



FINANCIAL PLANNING RESOURCES

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Protect Your Financial Wealth

Check the news on any given day, and you'll probably find stories of financial fraud. Unfortunately, this type of fraud is widespread and affects people everywhere, regardless of their age or wealth.

A 2009 survey of Certified Financial Planner™ professionals found that 60% of respondents knew someone who had experienced fraud or abuse at the hands of another advisor.

The good news is that you can protect yourself from financial fraud by practicing financial self defense. Choosing to work with an advisor who holds CFP® certification provides confidence that your financial planner is both competent and practices financial planning ethics.

Here are some basic tips to help you protect your financial wealth, build financial planning trust and avoid being taken advantage of by an unscrupulous advisor:

- **Check your financial planner's background.** Identify the organizations that license or supervise the planner, then check their websites for his background and disciplinary history, if any. Ask your adviser to provide services with the "duty of care of a fiduciary." A fiduciary is one who acts in utmost good faith, in a manner he reasonably believes to be in the best interest of the client.
- **Never leave blanks on paperwork.** Also, always ask for final or submitted copies (with the word "final" or "submitted" stamped right on them).
- **Ask if your investments are regulated or supervised by third parties.**
- **Make sure you receive regular statements from independent third-party sources**—not just from your adviser.
- If you invest in limited partnerships, real estate or non-traded securities, **verify that the investment manager is annually audited by a reputable independent accounting firm.**
- **Always make your checks are payable to the adviser's business or custodian**—not the adviser himself. Question any situation that gives your adviser unlimited access to your money.
- **Take your time before making any decision.** And don't make major decisions just after a life change, like a divorce or the death of a loved one. Find a trusted family member or friend to help in reviewing or making the decision.

- **Ask your adviser to list the pros and cons of each investment idea.** If you hear only the pros, you're not getting the full story.
- **Understand how your adviser earns his pay.** He should disclose any conflicts of interest—actual, potential, or perceived—that might affect his recommendations.
- Before agreeing to any transaction, **carefully consider the charges you'll incur and the timing involved.**
- **Understand your investments.** Ask if you don't understand, and get a second opinion if necessary.
- **Designate a trusted friend or relative to handle your investments** in case something happens to you.

Take the tips listed above into consideration and practice financial self defense to ensure your financial future is secure.

Additional Resources

- [Resources for Seniors \(/financial-planning-resources/resources-for-seniors\)](#)
- [Lifelong Financial Strategies \(http://\)](#)

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TOP RESOURCES

Consumer Guide to Financial Planning

Lifelong Financial Strategies from CFP Board's Consumer Advocate, Eleanor Blayney, CFP®