

Affluent Investing - UK - November 2015

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“Wealth managers have managed to perform well in a testing investment environment in the last year. However, firms must remain vigilant in order to remain successful and provide returns for their clients. The increased market share of discretionary services in 2014 reflects investors’ belief in managers to negotiate turbulent periods better than they could do themselves.”

– Rich Shepherd, Financial Services Research

This report looks at the following areas:

- Can digital services serve changing needs?
- Can managers introduce risk earlier in an investor’s career?
- Pension freedoms, an opportunity and a threat?

The wealth management industry performed well in 2014, despite a difficult trading environment. Stock markets were hit by an oil price crash, the Eurozone crisis and slowing growth in China – which came to a head in August 2015 with ‘China’s Black Monday’. All types of wealth management firms achieved asset growth, although private banks suffered a squeeze on revenues.

Managers continue to toy with widespread adoption of digital innovations, but resistance remains. Business based on personal interaction and long-term relationships means some firms are concerned about compromising what has traditionally brought success by introducing online and mobile services. Despite this, it seems inevitable that robo-advice and other digital technologies will play an increasingly large role in the industry, particularly the lower end of the market, and firms need to decide how to use this to their advantage.

This report examines the wealth management sector, with a focus on affluent investing. The report discusses the size of the wealth management industry, including the performance of different segments and management approaches, the performance of leading market players and their competitive strategies. The report also includes Mintel’s exclusive consumer research. This looks at the types of investment products held by consumers, their approach to managing investments and their saving and investment priorities. Investment advice preferences are discussed, as well as general attitudes towards investing and the possible impacts of the pension freedom reforms.

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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 Market – What You Need to Know

Assets under management grew by 7.9% in 2014...

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...driven mostly by investment managers

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St James' Place is the UK's largest wealth management firm

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