Thistle Initiatives

Effective Objective Setting

The Adviser's Blueprint
Best Practice Guides for Retail Advisers

02

Every firm wants to deliver great advice. But consistency, evidence and oversight can make that harder than it sounds.

With Consumer Duty now firmly embedded and regulatory scrutiny increasing, firms are under growing pressure to evidence the quality and consistency of their advice. The challenge lies in turning those expectations into practical, repeatable processes that work in the real world.

These guides bring clarity to every stage of the advice journey by translating regulation into practical action. We want to help firms move beyond tick box compliance to effective practice, ensuring advice processes are compliant, well governed and truly client centred.

By focusing on what works in practice, The Adviser's Blueprint helps your firm to build stronger frameworks, enhance client trust and stay ahead of regulatory change.

1. What’s the Purpose?

Let’s be honest. Without effective, personalised, and SMART objectives, the rest of the client file can quickly unravel.

Objectives are the foundation that guides the entire financial planning process, yet many advisers still struggle to translate what they clearly understand in their head into clear, well-documented statements on paper.

The real value lies in digging beneath the surface to uncover what is truly important to the client and why it matters to them. This guide provides practical, real-world examples to help you capture and document objectives in a way that is both meaningful for the client and robust enough to withstand regulatory scrutiny.

2. What does Good Look Like?

The reality is, those neatly packaged objectives from training scenarios rarely appear in real client meetings. Clients don't often arrive saying, "We want to invest £10,000 to save for the holiday of a lifetime," or "I'd like my investment to grow to £50,000 to pay for my daughter's private school fees, while also funding luxurious foreign holidays."

And if we're truthful, it's just as rare for them to declare, "It's really important to me to have access to hundreds of funds and achieve above-inflation growth," or "I really want a smoothed return."

The challenge is finding the sweet spot between unrealistic, textbook-style aspirations and objectives that are clearly adviser or product-led. By applying the simple suggestions in this section, you'll be able to capture objectives that are both genuinely client-focused and fully compliant, therefore making them meaningful for the client and robust for the file.

I. Objectives are Specific, Measurable, Achievable, Relevant, and Time-bound (SMART)

Vague aspirations like "I want to be comfortable in retirement" might sound fine in conversation, but they don't give you, the client, or the regulator much to work with. A SMART objective swaps the guesswork for clarity: it's specific (retire at 60), measurable (£25,000 after-tax annual income), achievable (based on the client's resources), relevant (linked to their personal priorities), and time-bound (by a set date).

The result? An objective that's clear enough to plan for, track progress against, and is evidenced in the file.

II. Written in the client's own words to ensure clarity

Adviser shorthand and jargon might make sense to us, but it can strip away the personal meaning behind a client's objective. Phrasing objectives exactly as the client expressed them not only keeps the language relatable, but it also reinforces that you've truly listened and understood.

It's the difference between writing "Client wishes to achieve retirement sustainability," and "You told me that you want to stop working at 60 without worrying about running out of money. You also said that having enough money to visit your grandchildren on a regular basis was important to you".

One is compliance-friendly; the other is compliance-friendly and client-friendly.

III. Reviewed and updated at least annually or when circumstances change

Life doesn't stand still, and neither should a client's objectives. One that made perfect sense last year might be completely off track after a job change, a new family arrival, or a shift in financial priorities. Building in at least an annual review, alongside ad-hoc updates when circumstances change, keeps objectives relevant, realistic, and aligned with the client's current situation.

It also shows the regulator that your advice remains based on up-to-date, accurate information rather than yesterday's assumptions.

IV. Avoid adviser-led or product-led objectives

An objective should never read like it's been reverse-engineered from the recommendation you plan to make. If it does, it stops being the client's objective and starts being your sales pitch. "Invest £100,000 into an XYZ Balanced Fund to achieve medium-term growth" is not an objective, it's a product choice dressed up as one. True objectives start with the client's life, not the adviser's solution.

Keep the conversation focused on what they want to achieve and why it matters to them, then shape the recommendation around that, not the other way round.

3. What Approach Should I Take?

Capturing effective objectives isn't about ticking a box or filling space in a fact find, it's about starting the advice process on the right footing. The aim is to dig past surface-level statements, uncover the real drivers behind a client's goals, and express them in a way that is clear, measurable, and genuinely personal. This means resisting the temptation to jump to solutions, avoiding adviser or product led language, and instead guiding the client through a conversation that brings their priorities into sharp focus.

By doing so, you'll create objectives that not only resonate with the client but also provide a solid, defendable foundation for every step that follows in the financial planning process.

I. The Power of 'Open' questions

Using open questions built around Who, Why, What, Where, When, and How turns a basic fact-finding into a meaningful conversation. Instead of prompting yes/no answers, these questions encourage clients to share context, priorities, and motivations in their own words. This not only helps you uncover what they want to achieve, but also why it matters, when it needs to happen, and how they see it fitting into their broader life. The result is a richer understanding and an objective that's truly personal, relevant, and grounded in the client's reality.

'Open' Question Examples

- "What do you want to get out of today's meeting?"
- "Tell me, why is this important to you?"
- "When do you want this to happen by?"
- "How do you feel about that?"

II. Ask, then ask again

Once an objective is on paper, the next step is to sense check whether it's actually achievable. There's little value in committing to goals that simply don't add up financially or practically. This means testing the numbers, timelines, and assumptions behind the client's ambition.

For example:

- A client aged 40 wants to retire at 55 on £40,000 a year, but currently has only £50,000 in pensions and saves £200 a month. Feasibility checks would quickly show the gap and allow a conversation about adjusting expectations, increasing contributions, or extending the retirement date.

- A client aims to fund private school fees for two children starting in three years, but the projected income and existing commitments show a shortfall. Here, you might explore alternative savings vehicles, phased payments, or adjusting other financial priorities.

- A client wants to gift a large sum to family while maintaining their own retirement security. Cashflow modelling can test whether the gift is sustainable without jeopardising their future income.

III. Check Feasibility

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IV. What's the Priority?

Clients often come to the table with a long wish list, and sometimes those wishes pull in different directions. It's not unusual for someone to want the potential for high investment returns while also avoiding significant risk, or to want to build their retirement fund while also fully protecting their mortgage debt on a limited budget. The role of the adviser is to help clients see what's realistic, where trade-offs may be necessary, and which goals should take precedence.

- **A simple way to achieve this is to:**
  Rank goals in order of importance: Ask the client to put their objectives in a 1–5 priority order, focusing on what they would least want to compromise on.

- **Scenario test trade-offs:**
  Use cashflow modelling or projections to show the impact of prioritising one goal over another.

Use the "if you could only do one" question : This helps clients quickly identify their top priority.

Examples:

- A client with a limited surplus each month is torn between saving into a pension and setting up life cover. By showing the impact of delaying protection vs. delaying pension saving, they can make an informed choice.
- A couple wants to invest in a higher-risk portfolio for greater potential growth, but becomes uncomfortable when shown the possible volatility. They decide to opt for a lower-risk portfolio that better matches their comfort level, even if it means a lower potential income.
- A client wants to fund both children's university costs and pay off the mortgage early. By modelling each scenario, they see they can comfortably achieve one in full and partially achieve the other, leading to a balanced compromise. Clear prioritisation ensures the plan reflects the client's real needs and values, not just a list of good intentions.

V. It's all in the documentation!

If it's not written down, in the regulator's eyes, it didn't happen. Like it or not, the FCA consistently takes this view, so the way you document objectives is critical.

Most advisers can recall, in vivid detail, what matters to their client and why. That tells us the conversations are happening. The risk comes when translating that into the file. Too often, what was said in plain, personal language gets rewritten into adviser-speak, sprinkled with jargon, or tidied up in a way that loses the client's own voice.

Nothing is more powerful than quoting the client directly: word for word. It captures their personality, their priorities, and their reasoning in a way no interpretation ever can. Resist the urge to 'polish' their words into your style, because that's where meaning gets lost and compliance risk creeps in. Keep it authentic, keep it clear, and keep it in their language.

4. How Can I Avoid Common Pitfalls?

Avoid recording vague aspirations with no measurable outcome

It's easy to jot down a broad statement like "wants to retire comfortably" and move on, but vague aspirations don't provide enough to plan against or measure progress. Without specifics, you can't track whether the client is on course or if adjustments are needed.

Example of what's seen:

Objective recorded as: *"Retire comfortably."*

What it should be: *"Retire at age 65 with £30,000 net annual income, to allow you to continue with your hobbies, including the gym, golfing, and caravaning around the UK. You anticipate that your current day-to-day costs will reduce by approximately £5,000 per year, but expect your socialising costs to increase by a similar amount as you want to spend more time with family and friends."*

Don't simply take client comments at face value – dig deeper!

After a few minutes with a client, you might think you know what matters most to them, but assumptions are dangerous. They can lead to plans that reflect your interpretation rather than the client's reality, which is risky for both client satisfaction and compliance.

Example of what's seen:

Client mentions wanting to retire early, so the adviser records *"early retirement"* as a key objective without further exploration. In reality, the client's true driver was to be able to help fund care for an elderly parent, which required more flexible working arrangements rather than a full, immediate retirement. Without digging beneath the surface, the plan focused on the wrong end goal.

Avoid using technical language instead of plain English

Clients don't speak in adviser jargon, so why should their objectives be recorded in it? Overly technical phrasing can make objectives less relatable for the client and harder for an external reviewer or regulator to see the client's own intent.

Example of what's seen:

Objective recorded as: *"Client wishes to invest in SIPP in order to achieve above inflation, risk-adjusted returns over the medium term."*

What it should be: *"The Client wants to understand more about their retirement plans and the options available to them. They are concerned that leaving money where it currently is won't keep pace with inflation and that, at retirement, it may therefore effectively have fallen in spending power. We discussed what risk means to them, and they explained they would spend time worrying if values were to drop too much, so it is important to keep any risk to a minimum."*

Avoid recommendations that don't link to objectives

If the first time an objective appears is buried in the justification for a recommended solution, it's already too late! By then, it risks looking like a product-led objective reverse-engineered to fit the advice, rather than a genuine client need. Key priorities should be captured during the fact find, clearly documented, and carried through to the Suitability Report. That way, when the recommendation arrives, it's obviously linked to a pre-established objective, proving it's client-driven and delivering real benefit.

Example of what's seen:

Without any reference within the fact find or elsewhere within the file, we often see some of the following attempted justifications:

- *"This will provide you with ease of administration, and you will receive just one statement rather than multiple ones"*
- *"When you get to retirement, you want to flexibly access your benefits"*
- *"A DFM has been recommended as they will actively manage your portfolio and react to market movements"*
- *"This platform provider will mean that you have access to many more funds"*

None of these statements is necessarily wrong, but if they are important to the client, why is this the first time you are telling us about them?

5. Our summary

We've explored how to:

- ✓ Use open questions to uncover the who, what, why, when, where, and how behind each objective.
- ✓ Drill down into the detail so vague aspirations become actionable goals.
- ✓ Test feasibility early to avoid building plans on unrealistic expectations.
- ✓ Prioritise when objectives compete, helping clients see where trade-offs may be needed.
- ✓ Record objectives exactly as agreed, in the client's own words, and without jargon.
- ✓ Keep objectives up to date by reviewing them annually or when circumstances change.
- ✓ Avoid common pitfalls such as taking comments at face value, ignoring conflicts, and introducing objectives for the first time during product justification.

A well-written objective should feel authentic to the client, be supported by evidence from your fact find, and act as a clear reference point in both the advice process and future review meetings. Done consistently, this approach creates a stronger client relationship, a more robust compliance position, and a smoother link between the client's goals and the advice you recommend.

Our Checklist

Have you...

- ☐ Asked open questions to fully understand priorities?
- ☐ Converted broad ambitions into SMART objectives?
- ☐ Checked each objective is realistic and achievable?
- ☐ Agreed and recorded the objectives in the client's own words?
- ☐ Avoided adviser-led or product-led objectives?
- ☐ Identified and resolved any conflicts between goals?
- ☐ Linked objectives to review dates and committed to updating them

About the Author

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With more than 25 years' experience in financial services, Paul has dedicated his career to promoting compliance and regulatory excellence, helping firms operate securely and with strong governance. His background across retail and corporate advisory environments gives him a deep understanding of diverse financial needs and regulatory challenges.

Specialising in compliance oversight for complex, fast-evolving organisations, Paul develops practical solutions that align regulatory expectations with business objectives. A strong advocate for training and competence development, he helps individuals and teams understand how effective compliance supports sustainable success and long-term growth.