

Report Price: £1995.00 | \$2648.76 | €2273.70

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



"SIPPs have been the standout performers in the broader retirement savings market over the last decade, and the pension reforms introduced in 2015 have further boosted the segment."

> – Rich Shepherd, Senior Financial Services Research Analyst

This report looks at the following areas:

- Investors remain upbeat for the future
- More can be made of digital opportunities, but there is a limit

The flexibility offered by SIPPs makes them an attractive option for consumers looking to take full advantage of pensions freedoms. As a result, growth is expected to continue into the future.

# 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

<sup>АРАС</sup> +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 | \$2648.76 | €2273.70

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

#### Value of SIPPs grew by 42% in the last year

Figure 1: Proportional distribution of volume and value of SIPPs in force, by sector, as August 2016

# New sales forecast to reach 1.4 million in 2022

Figure 2: Forecast of volume of FCA SIPP sales - fan chart, 2012-22

### Four fifths of SIPPs are sold without advice

Figure 3: Proportion of total FCA SIPP sales sold through advised and non-advised channels, 2013-16

#### Companies and brands

# Standard Life is the biggest provider of SIPPs, by AUA

Figure 4: Estimated market share of the largest five SIPP providers, by AUA, 2017

#### The consumer

#### Stocks and shares are the most common type of SIPP asset

Figure 5: Investments held within SIPP, September 2016 versus August 2017

#### Investors are torn between risk and reward

Figure 6: Important factors when choosing an investment or asset for SIPPs, August 2017

#### Consumers look for clear, as well as low, prices

Figure 7: Important factors when choosing a SIPP provider, August 2017

# Half of investors have consulted an adviser in the last year ...

Figure 8: Recent activity relating to SIPP investment strategy, transfers and switching, August 2017

## ... and 2018 should be similarly busy for advisers

Figure 9: Expected future activity relating to SIPP investment strategy, transfers and switching, August 2017

### Two thirds have maintained or increased SIPP contributions

Figure 10: SIPP contribution levels over the past year, August 2017

# A strong consumer commitment to ongoing SIPP investment

Figure 11: Expected SIPP contribution levels over the coming year, August 2017

# Online services are the most commonly used channels to access SIPPs

Figure 12: Channels used to access SIPP in the last six months, August 2017

#### Investors actively prefer online to face-to-face access

Figure 13: Preferred channels to use to access SIPP, August 2017

# What we think

# **Issues and Insights**

Investors remain upbeat for the future

# BUY THIS REPORT NOW



# Report Price: £1995.00 | \$2648.76 | €2273.70

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

The facts

The implications

More can be made of digital opportunities, but there is a limit

The facts

The implications

#### The Market – What You Need to Know

Value of SIPPs grew by 42% in the last year

Four fifths of SIPPs are sold without advice

CapAd rules have shaken up the industry

#### Market Size and Forecast

#### Value of SIPPs grew by 42% in the last year

Figure 14: Volume and value of SIPPs in force, as at August 2016 vs August 2017

#### Number of new SIPPs grew by 15% in 2016

Figure 15: Number of FCA SIPP sales, 2012-17

#### New sales forecast to reach 1.4 million in 2022

Figure 16: Forecast of volume of FCA SIPP sales – fan chart, 2012-22

Figure 17: Forecast of new FCA SIPP business, at current prices, 2012-22

# Forecast methodology

#### **Channels to Market**

#### Four fifths of SIPPs are sold without advice

Figure 18: Proportion of total FCA SIPP sales sold through advised and non-advised channels, 2013-16

# Personal investment firms were responsible for 54% of sales in the last year

Figure 19: Proportion of FCA SIPP sales, by firm type, Year to June 2017

# **Market Drivers**

### Two fifths of SIPP investors report improved finances ...

Figure 20: Current financial situation compared to a year ago, by gross annual household income, August 2017

# ... and confidence is high for the future

Figure 21: Financial confidence, August 2017

# Auto-enrolment now fully rolled out

Still no joy for savers

## **Regulatory and Legislative Changes**

CapAd rules have shaken up the industry

FOS reports rise in SIPPs complaints ...

FCA highlights due diligence as scams become more sophisticated

# **Companies and Brands – What You Need to Know**

Standard Life is the biggest provider of SIPPs, by AUA

Acquisitions and digital developments are at the heart of SIPPs innovation

# BUY THIS REPORT NOW



Report Price: £1995.00 | \$2648.76 | €2273.70

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

# **Market Share**

| Standard Life is the biggest provider of SIPPs, by AUA  |
|---|
| Figure 22: Estimated market share of the largest five SIPP providers, by AUA, 2017                                  |
| Expected mass contraction of providers has failed to materialise  |
| Figure 23: Number of SIPP providers and percentage of total sales by top providers in each quarter, Q1 2008-Q1 2017 |
| Competitive Strategies  |
| Mergers and acquisitions remain at the forefront of SIPPs strategy  |
| while digital innovation is opening new opportunities   |
| BondMason launches P2P SIPP   |
| The Consumer – What You Need to Know  |
| Stocks and shares are the most common type of SIPP asset  |
| Investors are torn between risk and reward  |
| Consumers look for clear, as well as low, prices  |
| Half of investors have consulted an adviser in the last year  |
| Two thirds have maintained or increased SIPP contributions  |
| Online services are the most commonly used channels to access SIPPs   |
| SIPP Asset Mix  |
| Stocks and shares are the most common type of SIPP asset  |
| Figure 24: Investments held within SIPP, September 2016 versus August 2017  |
| driven by higher ownership among younger and higher-earning investors   |
| Figure 25: Investments held within SIPP, by age and gross annual household income, August 2017                      |
| Half of investors have three or more types of asset in their SIPP   |
| Figure 26: Investments held within SIPP, repertoire analysis, August 2017   |
| Ascat Choice Eactors  |

# **Asset Choice Factors**

# Looking for the best compromise ...

Figure 27: Important factors when choosing an investment or asset for SIPPs, August 2017

#### ... but risk aversion grows with age

Figure 28: Choice of "Low risk" as an important factor when choosing an investment or asset for SIPPs, by age, August 2017

# Cost is key, despite SIPP investors' wealth

Ethical investing is still a niche enterprise

# **SIPP Provider Choice Factors**

# Price competition is important ...

Figure 29: Important factors when choosing a SIPP provider, August 2017

## ... but heritage is also influential

# Transparency is an attractive quality

### Older investors more likely to be swayed by choice of investments

Figure 30: Choice of "Widest possible range of investment choices" as an important factor when choosing a SIPP provider, by age, August 2017

# BUY THIS REPORT NOW



Report Price: £1995.00 | \$2648.76 | €2273.70

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

Interest in mobile apps has increased tenfold since 2015

# **Investment, Transfer & Switching Activity**

#### Half of investors have consulted an adviser in the last year ...

Figure 31: Recent activity relating to SIPP investment strategy, transfers and switching, August 2017

#### ... and four in 10 have switched funds

#### More changes expected in the coming year

Figure 32: Expected future activity relating to SIPP investment strategy, transfers and switching, August 2017

#### Younger investors are more likely to be planning a change in their SIPP

Figure 33: Agreement with expected future activity relating to SIPP investment strategy, transfers and switching, by age, August 2017

#### **Changes in Contribution Level**

# Two thirds have maintained or increased SIPP contributions

Figure 34: SIPP contribution levels over the past year, August 2017

#### Higher earners have acted more bullishly

Figure 35: SIPP contribution levels over the past year, by gross annual household income, August 2017

#### Half expect to keep their contributions level over the next 12 months

Figure 36: Expected SIPP contribution levels over the coming year, August 2017

# **Channels Used to Access SIPPs**

# Online services are the most commonly used channels to access SIPPs

Figure 37: Channels used to access SIPP in the last six months, August 2017

#### Mobile is driven by younger investors

Figure 38: Preferred channels to use to access SIPP, August 2017

# Women are more likely to favour seeing an adviser in person

Figure 39: Preferred channels to use to access SIPP, by gender, August 2017

### Appendix – Data Sources, Abbreviations and Supporting Information

### Abbreviations

## Consumer research methodology

#### **Appendix – Market Size and Forecast**

# Total market sales forecast – Best- and worst-case scenarios Figure 40: Forecast of FCA SIPP sales – Best- and worst-case scenarios, 2017-22

# Forecast methodology

# BUY THIS REPORT NOW