

Financial Coaching v Financial Advice

Financial coaching	Financial advice
A coach spends the majority of a session listening	The adviser spends the majority of a meeting talking
Client and coach work collaboratively	The adviser is the expert
Clients decide what they want covered in a session	Meetings usually follow a structure and path pre-determined by the adviser
Asks thought provoking questions to help clients see outside of their model of the world	Adviser asks information gathering questions
Coaching supports self-awareness and personal growth in a client	Advice focuses on growing a client's assets
Assumes that clients don't always make rational decisions relating to money	Usually assumes that clients make rational decisions relating to money
Facilitates behaviour change	Behaviour change is often not addressed
Empowers clients to take better control of, and responsibility with, their money	The adviser assumes responsibility
Assumes that clients have the answers and asks clients to come up with their own solutions	The adviser offers solutions
No product recommendations are made	The adviser will recommend financial products and advise on existing products
The client needs to prepare only as much financial information as is necessary to provide the guidance they need	Full factual information is needed to comply with FCA rules
Fees are transparent and no products are sold, which helps clients feel that the coach is on their side	Impartiality and transparency is not always clear to clients
The hourly rate is affordable to clients on modest incomes	Fees can be disproportionate to the value added for clients on modest incomes without large funds to invest
Clients are left with clear actions towards meeting their financial goals	Advisers are left with action to help clients meet their financial goals
Supports a client to uncover and improve their relationship with money	Relationship with money issues are usually not addressed with clients
Information provided to a client to help them understand financial products	Advises on specific financial products
Suggests strategies to control spending and pay off debt	Money management and debt issues are usually not addressed by advisers
Draws out client's values	Sometimes imposes adviser's values or pre-conceived ideas of the client's values
Client is held accountable and responsible	Adviser is accountable and responsible
Offers ideas, encouragement, support and inspiration to help clients achieve their desired goals	Offers investment, pensions and savings advice to help clients achieve their desired goals
Takes a holistic view of all issues affecting a client's finances	Generally concentrates on the issue clients come to them with
Offers feedback	Offers advice
Helps clients examine and overcome any emotional and practical barriers to financial success	Concentrates on practical advice