

Look! No conflicts of interest!!

At ValidPath, over the years we've become somewhat obsessive about eliminating hidden ties, and the kind of unhelpful complications which almost invariably arise from them.

Now, if you don't know that much about us, you may conclude that this is a somewhat exotic preoccupation which is of precious little relevance to the business of providing independent financial advice.

We beg to differ. We think that this is actually fundamental to the integrity of what 'doing network' is all about. Here's how...

You'll probably be aware that most of our competitors have operated a 'panel' system for their Appointed Representatives and advisers. If a company or a product isn't on the panel, then you either can't use it, or you have to jump through hoops if you want to. By such means is independence constrained in practice.

Now, there's a few issues connected with the use of 'panels' which may not be immediately apparent. The main one is a financial consideration: product-providers have to pay for the privilege in order to be placed onto network panels. Sometimes, they pay very large sums indeed - and, based upon the feedback we get from our industry contacts, this practice is almost universal.

So what does this mean for the IFA? Does the fact that a given company appears on a panel mean that

you are benefiting from network due diligence? Or is it simply about extracting additional revenues by the back door? We'll leave you to draw your own conclusions, and simply comment that most product providers have a somewhat jaundiced view on the matter.

Of course, this kind of financial linkage might well work with old-model, highly capitalised insurance companies, but it is going to actively discriminate against newer product and service providers which are not set up to function within an initial commission type environment.

At ValidPath, we've *never* operated a panel system, partly because of the financial conflicts of interest which are implicit within the practice, and partly because we want to treat our Appointed Representatives as grown-ups, without artificially limiting their independence.

On a similar principle, if there are product or service providers that we deem sufficiently worthy to promote to our Members, we always make it clear that we have *absolutely no financial interest* in the matter. We apply this principle to our conferences and workshops, so that you may be 100% sure that when ABC company presents on a particular topic, it is not because they have previously greased our palm.

If these ethical-professional considerations matter to you, why not give us a call on **02920 494495** to find out more, or look up our website?

Your best route to a thriving practice

Find out more at www.validpath-network.co.uk

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