

Report Price: £1995.00 | \$2583.33 | €2370.86

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



"Equity investing has become far more accessible, but there are many real and perceived barriers that hold people back. Simplicity is key to extending the market, but regulation and remedies due in 2018 stall progress. Uncertainty over Brexit has discouraged investors from holding UK equities, but this means new opportunities for growth will emerge as confidence improves."

- Patrick Ross, Senior Financial Services Analyst

This report looks at the following areas:

- With-profits products offer potential as retirement income boosters
- Simplification is the key to expanding the market

Gross retail fund sales have achieved year-on-year growth since 2012, as investment capital continued to pour into the UK market as the economic recovery took hold. The equity investing market is expected to continue growing, despite the pressure of upcoming regulatory change and the uncertainty associated with Brexit. Investing has become much more accessible in recent years, as online platforms have made it easier and more cost effective to invest for many. While investing is never going to be for everyone, the market looks set to continue expanding to reach new customers. Existing and prospective customers are demanding simplification, and while online distribution can be effective in this regard, expert advice is still valuable in distilling information.

BUY THIS REPORT NOW

VISIT: store.mintel.com

CALL:EMEA
+44 (0) 20 7606 4533

Brazil 0800 095 9094

+1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

DID YOU KNOW?

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



Report Price: £1995.00 | \$2583.33 | €2370.86

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

What you need to know

Products covered in this Report

Executive Summary

The market

Gross fund sales are expected to continue growing amid uncertainty

Figure 1: Forecast of the value of gross retail sales, 2012-22

UK fund platforms up as non-advised sales dominate

Figure 2: Advised and non-advised new sales based upon sales data of bonds, stocks and shares ISAs, trusts and OEICs, 2012-16 H1

Low investable assets and interest rates shape the market

2018: a year of regulatory change

Companies and brands

M&G takes top spot for retail funds under management

Figure 3: Top 10 asset managers, by total retail funds under management, as of March 2017

The consumer

More than half with savings or investments are uncomfortable with risk

Figure 4: Level of comfort with investment risk, July 2017

A third of people have at least one investment product

Figure 5: Investment product ownership, July 2017

Perceptions about profitability are holding potential investors back

Figure 6: Reasons for not investing, July 2017

Two thirds of investors intend to be active in the next year

Figure 7: Investors' intentions, July 2017

Broad financial gains are the strongest drivers behind investing

Figure 8: Motivations for investing, July 2017

Investors' attitudes suggest simpler investment services could appeal

Figure 9: Attitudes towards Investing, July 2017

What we think

Issues and Insights

With-profits products offer potential as retirement income boosters

The facts

The implications

Simplification is the key to expanding the market

The facts

The implications

The Market - What You Need to Know

BUY THIS REPORT NOW VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300



Report Price: £1995.00 | \$2583.33 | €2370.86

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Gross fund sales are expected to continue growing amid uncertainty

Performance has varied across asset types

UK fund platforms up as non-advised sales dominate

Low investable assets and interest rates shape the market

2018: a year of regulatory change

Market Size and Forecast

Net fund sales drop as investors respond to uncertainty

Figure 10: Value of gross and net retail sales, 2012-16

Guaranteed and with-profit bonds make considerable progress

Figure 11: Unit linked, guaranteed, and with profit bonds

A third of UK adults have at least one investment product

Figure 12: Investment product ownership, July 2017

Market forecast

Gross fund sales are expected to grow despite uncertainty

Figure 13: Forecast of the value of gross retail sales, 2012-22

Figure 14: Forecast of the value of gross retail sales, with current prices, 2012-22

Forecast methodology

Market Segmentation

Significant variance in growth and decline of asset types

Figure 15: Net retail sales of funds, by asset class, 2012-16

Unit trusts/OEICs benefit from interest in spreading risk

Figure 16: New retail investment sales, by investment product type, 2012-16

Value of stocks and shares ISAs drops for first time in seven years

Figure 17: Number of ISAs, amounts subscribed to each component and average subscription per account, 2008-09/2015-16*

Channels to Market

UK fund platforms facilitate almost half of gross retail sales

Figure 18: Gross retail sales, by distribution channel, 2016

Figure 19: Gross retail sales, by distribution channel, 2012-16

Non-advised sales dominate the market

Figure 20: Advised and non-advised new sales based upon sales data of bonds, stocks and shares ISAs, trusts and OEICs, 2012-16 H1

Figure 21: Use of advice in the past 3 years, July 2017

Only 16% used face-to-face channels to buy investments in last six months

Figure 22: Typical investment methods, July 2017

Market Drivers

Low investable assets restrict investment potential

Figure 23: Value of people's savings and investments, July 2017

Low interest rates motivate savers to seek better returns...

Figure 24: Average monthly quoted household deposit and cash ISA interest rates, March 2011-March 2017

BUY THIS REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300



Report Price: £1995.00 | \$2583.33 | €2370.86

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

...but many people still choose to hold their savings in cash

Figure 25: Cash savings product ownership, July 2017

Figure 26: Consumer confidence in choosing financial services products, Rebase, May 2016

Brexit has created uncertainty for investors

Regulatory and Legislative Changes

EU MiFID II implementation clashes with other legislation due in 2018

MiFID II

PRIIPs

Senior Managers' & Certification Regime

Summary

FCA publishes final findings on asset management...

...leading to a package of remedies

FCA to investigate investment platforms

Companies and Brands - What You Need to Know

M&G takes top spot for retail funds under management

With-profits products, micro-investing and Lifetime ISAs offer promise

Advertising spend returns to growth in 2016-17

Market Share

M&G takes top spot for retail funds under management

Figure 27: Top 10 asset managers, by total retail funds under management, as of March 2017

Competitive Strategies

Firms consider with-profits propositions to target retirement market

Prudential

Aviva

Foresters Friendly Society

Micro-investing encourages movement away from cash savings

Providers see opportunity in banks' lacklustre response to Lifetime ISA

Downward pressure on fees mounts following Vanguard pledge

Advertising and Marketing Activity

Advertising spend returns to growth in 2016-17

Figure 28: Total above-the line, online display and direct mail advertising expenditure on investment products, by product type, 2014/ 15-2016/17*

TD Direct up the ante in the direct-to-consumer platform market

Figure 29: Total above-the line, online display and direct mail advertising expenditure on investment products, by advertiser, 2014/15-2016/17*

Platform providers optimise SEO in bid to increase traffic

Nielsen Ad Intel coverage

The Consumer - What You Need to Know

More than half with savings or investments are uncomfortable with risk

BUY THIS REPORT NOW VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300



Report Price: £1995.00 | \$2583.33 | €2370.86

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

A third of people have at least one investment product

Perceptions about profitability are holding potential investors back

Two thirds of investors intend to be active in the next year

Broad financial gains are the strongest drivers behind investing

Investors' attitudes suggest simpler investment services could appeal

Risk Sensitivity and Investable Assets

More than half with savings or investments are uncomfortable with risk

Figure 30: Level of comfort with investment risk, July 2017

Millennials more likely to feel comfortable with risk

Figure 31: Level of comfort with investment risk, July 2017

More investable assets foster a braver approach to risk-taking

Figure 32: Level of comfort with investment risk, by investable assets, July 2017

Investment Product Ownership

A third of people have at least one investment product

Different approaches to owning shares

Figure 33: Investment product ownership, July 2017

14% of people have more than one investment product

Figure 34: Number of investment products owned, excluding 'other investments', July 2017

Figure 35: Number of investment products owned, by investment products owned, July 2017

Barriers to Investing and Likelihood to Invest

Lack of funds and risk aversion are main barriers to investing

Perceptions about profitability are holding potential investors back

Figure 36: Reasons for not investing, July 2017

Figure 37: Number of reasons for not investing, July 2017

Non-investors aged 45-64 are difficult for providers to reach

Figure 38: Reasons for not investing, by age, July 2017

Those with £30,000 or more are the most risk averse

Figure 39: Reasons for not investing, by investable assets, July 2017

Only one in ten non-investors intends to invest in the coming year

Figure 40: Likelihood to start investing, July 2017

Younger people are more likely to say they will invest in the next year

Figure 41: Likelihood to start investing, by age, July 2017

Risk aversion is among the most enduring barriers to investing

Figure 42: Likelihood to start investing, by barriers to investing, July 2017

Investors' Intentions for the Future

Two thirds of investors intend to be active in the next year

Figure 43: Investors' intentions, July 2017

Half of Millennial investors intend to invest more in the next year

BUY THIS REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300



Report Price: £1995.00 | \$2583.33 | €2370.86

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 44: Investors' intentions, by generation, July 2017

More than a third of people making new investments will go without advice

Figure 45: Investors' investment intentions, July 2017

Millennials set to forge out on their own with new investments

Figure 46: Investors' investment intentions, July 2017

Motivations for Investing

Broad financial gains are the strongest drivers behind investing

Figure 47: Motivations for investing, July 2017

Generation X investors target retirement savings boost

Figure 48: Motivations for investing, by generation, July 2017

Attitudes towards Investing

Investors' attitudes suggest simpler investment services could appeal

Figure 49: Attitudes towards Investing, July 2017

Comfortable risk-takers are most likely to think ethical investing is important

Figure 50: Attitudes towards ethical investing, by comfort with taking risk with savings, July 2017

Appendix - Data Sources, Abbreviations and Supporting Information

Abbreviations

Consumer research methodology

Appendix - Market Size and Forecast

Figure 51: Forecast of the value of new gross sales, 2017-22

Forecast methodology