Your financial health check

Review your income, savings, investments and protection in one simple framework.

A financial health check is a structured look at the foundations of your financial life. It is not an audit and it is not complicated. It is simply a way of finding out what is working, what is missing and what deserves attention next, before a problem forces the issue.

Begin with cash flow. What comes in, what goes out, and what is left? Most people have an approximate answer and a vague sense that it should be better. Writing it down, even roughly, usually reveals something: a subscription nobody remembers, an outgoing that ended years ago, a gap between the life being lived and the money available for it.

Next, resilience. How many months could you cover essential outgoings if your income stopped? Three to six months in accessible savings is a widely used benchmark, though the right figure depends on how stable your income is, whether you have other resources and what commitments you carry. This is the layer most often skipped and the one that prevents small problems becoming large ones.

Then protection. If you died, or were too ill to work, what would happen financially to the people who depend on you? Is there cover in place, is it with the right people, is it in trust, and does it still reflect your circumstances? It is worth checking rather than assuming, because policies taken out a decade ago often no longer match the life being lived now.

After that, look at ownership and structure. Are your financial arrangements set up so that what you intend actually happens? Are pensions nominated to the people you want? Are accounts and policies titled sensibly? Is there a Will, and is it current? Is there a Lasting Power of Attorney in place? These are not exciting questions, and they are the ones most likely to spare a family considerable difficulty.

Finally, look forward. What are you building towards, and does what you are doing now bear any relation to it? Wants and objectives change, and a plan that has not been revisited in five years may be quietly working against the life you now want rather than for it. If you have goals without numbers attached, this is where they gain some.

There is value in repeating the exercise. Circumstances change, tax rules change, products change, and priorities change. A review once a year is usually enough for most people, with an earlier look whenever something material happens.

The point of a health check is not to score yourself. It is to decide what to do next, and then to do it. Most of the improvement comes from the handful of straightforward actions that the exercise makes

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obvious.

This guide is general information rather than personal advice. What matters in your own situation depends on your circumstances and objectives.

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Our services relate to certain investments whose prices are dependent on fluctuations in the financial markets beyond our control.

Investments and the income from them may go down as well as up and you may get back less than the amount invested. Past performance cannot be used as a reliable prediction of future performance.

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