

## Consumers and Financial Advice - UK - May 2016

Report Price: £2195.00 | \$3554.69 | €2788.33

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“Advisers are being challenged by customers, competitors and the regulator, with the ultimate result likely to be a more equitable market. This means opportunities for those willing to explore beyond the typical financial advice customer. Robo-advice has great potential but people need support to understand the value of these services on a personal basis.”

– Patrick Ross, Financial Services Analyst

### This report looks at the following areas:

- Lifetime ISA can help advisers reach a younger audience
- Is robo-advice enough to give financial confidence to the masses?
- Employers are in a strong position to improve access to financial advice

The financial advice market is on the brink of yet further change following the publication of the FCA's Financial Advice Market Review. The review concluded in March 2016, making recommendations for a healthier, more accessible market that should support advisers in improving their reach among consumers. It suggests elevating the role of the employer in delivering financial advice and engineering conditions to make automated advice services successful, with the objective of improving accessibility and financial wellbeing.

The Government has opted to withdraw the Money Advice Service and pension guidance services from consumer-facing activities, instead choosing to use the organisations to sponsor third parties to deliver advice where it is most required. This leaves plenty of room for advisers to tackle the advice gap if they so choose, but many independent advisers are struggling under the cost of providing independent services as it is, leading many to sell up to larger networks.

This Report explores consumer attitudes towards financial advice, examining use of advice in the last three years and most recently used sources of advice. The Report also examines people's likeliness to look for advice in the future across a range of different financial products and seeks to understand attitudes towards and the opportunities for robo-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 Market – What You Need to Know

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The financial advice market is adapting to growing demand  
Increasing complexity represents an opportunity for advisers

## The Financial Advice Market

The number of financial advice firms has recovered  
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Figure 11: Number of complaints made to financial services firms associated with advising, selling and arranging financial products, by product type, 2015

## Regulatory Context

FCA's Financial Advice Market Review (FAMR) produces recommendations for a healthier market  
The Pensions Advisory Service, Pension Wise and Money Advice services to be realigned  
EU MIFID II regulations delayed until January 2018  
Lifetime ISA adds to complexity for savers

## Key Players – What You Need to Know

Firms initiate reshuffle to bring advice services to the fore

## Competitive Strategies

Firms lay out robo-advice strategies to capture early market share  
High street banks  
Independent providers  
Advice firms merge to meet the future shape of the market  
Skipton Building Society  
Easby Gale & Phillipson and jonathanfry Plc  
Standard Life's financial planning arm 1825 has made a series of advice acquisitions

## The Consumer – What You Need to Know

More than half have not used financial advice in the last three years  
Friends and family are in a position of ascendancy  
Online sources rival professional product-based advice  
Pay-as-you-go fixed fees prove most popular among potential customers  
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