



Are You Worried About Your Financial Advisor?

There are a few important steps to take if you suspect wrongdoing on the part of your financial advisor.

Working with a qualified financial advisor can provide peace of mind for consumers who are not comfortable managing their financial lives on their own. But, in a vast industry of hundreds of thousands of financial advisors, some bad apples do exist. There are a few who take advantage of those they promise to help. So, what should consumers do if they suspect their advisor is acting in an unethical manner?

The National Association of Personal Financial Advisors (NAPFA) has been a vocal advocate for the consumer for more than 25 years and stresses that if greater protection is put in place, consumers will still need to be actively engaged so that they can identify and report fraudulent behavior if it occurs.

NAPFA recommends consumers take the following actions if they have concerns about their advisor:

- **Call the advisor immediately.** Consumers must ask their advisors to explain discrepancies or oddities they see on the statement for their account(s). Having this discussion is important since in most cases there is a valid explanation.
- **Ask for an in person meeting with the advisor.** Whether or not a phone conversation takes place with the advisor, consumers should be able to schedule an in person meeting with the advisor and have an open discussion about concerns. If this doesn't resolve the questions or issues, request a meeting with a supervisor as a follow-up.
- **Contact the advisor's independent custodian.** Independent financial advisors process transactions on a client's behalf through an independent custodian. Consumers should contact the custodian if they continue to have concerns about their account(s).
- **Notify the advisor's broker dealer.** Many financial advisors are also registered with a broker dealer. If this is the case with your advisor, make sure the brokerage firm is aware of any potential wrongdoing. Write a letter and send it to the branch manager and home office if the advisor is a registered representative with a broker dealer.
- **File a formal written complaint.** If you are unable to resolve the issues or concerns with meetings and/or discussions you will need to file a formal complaint with the regulatory authorities. If the advisor is a smaller Registered Investment Advisor (RIA), consumers should file a complaint with the state securities regulator. The state's securities administrator can be found at the NASAA website at <http://www.nasaa.org/QuickLinks/ContactYour-Regulator.cfm>. If the advisor is part of a larger firm, file a complaint with the SEC at <http://sec.gov/complaint.shtml>. If your advisor is affiliated with a brokerage firm, file a complaint with the FINRA at <http://www.finra.org> and click on "Investors" then on "Complaint Center".