

Consumers and Financial Advice - UK - April 2014

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“The advice gap presents an opportunity for the financial advice industry. Firms that are able to innovate and offer low cost solutions will prosper in future, while those who do not address this part of the market will forfeit share to online competitors.”

– Alexander Hiscox, Senior Financial Services Analyst

This report looks at the following areas:

- How can financial advice be made more affordable for younger consumers?
- What is the key to attracting wealthier consumers?
- Where does the perfect platform for offering mass-market advice lie?

Despite much talk about the financial advice gap, there has been little success in closing it. The concern is that the financial advice industry will alienate younger consumers, and give them a negative perception of financial advice, preventing them from using professional financial advisers in future. Financial advice firms must remember that today's young consumers will be the next generation of high net worth investors and actively seek to engage with them.

Younger consumers are increasingly using online sources of information and advice, and show a high appetite for using new technologies in order to reduce the cost of advice. However, the role that technology can play in the advice industry has yet to be fully explored. Now that most of the costs of the RDR have been absorbed, financial advice firms should turn their attention to greater innovation, in order to provide advice to less wealthy investors. By seeing the advice gap as an opportunity, rather than a problem, the financial advice industry can help to improve the savings habits of consumers and guarantee the future of the industry.

This report investigates consumer attitudes towards financial advice, examining the channels of advice that consumers use and their attitudes towards this advice. There is a focus on the channels of communication with a financial adviser and how confident people are in managing various aspects of their finances themselves.

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This report is part of a series of reports, produced to provide you with a more holistic view of this market

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- DIY administration for cheaper financial advice
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