

The Financial
Planning
Coalition pour
la planification
financière

TM/CP

A Matter of Trust

Protecting Canadians'
Financial Futures.

Canadians must be able to trust financial planners to help them achieve their financial well-being.

Studies have clearly demonstrated that Canadians are not getting the financial planning help they need, from qualified, professional financial planners. This is partially the result of a lack of understanding of how to identify a qualified financial planner and of what they should expect of a financial planner and/or a financial plan.

Today's unregulated financial planning environment leaves consumers vulnerable and at risk of receiving advice from individuals holding themselves out as financial planners but who have not had to meet any qualifications based on accepted,

unified standards of ethics, competence and practice. The term "financial planning" is too often used as a sales pitch to sell product and the title "financial planner" is used haphazardly throughout the industry. The majority of those people in Canada who imply through title and/or advertising that they are financial planners are in fact licensed and qualified only to give advice relating to product recommendations or purchase. An expertise in product advice gained from licensure does not equate to competence in financial planning. Nevertheless, studies have shown that consumers believe it does.

92%

of Canadians have heard of the profession of financial planner.

59%

of Canadians feel they do not have the necessary knowledge to adequately plan their financial future and admit they will need help planning their financial future.

1/2

Almost 1/2 of Canadians believe there are current regulatory standards for financial planners: (Proportion significantly higher among people with a higher household income (\$100K and more) and people with a higher education (university diploma).¹

Canadians remain confused and at risk. They expect, and have a right to expect, that anyone holding themselves out as a financial planner is qualified, competent, ethical and accountable for the advice that he or she is providing. In fact, in Canada, outside of Quebec anyone can call themselves a financial planner. There are no competency or ethics requirements or oversight mechanisms specifically for financial planners, other than through voluntary certification.

¹ Leger, conducted on behalf of Financial Planning Coalition, AWARENESS AND PERCEPTIONS OF FINANCIAL PLANNERS IN CANADA, Jan. 2014 sample of 1,501 English or French-speaking Canadians, 18 years of age or older.

What's Stressing Canadians?



87% of Canadians wish they had made better financial decisions earlier in life.



45% of Canadians are embarrassed about their lack of control over finances.



4 in 10 people in relationships with shared finances argue regularly over finances.²

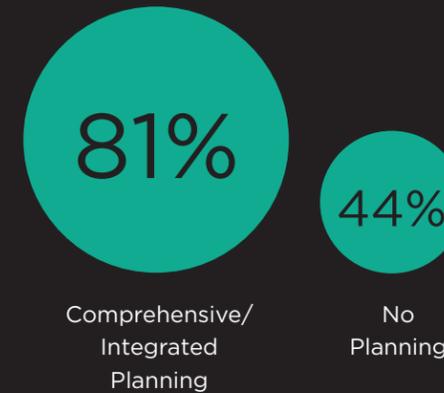
Empirical Evidence Goes Well Beyond Wishful Thinking

There is no doubt that Canadians need the guidance of competent, professional financial planners. Study after study reveals the current societal challenges we face. An aging population has put great strain on our social safety nets; consumer debt levels continue to escalate; and gaps in workplace wellness programs have left our population in the most financially vulnerable and precarious positions that we have experienced in decades.

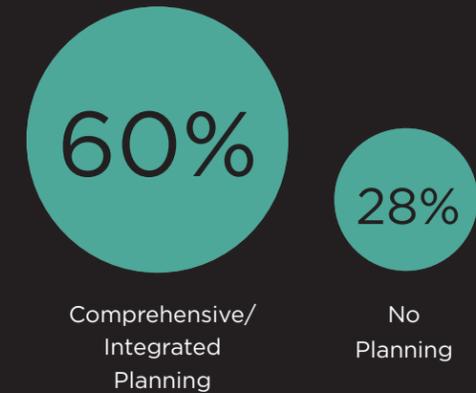
² Leger, conducted on behalf of FPSC, FINANCIAL PLANNING REPORT Fall, 2014; included more than 1,000 Canadians (excluding Quebec); margin of error of +/- 2.5%, 19 times out of 20.

We know financial planning matters

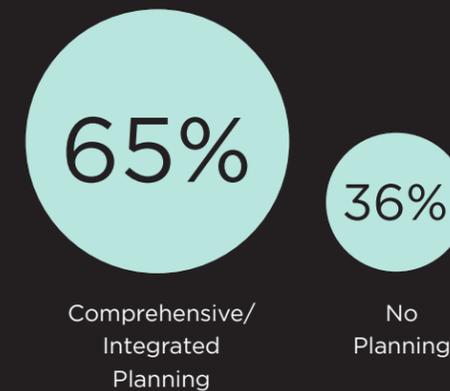
On-Track with Financial Affairs



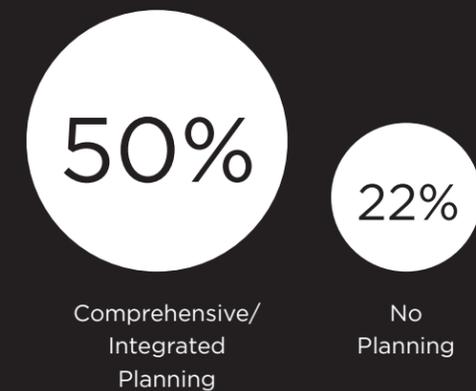
Feel Prepared in Event of Unexpected Emergency



Feel Prepared to Manage Through Tough Economic Times



Feel On-Track to Retire When They Want To



³ The Strategic Counsel, conducted on behalf of FPSC - 3 year longitudinal study: VALUE OF FINANCIAL PLANNING - Year 3 Report April - August 2012 surveyed the general English-speaking population in Canada (excluding Quebec)

Protecting Canadians' Financial Futures: The Solution

We need to ensure that consumers are appropriately served and protected by qualified and competent financial planners. Clear, singular standards of competence, ethics and practice must be accepted and permitted to be enforced.

The solution we propose is simple – codify in law the professional certification structure, governance and oversight mechanisms that already exist in practice, but that are currently voluntary for the 22,000 certified or licensed financial planners in Canada, and make them a requirement for all who wish to claim financial planning as their own.

- 1 | Adopt a single, unified set of standards for financial planners.
- 2 | Recognize and adopt the *Canadian Financial Planning Definitions, Standards & Competencies* - a joint publication of Financial Planning Standards Council (FPSC) and Institut québécois de planification financière (IQPF).
- 3 | Create title and holding out restrictions to only those who have demonstrated their competence by meeting a single set of unified qualification standards, ongoing professional ethics and continuous professional development requirements.
- 4 | Make financial planners accountable to a professional oversight body that understands financial planning and professional obligations and that represents the public interest.

Such a model remains self-funded by professional financial planners and establishes no additional regulatory burden other than to require that all who claim to be financial planners meet and continue to meet the competency and ethical requirements expected of those who have stepped up to, and continue to adhere to, the unified standards already established by Financial Planning Standards Council (FPSC) and the Institut québécois de planification financière (IQPF).

Benefiting All



This model will benefit all stakeholders.

- **Consumers:** with greater protections and clarity around what they should expect from a financial planner. Further, through participation in the planning process with a duly qualified individual, consumers will gain greater control of their financial futures and will be protected.
- **Provincial governments:** from the adoption of greater consumer protection through a simple, proven, “no added cost” model.
- **Industry:** through reduced compliance risk, assurance of consistency of quality delivery of financial planning and clear and simple direction regarding qualification requirements.
- **Existing regulators:** by having the consumer protection issues related to financial planning addressed through a professional oversight model.
- **The financial planning profession:** from the increased confidence placed in financial planners, and added credibility and clarity of their role as critical players in helping guide Canadians to a better financial future.

Take a Stand for Canadians

A professional model for financial planners, with a single unified set of standards of competence, practice and ethics regardless of what products the planner may or may not be licensed to sell, with standards established by experts who know and understand financial planning, administered through a governance structure that includes both practitioners and members of the public, will instill confidence in financial planning and financial planners.

Such a model will ensure that consumers working with a financial planner will be working with an individual who has met strict standards of care, competence, practice and ethics to help guide them to greater financial well-being.

Canadians deserve professional advice from qualified professionals. It's a matter of trust.



The Financial Planning Coalition was formed in 2009 to establish a framework for a profession for those holding themselves out as financial planners in Canada. The Coalition advocates for the official recognition of financial planning as a distinct profession that will best serve the interest of Canadians.

Its members include:



Learn more at FinancialPlanningCoalition.ca