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FOR IMMEDIATE RELEASE

Advisers feel ready for Consumer Duty, but platforms can (and should) continue to provide support as deadline looms

- **Advisers' pro-active engagement to reassure clients amid market volatility delivers low attrition**
- **Despite a slight dip in last 12-months, platforms remain primary destination for advised client inflows**

6th June 2023, London – Leading research firm Investment Trends released its latest **2023 UK Adviser Technology and Business Report**.

Providing an in-depth look at financial advisers' businesses and their evolving technology needs, this year's edition highlights:

Advisers are feeling confident about their readiness levels as Consumer Duty looms (64% say they are either very confident or confident in meeting the guidelines set out by the FCA). Research also revealed that product providers can best support advisers with improved client facing documentation, particularly amongst less experienced advisers.

"Despite advisers showing higher self-assessed confidence levels, product providers are vital in supporting advisers through this transition in regulation," said Lorenzo Vignati, Associate Research Director at *Investment Trends*. "Over half (53%) of advisers are open to paying extra for ongoing support from their main platform (where 18% are wanting additional support specific to regulatory change), highlighting a clear gap."

Other key business health check metrics identified in the research:

- Active client numbers have surged, as the pro-active approach advisers have taken to provide reassurance amid challenging market conditions appears to have curtailed dormancy rates (the average number of clients no longer active fell from 17 in 2022 to 6 in 2023)
- Net yoy change in profitability for advice practices has dropped, after a remarkable recovery in 2022 (53% report being more profitable in 2022, compared to 30% in 2023).

The research also reveals that the proportion of new client money advisers place through platforms has declined after all-time highs in the previous year (77%, from 82%). Advisers however expect this to increase in the next three years (to 80%). The top barriers to placing more inflows on platforms is the unavailability of certain products and platform fees (39%). Power users (>80% of new client money being placed on to platform) are vastly more likely this year to blame the lack of desirable tax wrappers (31%, from 23%) and cash accounts (30%, from 23%).



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"This report is a must read for adviser technology and platform providers as there still remains a large disconnect between the functionality advisers would like (including for their clients), and that which is currently offered," said Vignati.

Notes to the editor

About the report:

The results are drawn from the *Investment Trends 2023 UK Adviser Technology and Business Report*, based on an in-depth study of 1,028 financial advisers concluded in March 2023.

About Investment Trends:

Investment Trends is the leading researcher in the wealth management industry across the UK and Australia. We combine our analytical rigour and strategic thinking with the most advanced research and statistical techniques to help our clients gain a competitive advantage.

We have over 20 years of experience in researching the retail wealth management and global broking markets from which we provide new insights and decision-making support to over 130 leading financial service businesses globally. Investment Trends' clients include global banking organisations, financial advice providers, fund managers, super funds, investment platform providers, all major online brokers and CFD providers as well as industry regulators and industry associations.