

Media release

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## Investigate before you invest

Retirement Commissioner Diana Crossan says *Consumer [research](#)* which shows the advice New Zealanders receive from some financial advisers is 'scandalously poor' will further undermine the confidence of investors who are already feeling burned by the global financial crisis.

The Retirement Commission part-funded the research to get a snapshot of the quality of advice given to investors and to identify key issues.

"I have been concerned for some time about the public's loss of trust and confidence in the financial services sector. Being able to invest with confidence is a critical part of saving for retirement and managing your money in retirement.

"This research reinforces the need for investors to do their homework. We are about to launch a campaign telling people to investigate before they invest. They need to know what questions to ask to make sure they understand what they are investing in and who they're investing with. The Sorted website is a good place to start."

The Sorted information includes eight rules for investing, an advice checklist, and risk and investment recommenders to work out how much risk you should take and what investments might suit you.

Diana Crossan says she will also be taking a keen interest in the new legislation and regulation governing the financial sector due to come into force next year.

"The *Consumer* research provides us with a benchmark. My report to government next year on retirement income policy will look at what is needed to ensure the legislation significantly improves the quality of financial advice to investors."

The legislation will include a code of professional conduct which will lay down minimum standards of competence, knowledge and skill. All authorised advisers will have to comply with the code.

"The latest progress report of the Capital Market Development Taskforce says it expects the Financial Advisers Act will go a long way to fixing these issues. That will depend on how the standards are enforced and how advisers are held accountable," says Diana Crossan.

Visit [www.sorted.org.nz/investing](http://www.sorted.org.nz/investing). You can also order Sorted's free Investing booklet at [www.sorted.org.nz/ordering](http://www.sorted.org.nz/ordering) or call 0800 SORT MONEY (0800 767 886).

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