

Share Dealing - UK - October 2012

Report Price: £1750 / \$2834 / €2204

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"Many UK adults still view sharedealing as the preserve of bankers in the City of London, or the highly affluent. Due to this prevailing attitude there are certain misconceptions regarding sharedealing, mainly towards the risk and complexity of equity-based investing. Although sharedealing is most certainly a higher risk strategy than keeping money in a savings account or cash ISA, the vast amount of information online means investors have plenty of resources to help shape their decisions and educate themselves about the market. In terms of complexity, trading actual shares has never been more simple or accessible. With the rise of mobile applications, traders can now execute transactions on the go in order to capitalise on any market movements or news."

– Stevan Obradovic, Financial Services Analyst

In this report we answer the key questions:

- How can sharedealing firms appeal boost engagement with non-investors?
- What are the prevailing consumer attitudes about sharedealing?
- Are current market conditions beneficial or detrimental for sharedealing?
- How many adults are considering investing in equity-based products in the next 12 months?

Despite economic uncertainty and market volatility, the retail stockbroking industry has performed reasonably well and revenues increased during 2011, for both execution-only and full-service stockbrokerage firms. Pre-tax profits are also relatively healthy, especially for execution-only brokerages.

However, despite a solid performance during 2011 there are still sizeable challenges facing retail stockbrokers. One of the main issues facing firms is the lack of consumer engagement, and the resulting misconceptions about trading risk and complexity. For the majority of UK consumers, risk-free and simple savings accounts and cash ISAs continue to be the preferred savings products. Nevertheless, there is clear scope to boost trading activity among consumers.

This report examines the UK sharedealing environment, focusing on execution-only and full-service stockbroking firms. Analysis focuses on some of the key developments in the market, while looking at the impact of economic and regulatory challenges. This report also provides a market size breakdown, with a forecast showing the expected revenue growth over the next five years. The report concludes with Mintel's exclusively commissioned research looking at product ownership, trading activity and the investor attitudes towards sharedealing.

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- Primary consumer research
- Market size and five year forecast
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- Brand and communications analysis
- Product and service innovation

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