

Consumers and Financial Advice - UK - April 2010

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What is this report about?

This report examines the current issues facing the financial advice market, focusing on consumer attitudes and behaviour. It considers the impact of proposed regulatory changes, the current size and shape of the intermediary marketplace and the growing influence of online sources of advice. Mintel's exclusively commissioned consumer research analyses the different sources of advice used, consumer attitudes towards paying a fee for advice and general attitudes towards the financial advice market.

What have we found out?

- There is scope to expand professional financial advice services as nearly two-thirds of adults have either never sought financial advice or have only used one source of advice such as friends and family or bank/building society staff.
- Bank staff are the most popular source of financial advice (after friends and family), although over the last 12 months the gap between bank/building society advisers and IFAs as channel of advice appears to have narrowed – in favour of IFAs.
- IFA services are not the sole preserve of the wealthy. More than half of IFA clients have investible assets of between £1,000 and £50,000.
- A third of adults prefer to take an independent approach to financial advice – opting to complete their own financial research and make their own decisions.
- Proposals outlined in the Retail Distribution Review will require that consumers agree an upfront fee for investment advice, although Mintel's consumer research reveals that around 31 million adults would be not prepared to pay a fee for advice.
- Among those who would be prepared to pay a fee for investment advice nearly 70% would choose to pay less than £100, which is likely to be much lower than the hourly rate charged by most financial advisers.

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