

## Newsletter May 2011

This month I cover your consumer cancellation rights for a range of purchases, developments in Income Protection and my ‘financial’ take on Maslow’s Hierarchy of Needs.

There are 846 words with the **key messages in bold**. With the average adult reading rate at 250 words per minute this will take you three minutes 23 seconds to read, a bit longer if you study the pictures. I hope you find something of interest.

Best wishes,

*Tony*  
Tony Leonard  
Director

### **The Rough Guide to Cooling off periods – know your rights**

**Banking, credit, insurance and investment** products can be cancelled within 14 days of signing the agreement. Postal contracts can be cancelled up to 30 days after.

If so sign a **loan, credit or HP** agreements at the provider’s business premises then you may not be offered cancellation rights. If you sign it elsewhere, however, then you have a five day window to cancel starting from receipt of the credit provider’s acceptance of your application. Agreements over the phone give you 14 days to cancel.

Buying **online, from a TV shopping channel or from a catalogue** means that you have seven working days from receipt to return the goods for a refund, including the postage you were charged. This doesn’t cover personalised goods, perishables like food and flowers and recordings or software where the seal has been broken.

**Doorstep** sales give you seven calendar days to cancel.

**Auction sites** such as eBay are covered by the Distance Selling regulations for fixed price sales. This means you can return goods and get a full refund. If you buy by bidding then you have fewer rights but are still entitled to your money back if the goods are not as described or don't arrive at all.

For **Timeshare** purchases signed in the UK you have 14 days to cancel the contract. If you sign outside of the UK you may have little or no rights, though in the EU it is generally ten days.

Don't neglect to read the small print – the devil is in the detail.

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## The hierarchy of financial needs

The Psychologist Abraham Maslow stated that **mankind has five basic needs arranged in a hierarchy of priorities like a pyramid.**

**At the bottom are physiological needs** i.e. hunger, thirst, warmth, shelter etc. Once these are satisfied a person moves up to **the next priority which are safety needs** i.e. security and protection. When secure and protected s/he will look for **love and affection**. The next step is **esteem needs of self respect, confidence, adequacy and achievement**; and finally **self-fulfilment by creativity or power**.

There is also a hierarchy of financial needs. At the bottom of the pyramid **the basic need is to take control of finances by budgeting and making regular savings**.

The second tier is the protection element have, **making sure that**



**what you is protected before more is accumulated.**

With these basics in place **the next stage is medium term investments** like ISAs, stocks and shares, fixed term bonds and property. Bypassing protection for this stage can still be dangerous as funds may not be liquid enough or large enough to provide for the family over the long term.

**The pinnacle of financial planning is pension, tax and estate planning.**

My job as your Financial Adviser is to make sure that the foundations of your financial planning are strong enough to protect you and your family from unforeseen shocks.

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**Quote:** “Everybody knows they’re going to die, but no one really believes it” – Spalding Gray

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## **Protecting you income in the event of accident, sickness or unemployment**

- In the last 10 years 120,000+ claims have been paid per year
- The average claim duration is 182 days (6.1 months)
- But two weeks is the average amount of readily available cash in UK households

**Developments in this market have led to big drops in premiums.** Please let me know if you’d like a quote.

**For Accident Sickness and Unemployment Insurance we usually offer products from a limited panel of providers**

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## **In brief**

- The **odds of winning a premium bonds prize** is now 24,000 to 1
- The **Deposit Protection Scheme limit rose** from £50k to £85k at the start of the year – your savings are safe up to this limit if the bank or building society goes bust
- Critical illness cover celebrates its 25<sup>th</sup> birthday this year. **Enhancements in the last three years mean that everyone should have their current policy reviewed**

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**We offer products from a range of insurers for critical illness and payment protection. Ask us for a list of the insurers we offer insurance from.**

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