

Dealer group branding confuses clients

Madeleine Collins

Many consumers have no idea whether their financial adviser is independent or tied to the distribution channel of a bank.

Research house Roy Morgan found most people who used one of several major dealer groups to obtain superannuation thought their adviser was independent and not tied to an institution.

Fifty-two per cent of those surveyed considered their AMP-owned Hillross Financial Planning adviser to be independently-owned.

This compared to 58 per cent of those who used both MLC-owned Garvan Financial Planning and ING-owned RetireInvest.

Forty one per cent of clients who obtained a super product through Commonwealth Bank of Australia's (CBA) wealth management arm, Colonial First State, thought their

adviser was not tied to the bank.

This was also the case for 44 per cent of clients who bought super through MLC-owned Apogee, which is backed by National Australia Bank (NAB).

More than half (51 per cent) of those surveyed thought Challenger-owned Genesys Wealth Advisers was not tied to the parent company, compared to 39 per cent of Macquarie Bank clients and 19 per cent of Suncorp clients surveyed.

Only 18 per cent of the clients of non-bank-aligned dealer Count Financial thought their planner was not tied to the parent company, compared with 16 per cent who thought they were.

The findings were published in Roy Morgan's July 2007 Superannuation Choice report.

"Overall it would appear that there is still a great deal of confusion

amongst consumers over the term 'independent adviser', particularly when a brand other than the parent or group name is used," Roy Morgan said.

"Consumers using advisers from ANZ, Westpac, CBA and NAB are generally aware they are dealing with a tied planner but there is a lot of uncertainty as to the status of most of the other brands."

Customers were surveyed in the 18 months to December 2006. The results were based on 7343 work-based or personal super products obtained through a planner, adviser or accountant.

The research also found satisfaction with the financial performance of superannuation was higher for those obtaining it through independent planners, advisers or accountants, rather than those using tied planners. □

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