

# How they compare

Channels	Pros	Cons	Suitable for
Independent financial advisers (IFAs)	<ul style="list-style-type: none"> <li>• Generally wider breadth on products</li> <li>• IFA reps are typically better trained in providing holistic advice</li> <li>• Turnover of reps are usually lower and as such client relationship with advisers is more stable</li> </ul>	<ul style="list-style-type: none"> <li>• Most reps operate autonomously and so standard of advice differs from rep to rep</li> <li>• Reps are generalists so may not have deep knowledge on all aspects of financial planning</li> <li>• Most reps are commission-based and as such conflict of interest might exist</li> </ul>	<ul style="list-style-type: none"> <li>• Mass market to high net worth depending on which segment the IFA focuses on</li> </ul>
Banks via relationship managers (RMs)	<ul style="list-style-type: none"> <li>• Generally wider breadth on products</li> </ul>	<ul style="list-style-type: none"> <li>• Turnover of RMs is generally higher than that of IFAs.</li> <li>• Compensation structure (from sales charges, trailer fees, insurance commissions, interest rates from loans, and so on) can cause conflict of interest</li> <li>• RMs are bank employees and what they sell to customers are typically directed by the banks</li> </ul>	<ul style="list-style-type: none"> <li>• Retail bank – mass market</li> <li>• Priority/privileged bank – the affluent</li> <li>• Private bank – high net worth</li> </ul>
Insurers via tied agents	<ul style="list-style-type: none"> <li>• Insurance agents are specialists and they should know their company's insurance products better than anyone else</li> </ul>	<ul style="list-style-type: none"> <li>• Lacks breadth on products</li> <li>• Insurance agents are specialists and may not have the necessary knowledge and skills to advise in other areas of financial planning or wealth management and to integrate the various aspects of wealth together</li> <li>• Being compensated purely by insurance commissions may cause conflict of interest</li> </ul>	<ul style="list-style-type: none"> <li>• Mass market to high net worth</li> </ul>
Online platforms	<ul style="list-style-type: none"> <li>• Usually lower in cost</li> <li>• Can be done in the comfort of your home</li> <li>• Do not have to feel obligated that you have to buy something</li> </ul>	<ul style="list-style-type: none"> <li>• You need to be quite financially savvy and must be able to understand how to integrate the various aspects of wealth together</li> <li>• Segmented planning only (such as insurance planning or investment planning)</li> <li>• Lack of human element may mean that there is no behavioural coaching which is very important to help investors stay invested to reap the expected returns</li> </ul>	<ul style="list-style-type: none"> <li>• Generally mass market</li> </ul>
Robo-advisers	<ul style="list-style-type: none"> <li>• Usually lower in cost</li> <li>• Can be done in the comfort of your home</li> <li>• Do not have to feel obligated that you have to buy something</li> </ul>	<ul style="list-style-type: none"> <li>• Segmented planning only (such as insurance or investment planning)</li> <li>• Algorithms behind decision making may be unknown</li> <li>• Lack of human element may mean that there is no behavioural coaching which is very important to help investors stay invested to reap the expected returns</li> </ul>	<ul style="list-style-type: none"> <li>• Generally mass market</li> </ul>