

# THE ADVISER.

Issue 4 February 2010

Welcome to the latest edition of The Adviser, our update on developments in the world of financial services.

## Seek independent advice

Securing your financial future is now more important than ever. We are continually being told about the pressures on state benefits, particularly pensions, as the welfare state has to adapt to an expanding and ageing population. As a result, more responsibility is being placed on you, individually, to make the most of your income and investments.

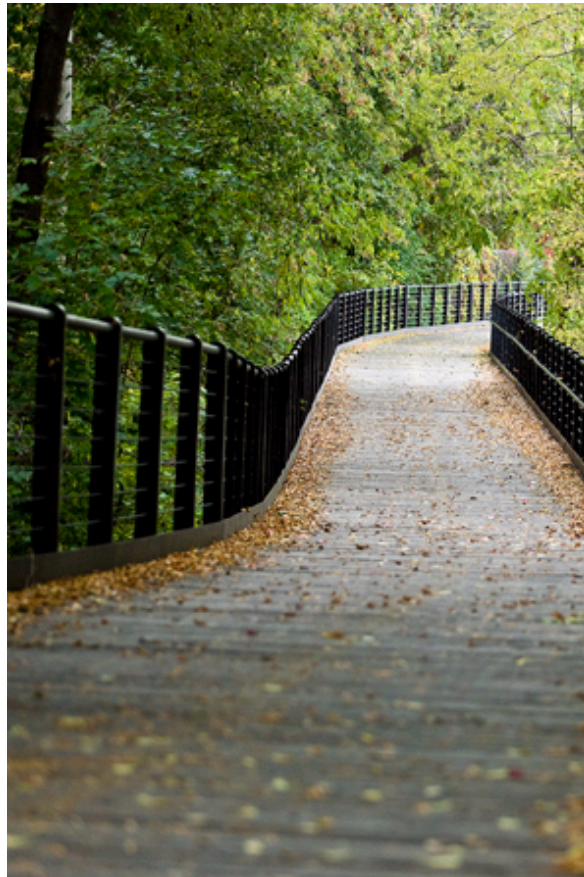
At the same time, however, making these decisions is becoming ever more complicated. There are hundreds of providers offering thousands of products, all with different benefits for different needs at different prices.

As independent financial advisers, we look at the whole market to find out who is offering what products and how the different options can meet different individual circumstances. We are registered with the Financial Services Authority who monitor the way in which we give advice and, being independent, are not limited to just one or small handful of providers. We can therefore seek out the most suitable products to match your particular circumstances and thereby help you meet your goals.

If you have any questions about your financial situation, would like a review of your options or simply wish to get an assessment of what is possible so that you can consider what to do next in more detail, please do not hesitate to contact us to organise an initial consultation.

### Contact Us:

Mr , Raymond , Marshall , Dumfries Mortgage and Property Shop , , , Dumfries , Dumfriesshire , DG1 2BU



## The benefit of advice

The mortgage market is highly competitive and lenders constantly bring out new deals. They are required to provide Key Facts and illustrations, but many can only provide information – they cannot give advice on whether their loan or another provider's is best for you. In the UK, residential mortgage advice is regulated by the Financial Services Authority. Advisers use their research skills and sourcing systems to keep up to date with details of all the latest mortgage products so they can find the best rates and deals - and explain which one will best suit your requirements. So, if you want someone to do the hard work, ask an expert.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE

## How can you move on?

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You've had your ISA for a few years now and generally you are happy with the product. However, you may have noticed your investment fund is underperforming or you may wish to change to a provider with a wider choice of funds. What can you do without losing the tax benefits?

You are able to transfer the value of your ISA to a different manager at any time. Once you have made your choice, you simply complete the new manager's 'Transfer request form' and they will then take charge of contacting your existing provider. They take control of all the arrangements to carry over existing proceeds.

What you cannot do however, is close one ISA and then reinvest the proceeds in another. This is deemed to be a withdrawal and once you withdraw, you lose all tax benefits on the money. You cannot then reinvest to get the tax benefits back – unless the amount you have left falls below your current tax year's unused allowance.

Having said that, you should bear in mind, particularly with equities, that an investment is a long-term decision and that short-term fluctuations in markets mean your investment may go down in value as well as up. Switching just because of a downturn, when all else is unchanged, may not be the right thing to do. There are also charges involved in any transfer, so do weigh these up against the potential gains before you make a move.



## Don't put off the will

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It is understandable that so many of us put off the task of making a will. After all, it makes us think about our mortality and consider things which we hope will never happen. However, without one, you might be surprised to find out how easy it is for your assets to be distributed out the wrong way.

The exact rules of distribution depend where in the British Isles you live as some details differ between Scotland, Ireland and England & Wales. However, if you are not married, for example, the law is united in saying your partner may get nothing. Without a marriage certificate, your children and parents will benefit instead.

Even if you are married, there are many good reasons for making a will. First and foremost, it allows you to take positive decisions over who gets what - including friends, friends' children, charities and local societies who are entitled to nothing without your say. You can also decide if ex-partners - or perhaps more importantly, ex-partner's children - should be helped out. And, if your estate is greater than £325,000 (£650,000 for married couples), a will can help you plan to reduce your Inheritance Tax liabilities.

In thinking like this, making a will can actually become a very positive, rather than negative experience. Considering these things in advance can actually help your peace of mind and ensure that all you family and friends will be looked after in exactly the way you want them to be.

## Q: What happens...

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...when you invest in two ISAs by mistake?

A: Unfortunately HM Revenue & Customs makes no allowance for human error and a second ISA taken in the same tax year will become fully taxable. You are not able to nominate the second ISA as the preferred account for the year – i.e. to replace the first because you changed your mind - even if you believe it may be more tax advantageous to do so. This issue is particularly relevant for regular savers as the first payment after 6 April automatically opens a new ISA. If you wish to stop and move your investment, make sure you provide instructions well in advance, or you may be stuck with it.



For mortgages we can be paid by commission from the lender, or usually a fee of £500.

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