



# How to work with solicitors

Last week's Sifa conference highlighted the benefits of nurturing professional connections between IFAs and solicitors, which is already helping these three firms

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Last year's Legal Services Act, combined with the forthcoming retail distribution review, has the potential to pave the way for greater tie-ups between solicitors and IFAs as each looks to diversify and offer clients more services.

Sifa has long championed the synergies between the two professions and the many ways advisers can work with solicitors to gain referrals and form joint ventures. Here we look at three IFA firms that have put close links with solicitors at the heart of their businesses.

## Professional Financial Centre (East Midlands)

Professional Financial Centre (East Midlands), which is based in Derby, was formed in 2009 in a management buy-out from a law firm. It sources around 80% of its new business from professional connections, working with 20 individual solicitors and accountants in four law firms and two accountancy practices.

The core advice proposition is holistic tax planning for high-net-worth individuals and small businesses, involving pensions, investment and tax efficient products.

According to managing director Richard Shanks, solicitors and accountants mostly get in touch because they want the firm to fill gaps in their own knowledge. Solicitors tend to regard referred clients as joint clients, whereas accountants usually insist on maintaining control of the client relationships themselves, although Shanks says accountants tend to be more organised.

The surest sign of success in professional connections is solicitors and accountants seeking advice for their own financial planning; and 75% of the firm's referring professionals become clients themselves, some also introducing family members for inter-generational planning.

Shanks encourages this by offering fee reductions to professionals.

He does not believe any other IFA firm in the region



SHANKS: Accountants more organised

presents serious competition in his chosen market. Shanks promotes the firm's services through the Derby and District Law Society, advertising in its magazine and speaking at its events. However, he will only accept high-net-worth clients, which often means looking to larger firms, and these can be more difficult to penetrate.

Solicitors do not expect to be remunerated for their referrals, although this could be arranged by establishing joint ventures. However, Shanks has no interest in joint ventures, and thinks the dividend from them would be relatively insignificant for solicitors, some of whom might be charging individual corporate clients over £200,000 per year.

## Scrutton Bland

Accountancy and financial services firm Scrutton Bland has offices in Ipswich, Colchester and Diss, in Norfolk. Its IFA arm includes four advisers, two of whom are chartered and certified, and the firm sources between 80% and 90% of its new business from 20 professional firms, mostly solicitors, 10 of which are regular referrers.

Scrutton Bland's expertise centres on pensions, inheritance tax planning, care for the elderly and investment for private clients and trusts. Solicitors are targeted by reference to their business specialisation, mainly those dealing with private clients, trusts (including personal injury), matrimonial work and to a lesser extent commercial property. Typically, referred clients are pre- or at retirement.

The firm's credentials in the family law market are supported by the accreditation of directors Neil Hewitt and Gary Riches by Resolution, the Solicitors' Family Law Association, and by Hewitt's role as chairman of the Ipswich Resolution local practice group. Both Hewitt and Riches also hold the IFA Certificate of the Society of Trust and Estate Practitioners (Step), the body to which many private client solicitors belong.

With a large geographical footprint, Hewitt is always looking for opportunities to forge professional connections. He is progressing one joint venture with a firm of solicitors and is considering others. He is confident the resulting closer relationships will not discourage other solicitors from referring their clients.

Apart from personal connections, the main platform for attracting professional business is the technical breakfast

seminars for solicitors, which are held two or three times each year and are accredited by the Solicitors Regulation Authority for continuing professional development via Sifa. The firm also conducts in-house departmental presentations for law firms and encourages solicitors to involve it at an early stage in their advice process. Referrals are reciprocated by the cross-referral of clients for advice on wills, powers of attorney, trusts, and property transfers from joint tenancies to tenancies in common in the context of estate planning, and the pot is kept on the boil by newsletters for solicitors.

## Informed Financial Planning

Informed Financial Planning is a chartered financial planning firm with six advisers. Its main office is outside Hull, and it has satellites in Leeds and Milton Keynes. Managing director Kevin Ferriby was one of the first IFAs to achieve chartered status and is a fellow member of both the Personal Finance Society and the Association of Accounting Technicians.

Around 90% of the firm's new business comes from a wide range of professional firms, both solicitors and accountants, and two joint ventures are currently being negotiated with solicitors. Much of the firm's work centres on trust investment, older client affairs, and pensions and divorce; and solicitors' referrals are reciprocated by cross-referring wills and power of attorney work. The firm finds accountants are particularly alert to pensions planning opportunities.

Having practised as an accountant before setting up the firm, Ferriby has many contacts in the professional community. He has close links with the local Law Society and has recently been inducted as president of his local Round Table. He is studying for the Step certificate but has not found it necessary to obtain the Resolution accreditation, being more interested in the implementation of settlements than in the role of financial neutral.

The firm's service proposition, categorises clients by reference to their value to the business and provides a comprehensive road map for advisers, which spells out the process for professional connections. The firm maintains regular contact with both clients and introducers by means of electronic newsletters and seminars.



HEWITT: Breakfast seminars for solicitors



FERRIBY: Most new business from referrals

Ian Muirhead is managing director of Sifa