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Have accounting firms lost SMEs' trust?

Do accountants risk losing the trust of small businesses by not being able to look after their own financial affairs?

The answer is yes, according to Merseyside accountant Alan Woods of **Woods Squared**.

Citing the high profile collapse of **Vantis**, and other regional firms, Woods thinks it could prove "difficult to win the trust of small businesses" if they see firms collapsing around them.

Woods' statement is provocative but definitely arguable and worthy of debate.

My first instinct was "no", Woods is wrong. There will always be badly managed accountancy firms, of that there's no doubt. Other professional services providers, such as lawyers and IFAs, are certainly prone to this problem.

Those firms close to collapse can't expect clients to stick around, but that shouldn't really give any splash damage.

It just means that a client of a dying firm will simply move on to the next provider on the list, they'll expect they were just unlucky with the last lot and the next bunch will be there for the foreseeable. Of course, these days with the internet, live electronic communication and sharing of data, that doesn't necessarily mean within the same region as their previous provider of business services.

The more pressing problem for firms, which has been sucking the life out of them for years, is failing to recognise that clients want a broader range of business services than just compliance. This is where the image problem truly exists, as opposed to Woods' view, and will be the real downfall for many firms.

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