

Rating SA's Top Insurance Brokers

LEGISLATION, together with pressure for increased consumer protection, has significantly changed the financial services industry and raised the bar for financial advisors, says Ian Middleton, managing director of Masthead, the country's largest independent broker support network.

Over the past 10 years legislation has transformed the South African financial landscape to world class standards. This includes the Financial Advisory and Intermediary Services Act, which focuses on creating a properly regulated financial services industry.

He says the Act has contributed to successfully uplifting the standard of financial advisors. "The days when advisors were perceived as premium writers and commission seekers are at an end. There is now more responsibility to provide consumers with adequate information and objective advice so they can make informed decisions."

This, Middleton adds, has led to a longer lasting professional relationship between advisor and client. Moreover, despite the

The bar has been raised for SA's financial advisors to benefit consumers

Ian Middleton,
managing
director of
Masthead



"Independent advisors who join the network need to abide by a code of conduct that requires them to be professional, ethical, honest and compliant, as well as maintain client confidentiality."

"We are proud that Masthead members are professionals," he says. "We help them comply with legislation and we help them offer products from reputable providers. We also help them to run their businesses optimally and remain abreast of developments."

"They are also likely to have a succession plan in place, which ensures that the financial service their clients enjoy will continue even if an advisor leaves the industry."

"We believe appropriate legislative changes have been good for the industry and the consumer. They are setting South Africa on par with developed economies and allowing us to compete globally," says Middleton.

This is good news for the South African consumer, who gets to enjoy ongoing objective financial advice and first world service.

changes, regulators have not stopped in their quest to transform the industry. Legislation is in place for the continued education of financial advisors, which, he predicts, will further improve standards and professionalism in the industry.

The Financial Services Board also recently implemented the long-awaited Conflict of Interest amendments to the General

Code of Conduct. This regulation aims to level the playing field for financial service providers and ensure advisors' advice is not influenced by non-cash and indirect incentives.

Future industry changes include the implementation of regulations dealing with treating customers fairly. Their aim is to ensure fair treatment of customers within the financial serv-

ices industry, from product design to after-sales service and handling of complaints.

"Changes in the industry have greatly benefitted consumers," he says. "They are more protected and financially aware than before. They are also more likely to want professional financial guidance. This necessitates independent advice from quality advisors."

Middleton believes that a consumer who receives financial advice is better off than a consumer who does not. He also believes that the advice from independent brokers is more appropriate than from tied agents.

"Independent advisors work for themselves and can help consumers explore the best financial solutions available by

offering them a range of choices. They present competitive quotes from various financial product providers, add value through their independent analysis of the available offerings and place significant emphasis on the human touch," he elaborates.

"While the advisor takes care of the client, Masthead fulfils the vital role of supporting the independent advisor. Currently we

help some 3 000 members to retain their independence, and have done so successfully for the past five years.

"Backed by Old Mutual, Sanlam, Metropolitan and Liberty, consumers can be assured of ongoing access to objective advice from Masthead members."

"Masthead membership is voluntary," explains Middleton.

