



# 5 SECRETS BANKS WON'T TELL YOU

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## WHY YOU NEED ADVICE INDEPENDENT OF THE BANKS

I've contemplated writing this for months now! Let's be real - who am I to tell the Banks where to go and expose their hidden secrets? I mean, let's be honest now, it feels like sometimes they own me, and all the money in my accounts. I'm sure they got to you too - unless you actually live off the grid and deal in ingots.

So why would I write a post about the 5 secrets banks won't tell you? Well, because banks won't tell you this, so someone should and today I feel that someone is me!

I need to politely mention that you aren't going to be getting your best financial, tax and estate advice from the walk-in-corner-branch MOST of the time, although banks marketing departments, along with their billions in advertising will tell you differently. This is because **banks simply do not offer these products** and therefore cannot offer the financial and tax advice that goes along with it.

So, I do offer up a Starbucks to my banking friends as an apologetic sacrificial offering, and pray next time I walk in to use the ATM I won't be struck down by lightning or worse – the ATM gods refuse me money.

Now to be fair, I'm actually not really throwing the BIG BANKS under the bus. The banks have their purpose. However, when we don't keep our minds open to all the financial options available to us, then we are just choosing to live with our heads in the sand (now, if that involves a beach, a book and no kids – please sign me up!)

This is why your corner bank won't tell you this:

- perhaps the bank representative you deal with doesn't know these products exist
- if they did know they exist, they are probably not compensated to direct you elsewhere or maybe it is a conflict of interest
- they don't realize the tax or legal implications of your current situation and how other products could help you
- perhaps they just don't know because that is not their specific training to be able to identify planning strategies or opportunities

It's really not their fault. It's just how the system has been set up and running for years.

*If it ain't broke and makes a few billion ever quarter, why change it?*

### **Enter: Independent Financial Advice**

A triple-licenced advisor just means they are able to sell you products (legally and regulated) and are licenced with all three: Either IIROC or MFDA licenced, life and accident & sickness insurance licenced and exempt market products representative regulated – private equity offerings. (If you can't find a triple, then a dual-licenced advisor is your next best bet. They probably just don't offer private equity offerings - not the end of the world.)

By the way, finding a triple-licenced advisor may be like trying to find a four-leaf clover surrounded by a bunch of three-leaf clovers. I will tell you they exist. I know because I am triple-licenced and I do know many triple-licenced advisors (industry hazard).

I'm not going to go into each of the products in detail, the point of this article is to bring awareness to financial products that are out there that the majority of the population does not take advantage of.

### **Here are the 5 products you won't be getting from your banking branch:**

1. **Corporate Class Mutual Funds:** simply put – mutual funds that defer tax to a later date (low to high risk available and fantastic for money sitting around in your corporation or for any non-registered money)
2. **T-SWP Mutual Funds:** simply put – return of capital mutual funds, tax planning benefits
3. **Segregated Funds:** simply put – mutual funds with a life insurance wrapper that have guarantees, offer creditor protection and bypass probate (estate planning benefits and great for complex family situations)
4. **Flow-Through Shares:** simply put – potential (huge) tax benefits by purchasing flow through shares of eligible Canadian companies
5. **Life Insurance, Critical Illness, Disability, and Extended Health Insurance:** simply put – banks DO sell these products through technically another entity (you'll never get one person at a bank to help manage your whole financial picture), however if you walk into a branch, legally they can give you a phone number to their insurance division. You legally cannot buy insurance in a bank branch, you must look elsewhere. Insurance is such an important part of any financial plan.

### **TAKE AWAY:**

**You need a financial advisor who can look at your entire financial picture and recommend the products and services that will benefit your unique financial situation and offer beneficial tax advice.**

**You need to know that independent financial advice will be your friend when it comes to tax time, getting your hard earned money into the hands of the next generation, or if you want to creditor proof your business. Just remember that you may not be getting your best tax or financial advice from your bank.**