

CHANGING ADVISORS

Short Term Pain for Long Term Gain

The Latremoille Group frequently meets with people who are considering a change in the advisor and firms who look after their investments and other wealth planning activities. Sometimes, the reasons are blatant and have to do with issues such as poor service, faulty advice, or lack of performance. The reason may even be a more subtle feeling that “things could be better”.

When reasons for making a change are obvious, it is relatively easy to notify the current advisor, thank them, and then request cooperation in moving the accounts to the new advisor. However, when there is a long-standing relationship involved, or even a friendship or family connection, it becomes very difficult to make this change. A sense of obligation or guilt can get in the way of telling someone that you are leaving and moving to another firm and advisor.

When a change should be made but does not happen (for reasons of guilt or difficulty), it often casts a pall on the relationship going forward – and presents a communication barrier that the other party often isn't aware of

So, what to do?

Changing Advisors involves both an intellectual and an emotional decision. Before making a change, it is important to thoroughly understand the new firm and advisor's approach. (See *My Wealth Advisor Selector*[™] for a way to evaluate these tangible issues). Then determine who you honestly want to work with for the long term. This involves looking ahead three to five years to contemplate what is best for your family, your needs, your investments, and your future. After satisfying yourself that making a change is the right thing to do, face the task of communicating that to your current advisor

The best way to do this is simply to pick up the phone and call the advisor directly. Tell him/her that you are calling to let them know that you have decided to move your business to another advisor at another firm. You can also let them know that you spent considerable time and energy making this difficult decision. In closing the conversation, thank the advisor and the investment team for the advice and service that they provided over the course of the relationship.

If the relationship has not been a close one, an email or letter to the same effect is perfectly acceptable. It is always preferable to provide some form of advance communication, rather than have the advisor receive the unexpected shock of transfer documents.

After making the change, it is normal to feel a sense of relief that the issue has been dealt with. A burden has been lifted and you can now proceed with your new plans.

In the long run, your personal and financial goals will be easier to achieve in a comfortable business relationship with your advisor.

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