A LONDON WEALTH STRATEGIES GUIDE

Not All Financial Advisors Are Created Equal

A Consumer's Guide to Seeking Financial Advice

The right questions to ask—and the red flags to watch for—before you trust someone with your most sensitive information.

WRITTEN BY

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INTRODUCTION

A note to the reader

If you've ever thought about working with a financial advisor but felt hesitant, you're not alone. The industry has a perception problem—and honestly, some of it is deserved.

Early in my career, I witnessed a colleague committing fraud on behalf of his clients. When I became aware of it, I felt compelled to speak up. I brought the situation to my immediate director, which led to that person being removed from the company and ultimately the industry. That experience shaped how I think about this profession. It reminded me that morals, values, and trust are everything—and that not everyone in this business operates with the same level of integrity.

There's a stigma around financial advisors. People worry about being sold something they don't need, paying fees they don't understand, or sitting across from someone who cares more about their commission than their client's future. Those concerns aren't always unfounded. But here's the thing: working with the *right* advisor can be one of the most impactful decisions you make for your family. The challenge is knowing what to look for, and what to ask, before you commit.

> *"You'll never regret knowing the answers to these questions—but your advisor might."*

This is my perspective after nearly a decade in this industry. I'm writing it as an ally to the consumer, because I know how overwhelming it can feel to find good people you can trust. Everyone deserves access to quality financial guidance, and I believe the more educated you are, the better equipped you'll be to ask the right questions and spot potential red flags.

Consider this a resource for any new client–advisor relationship you're pursuing—or even a reassessment of a long-standing one. Here are the ten questions worth asking.

THE FRAMEWORK

Ten questions to ask before you commit

None of these have a single right answer. What you're listening for is transparency.

01 How are you compensated?

One of the first things you should ask any advisor is how they get paid. If they hesitate or dance around the question, that's a red flag. There are three common models—and none of them is inherently right or wrong. Each comes with trade-offs.

COMMISSION-BASED

Earns money when you buy a product—a mutual fund or an insurance policy.

FEE-ONLY

Charges a flat fee, hourly rate, or a percentage of assets under management. No commissions.

FEE-BASED

A hybrid—may charge fees *and* earn commissions on certain products.

A commission-based advisor may not be able to act as a fiduciary and could be incentivized toward products that pay them more—yet they may also offer solutions a fee-only advisor simply cannot. A fee-only advisor avoids those conflicts but may not be able to implement certain commission-based solutions, like insurance products or a private stock sale. That can mean you need multiple relationships to get everything done.

Personally, I believe an advisor should receive the majority of their compensation from a fee-based model, while maintaining the capability to implement commission-based solutions when appropriate. I've recommended an insurance solution or helped facilitate a stock transaction that I couldn't have performed as a strictly fee-only advisor. I disclosed the commission, the client understood the arrangement, and they chose to proceed.

It's not about one model being good and another bad. It's about transparency. Can the advisor clearly explain how they're compensated? Will they disclose how one product's commission compares to another? And ultimately—are they leaving the decision up to you?

COMPENSATION MODELS AT A GLANCE

MODEL	HOW THEY'RE PAID	POTENTIAL CONFLICTS	WHAT THEY CAN OFFER
Commission	Paid when you buy a product.	May favor higher-paying products; often can't act as a fiduciary.	Access to insurance, annuities and other product-based solutions.
Fee-only	Flat fee, hourly, or % of assets managed.	Fewest product conflicts; may lack product expertise.	Conflict-light advice—but may need outside help for products.
Fee-based	Fees *plus* commissions on select products.	Mixed incentives—requires clear disclosure.	Broadest toolkit; one relationship can do more.

The model matters less than whether your advisor will explain it plainly and leave the choice to you.

02 Are you a fiduciary—and what does that actually mean for how you work?

You've probably heard the term "fiduciary." It means the advisor is legally required to act in your best interest. Sounds great, right? It is—mostly. But it's not the whole story.

An advisor can be a fiduciary and still recommend a product that compensates them more, as long as they can justify and document that it's in your best interest. Two products might both be excellent for you—but one pays the advisor more. Guess which one tends to get recommended?

The label matters, but it isn't a guarantee. What matters more is how the advisor operates day to day. Do they take time to understand your full picture? Are they transparent about trade-offs? Do they explain *why* they're recommending something and what alternatives exist?

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03 What does working with you actually include?

Not all advisors provide the same services. Some focus solely on investment management—they'll allocate your portfolio, rebalance periodically, and that's about it. There's nothing wrong with that if it's all you need.

Others take a more comprehensive approach: retirement planning, tax strategy, estate planning, insurance, equity compensation, cash flow, and more. They're not just managing an account—they're helping you make decisions across your entire balance sheet.

> ASK UP FRONT
>
> *"What does working with you actually look like? What's included and what isn't? How often will we meet—and can I reach you between meetings?"*

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04 Are there products you're required or incentivized to recommend?

Some advisors are constrained by where they work—they may only be able to recommend products from their firm's platform. That doesn't make the advice bad, but it can mean a limited menu of options.

Even when outside solutions are allowed, if a company has its name on a product there's likely an underlying incentive to favor it. Take mutual funds: each carries a fund-level expense—a percentage charged to your account and captured by the fund company. Whether passive or actively managed, if the firm's name is on the fund, there's often an incentive to sell it. The same logic applies to proprietary insurance products.

A good advisor answers this directly. If they can't—or get defensive—that tells you something.

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05 How many clients do you personally work with?

This matters more than people realize—it comes down to time. The more clients an advisor manages, the less time for each relationship. Some manage hundreds or thousands; others keep their book intentionally small. The difference in your experience can be significant.

Think of it like a doctor incentivized to see patients for only a few minutes to maximize billing. The same dynamic exists with advisors. A smaller client base lets an advisor deepen relationships and personalize service—they know your situation, and they remember your kids' names.

Larger firms often work differently, splitting roles across a team. Junior advisors tend to manage smaller relationships. There are real benefits to a team's collective resources—but you may not be working with the same advisor five years from now.

> FOLLOW-UP WORTH ASKING
>
> *"How many clients does your team serve? What determines whether I work directly with you or get handed off—and if I am, what does that transition look like?"*

06 What happens to my account if you leave or retire?

If you're building a long-term relationship, you should know what happens if your advisor retires, leaves the firm, or something unexpected occurs. This is especially important with a veteran advisor—the average age in the U.S. is in the low-to-mid 50s, and a significant portion of the industry will retire over the next decade.

That transition can look very different by firm. Is this a large practice that could be absorbed by a private-equity company? A small family-owned firm passed to a second-generation advisor? Is there a succession plan at all? A client–advisor relationship can realistically span 20, 30, even 40 years—it doesn't end when you retire.

> QUESTIONS WORTH ASKING
>
> *"How long do you plan to keep working? What's your succession plan? If something happens to you, who takes over my account—and how will that transition work?"*

07 Do you own your client relationships?

This is a question most people don't think to ask—but it matters. In many cases, an advisor working for a broker-dealer doesn't actually own their client data. The firm does. That means if the advisor leaves—by choice or otherwise—they may not be able to take you with them, and your account could be reassigned to an advisor you've never met.

The industry has a high attrition rate; it's a difficult business to succeed in, especially early on. If you're working with a newer advisor, there's a real chance your account could be transferred within a few years.

QUESTIONS WORTH ASKING

"Do you own your client relationships, or does your firm? If you leave, what happens to my account? Do you operate independently of your broker-dealer?"

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08 Do you have relationships with CPAs, attorneys, and other professionals?

Financial planning doesn't happen in a vacuum. It intersects with tax strategy, estate planning, insurance, and more. A good advisor has relationships with CPAs, estate-planning attorneys, and other professionals—and can collaborate on your behalf, not just hand you a referral and wish you luck.

ASK

"Do you work with other professionals on behalf of your clients? How do you coordinate with my CPA or attorney?"

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09 What's your investment philosophy?

Philosophy and strategy matter—but perhaps less than you think. Here's something I've learned: the solutions, strategies, and technical competency across most experienced advisors are pretty similar. There are specialists with deep expertise in certain areas, but for the most part the playbook is the same.

What actually differentiates one advisor from another is how they *show up*. How do they prepare for meetings? How do they communicate between them? How do they handle tough conversations? Do they challenge your thinking, or just tell you what you want to hear?

> *"The relationship matters more than the spreadsheets."*

10 Will I actually enjoy working with you?

This might be the most important question of all—and one you should ask *yourself*. If you don't feel comfortable being honest with your advisor, the relationship won't work. If you dread your meetings, you'll avoid them. If you don't trust them, you won't follow through on their recommendations.

Find someone whose style matches yours—someone who communicates the way you like to be communicated with, and who feels like a partner, not a salesperson.

IN CLOSING

Final thoughts

The barrier to working with a financial advisor is often perception. People assume it's too expensive, too complicated, or that they'll be sold something they don't need. Sometimes that's true—but it doesn't have to be.

A successful client–advisor relationship is one where you leave every meeting feeling better than when you entered. That doesn't mean every conversation will be easy. Sometimes an advisor needs to offer gentle accountability and challenge you. Those moments may feel uncomfortable—but you should feel that the accountability comes from a place of respect.

> *"Don't assume your advisor will tell you everything you want to hear. Making progress always requires effort—a good partner knows just how much to ask of you."*

The right advisor can help you make better decisions, avoid costly mistakes, and build a plan that actually fits your life. The key is asking the right questions up front and finding someone who earns your trust.

Not all financial advisors are created equal. Take the time to find one who's right for you.

TAKE THIS WITH YOU

Your advisor-interview checklist

Print this page and bring it to your next conversation.

COMPENSATION & INCENTIVES

- [ ] How are you compensated—commission, fee-only, or fee-based?
- [ ] Will you disclose how one product's commission compares to another?
- [ ] Are there products you're required or incentivized to recommend?

FIDUCIARY & SCOPE

- [ ] Are you a fiduciary? What does that mean for how you work day to day?
- [ ] Do you explain trade-offs and alternatives before recommending something?
- [ ] What exactly does working with you include—and not include?
- [ ] How often will we meet, and can I reach you between meetings?

CAPACITY, CONTINUITY & INDEPENDENCE

- [ ] How many clients do you (and your team) personally serve?
- [ ] Will I work with you directly, or could I be handed off to someone else?
- [ ] How long do you plan to keep working? What's your succession plan?
- [ ] Do you own your client relationships, or does your firm?

COLLABORATION & FIT

- [ ] Do you work with CPAs, estate attorneys, and other professionals on my behalf?
- [ ] Do you challenge my thinking, or just tell me what I want to hear?
- [ ] Will I actually enjoy working with this person?

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Let's have the conversation.

If you're evaluating a new advisor—or rethinking a long-standing relationship—I'm happy to answer these questions about how I work, with no obligation. You deserve an advisor who earns your trust.

SCHEDULE A CONSULTATION

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