

Consumers and Financial Advice - UK - July 2018

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“New regulations have caused compliance headaches for advisers, but moves to increase transparency and provide clarity over what services are provided by financial advisers should be embraced and used to better highlight the benefits of advice.”

– **Rich Shepherd, Senior Financial Services Analyst**

This report looks at the following areas:

- **The need to reassert the advantages of advice over guidance**
- **People are warming to online services but still consider them a cheap imitation**

The need for advice is arguably stronger than ever before. Advice is compulsory in almost all new mortgage applications, pension freedoms means people have a wide range of retirement income solutions to choose from, and the low interest rate environment means many savers could benefit from investing. However, consumers appear to be confused about the benefits of advice over guidance, at least in part because of the widespread availability of free information online.

Financial advisers have faced a slew of new regulatory requirements in the last couple of years, including the implementation of recommendations from the FAMR, and the introduction of MiFID II and the GDPR. At the same time, firms have been looking for new ways to reach potential clients. This has been the driving force behind the busy acquisitions activity in the market, and the innovations seen in the digital sphere.

This Report focuses on the UK financial advice market. This includes discussion of the size of the advice market, regulatory developments and innovations in products and services. Mintel’s exclusive consumer research looks at the types of financial advice and guidance used by consumers in the last three years, and the products they used advice for. The Report also examines the main reasons why people haven’t used advice, the types of advice they would be willing to pay for, and general attitudes towards advice.

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DID YOU KNOW?

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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The number of advice firms reporting to the FCA grew by 163 last year

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