

Consumers, Saving and Investing - UK - January 2019

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“Savers who set savings goals are much more likely to remain engaged and also to build savings and investments of significant value. Open Banking platforms and app-based savings providers offer a new approach to saving, with a variety of savings tools which hold strong appeal for Millennials.”

– Douglas Kitchen, Financial Services Analyst

This report looks at the following areas:

- Scope to extend reach of budgeting services to boost customer engagement
- Automated advice services will soon be the norm, but inexperienced investors need convincing

Growth in the retail savings market has been slow over the last few years, however with interest rates rising, a more competitive savings environment is on the horizon, which should lead to greater savings activity. Some investment products, such as stocks and shares ISAs have increased dramatically in popularity in recent years; however investors are split as to whether they hope to increase their investment activity in the next 12 months.

Almost half of savers have saving or investment aims, and setting goals has proved to be particularly crucial in encouraging people to save regularly. Providers can do more to motivate people, particularly those closer to retirement, to set saving goals, whilst tools and features offered by both incumbent banks and new challengers can help improve people's saving habits.

A significant proportion of non-investors say they would feel confident making investment decisions, indicating that with the right encouragement, they could be persuaded. Low fees and a low minimum investment mean robo-advice services can bring investing to the masses; however inexperienced investors remain sceptical about the value of these services.

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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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42% save on a regular basis

Proportion of savers owning a saving account increases

Nearly half had a savings target in the last year

Rising interest rates would lead to 48% considering a lesser-known savings provider

A lack of confidence hampers investment ownership

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Majority are satisfied with their investment performance
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