MONEY

IRELAND'S NET CURRENT ACCOUNT SURPLUS AT END OF FIRST QUARTER

€25.1bn

BALANCE EQUALS 4.5% OF GDP

ANNUAL INCREASE IN CARD SPENDING IN JUNE BY BANK OF IRELAND CUSTOMERS

5.7%

HOLIDAY ACTIVITY DRIVING GROWTH

SOURCE: CSO, BANK OF IRELAND

Five ways to help financial advisers grant your wishes

Professionals can't wave a magic wand to solve all your pecuniary concerns but working with them can produce wonders, writes *Kieran O'Daly*

ALAMY

The ability of a financial adviser to help is limited by their client, rather like with the genie in Aladdin

Whether you're saving for retirement, your children's education or that bucket list trip around the world, it's never a bad idea to get some professional advice to help you plan ahead more effectively.

It may sound daunting, too time-consuming perhaps or even just downright embarrassing, but it could be one of the most important decisions you make. It could prove pivotal in ensuring that you have the financial clout to meet all your future commitments and still enjoy a comfortable lifestyle with a bit left over.

But it's not a case of waving a magic wand and all your problems disappear, there are certain things you must do to maximise the benefits of your relationship with a financial adviser. We spoke to several; here are their top five recommendations.

1 — PREPARE IN ADVANCE

"The first step is to have a think about where you want to go and what you want your future life to look like before that first meeting with your financial adviser," Steven Barrett of Bluewater Financial Planning says.

"If you're planning for retirement, think about what you want it to be, what your plans and dreams are. Once you know what you want, you can work back from there to get the numbers in place to achieve it. The soft details are key. Once I know what money means to a specific client, it's easier to give them advice tailored to their individual needs."

It is important to have a broad picture of your overall incomings and outgoings before that initial meeting, as this will give an indication of how much you can set aside for savings and investment, according to Karen Goodliffe of SurePlan Financial.

"It doesn't have to be too detailed, but should include any loans and monthly subscriptions in addition to things like rent or mortgage, grocery bills and transport costs," she says.

"It's also helpful to think about your life goals, particularly how best to prepare for any milestone moments along the way. These can include anything from buying or renovating a house to having children, paying for education or planning for retirement. Once you have the full picture, it's easier to form a coherent plan to make it happen."

Many clients become focused on a particular financial problem without looking at the big picture, Fonz Scanlan of Money Smart warns. "Many people fail to consider their needs beyond their immediate problems," he says. "It's also important to think about other issues where they might benefit from professional advice, such as long-term financial and lifestyle goals."

2 — GET PAPERS IN ORDER

Few things in life are as frustrating as spending hours rifling through drawers and filing cabinets looking for financial documents. However, do not get too concerned about having everything together for a first exploratory meeting. You will need them eventually, though.

"In addition to income, debt, savings, pension and investment details, ideally you should bring copies of any mortgage and protection policies if you have them," Nick Charalambous of Alpha Wealth says.

"Life cover, income protection and/or serious illness cover are all important parts of your financial safety net and should be included in the overall conversation. You should also have any documents related to your will or estate."

Having up-to-date documentation makes it easier for your financial adviser to analyse your situation and formulate a plan, according to Hugh Lambert of Integral Financial Planning.

"It's not critical but it certainly helps to speed things along rather than having to employ a letter of authority to get access to key documents which can delay the process significantly," he adds.

"For example, most people have multiple jobs over their lifetime and it is quite common for pension details from previous employment to be misplaced when they should be included to build an accurate picture of a client's circumstances."

3 — BE TRANSPARENT

It sounds simple but transparency can be a big stumbling block when it comes to managing finances, with many people reluctant to reveal their assets or, worse still, their debts to their loved ones. Whether it is a trait peculiar to the Irish or a wider issue, open discussion around finances has traditionally been frowned upon, which can lead to secrecy and division.

"Many people find it difficult to talk out loud about money," Scanlan says. "This is true whether it's with a stranger such as a financial adviser or with a partner or child in the family home. That needs to change"

Charalambous believes open and transparent communication is key to finding a solution that works for everyone.

"Talk to your partner or family, where relevant, about your situation and your aspirations for the future," he says. "If you are married, in a long-term relationship or have children, these conversations are crucial to successful financial planning. This is especially true when considering inheritances, joint goals or funding for education.

> **A good financial adviser is not there to criticise but to help you take the next step forward**

"One of the biggest challenges people face is not financial but emotional. There is often a fear of being judged. Many people worry they will be criticised for not saving enough or for choices they made in the past. In reality, a good financial adviser is not there to criticise but to help you take the next step forward."

Barrett agrees that an honest and open discussion is critical.

"I've come across situations where married couples had different outlooks entirely without actually realising it until they were sitting down with their financial adviser," he says. "Full disclosure is vital, as a financial adviser can offer advice based only on the information they have."

Carol Brick of Contracting Plus Financial believes that several other factors are also usually at play here, including a general distrust of the financial services industry and people being afraid to seek a deeper understanding of their financial situation for fear of appearing uninformed or incompetent.

"I find that there is also a general lack of confidence when it comes to financial matters with the result that many people leave things until it is too late," she says. "There is an overarching fear of making the wrong choices that can be paralysing for some. People need to bite the bullet and have these difficult conversations."

4 — COMMIT TO PROCESS

Once your financial adviser has formulated a plan, it is important to commit to the process. "It's like going to the gym: there will be some hard work involved, but you will only get results if you follow through," Lambert says. "If you want to achieve your financial goals, you have to keep the plan front and centre and have the courage to make the required changes."

Barrett believes this commitment begins with listening carefully to the advice you get and acting upon it. "There is no magic solution: pensions are expensive, and you have to put the money in if you want the return," he says.

"There is always a barrier, a reason why things can't happen, but it's important to do something even if it means starting small and building from there."

5 — KEEP ADVISER UPDATED

Once you have taken on a financial adviser, you should keep them apprised of any changes in your circumstances.

"Your financial goals can change due to life events such as a new job, having a child or even serious illness, so it makes sense to keep your financial adviser in the loop so that your plan can be adjusted accordingly to include necessary cover such as life and income protection," Goodliffe says.

Many people have certain preconceptions about financial advice, Charalambous notes, believing it to be the preserve of high earners, but that is simply not the case.

"Whether you are just starting out, in the middle of your career or approaching retirement, having a clear plan can make all the difference," he says. "Everyone can benefit from a proper review, and often the first conversation is the one that changes everything."

€? QUESTION OF MONEY

Our village has been without an ATM for some time, so I must travel to the next town to withdraw cash. And, as a 70-year-old man who prefers to use cash, I have found the trend of late has been to facilitate electronic payments instead. Aren't there new rules around this to make it easier for people like me?

Anon

It's true: people who prefer to use cash have found it increasingly difficult to do so in recent years. But new legislation is set to change that.

The Finance (Provision of Access to Cash Infrastructure) Act has two key aims: to protect the role of cash in our financial system, and to ensure consumers have access to it.

Under the new legislation, the three main banks must ensure that a certain proportion of the population, to be determined later by the finance minister and the Central Bank of Ireland, must be within 5km to 10km of an ATM and a cash service point, such as a bank branch or post office. The minister will also set a minimum number of ATMs per 100,000 people in each region across the country.

The act seeks to tackle any local deficiencies if the characteristics of an area make it harder for people to access an ATM or cash service point. These might include issues relating to infrastructure, topography or a sudden increase in population. The Central Bank will assess such cases and could require designated entities to address the deficiency.

The legislation also makes the Central Bank responsible for the monitoring and enforcement of the legislation, giving powers to ensure compliance with the access to cash criteria. The requirements cover hours of operation, withdrawal limits, banknote denomination stocks, outages, maximum downtime periods, and signage and communication requirements. The Central Bank has said it will gather and publish data about the number, location and hours of availability of ATMs and cash service points in the various regions across Ireland.

You didn't mention if there was a credit union in your village. If there is, it is worth checking if it has an ATM.

You may be interested to know that, under new rules in the Central Bank's consumer protection code, there will be more safeguards for consumers where there are to be material changes to banking services in their area. Under the revised code, which takes effect next March, credit institutions must give notice of at least six months if they intend to close, merge or move a branch, up from two months. In addition, credit institutions must give four months' notice of any significant changes to a branch's services, up from a month.

Michael Kavanagh is chief executive of the Compliance Institute

Send your personal finance or consumer-related questions to money@sunday-times.ie

Neil Osborne

Strap yourself in and tune out the siren call of chasing trends

As I began writing, I glanced at my inbox and saw dozens of messages from fund managers, commentators and newsletters, each making claims with absolute certainty. Markets would plunge or rally; load up on defence stocks or rotate into cyclicals; buy bonds – no, sell them; gold is the ultimate hedge, and cash the only refuge.

It was April, just after President Trump's tariffs announcement sent markets roiling. Understandably, some clients were getting anxious. Though I trusted our valuation-driven process, a whisper of doubt crept in: is this time different? Staring at the screen, poised to pen a note to clients, I realised the real threat wasn't the market but the clamour around it. Few of these voices had our clients' best interests at heart; most were simply vying for my attention.

Fear responses are hard to ignore. When markets fall, the part of your brain wired to detect danger, the amygdala, fires instantly, which can lead our brains to hit the sell button long before reason catches up. It isn't built for patience and makes no distinction between a routine pullback and a genuine crisis; it simply craves relief.

The unease felt during market volatility isn't a bug, though; it's a feature of investing. At times like these, the benefit of having a simple, stick-to-it plan cannot be overstated: it helps you tune out the noise and stay focused on your long-term goals. Most portfolio losses don't come from market moves but from our own reactions: jumping in and out, panic-selling, rotating positions and chasing every headline thrown at us. More than any single mistake, it's the sum of small, repeated actions that eats into performance.

There's a moment in Homer's *Odyssey* that captures this perfectly. As Odysseus nears the sirens, he knows their irresistible song will lure him to steer his ship onto the rocks. So he orders his men to tie him tightly to the mast and plug their ears with beeswax. He can hear every haunting note but remains powerless to act on it. Today's sirens aren't mythical creatures but the endless flood of hot takes, bear porn (sensationalist, doom-laden headlines and charts) and breathless commentary designed to provoke. Each one tempts you to abandon your strategy and chase the next big move. Yet, like Odysseus, the investors who prevail embrace their restraints, staying strapped to their process and emerging unscathed when the turbulence passes.

Step back from the noise and you enter a world where the rules may be boring but they're reliable: costs matter, evidence helps, long-term thinking pays off, and managing your behaviour beats outsmarting the market.

Studies show the average investor underperforms the market by a few percentage points each year simply through poor timing: chasing winners, exiting too late, then re-entering too slowly, only to repeat the cycle. Dalbar and Morningstar have documented this drag, and it adds up to real money left on the table, much of it flowing into commissions and fees that feed the industry's bottom line.

True or not, an oft-repeated story claims Fidelity found its best-performing accounts belonged to clients who'd died or forgotten they had them. The tale endures for a reason: the best results come from staying out of your own way.

Even professional investors struggle. Institutional funds routinely trail their benchmarks, driven by quarterly targets and career considerations. Under that short-term pressure, managers often overtrade and pile into crowded positions just as they peak, only to sell before the rebound. Individual investors, by contrast, answer to no board or boss. They can afford to focus on genuine value and ride out market cycles. Patience is one of the few real advantages that individual investors hold over large institutions.

The investors who do best are rarely the boldest; they set a balanced mix of attractively priced assets, rebalance periodically and resist the urge to chase every headline. A portfolio needs only occasional check-ins – life changes, risk profiles shift and allocations drift – but if you rewrite your plan at every market flutter, it isn't a plan. Good ideas deserve consideration only when a clear process shows they'll improve your prospects rather than merely satisfy an urge to act.

We've come to mistake activity for intelligence. Financial media rewards noise, yet even the best investors are right only slightly more than half the time. The ones who endure aren't the cleverest, but the most consistent.

The message is simple: those who do less often get more. In markets, survival is strategy. Once you've tied yourself to a sound process, the smartest move is to do nothing at all – except, perhaps, to tie yourself to it.

Neil Osborne is investment director at Santiago Investment Advisors