



## Don't skip this eye-opening step in the advisory process

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Before I quote investment advisers in a column, I vet them.

I hope you do the same for advisers you're thinking of working with or have already hired. It's easy, and eye-opening. I've looked up people who project themselves well and found they have a disciplinary history with regulators. For me, any kind of a hit in doing a background check is generally a deal breaker.

My vetting process has four parts that also work well for clients:

### **Step One: A Google search**

You'll probably find a link to your adviser's own website, which is a good place to get a sense of how your adviser does business. Is he or she targeting high net worth people, or a broader base? Does the adviser communicate clearly or fall back on self-aggrandizing jargon? Does the adviser mention financial planning, or is it all about investments? You may also find links to articles written by your adviser, or that quote him or her. You may come away more impressed with an adviser from this type of search, or you may decide to look at someone else to manage your money.

### **Step Two: Check registration**

I use the [national registration search page](#) on the website of the Canadian Securities Administrators, an umbrella group for provincial securities regulators. You can either search by an adviser's surname, or by firm. Anyone who advises clients about securities or trades them must be registered with the regulator in the province(s) where they do business

### **Step Three: Check financial planning credentials**

If someone is offering planning advice, I check to see if they are a [certified financial planner](#) (CFP) or [registered financial planner](#) (RFP).

### **Step Four: Check disciplinary history**

The CSA also maintains a [disciplinary list](#). If you get a hit in searching this database, you'll find the date the matter was settled with regulators, the type of sanction (including costs), the type of violation and supporting documents that may (or may not) shed some light on the infraction.

If you're happily working with an adviser and you come across a past disciplinary action involving him or her, ask for details. I had one adviser explain a past incident to me as resulting from a misunderstanding with a client. His account lined up with what regulators had published, and we worked together on several columns over the years. If you're shopping for an adviser, a past disciplinary issues are a signal to keep looking.