



IN THE HOT SEAT

After a year of regulatory scrutiny, **Daniel O'Brien**, broker at PFS Financial Services, talks about challenges currently facing brokers – and reveals how he would spend a \$1m lotto windfall

Q What's the greatest challenge facing brokers at this time?

A The greatest challenge is being the punching bag for the likes of the royal commission, Productivity Commission and industry regulators; we and our industry are under fire. We have many 'experts' giving their opinions on what we do and how we do it, but none of them seem to have actual real-world experience in what we do.

One simple example: the interest rate discount margins clients receive in 2018 are around 1% higher than 10 years ago. That's due to us, the brokers, creating a fairer playing field for consumers.

Reducing or killing trail will not benefit the client. They will not get cheaper rates from the banks, and they will get inferior service going forward. If brokers are paid 20% less, quality people will leave the industry to earn more elsewhere.

Providing a first-class service costs money. Upfront commission is for doing the upfront work – trail is not a cherry on top for doing nothing.

Q If you won \$1m, what would you do with it?

A I would take my partner and our children to Disneyland – and maybe sneak in a child-free trip to Vegas.

Q What do you wish you'd known when you started out as a broker?

A How to be a broker! I was 24 and I had a good finance base but limited lending knowledge. I wish I had actually thought up simple things like: where will I get business from? How will I pay bills? I was counting on one referral source to keep me fed; that referral source only kept me malnourished! Having a clearer back-up plan would have been better.

Q What was your first job?

A I was a cook at KFC when I was 15. To this day, the toughest job I've ever had. It was in 1995, before things like occupational health and safety were in vogue. I was a scrawny 40kg kid lifting 20kg of chicken, full stretch, out of vats of boiling oil. It was a very physically demanding job and I did it at a clip of \$4.50 per hour.

Q What's one of your recent career highlights?

A Settling my biggest-ever deal in August 2018 – an \$11.8m commercial development loan. **AB**

