

# What's a Finfluencer and Are They Credible?



Whether it's related to pop culture, fashion, food or other areas of life, influencers are everywhere. They dominate social media with their splashy posts, photos and videos. Followed by thousands or even millions of people, successful influencers thrive by expressing their views and doling out advice.

But what about the world of finance? Influencers in this realm are called "finfluencers," and they promote investments in particular companies or espouse a certain approach to investing and personal finance. The amount of chatter can be overwhelming as finfluencers overload our inboxes, feeds, timelines and more.

As with influencers in general, finfluencers can be credible or they may offer ill-informed "advice" that could put your money at risk. So, how do you distinguish one from another? Before basing your financial decisions (and risking your money) on a finfluencer's recommendations, you need to recognize who's credible and who's not.

## Finfluencers vs. advisors

Many finfluencers are motivated to entertain their followers, as this helps create loyalty and encourages followers to share content with their own followers, friends and connections. While we enjoy being entertained, be sure you're getting legitimate advice about financial matters.

That's where a professional advisor enters the picture. Licensed advisors have the required training, experience and industry qualifications to offer sound financial advice. They are bound by specific laws and regulations imposed by governing bodies, aimed at ensuring the advice offered is suitable for each client's unique needs and circumstances.

An unlicensed finfluencer has no obligation to disclose conflicts of interest or the compensation they receive from companies to promote products and services. If you're misled by a finfluencer – or tricked by a scammer exploiting people for their own benefit – and lose money as a result, you typically have no recourse to recover your losses. In contrast, a licensed advisor adheres to strict consumer protection laws.

Whereas finfluencers target the masses, a licensed advisor commits to personalized advice and recommending appropriate solutions for each client. As advisors build long-term client relationships, their credibility can shine through. Conversely, finfluencers and scammers may "hook you" with grand proclamations cloaked as financial advice, or tempt you with free offers, courses and get-rich-quick schemes. Some finfluencers try using their celebrity status to gain legitimacy and clout.

## Protect your money

Anywhere you turn, supposed experts are endorsing financial products. While you might wish to place trust in high-energy, charismatic influencers, don't commit your hard-earned money before finding answers to the following questions:

- What are the credentials of the person you're listening to? Do they have the industry background, certifications and designations needed to provide sensible financial advice? Can they provide verified referrals from satisfied clients?
- Are they backed by a leading financial organization? If they work for an established, registered financial company operating within a stringent regulatory framework, you can feel more confident in their credibility, trustworthiness and accountability.
- Are they "selling you" a given product or security, or are they making logical recommendations based on a thorough understanding of your personal goals, risk tolerance and time horizon?

## Turn to a trusted source

Would you entrust your finances to a flashy influencer with no legal obligation to you? When it comes to your money and future, you're likely better served getting information and insights from a proven professional.

All major financial institutions in Canada aim to hire the most qualified and astute financial leaders. They are not "influencers," but instead, economists, portfolio managers and accountants – and the people that financial professionals turn to for advice on the markets.

iA Financial Group's Chief Strategist and Senior Economist Sébastien Mc Mahon is among the best and brightest minds in the industry. With more than 20 years of experience, Sébastien speaks with authority on a wide range of financial topics. If you are a discerning investor looking for credible financial advice, follow his podcasts and videos for up-to-date information on the markets and the economy. And before you act on any financial advice, be sure to seek the opinion of a qualified advisor who knows and understands your personal financial situation.

**To learn more about how we can build a suitable plan based on your needs and provide dependable, customized advice, contact us today.**

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