

Ratings needed for alphabet soup of adviser certifications: CFP Board

Urges consumer bureau to devise system to rank designations

By Liz Skinner

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The government should create a ratings system for the more than 140 different financial certifications and designations available, as part of an effort to help older Americans find a financial adviser they can trust, according to the Certified Financial Planner Board of Standards Inc.



In a comment letter to the Consumer Financial Protection Bureau, the CFP Board noted that “senior investors are particularly vulnerable to confusion about professional designations and certifications.”

The agency is scrutinizing the alphabet soup of credentials that purport to offer advisers special instruction for counseling senior citizens. As it considers its next policy move, the bureau is sifting through more than 600 comments it received since June 14, when it asked the public to say whether senior adviser certifications are useful or misleading.

The bureau, which hasn't singled out particular designations as good or bad at this point, doesn't want someone to be able to claim expertise in senior finances “after having received only a few hours of inadequate training,” CFPB director Richard Cordray said in June when he announced the bureau's initiative.

Mr. Cordray said he considers misuse of senior designations to be elder financial abuse.

The CFP Board, which awards the certified financial planner designation, also told the government that a recent survey of members shows that 56% of financial planners have worked with a senior client who had been deceived in the delivery or sale of a financial product.