

General Advice

General Advice is financial advice where:

- A statement is made which is intended to influence a person in making a decision about a financial product or class of financial products, OR could reasonably be regarded as having been intended to have such an influence; **AND**,
- The adviser has not considered any of the client's, financial situation, objectives or needs and a reasonable person would not expect the adviser to have done so.

Advisers are able to provide General Advice to potential clients or existing clients where they have not discussed their objectives, personal or financial situation relation to a specific situation. If the discussion does occur, the adviser must consider the advice is personal advice. It is possible to possess information about a client and still provide general advice but it does make it more difficult.

Prior to providing General Advice, the adviser must provide the recipient of that advice with a Financial Services Guide (FSG) if the recipient does not already have a current version. The adviser may provide the FSG in person or electronically. Alternatively, where the advice is provided in a call centre environment, oral FSG may be initially provided to the recipient over the phone prior to making the FSG available to the client.

General Advice may be given verbally or in written form including electronic communication. Whenever General Advice is provided, General Advice warning **must** be provided to the recipient. The warning **must** accompany the advice at the same time, and **must** be given in the same manner (verbal/written) as the General Advice.

An example General Advice Warning:

Any advice contained in this presentation <OR The advice is general in nature only and> does not take into consideration your financial situations, goals or needs. You must consider the appropriateness of the advice prior to acting on this information. Please seek advice or read the Product Disclosure Statement/Financial Services Guide of the product provider prior to investing in any financial product.

NOTE: An FSG does not need to be provided at public forums such as workshops, seminars or presentations, provided the appropriate General Advice Warning and any conflicts of interests are disclosed.

Examples of General Advice

The following examples describe the types of situations in which General Advice may be provided, either intentionally or inadvertently:

- Discussion with family, friends and acquaintances- Informal conversations/discussions may result in gratuitous General Advice being given.
- Interviews with prospective clients- A discussion with a prospect about certain investments (or classes of investments) without obtaining their individual circumstances, objectives and existing investment.
- Provision of research information or education material such as generic information on superannuation:
- This would be considered General Advice. It is important to note that this could be regarded as personal advice if the adviser intended to influence a client's investment decision having regard to the client's circumstances.

- Verbal comments during client seminars:
- A verbal General Advice Warning must always be provided at the beginning of presentations of this type. Even if the presentation does not include any General Advice, the presenter may find themselves giving General Advice in responding to questions.
- Presentation/Handout material produced for client seminars:
- Client newsletters
- Advertisements
- Flyers/promotional materials
- Newspaper/magazine articles
- Emails
- Websites

The statements that could be regarded as General Advice are:

- An account based pension is a tax effective investment for retirees
- We believe Australian shares provide good dividend for the investors
- XYZ investment has/has not done well over the last two years
- It is important to hold a diversified investment portfolio containing shares, property and fixed interest investments
- You should have life insurance to cover all your liabilities



Whenever general advice is provided, the adviser must provide the FSG and document general advice warning was given to the client in the file note.