser would earn points for both the purchase of the vehicle and ongoing lease payments.”

MORTGAGE OFFERINGS

BOQ Specialist also provides its niche clients with a variety of mortgage offerings through brokered solutions with Adelaide Bank, St George, National Australia Bank and others.

“That gives us the flexibility to ensure the product is always going to be suitable to the clients’ needs,” Bird says.

In-house, they have a standard home loan product, with the ability to alter the loan-to-valuation ratio, depending on the client.

He says they also have the ability to offer a number of different loans under a single security, or to also offer an offset facility against each of those specific loans.

These are also underpinned by different rate offerings, whether fixed or variable, and the ability to offer offset accounts on both fixed and variable offerings. ■



BOQ SPECIALIST

Distinctive banking



Our name has changed but we're still the same

Investec Bank (Australia) Limited has been sold to BOQ and, from 1 August 2014, the name on the door will change to BOQ Specialist.

The financial advisers we work with as well as their clients will be dealing with the same people they have all come to know so well and can expect the same high levels of expertise and professional service from us.

With over 20 years' experience, we will continue to deliver a distinctive suite of lending and banking products to financial advisers and their clients.

Visit us at **boqspecialist.com.au/advisers**
or call us on **1300 711 152**

**Credit cards / Home loans / Car finance / SMSF lending and deposits / Transactional banking and overdrafts
Savings and deposits / Foreign exchange**

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