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Media Statement

Fees debate a dangerous distraction

INVESTORS distracted by the debate over commissions versus fees are missing a more vital issue according to one of Australia's leading financial services groups.

Professional Investment Services chief executive officer Robbie Bennetts said Australian investors need to concentrate on their levels of retirement savings.

"The critical point for mums and dads is whether they will have enough savings to retire on," he said.

"Most investors have little or no financial training and are happy to take the default option for their superannuation guarantee contributions.

"Traditionally, this is a conservative option and may not suit the contributors' specific needs or risk profile, and could put them in a position where they won't have adequate retirement savings.

"This is why the role of the financial adviser is critical. The average member does not have the level of financial literacy required, and should outsource this important decision to a qualified financial professional, such as a financial adviser."

Mr Bennetts said industry and retail funds should focus on getting effective advice to consumers and ensure clients had sufficient savings for their retirement.

He said most financial advisers already offered clients a choice between upfront fees or commissions.

"Instead of wasting energy on the debate over upfront fees and ongoing commissions, the industry should focus on getting effective financial advice to Australia's working population in a form that makes sense for the particular client receiving it," he said.

"For some, this may mean a low cost option solution as often offered by industry funds.

"For others, this may mean a comprehensive solution taking into account all of their circumstances, which is the domain of the financial adviser. There are many ranges in between."



Professional Investment Services

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Professional Investment Services was formed in 1996, and now has more than 600,000 clients Australia-wide.

The Group also has operations in seven countries and more than \$24 billion funds under advice.

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