



'Trust Me. I Am a Fiduciary': But That Does Not Always Mean What You Think It Means

Many financial professionals use the word "fiduciary," but some are blending legal obligations, professional ethics and marketing language into one trust-building slogan that could be misleading.

BY DAVID BROMELKAMP, PUBLISHED JUNE 18, 2026

"Fiduciary" may be one of the most overused words in the world of financial advisor marketing. Consumers hear it everywhere: Advisor websites, television ads, matching services, professional designations and trade association campaigns. The message sounds reassuring: "Trust me. I am a fiduciary."

But consumers should slow down. The word "fiduciary" does not always mean what you think it means.

A legal fiduciary relationship for investment advisers is governed by federal or state law. The SEC says an investment adviser's fiduciary duty under the Investment Advisers Act of 1940 includes both a duty of care and a duty of loyalty.

But many advisors and marketing platforms use the word more loosely, blending legal obligations, professional ethics and marketing language into one trust-building slogan.

That creates confusion.

Three different kinds of 'fiduciary'

Consumers should understand that the word can be used in at least three different ways.

1. **A moral fiduciary** is someone who tries to do the right thing because of personal character.
2. **An ethical fiduciary** is someone who agrees to follow a professional code, oath or set of standards. For example, the National Association of Personal Financial Advisors (NAPFA) has a Code of Ethics that requires its fee-only financial advisor members to act with honesty, objectivity, competence, confidentiality and fiduciary responsibility by always placing the client's interests first. Certified Financial Planners also must act as ethical fiduciaries when providing financial advice under the CFP Board's standards.
3. **A legal fiduciary** is someone subject to fiduciary obligations under federal or state law, typically because they are acting as an investment adviser or investment adviser representative.

Those three fiduciary obligations are not the same thing.

Credentials do not automatically create a legal fiduciary relationship

A financial advisor may have completed fiduciary training, signed an oath or earned a professional designation. That may be valuable. But it does not necessarily mean the advisor is acting as a legal fiduciary at all times, for all advice, for all clients.

For example, the Accredited Investment Fiduciary® designation reflects fiduciary-related training, an exam and an ethics requirement.

That education provided by the Center for Fiduciary Studies may be useful, but consumers should not assume a professional designation alone creates a legal fiduciary relationship. The same caution applies to other professional credentials. Passing an exam, joining a professional association or signing an ethics statement may indicate training or commitment. It does not automatically answer the consumer's most important question: What legal fiduciary standard applies to this advisor's advice to me?

The better question: How are you paid?

Consumers should not stop at, "Are you a fiduciary?"

Ask instead: "Are you legally required to act as a fiduciary at all times, for all advice, for all clients?"

Then ask: "How are you compensated?"

That second question may be even more revealing. Fee-only financial planners are paid directly by clients and do not receive sales commissions or compensation tied to the sale of financial products.

NAPFA defines fee-only advice as compensation paid solely by the client, with no commissions, referral fees or other compensation contingent on product sales. That is a much clearer consumer test than vague fiduciary marketing.

Don't be sold by a marketing buzzword

The financial services industry has discovered that fiduciary is a powerful marketing word. But a consumer should treat that word the way they would treat a car salesperson saying, "Trust me, I'm giving you a great deal."

Maybe true. Maybe not. Verify it.

Before hiring an advisor, ask for written answers to these questions:

- Are you fee-only as defined by NAPFA?
- Do you sell financial products?
- Do you receive sales commissions, referral fees or revenue sharing?
- Are you legally required to act as a legal fiduciary to me at all times?
- Will you put that legal fiduciary commitment in writing?
- Do you provide comprehensive financial planning, or only investment management?

The word fiduciary still matters. But it is not enough.

Consumers need more than a marketing slogan. They need clear answers, transparent compensation and objective financial advice.

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David Bromelkamp is an investor advocate and the founder of AdvisorSmart®, established in 2018 to provide investors with the education they need to access better financial advice. Sometimes referred to as the "Jerry Maguire of Financial Advice," he is passionate about objective financial advice and is leading the charge to educate investors about the best approach to finding objective, fee-only fiduciary financial advisors. His first book, *AdvisorSmart for the Individual Investor: Your Guide to Selecting a Financial Advisor to Get Better Financial Advice* (2025), arms consumers with the knowledge they need to succeed. He is also the author of the Mister Fiduciary blog, which explores what it means for advisors to deliver *great financial advice* by upholding the *highest fiduciary standards*.

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