
Europe Advice Accessibility Report

Executive Briefing

Deep Insights Research

Survey concluded: June 2021

Report released: July 2021

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Important information

Research purpose

This is the custom research by Investment Trends into European investors' attitudes towards financial advice. It examines which components of advice delivery are valued by investors, as well as views on the upfront fee model and digital advice tools

Research methodology

Quantitative online survey conducted between 22 – 27 June 2021

Respondents came from a diversified panel of French, UK and Dutch investors (offline/branch/advised/online). Statistical methods were then used to calibrate the sample collected to ensure it was representative of the target groups.

Total number of responses in each target group after data cleaning and validation: n=656 investors, maximum sampling error[^]: +/-3.8%

Target groups for analysis	Sample counts (n)
French investors	219
UK investors	219
Dutch investors	218

[^] 95% confidence interval, centre of the range. Smaller segments will have a larger margin of error

Executive summary

1. Investors across the three markets examined – France, the UK and the Netherlands – highly value all aspects of investment advice, particularly the **ability to cater to personal goals and to provide access a wider range of financial products**
2. Consistently across the three countries, **female investors express lower confidence than their male counterparts in making investment decisions without guidance**. French investors are much less confident than their UK or Dutch peers
3. For French investors, **lack of product awareness** is driving their discomfort in making investment decisions unassisted. For Dutch investors, it's their desire to access responsible investments, while UK investors point to positive prior experience
4. French **investors are the least likely to be open to pay for investment advice upfront**. Across the three markets, there is a stronger inclination to pay when the advice is followed by a financial product purchase
5. Three in five (60%) French investors are either unsure or believe they **would buy fewer products if they had to pay a fee for investment advice (on top of product costs)**
6. The overwhelming majority of investors in all three markets believe **advice should always include, at least in part, a human component**



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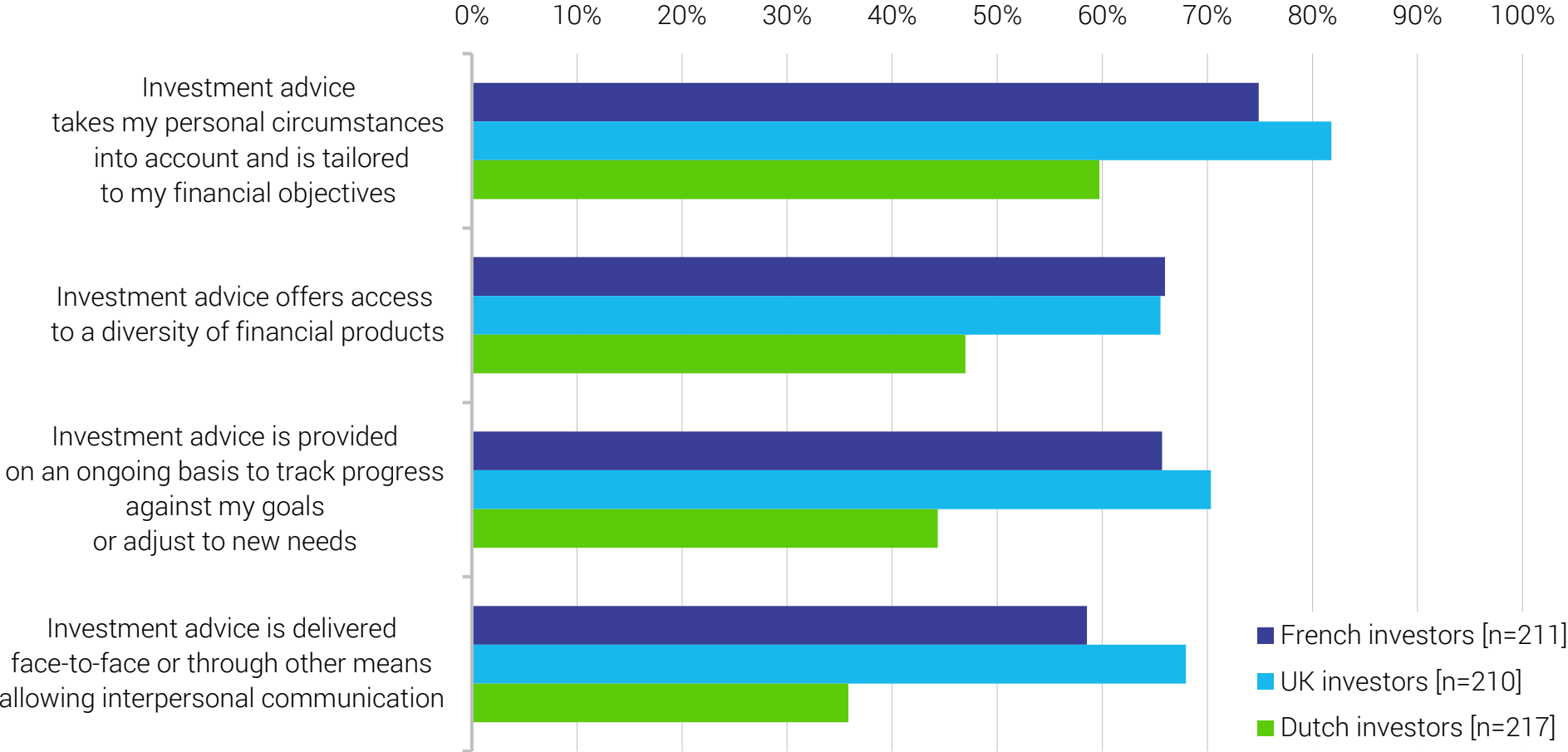


Key findings



Insight #1: Investors across the three markets examined – France, the UK and the Netherlands – highly value all aspects of investment advice, particularly the ability to cater to personal goals and to provide access a wider range of financial products

Q5 Proportion of investors rating the following statements as 'Extremely important' or 'Very important' if they were to receive advice in relation to their investments. Among investors

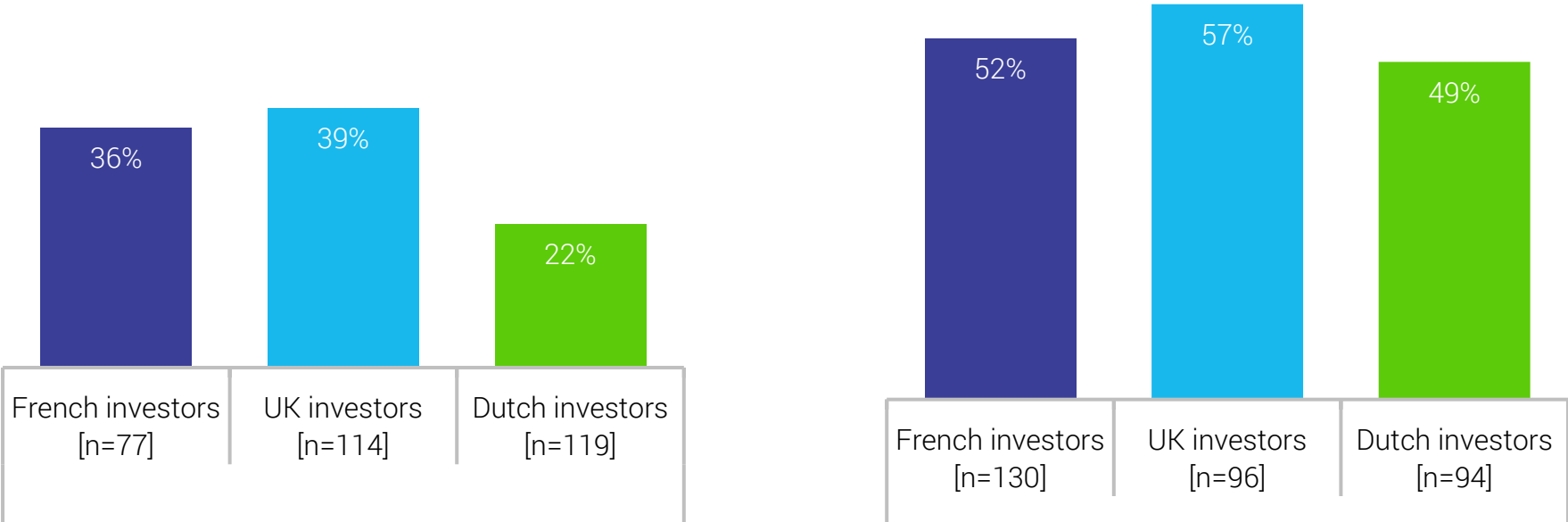


Insight #2: Consistently across the three countries, female investors express lower confidence than their male counterparts in making investment decisions without guidance. French investors are much less confident than their UK or Dutch peers

Proportion of investors who are uncomfortable[^] making investment decisions without guidance
Among investors

Male investors

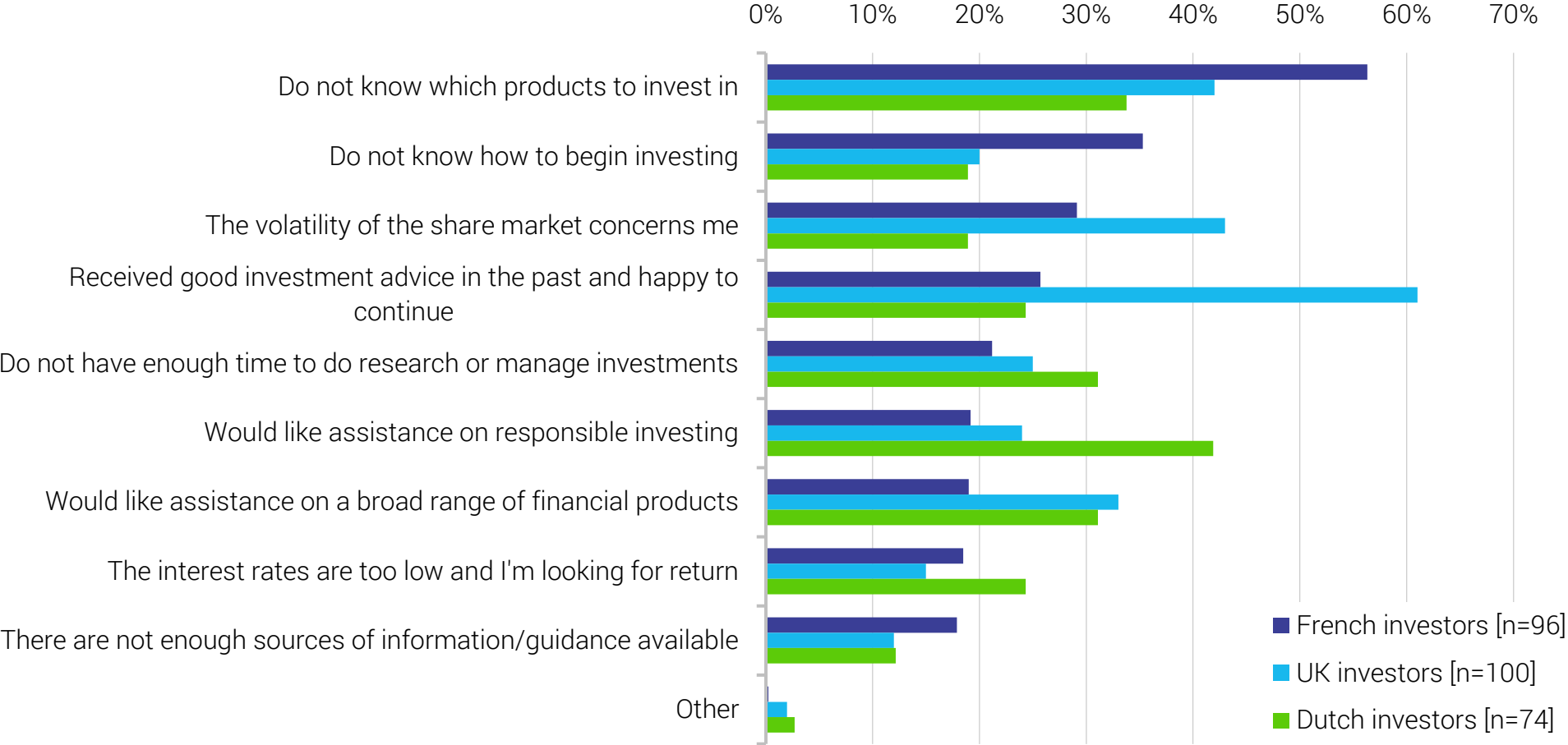
Female investors



[^]Those who rate their level of comfort from 0 to 2.
Note: Based on Q6 How comfortable do you feel making all investment decisions without any financial advisor to guide you? 0 – Extremely uncomfortable to 5 – Extremely comfortable

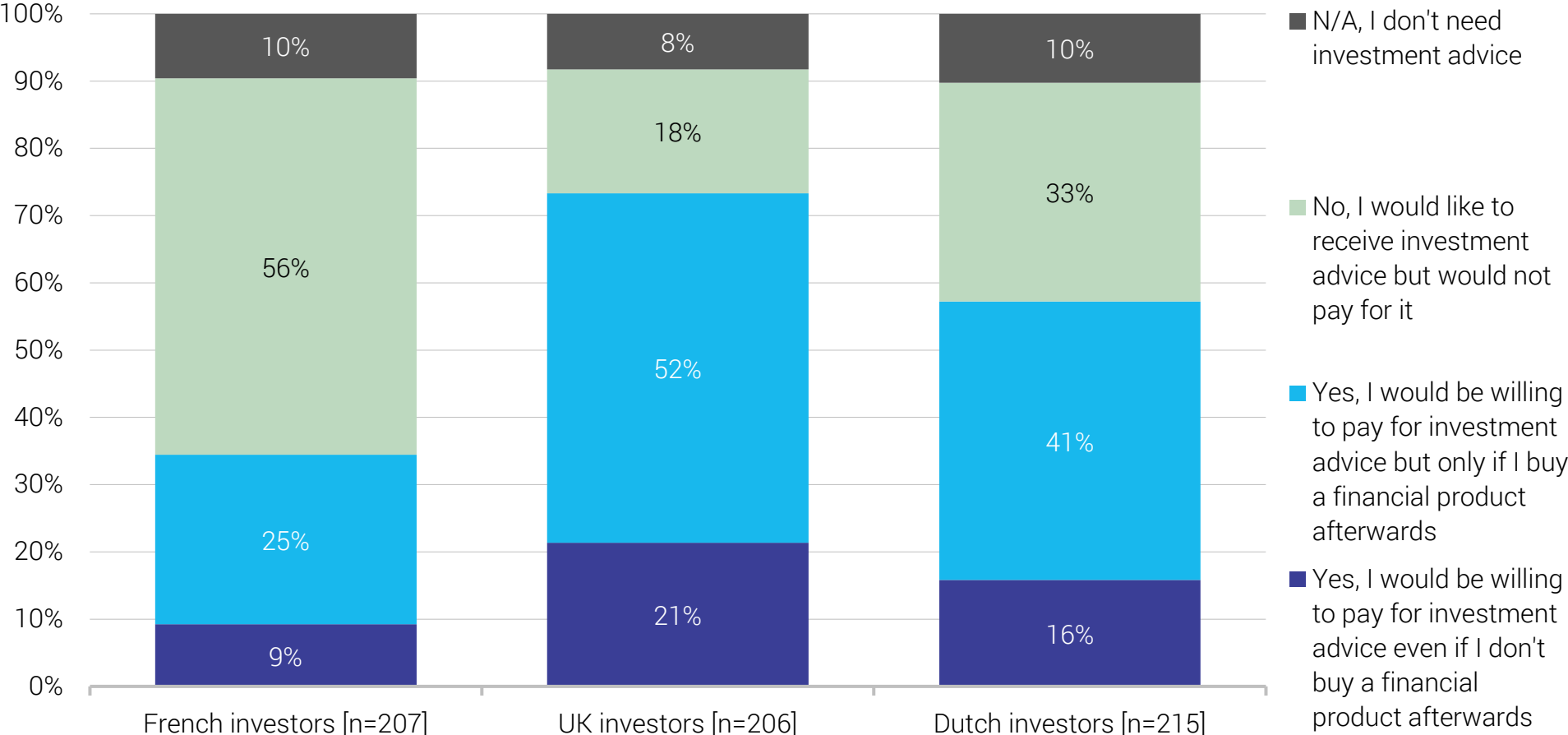
Insight #3: For French investors, lack of product awareness is driving their discomfort in making investment decisions unassisted. For Dutch investors, it's their desire to access responsible investments, while UK investors point to positive prior experience

Q8 Why do you say that you would feel uncomfortable making all investment decisions without any financial advisor to guide you? (Multiple responses permitted) Among investors who rated 2 or below on level of comfort with making decisions unadvised



Insight #4: French investors are the least likely to be open to pay for investment advice upfront. Across the three markets, there is a stronger inclination to pay when the advice is followed by a financial product recommendation

Q11 Would you be willing to pay for investment advice?
Among investors



Insight #5: Three in five (60%) French investors are either unsure or believe they would buy fewer products if they had to pay a fee for investment advice (on top of product costs)

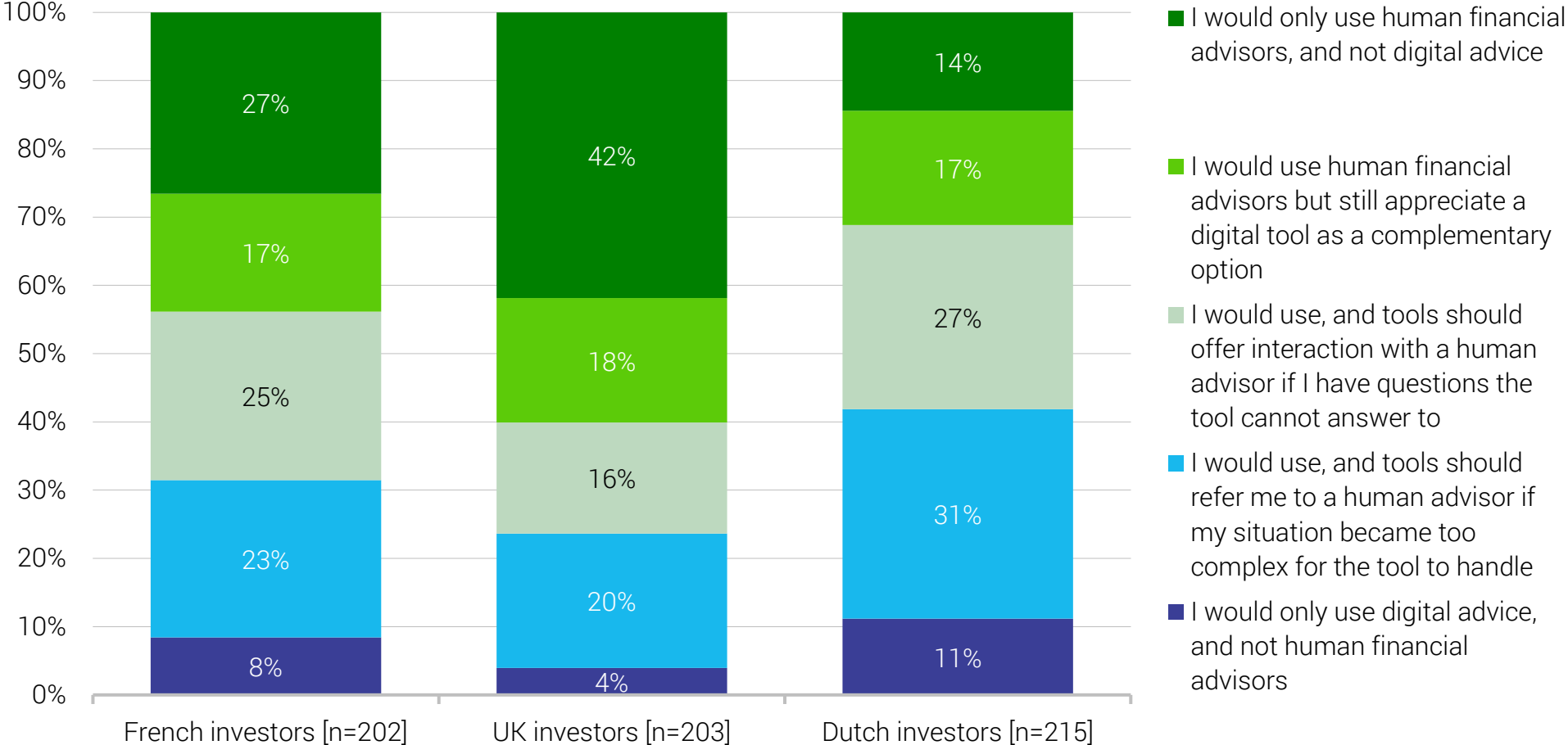
Q14 If clients always had to pay a fee for investment advice, how do you think this would affect the number of financial products you invest in? Among French investors [n=204]



^% Fewer or unsure = % saying 'Buy fewer products than currently' plus % saying 'Unsure'. Rounding to 60% for French investors

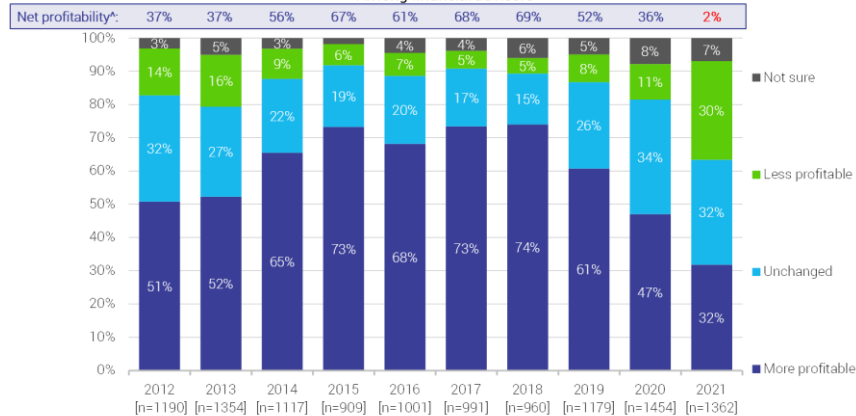
Insight #6: The overwhelming majority of investors in all three markets believe advice should always include, at least in part, a human component

Q15 Which of the following statements best describe how you think financial advisors and online tools should work together? Among investors



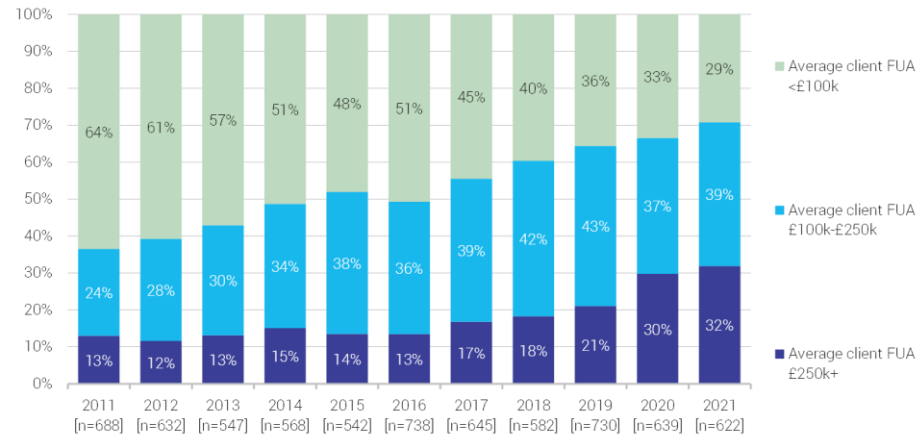
Investment Trends' research of UK and Australian advisers highlight the removal of trailing commissions resulted in significant compressions of margins and strong realignment of business models towards high-net-worth individuals

Q3 Roughly how profitable was your advice business this year versus the year before?
Among financial advisers



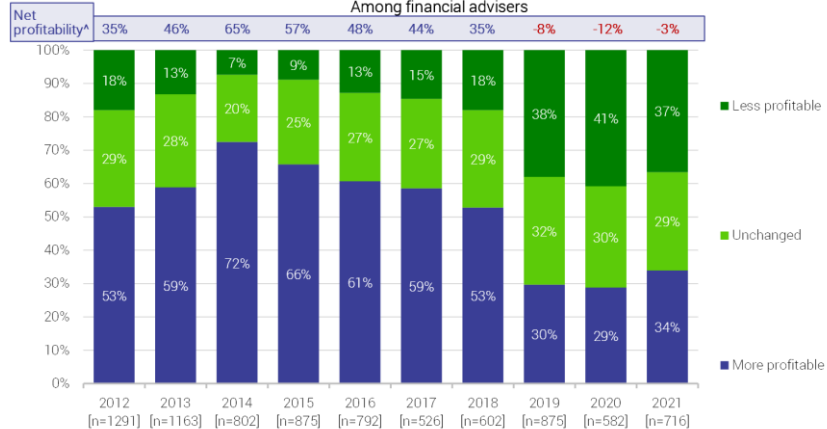
*Net profitability is calculated as 'More profitable' minus 'Less profitable' Source: Investment Trends 2021 UK Adviser Technology & Business Report

Q95 Funds under advice (FUA) per client (Based on both active and passive clients)
Among financial advisers



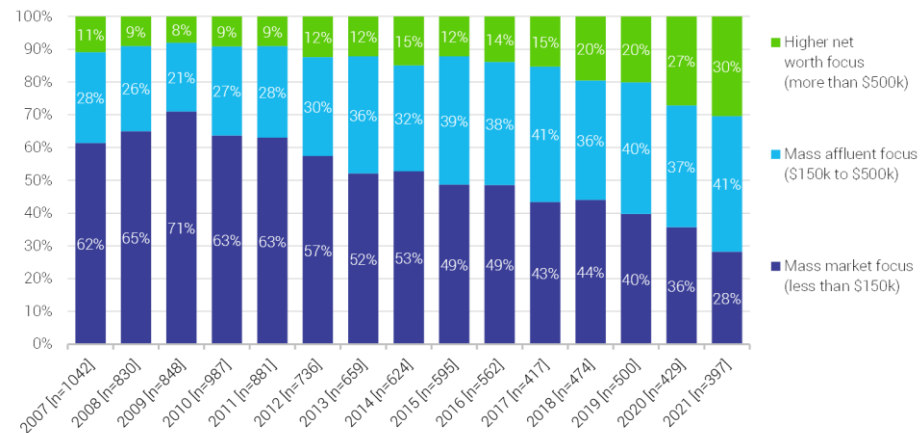
UK

Q3 Roughly how profitable was your planning practice this year versus the year before?
Among financial advisers



*Calculated as 'More profitable' - 'Less profitable' Source: Investment Trends 2021 Adviser Business Model Report

Funds under advice (FUA) per client
Among financial advisers



Australia



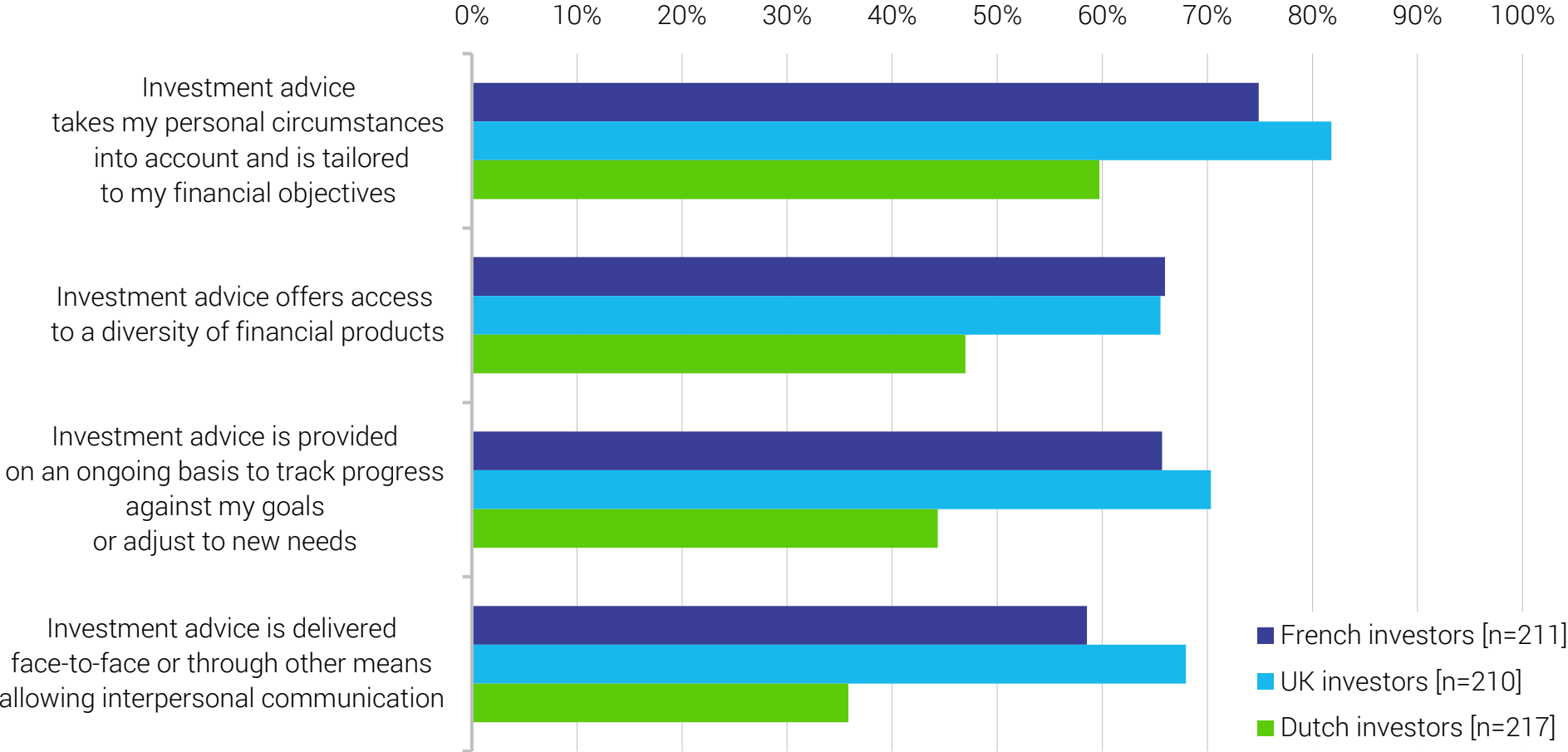
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Valued aspects of financial advice

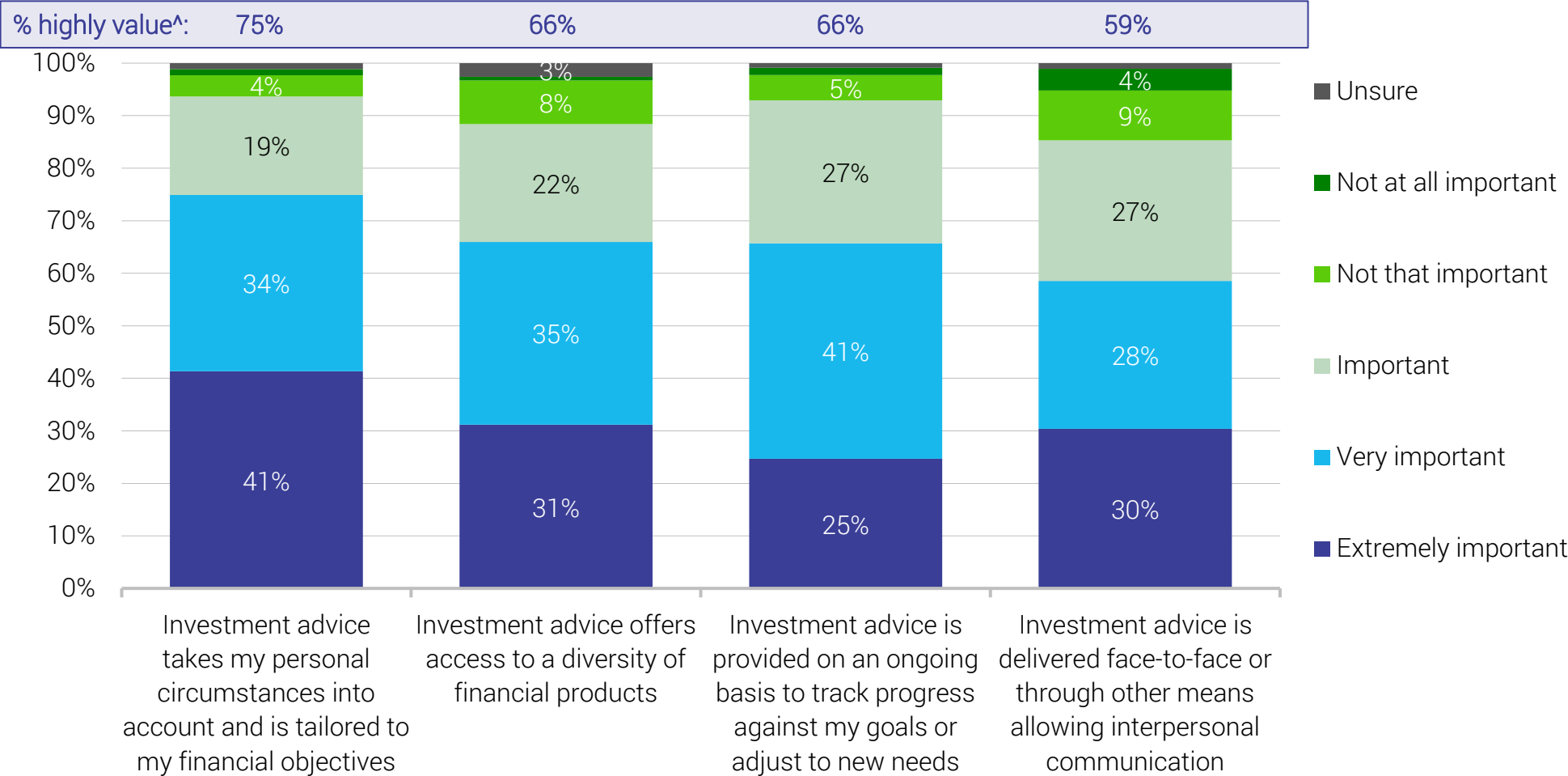
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Importance of advice for French investors

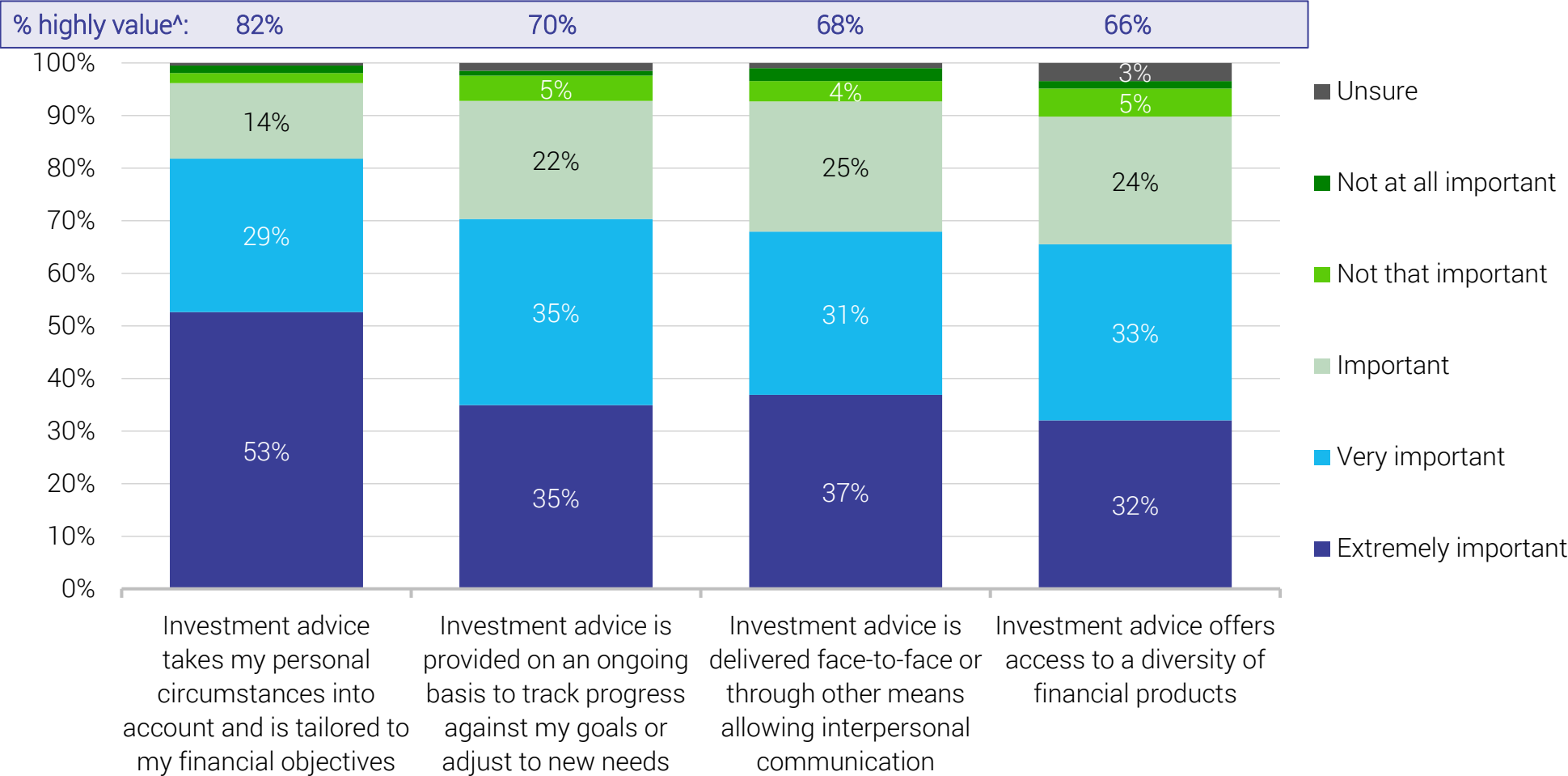
Q5 If you were to receive advice in relation to your investments, how important is each of the following?
Among French investors [n=211]



^% highly value = % Extremely important + % Very important

Importance of advice for UK investors

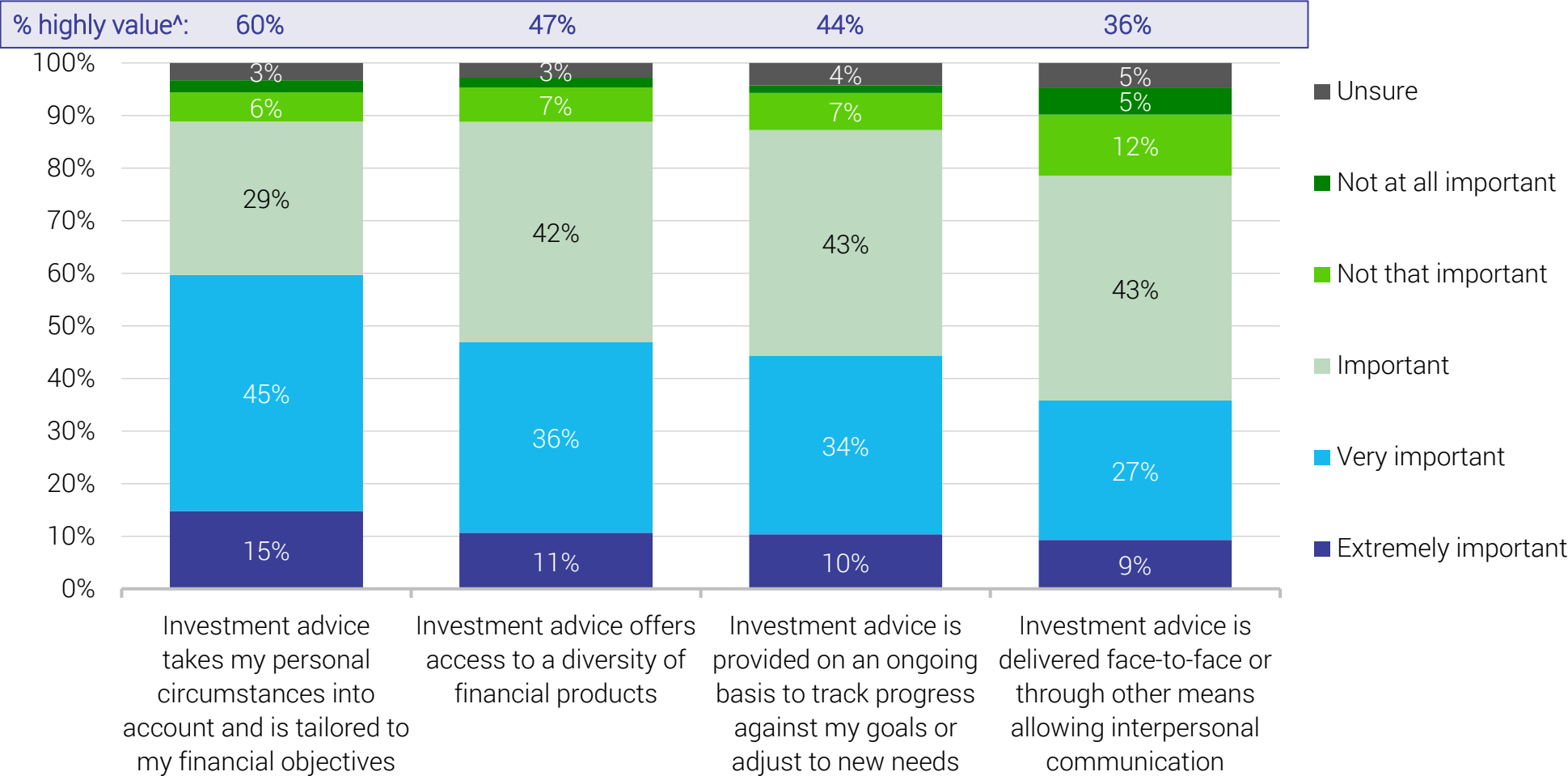
Q5 If you were to receive advice in relation to your investments, how important is each of the following?
Among UK investors [n=210]



^% highly value = % Extremely important + % Very important

Importance of advice for Dutch investors

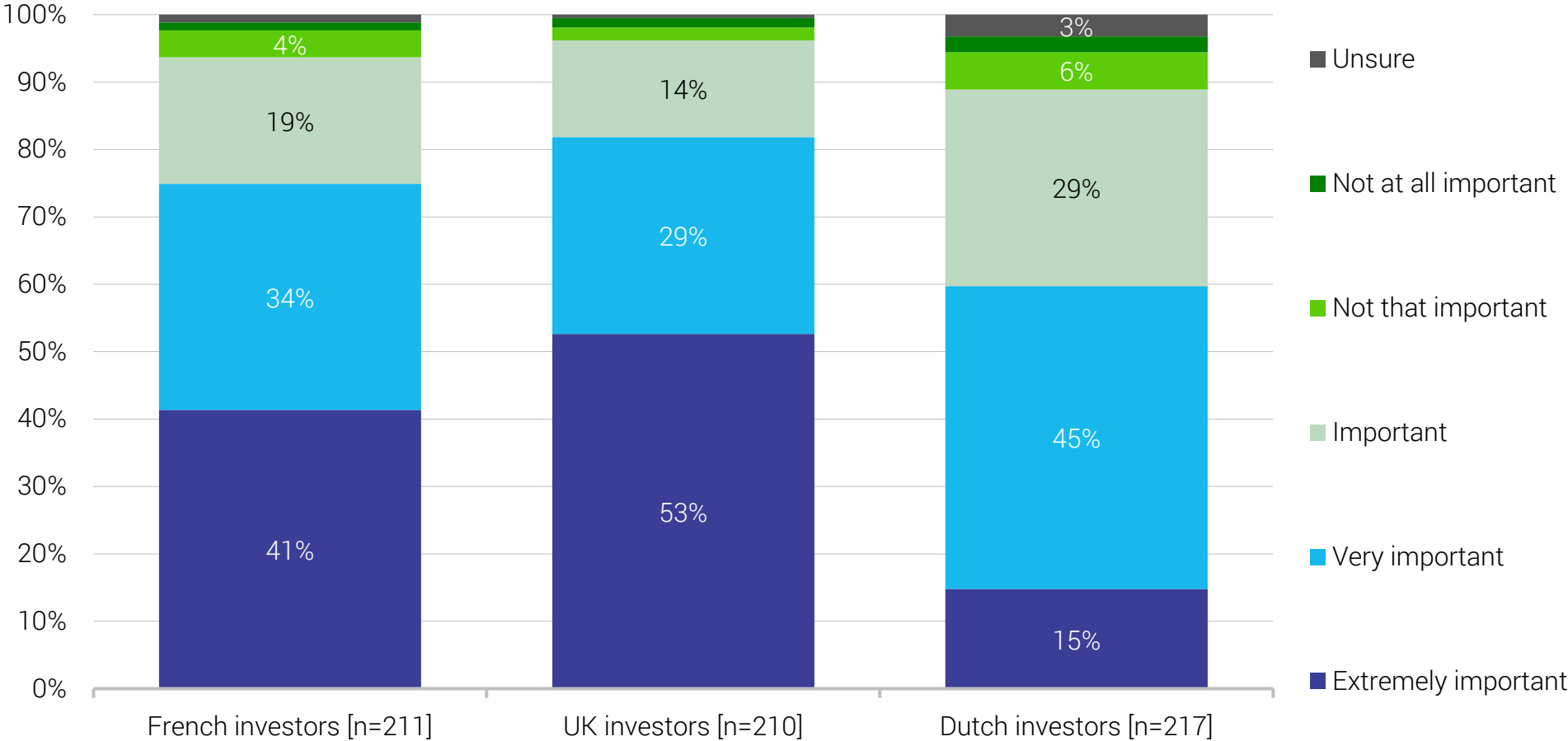
Q5 If you were to receive advice in relation to your investments, how important is each of the following?
Among Dutch investors [n=217]



^% highly value = % Extremely important + % Very important

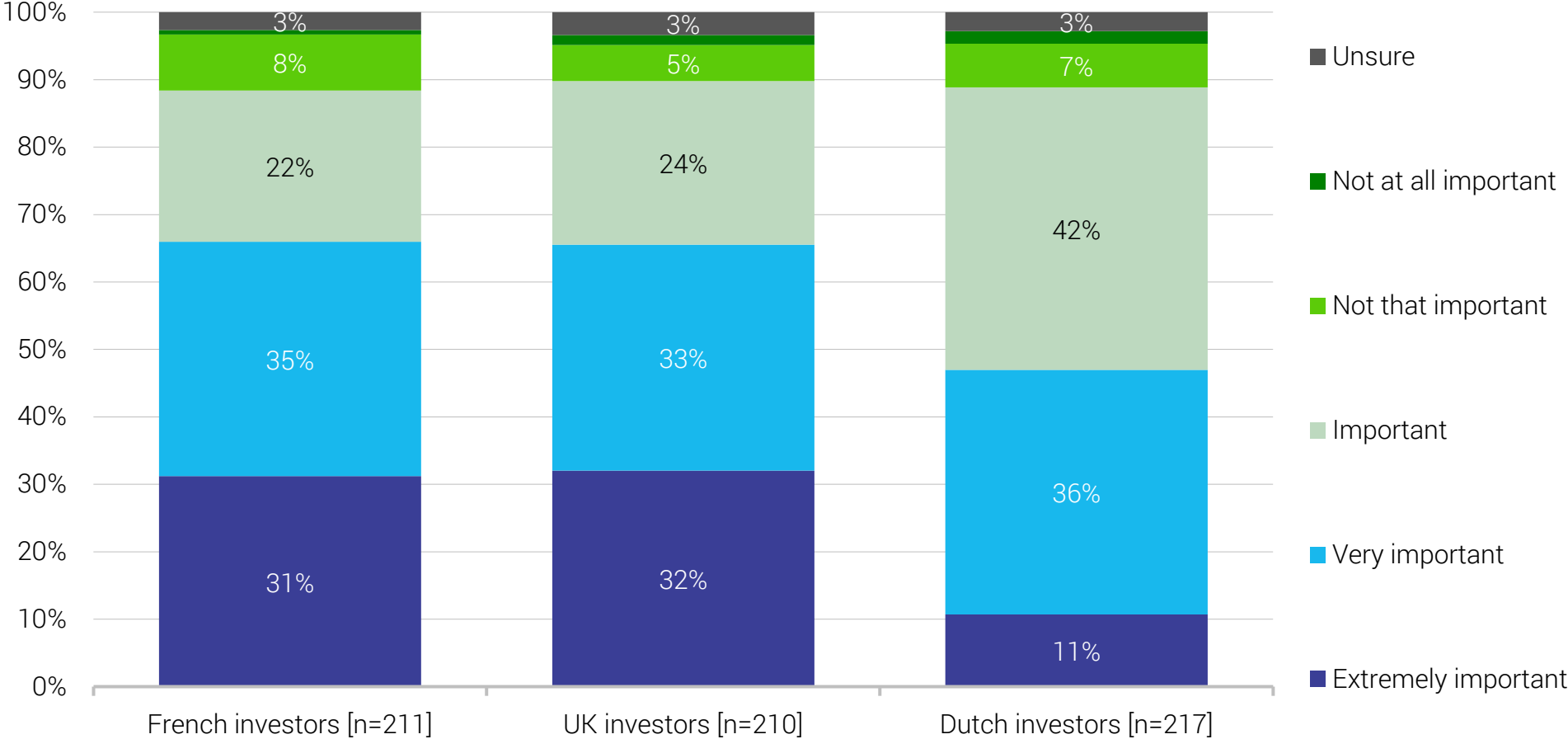
Importance of advice that is delivered through interpersonal communication: French vs UK vs Dutch investors

Q5 If you were to receive advice in relation to your investments, how important is each of the following?
 Investment advice takes my personal circumstances into account and is tailored to my financial objectives. Among investors



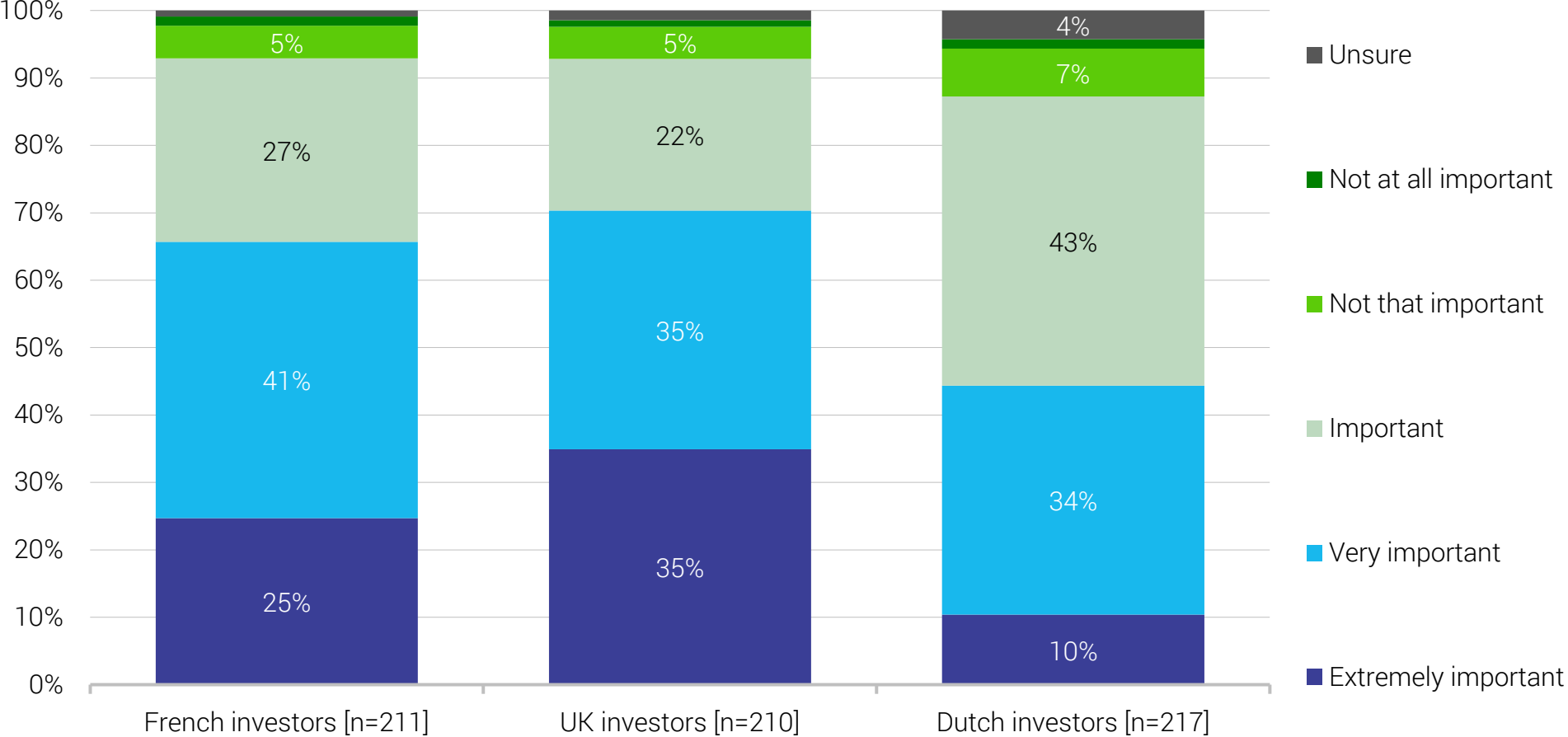
Importance of advice that offers access to a diverse range of financial products: French vs UK vs Dutch investors

Q5 If you were to receive advice in relation to your investments, how important is each of the following?
 Investment advice offers access to a diversity of financial products
 Among investors



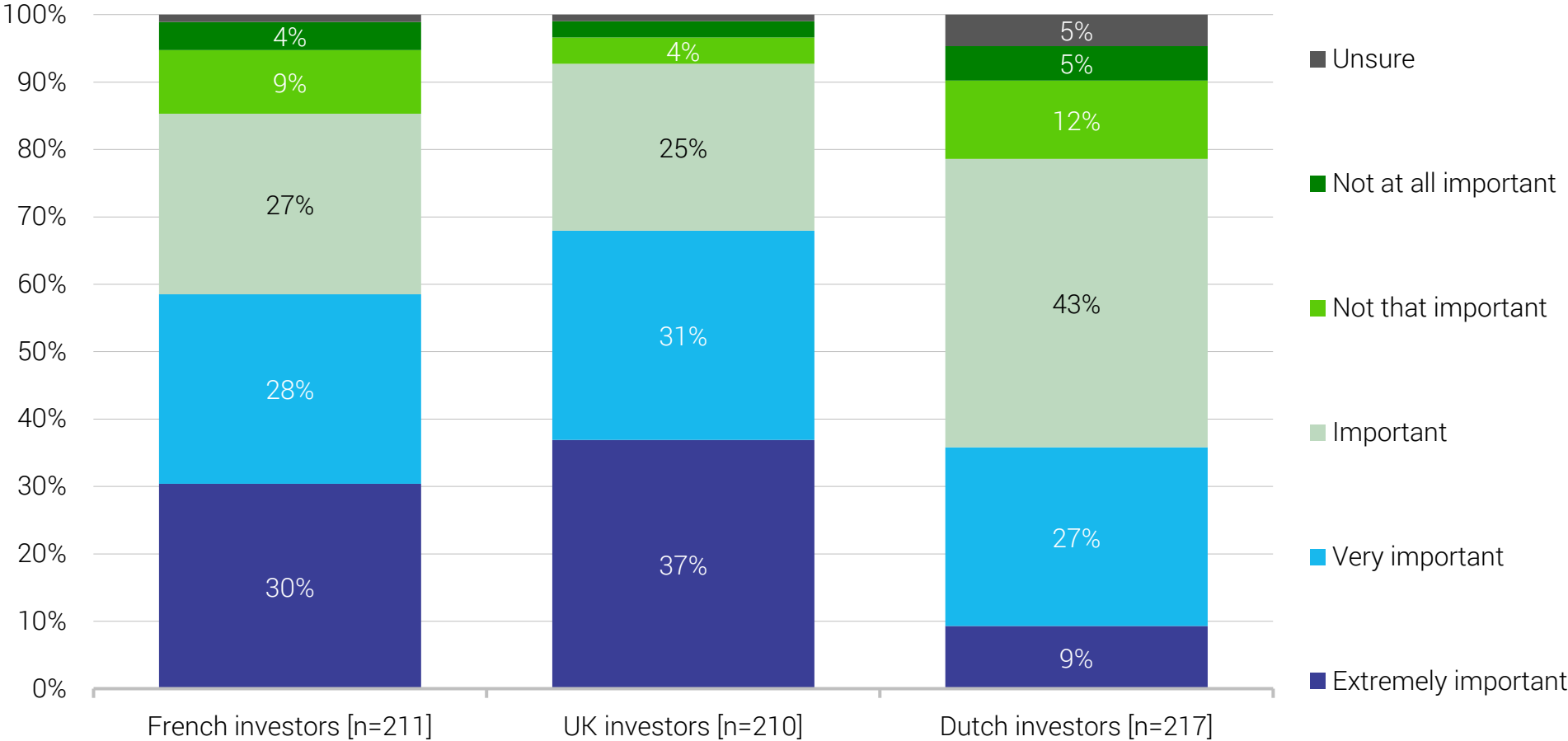
Importance of advice that is ongoing and tracks progress against goals: French vs UK vs Dutch investors

Q5 If you were to receive advice in relation to your investments, how important is each of the following?
 Investment advice is provided on an ongoing basis to track progress against my goals or adjust to new needs. Among investors



Importance of advice that is tailored to personal circumstances and objectives: French vs UK vs Dutch investors

Q5 If you were to receive advice in relation to your investments, how important is each of the following?
 Investment advice is delivered face-to-face or through other means allowing interpersonal communication. Among investors





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Confidence in investing without guidance

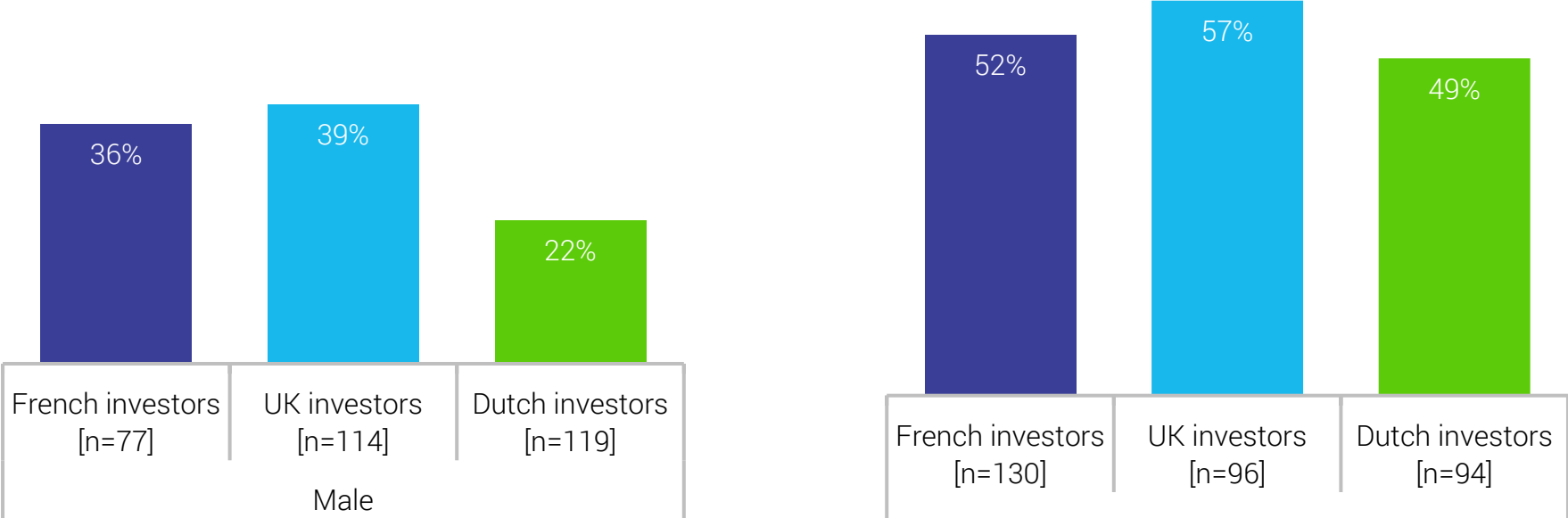


Insight #2: Consistently across the three countries, female investors express lower confidence than their male counterparts in making investment decisions without guidance. French investors are much less confident than their UK or Dutch peers

Proportion of investors who are uncomfortable[^] making investment decisions without guidance
Among investors

Male investors

Female investors

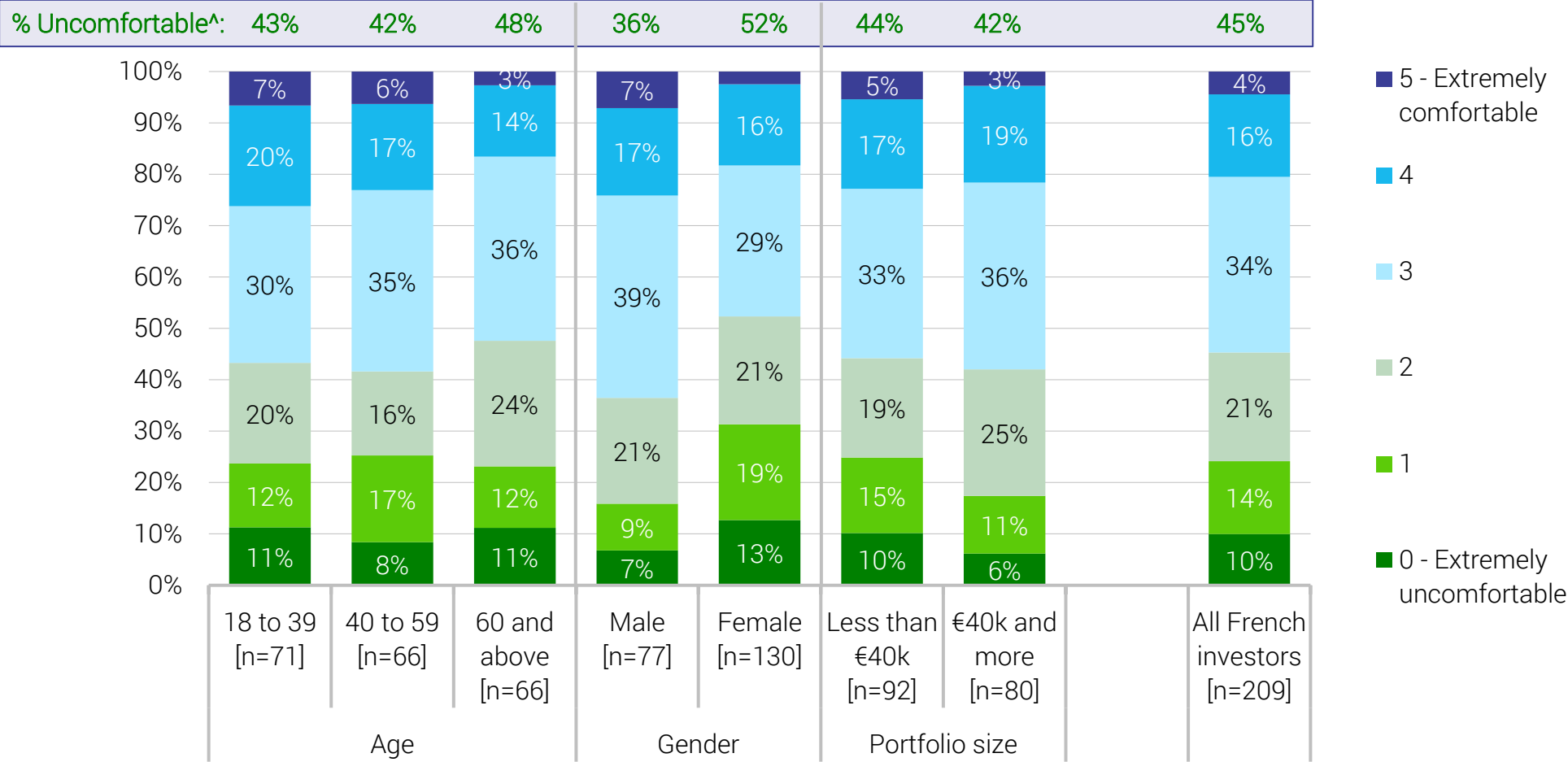


[^]Those who rate their level of comfort from 0 to 2.

Note: Based on Q6 How comfortable do you feel making all investment decisions without any financial advisor to guide you? 0 – Extremely uncomfortable to 5 – Extremely comfortable

Less wealthy investors and female investors are less likely to feel comfortable making investment decisions without the guidance of a financial advisor

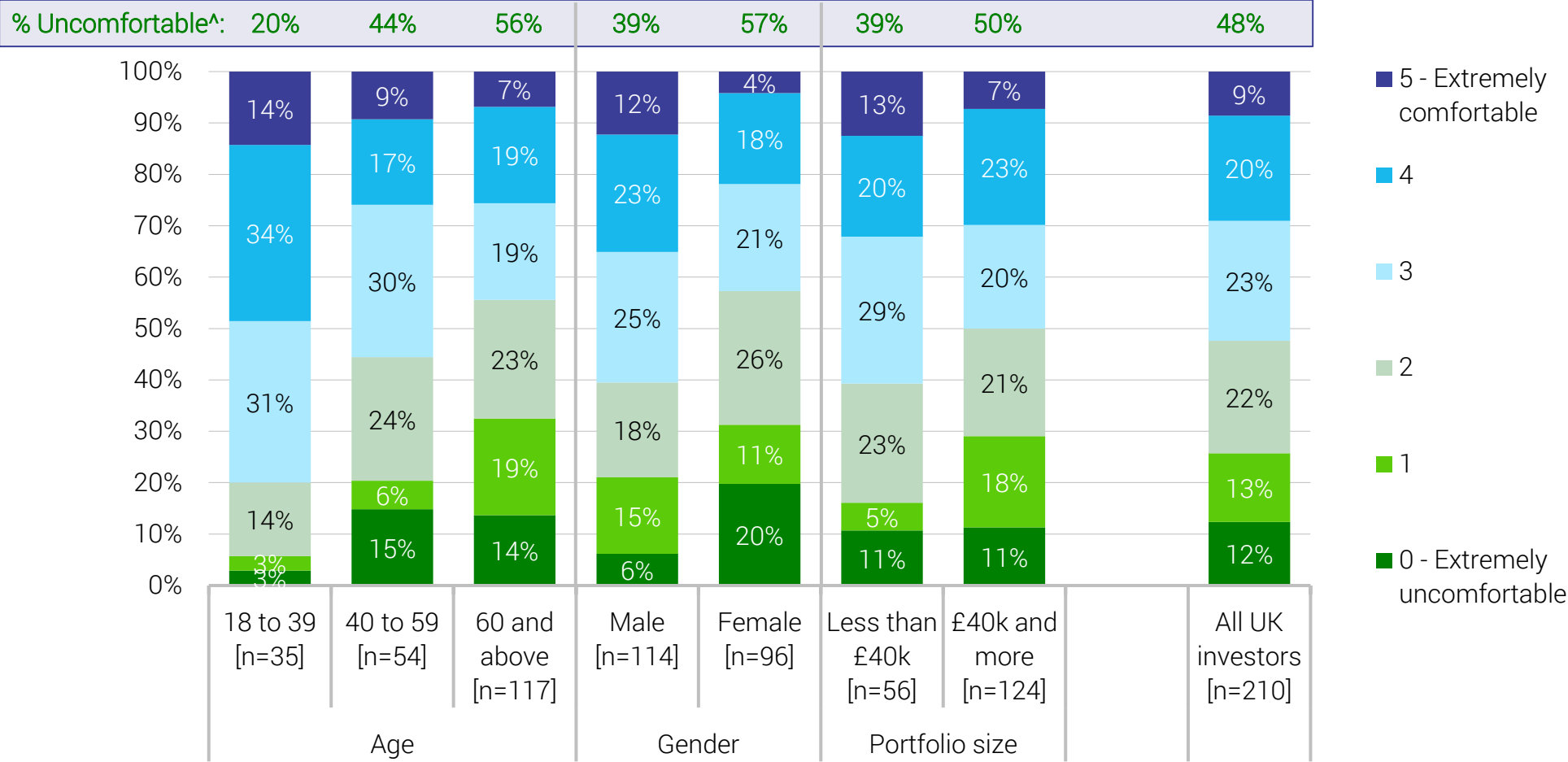
Q6 How comfortable do you feel making all investment decisions without any financial advisor to guide you?
Among French investors



^Proportion of those who rate their level of comfort from 0 to 2.

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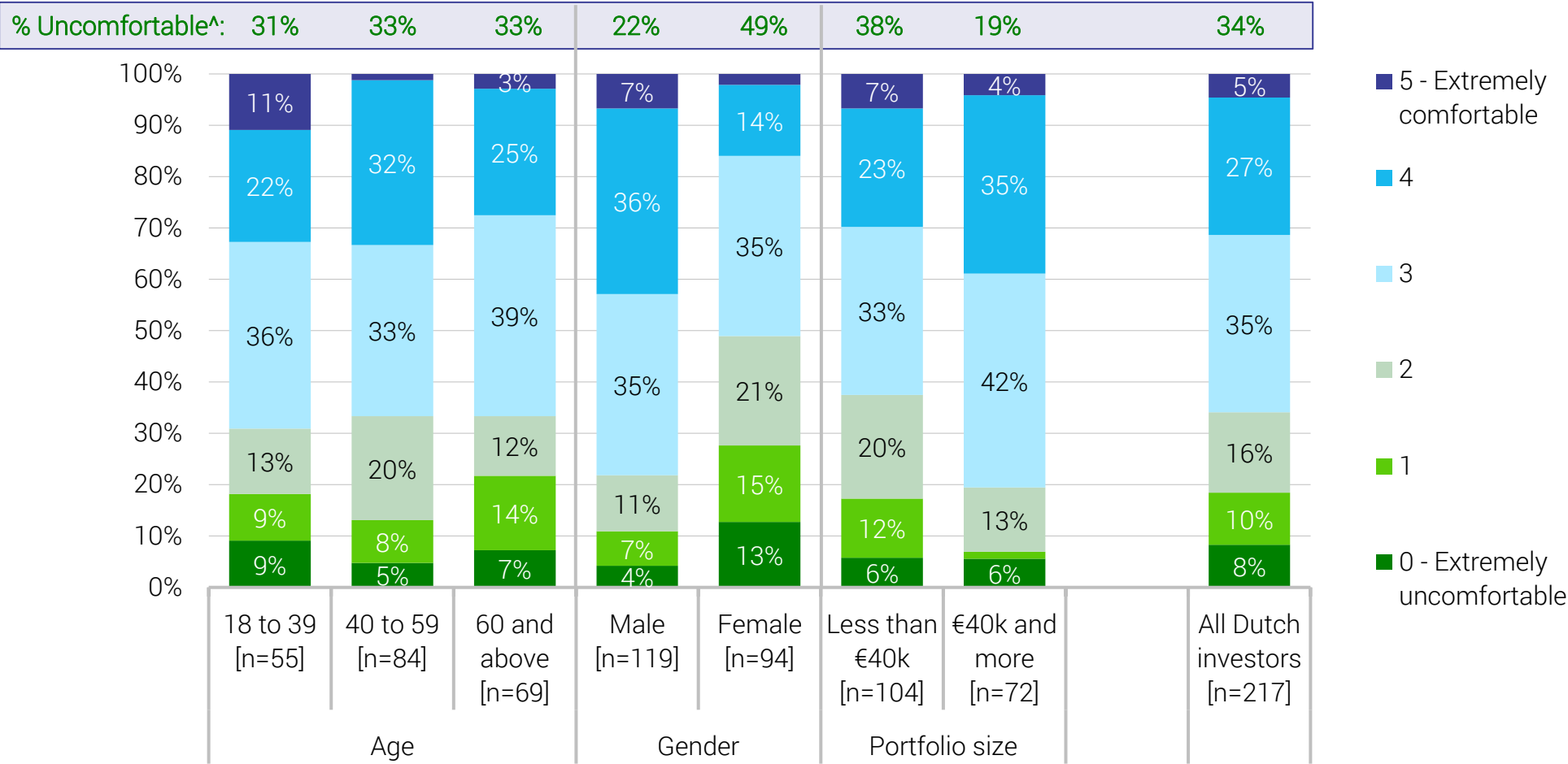
Q6 How comfortable do you feel making all investment decisions without any financial advisor to guide you?
Among UK investors



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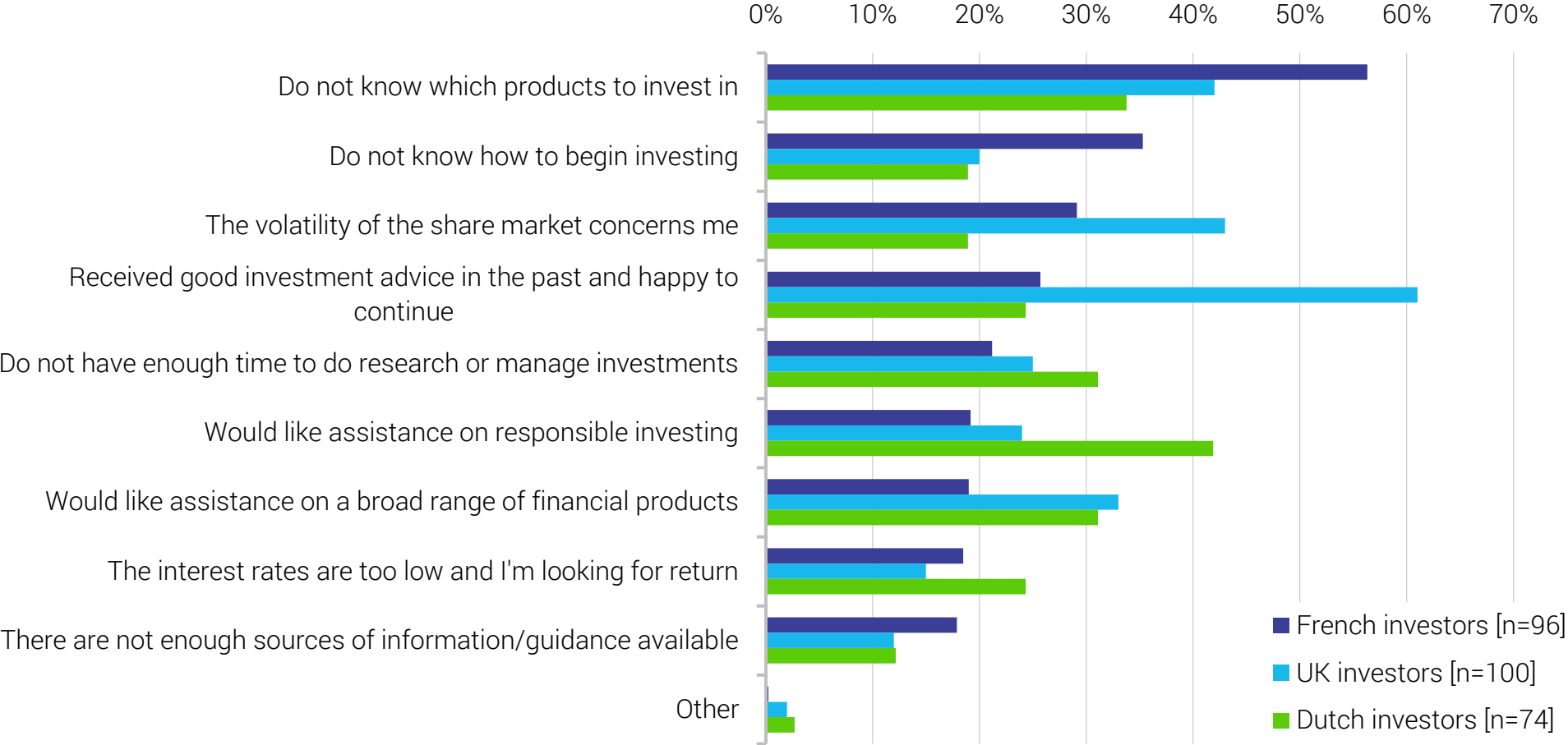
Q6 How comfortable do you feel making all investment decisions without any financial advisor to guide you?
Among Dutch investors



^Proportion of those who rate their level of comfort from 0 to 2.

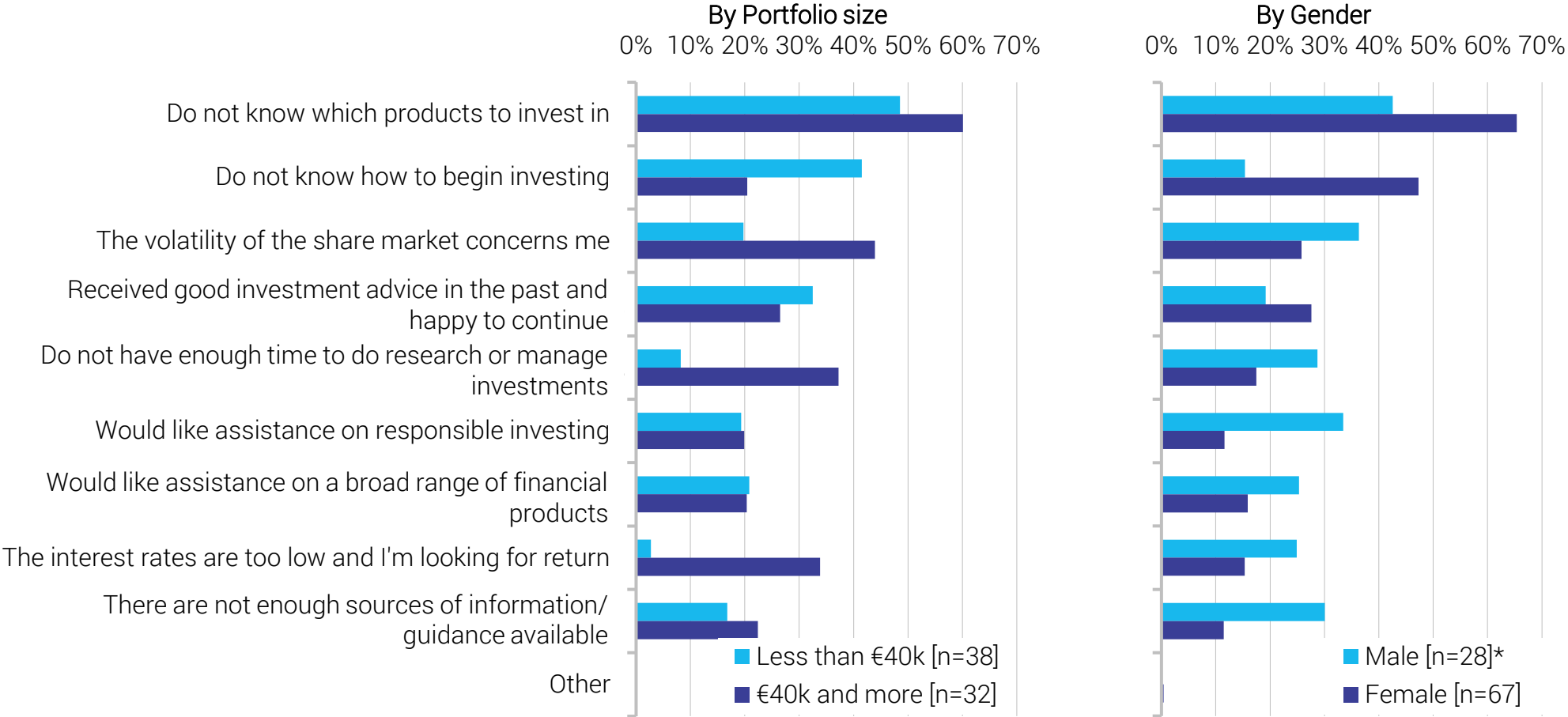
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Q8 Why do you say that you would feel uncomfortable making all investment decisions without any financial advisor to guide you? (Multiple responses permitted) Among investors who rated 2 or below on level of comfort with making decisions unadvised



Barriers to self-directed investing among French investors split by wealth and gender

Q8 Why do you say that you would feel uncomfortable making all investment decisions without any financial advisor to guide you? (Multiple responses permitted) Among French investors who rated 2 or below on level of comfort with making decisions unadvised[^]

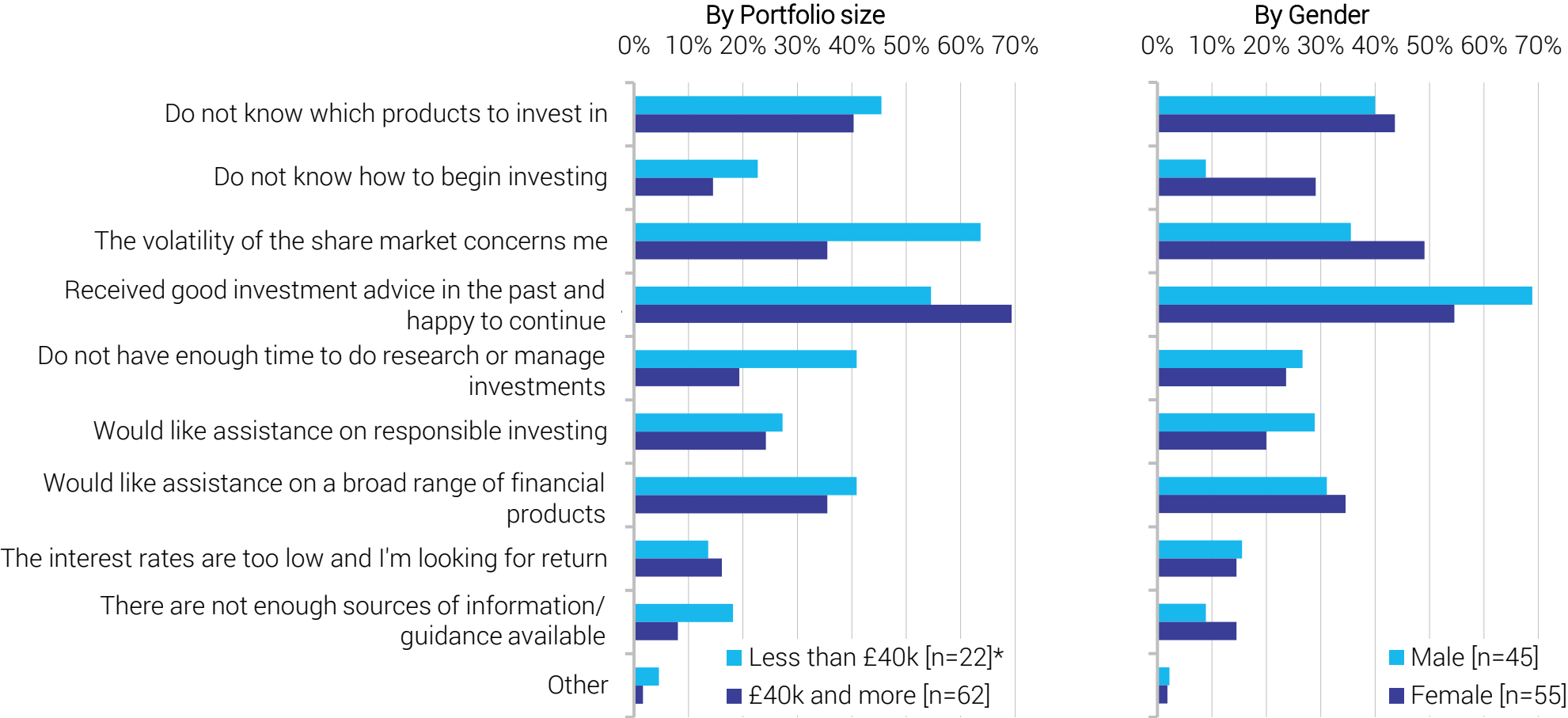


*Small sample, indicative only

[^] Based on Q6 How comfortable do you feel making all investment decisions without any financial advisor to guide you? 0 – Extremely uncomfortable to 5 – Extremely comfortable

Barriers to self-directed investing among UK investors split by wealth and gender

Q8 Why do you say that you would feel uncomfortable making all investment decisions without any financial advisor to guide you? (Multiple responses permitted) Among UK investors who rated 2 or below on level of comfort with making decisions unadvised[^]

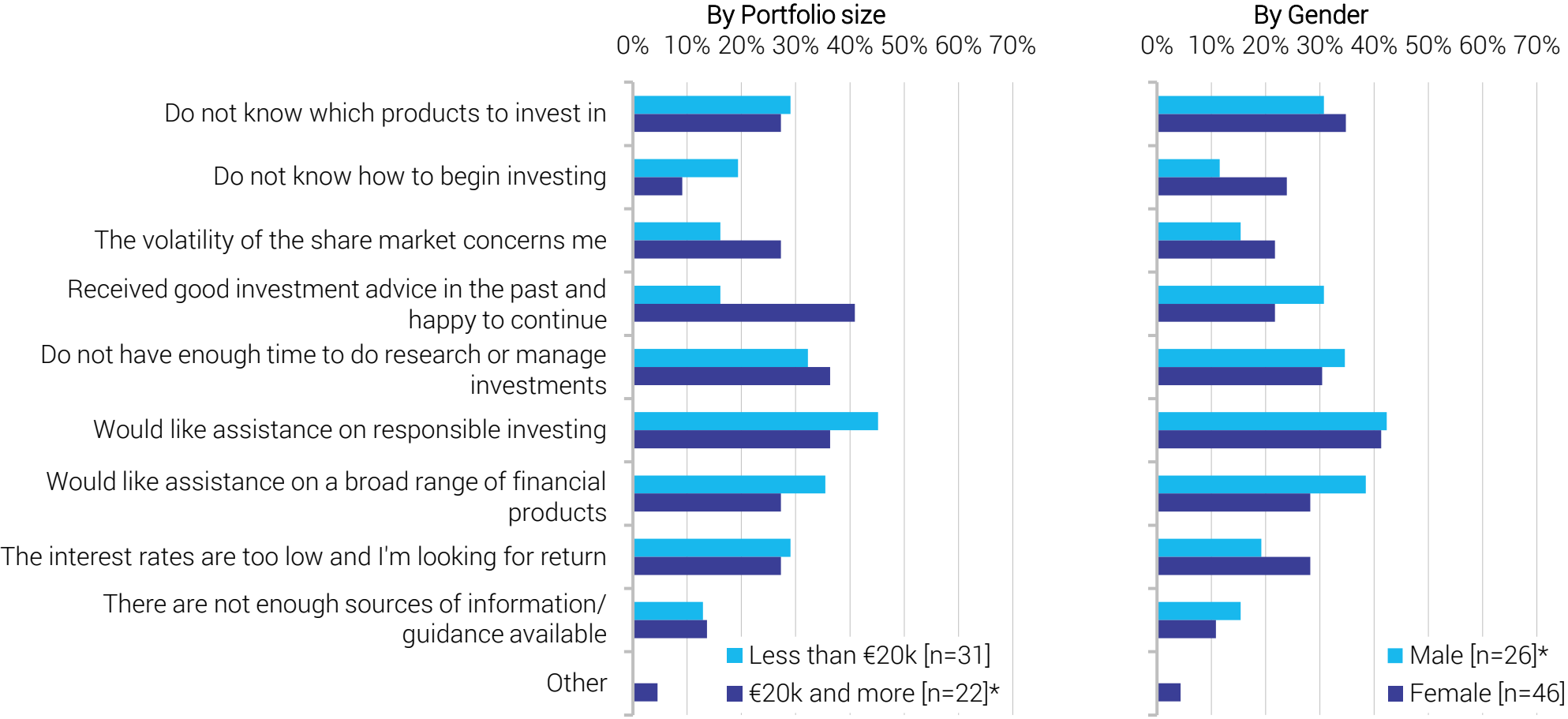


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Barriers to self-directed investing among Dutch investors split by wealth and gender

Q8 Why do you say that you would feel uncomfortable making all investment decisions without any financial advisor to guide you? (Multiple responses permitted) Among Dutch investors who rated 2 or below on level of comfort with making decisions unadvised[^]



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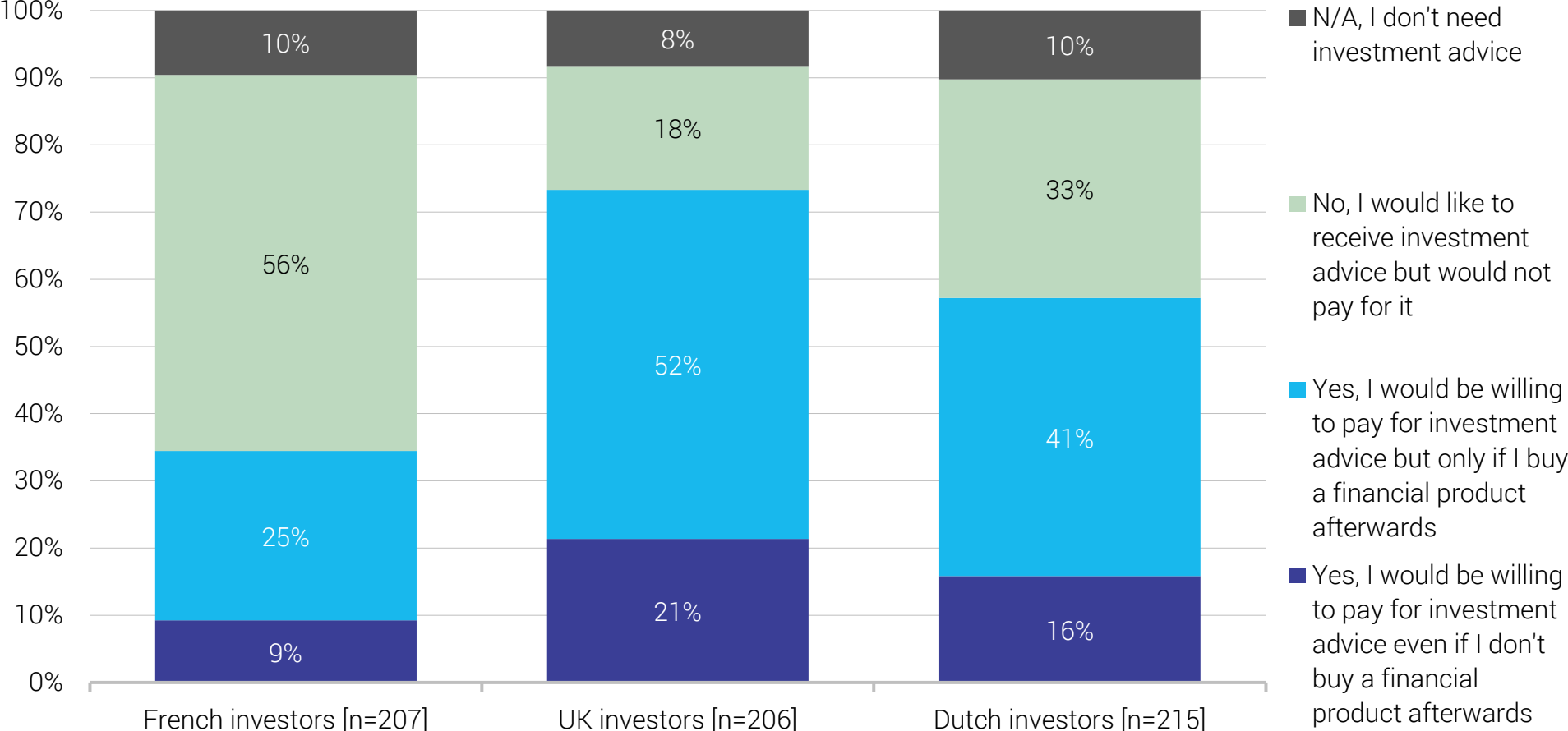
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Cost of investment advice

On a net basis, investors expect that a requirement for advice fees to be paid upfront would restrict the range of products they use. Investors are the most reluctant to pay for advice when there is no subsequent purchase of a financial product

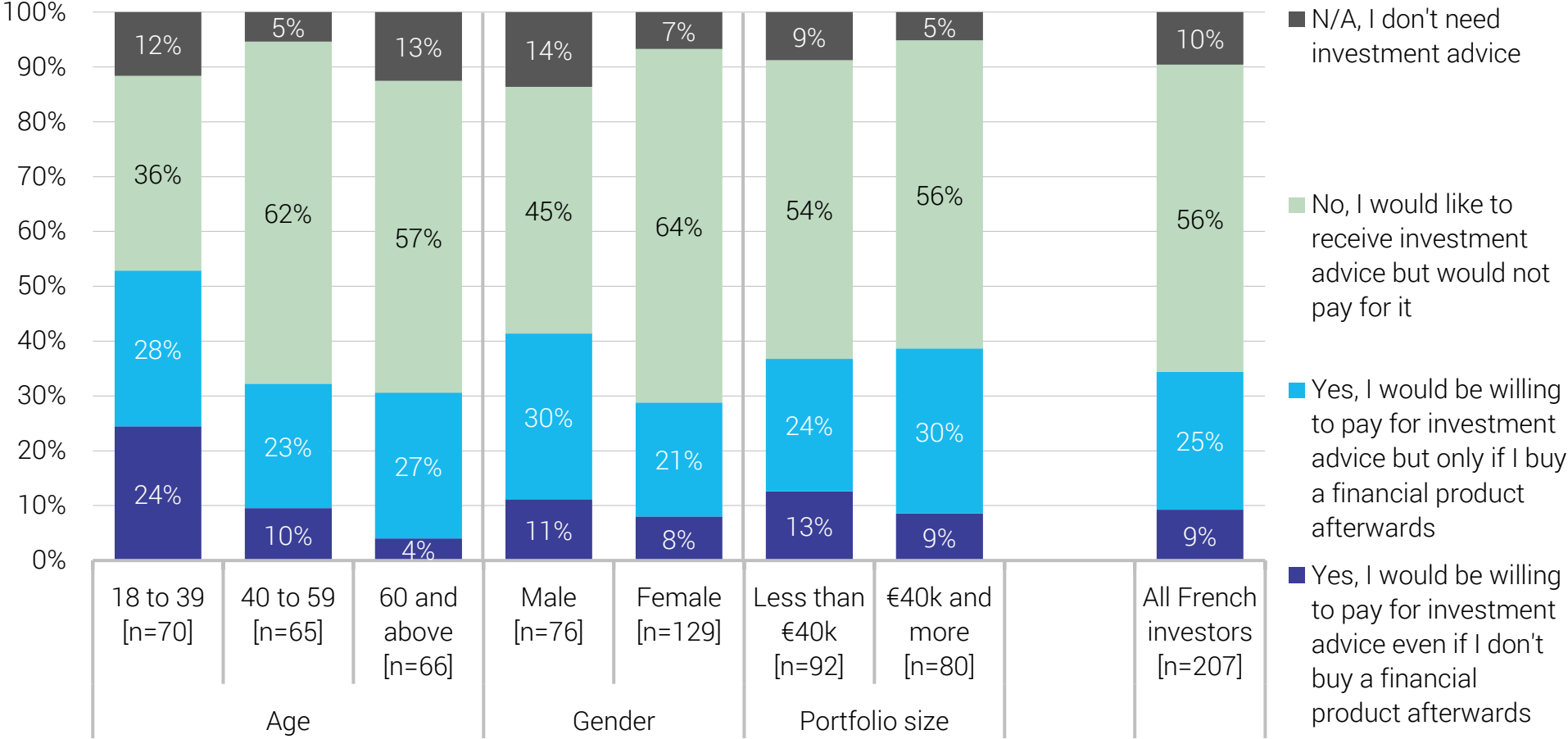
Insight #4: French investors are the least likely to be open to pay for investment advice upfront. Across the three markets, there is a stronger inclination to pay when the advice is followed by a financial product purchase

Q11 Would you be willing to pay for investment advice?
Among investors



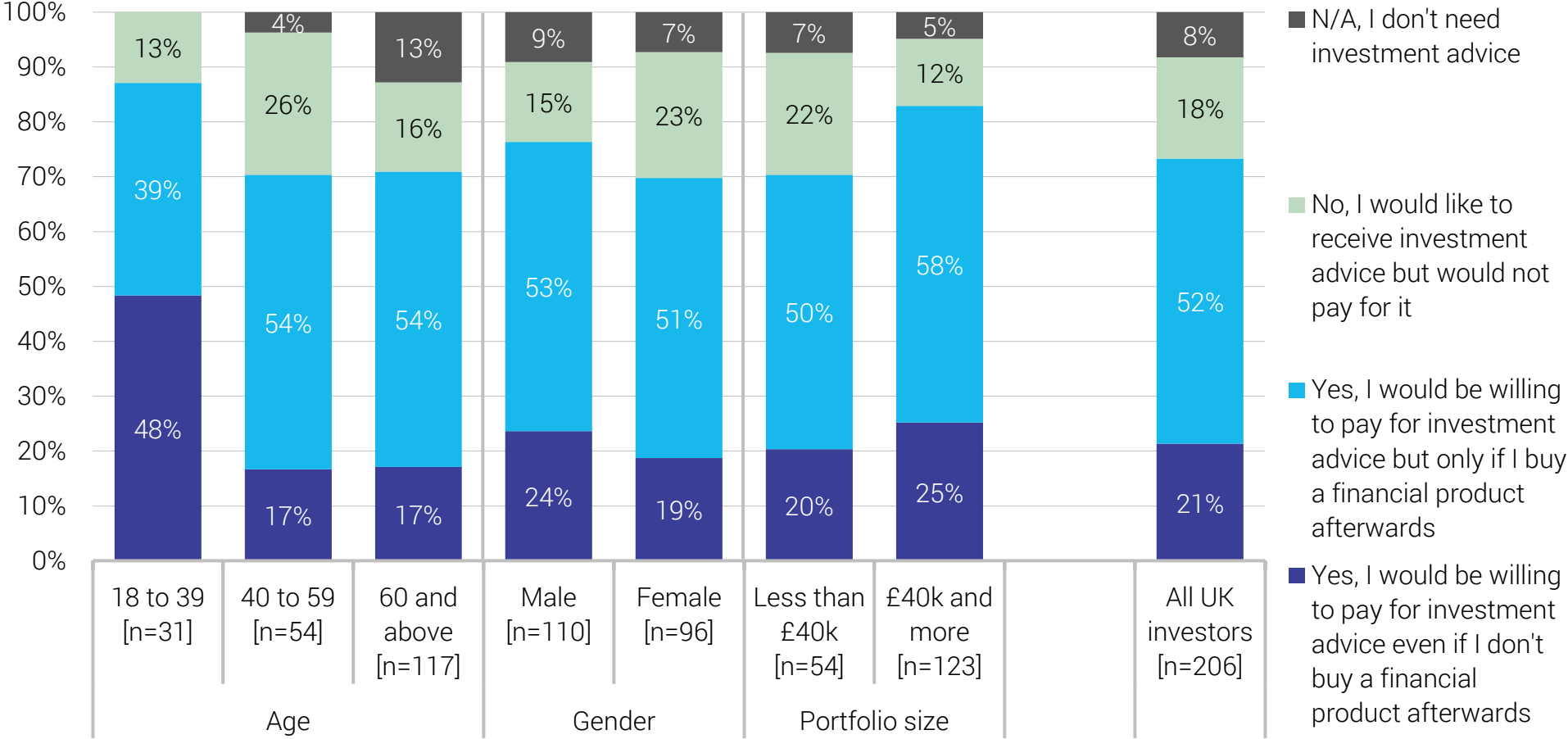
Appetite to pay for investment advice among French investors

Q11 Would you be willing to pay for investment advice?
Among French investors



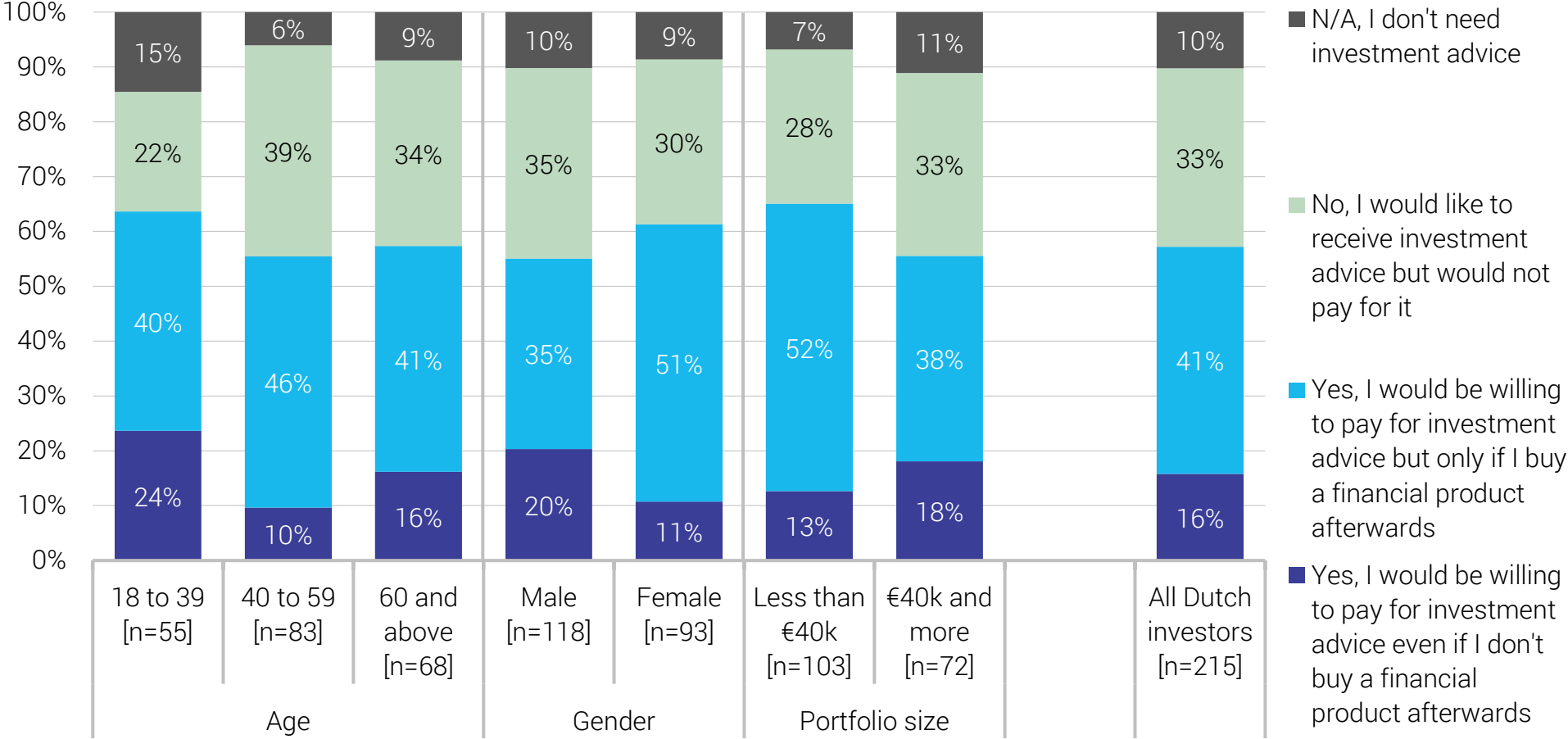
Appetite to pay for investment advice among UK investors

Q11 Would you be willing to pay for investment advice?
Among UK investors



Appetite to pay for investment advice among Dutch investors

Q11 Would you be willing to pay for investment advice?
Among Dutch investors



Insight #5: Three in five (60%) French investors are either unsure or believe they would buy fewer products if they had to pay a fee for investment advice (on top of product costs)

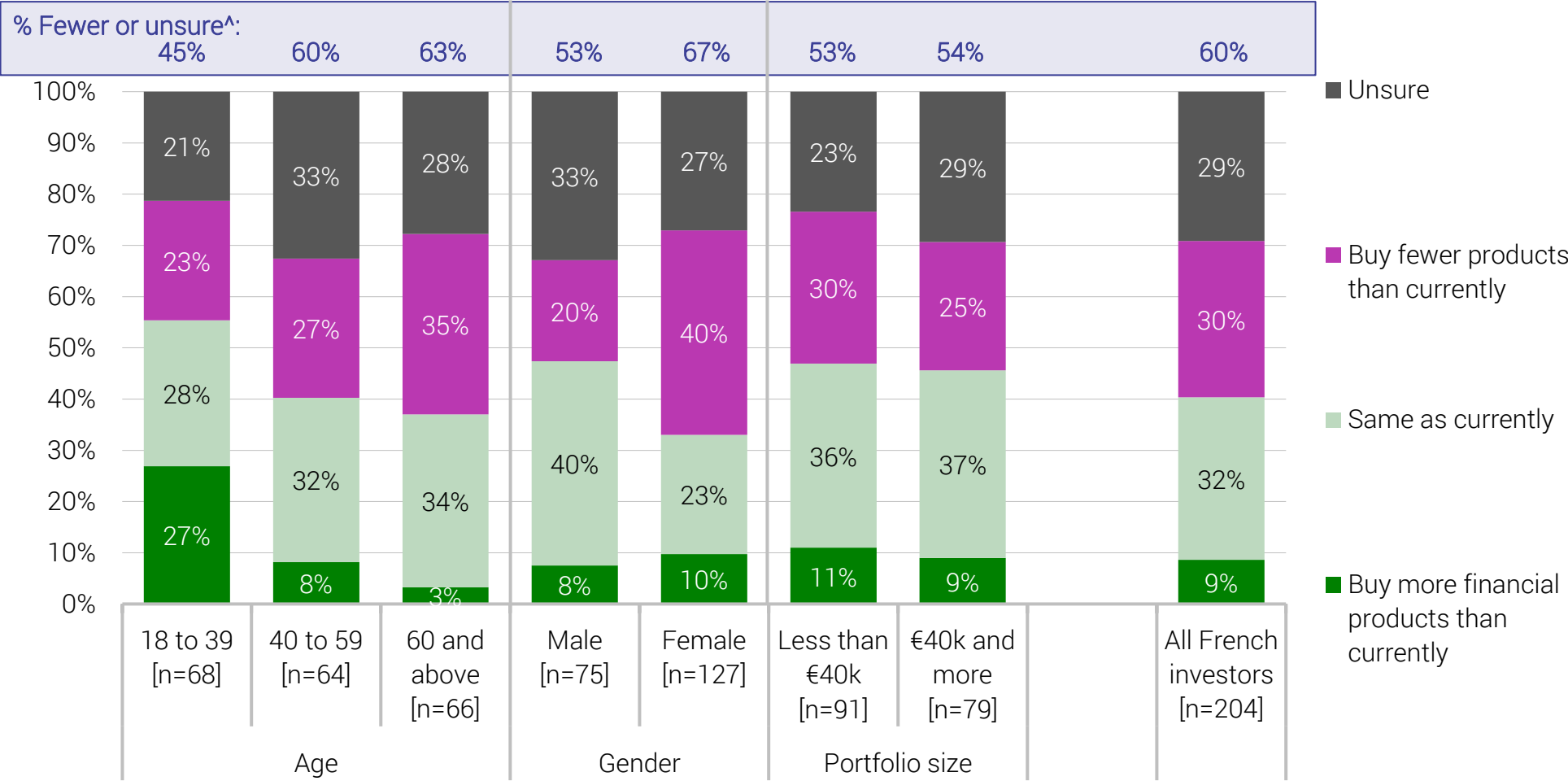
Q14 If clients always had to pay a fee for investment advice, how do you think this would affect the number of financial products you invest in? Among French investors [n=204]



^% Fewer or unsure = % saying 'Buy fewer products than currently' plus % saying 'Unsure'. Rounding to 60% for French investors

Perceived impact of upfront fees among French investors

Q14 If clients always had to pay a fee for investment advice, how do you think this would affect the number of financial products you invest in? Among French investors



^% Fewer or unsure = % saying 'Buy fewer products than currently' plus % saying 'Unsure'

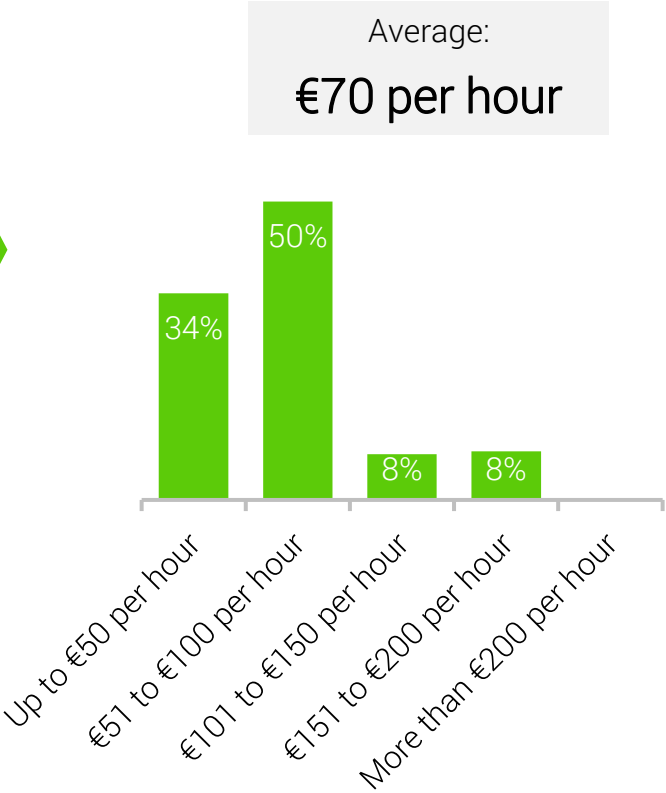
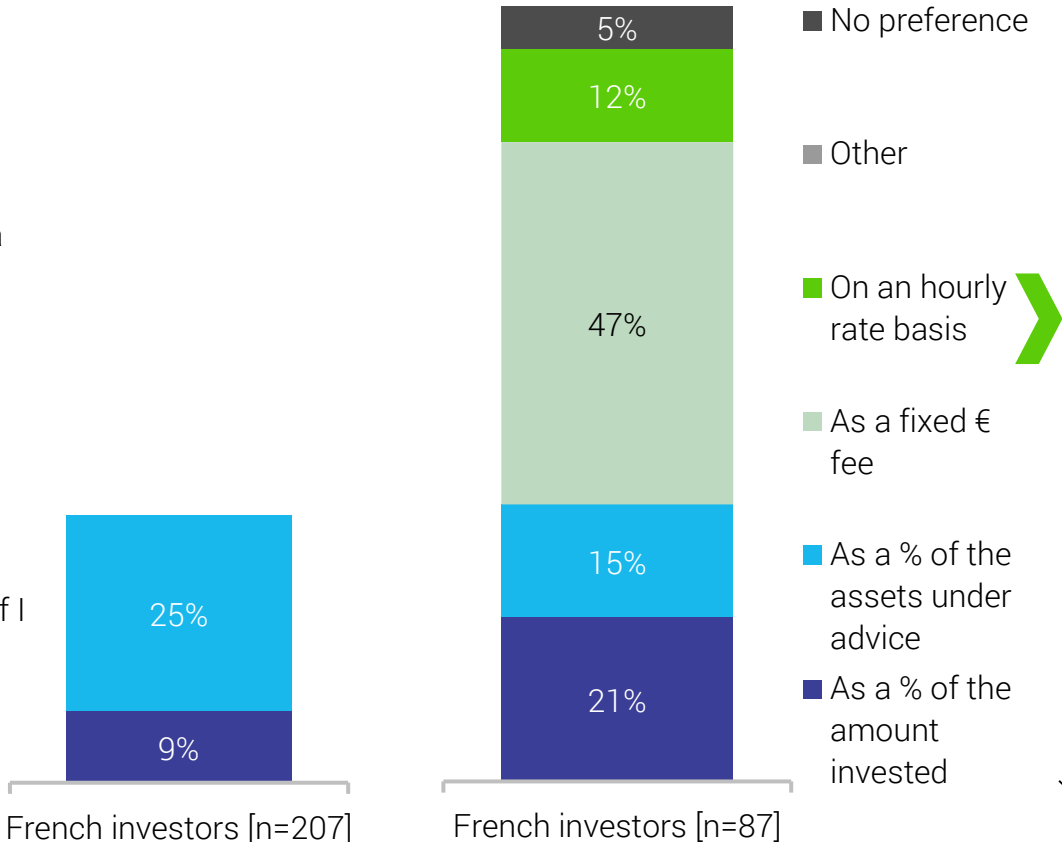
France: Only 12% of those open to paying upfront on top of product costs would prefer the hourly rate model. They most often favour the fixed-fee approach (47%), followed by the percentage based on the amount invested (21%)

Q11 Would you be willing to pay for investment advice?
Among French investors

Q12 How would you prefer the cost of this investment advice to be calculated?
Among French investors who would be willing to pay for investment advice

Q13 What is the most you would be willing to pay for investment advice? Among French investors who would be willing to pay for investment advice on an hourly rate basis [n=34]^

- Yes, I would be willing to pay for investment advice but only if I buy a financial product afterwards
- Yes, I would be willing to pay for investment advice even if I don't buy a financial product afterwards



^Sample is from those who answered "Yes, even if I don't buy a financial product afterwards" in Q11 plus those who answered "Yes, only if I buy a financial product afterwards" in Q11 and "On an hourly rate basis" in Q12

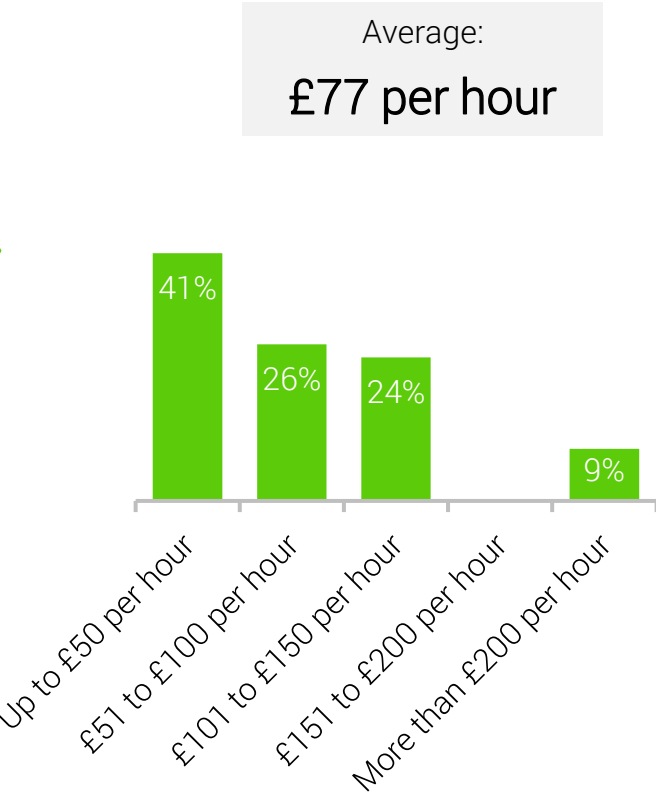
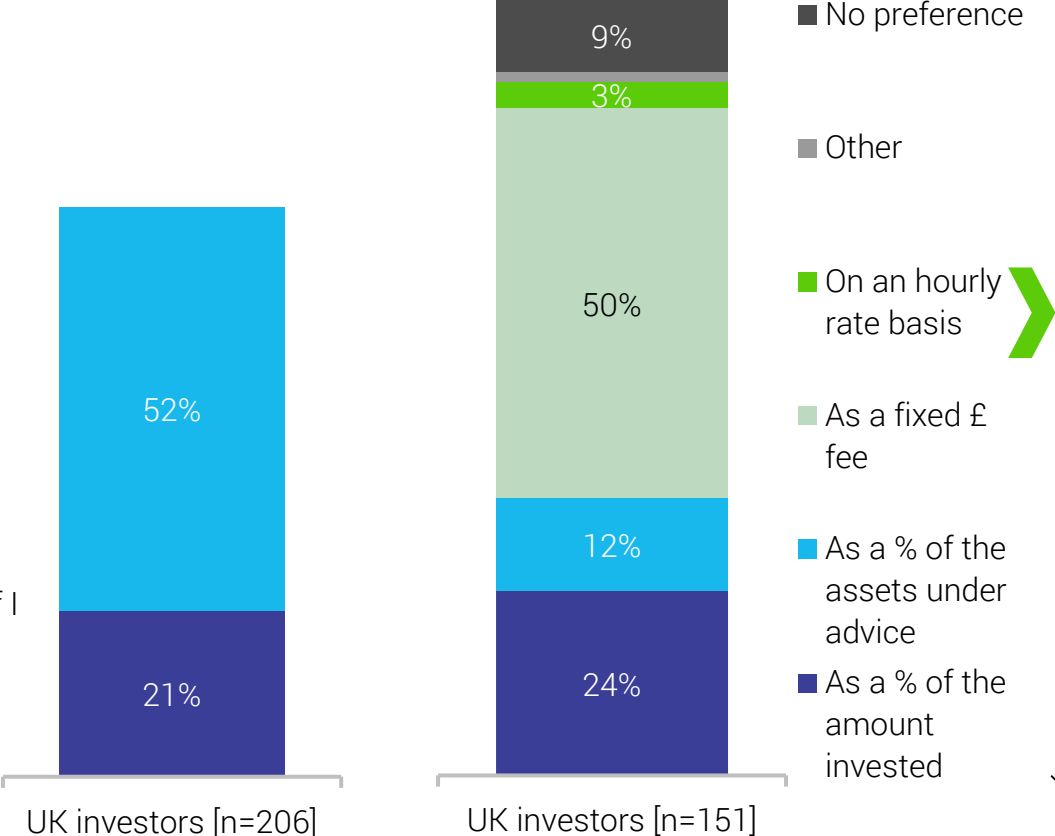
UK: Very few UK investors open to paying upfront would prefer the hourly rate model. For those who do, they most often favour the fixed-fee approach (50%), followed by a percentage based on the amount invested (24%)

Q11 Would you be willing to pay for investment advice?
Among UK investors

Q12 How would you prefer the cost of this investment advice to be calculated?
Among UK investors who would be willing to pay for investment advice

Q13 What is the most you would be willing to pay for investment advice? Among UK investors who would be willing to pay for investment advice on an hourly rate basis [n=46]^

- Yes, I would be willing to pay for investment advice but only if I buy a financial product afterwards
- Yes, I would be willing to pay for investment advice even if I don't buy a financial product afterwards



^Sample is from those who answered "Yes, even if I don't buy a financial product afterwards" in Q11 plus those who answered "Yes, only if I buy a financial product afterwards" in Q11 and "On an hourly rate basis" in Q12

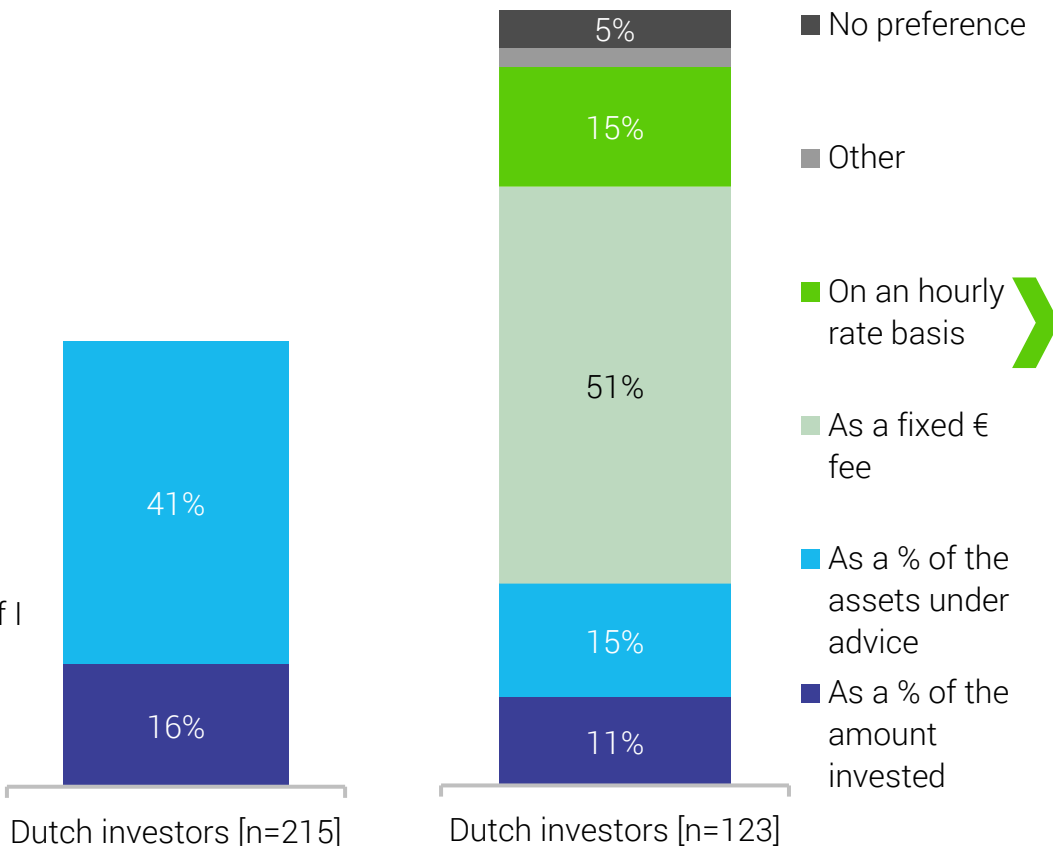
The Netherlands: Dutch investors are the most open to paying upfront at an hourly rate (15% cite). They however much prefer the fixed-fee approach (51%), and are as likely to favour a percentage based on the amount under advice (15%)

Q11 Would you be willing to pay for investment advice?
Among Dutch investors

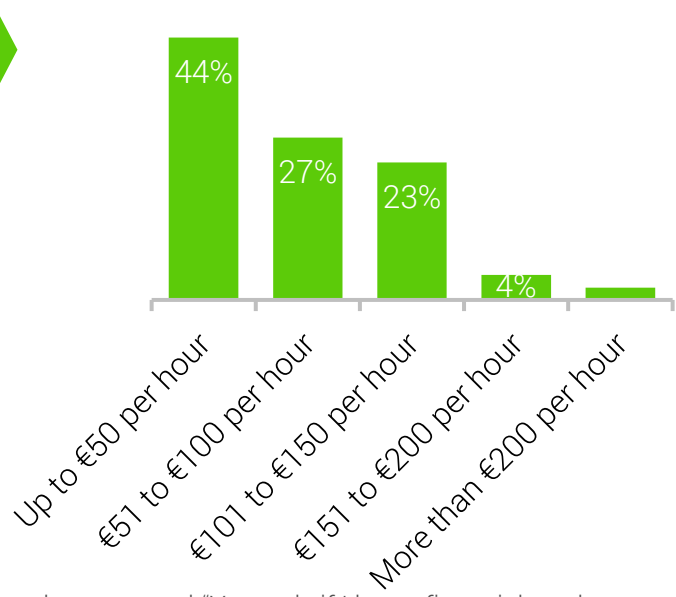
Q12 How would you prefer the cost of this investment advice to be calculated?
Among Dutch investors who would be willing to pay for investment advice

Q13 What is the most you would be willing to pay for investment advice? Among Dutch investors who would be willing to pay for investment advice on an hourly rate basis [n=48]^

- Yes, I would be willing to pay for investment advice but only if I buy a financial product afterwards
- Yes, I would be willing to pay for investment advice even if I don't buy a financial product afterwards



Average:
€72 per hour



^Sample is from those who answered "Yes, even if I don't buy a financial product afterwards" in Q11 plus those who answered "Yes, only if I buy a financial product afterwards" in Q11 and "On an hourly rate basis" in Q12



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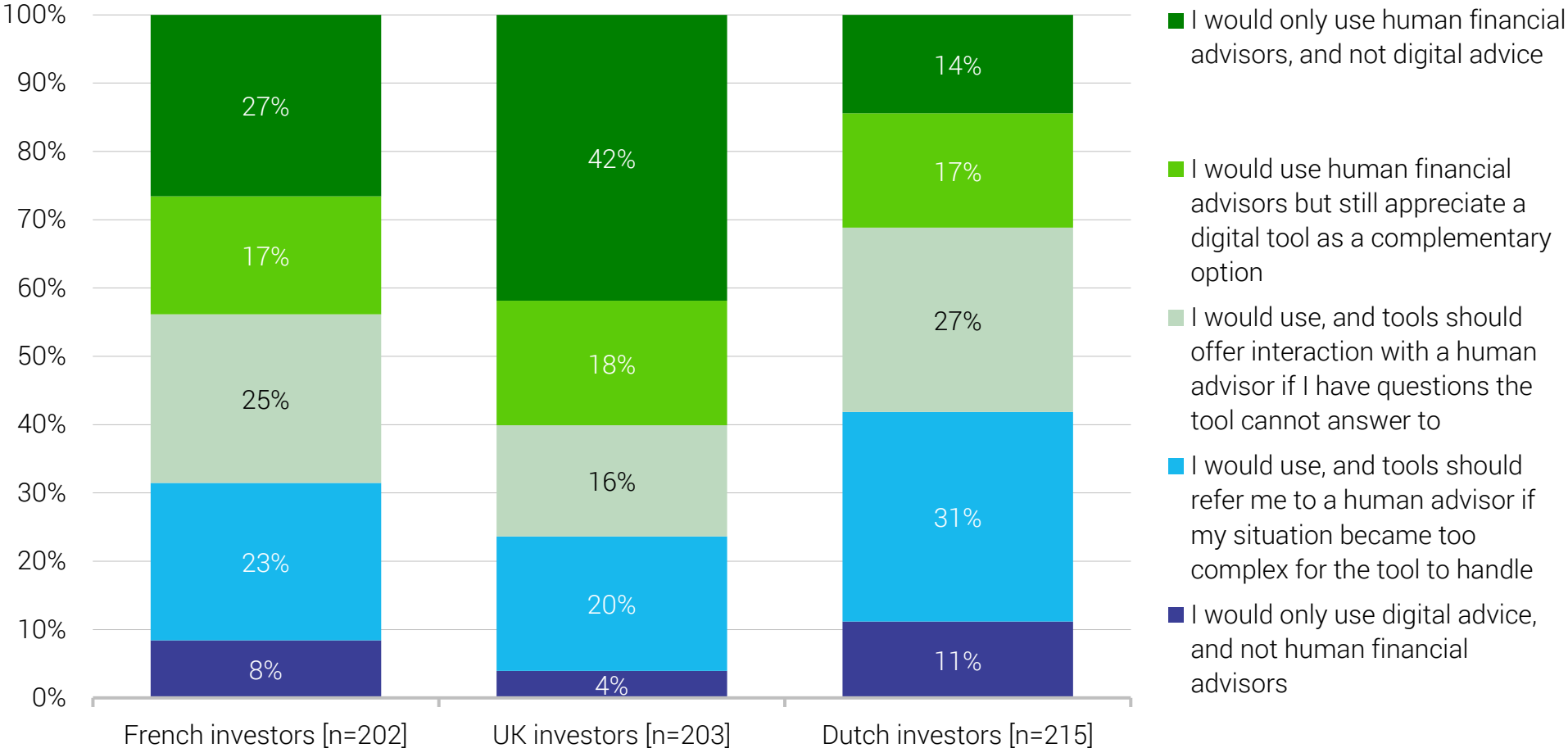
Digital advice/online tools

UK investors are the most reluctant to begin their advice journey with a digital advice tool, while Dutch investors sit at the other end of the spectrum. French investors are somewhere in the middle



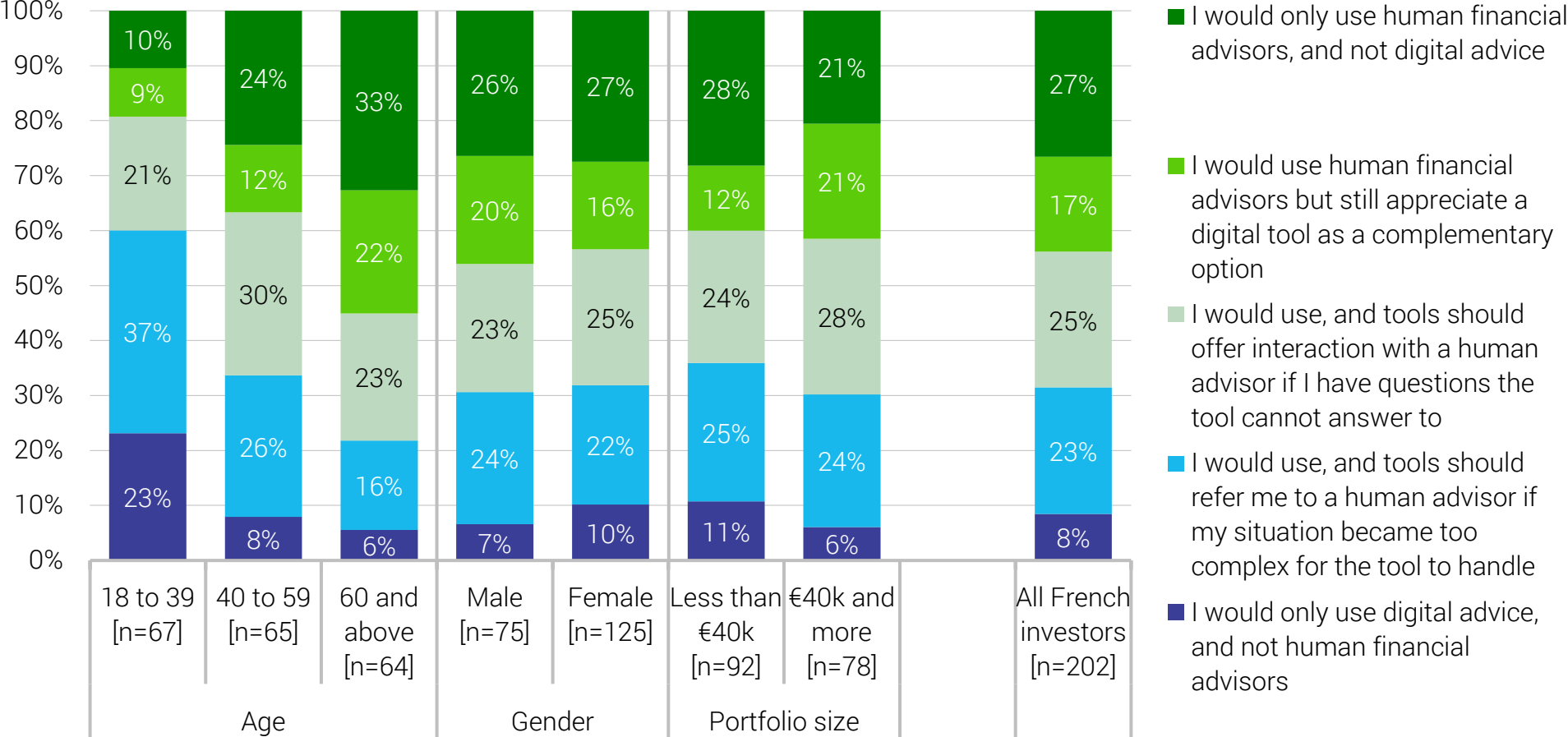
Insight #6: The overwhelming majority of investors in all three markets believe advice should always include, at least in part, a human component

Q15 Which of the following statements best describe how you think financial advisors and online tools should work together? Among investors



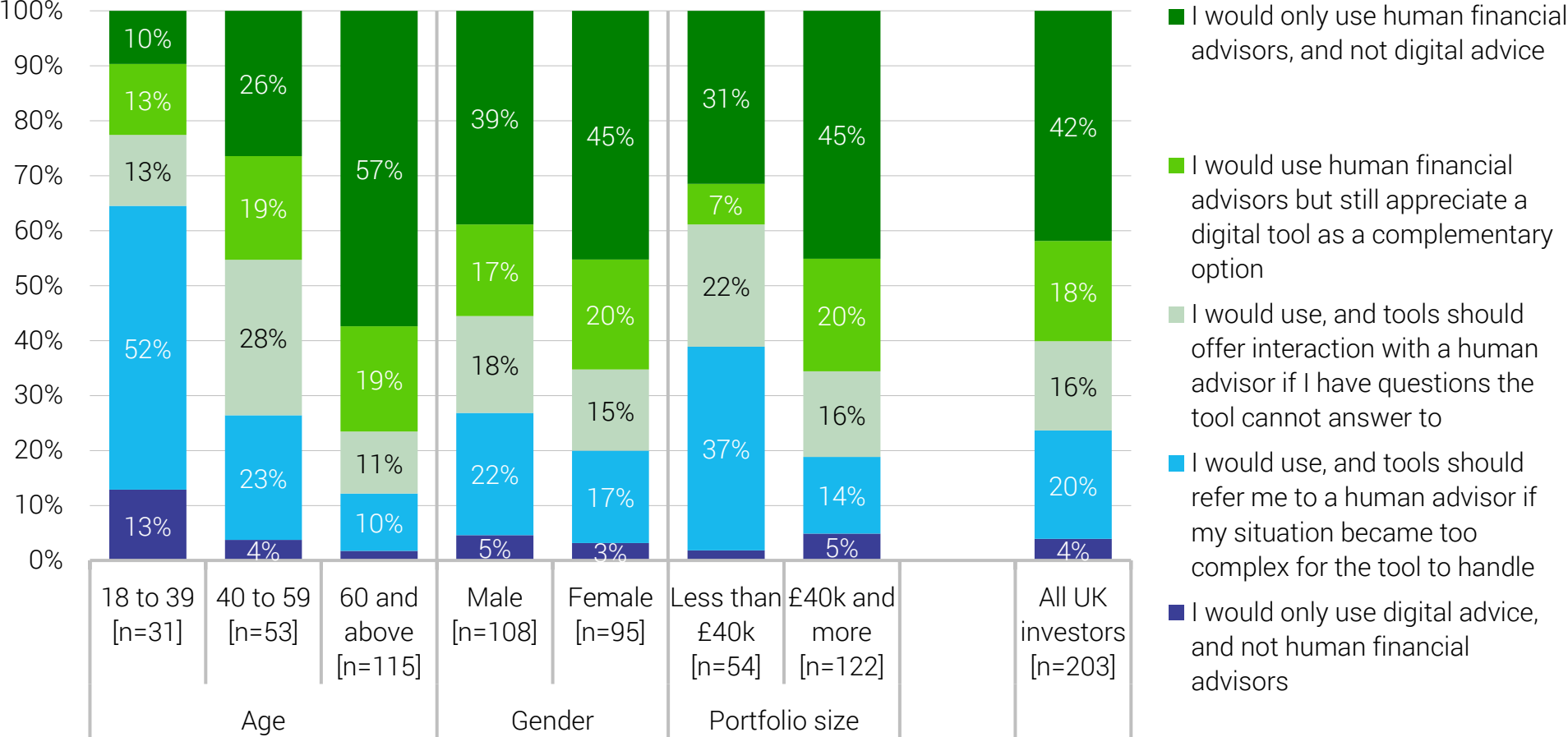
Views on digital vs human advisors among French investors

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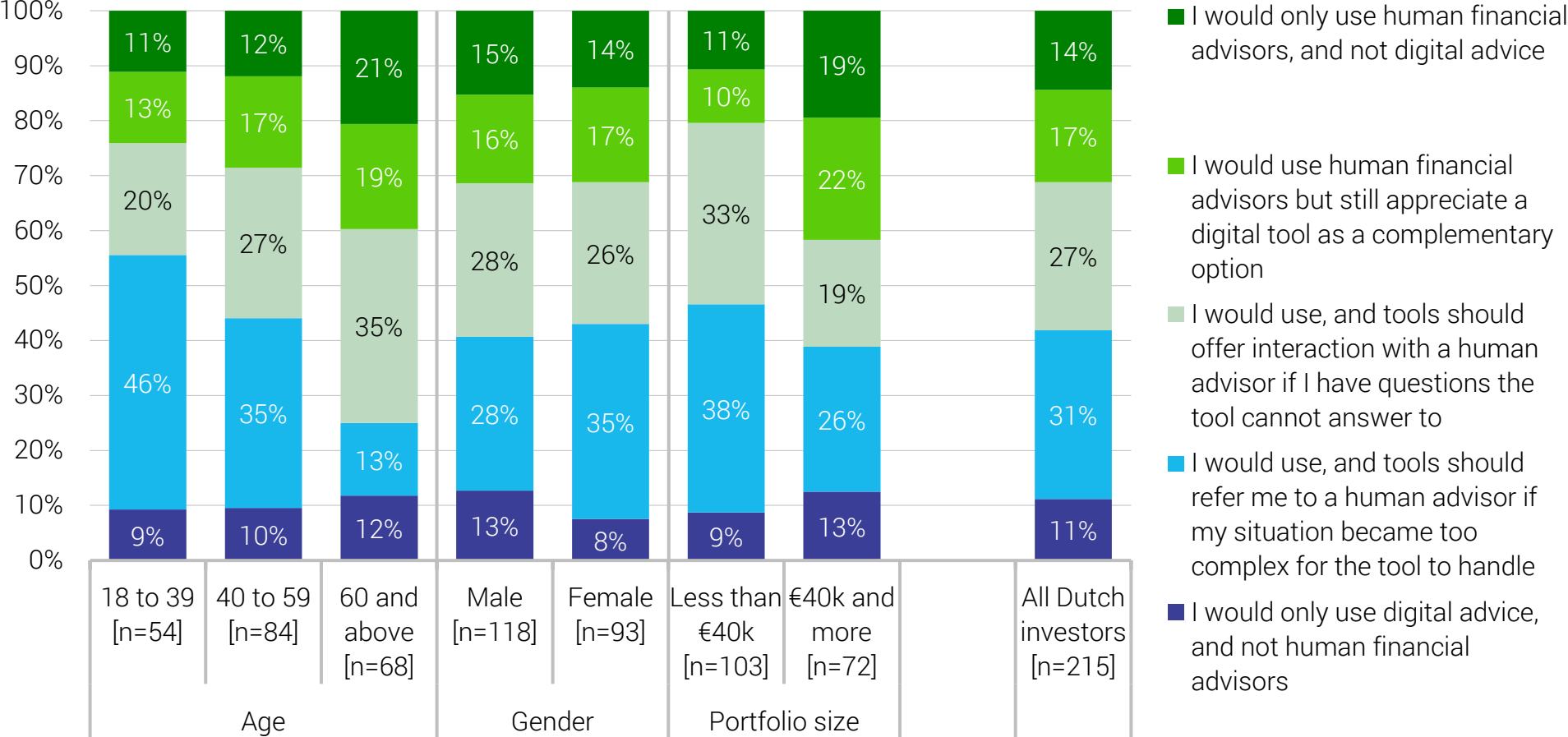
Views on digital vs human advisors among UK investors

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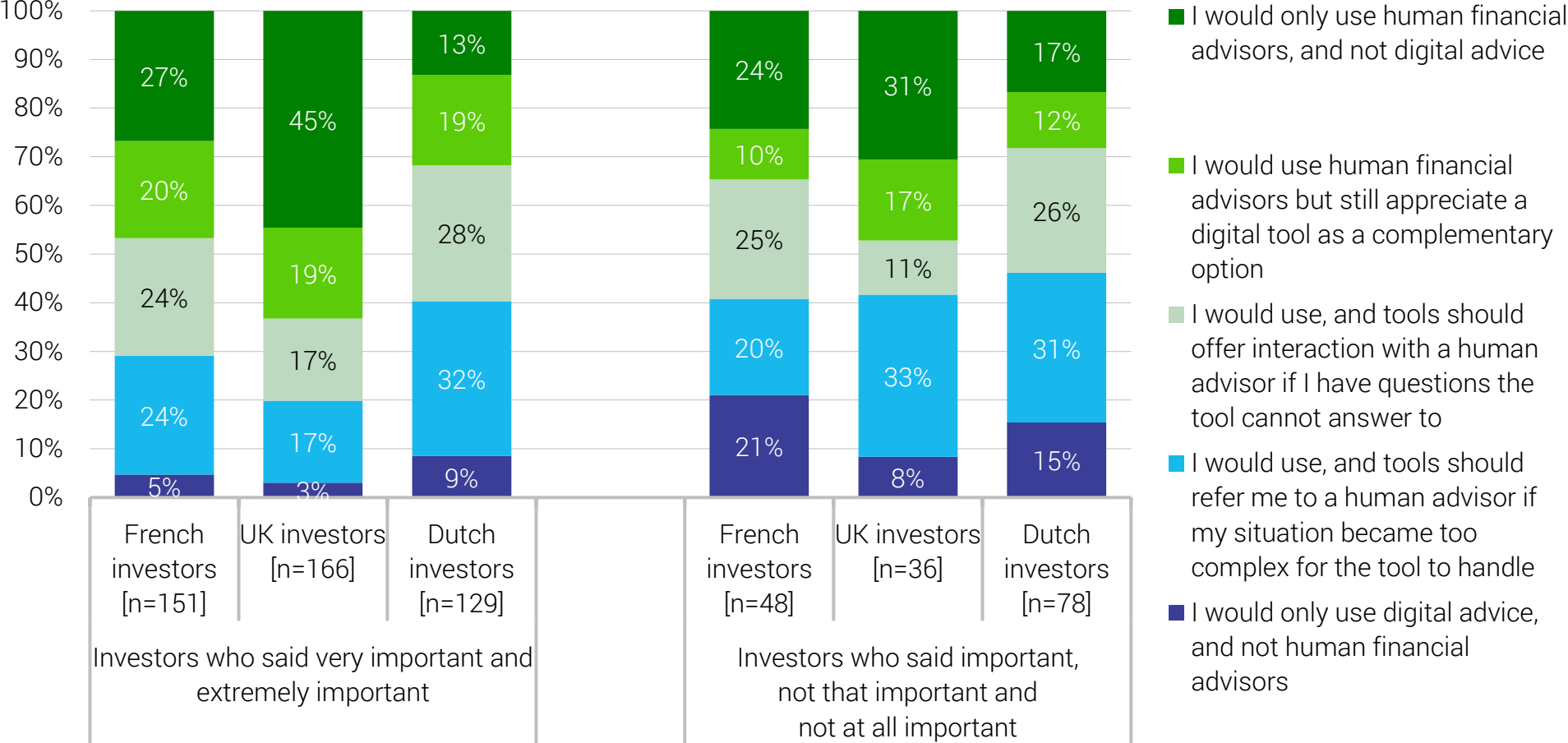
Views on digital vs human advisors among Dutch investors

Q15 Which of the following statements best describe how you think financial advisors and online tools should work together? Among Dutch investors



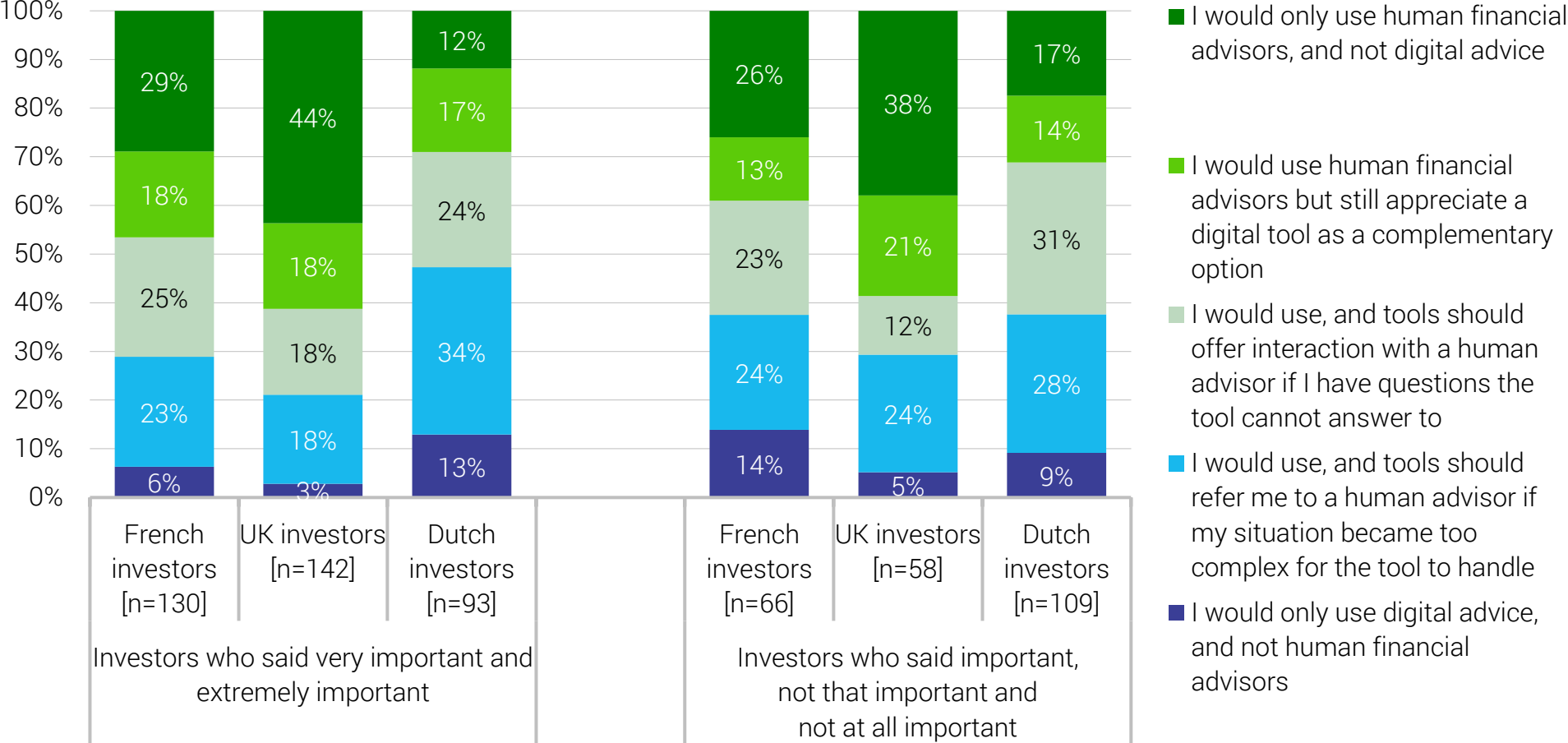
Views on digital vs human advisors when considering the importance of personalised advice: French vs UK vs Dutch investors

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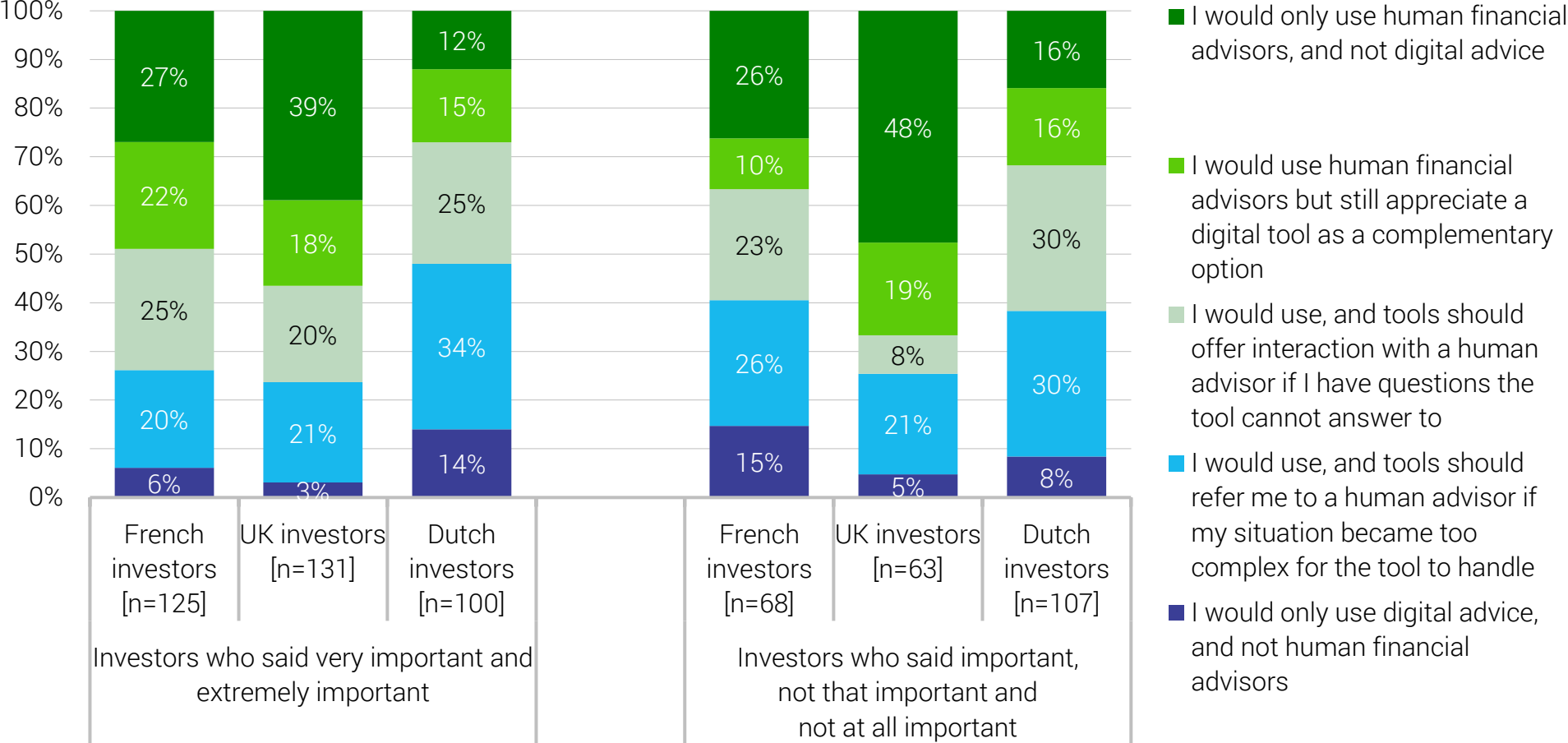
Views on digital vs human advisors when considering the importance of ongoing advice: French vs UK vs Dutch investors

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Views on digital vs human advisors when considering the importance of accessing a wide product range: French vs UK vs Dutch investors

Q15 Which of the following statements best describe how you think financial advisors and online tools should work together? By Q5 If you were to receive investment advice, how important is an advice which offers access to a diversity of financial products? Among investors





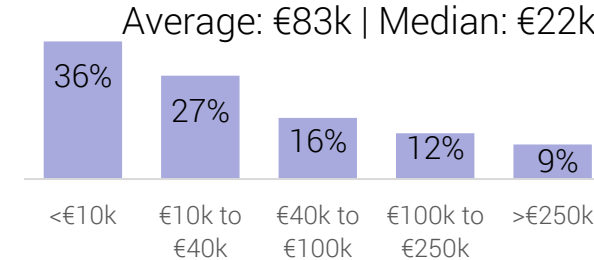
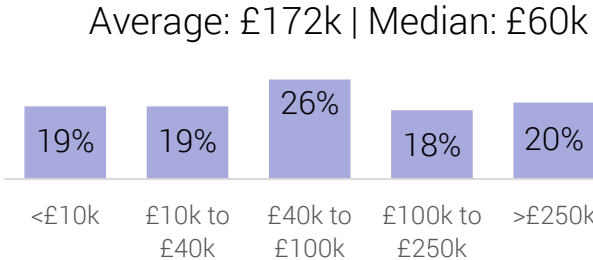
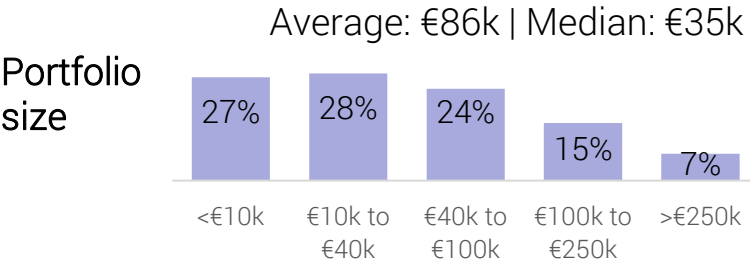
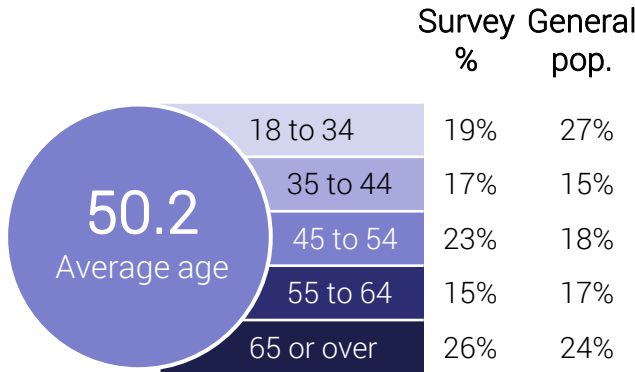
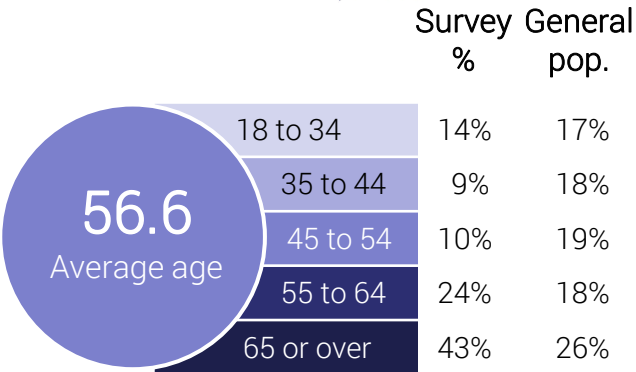
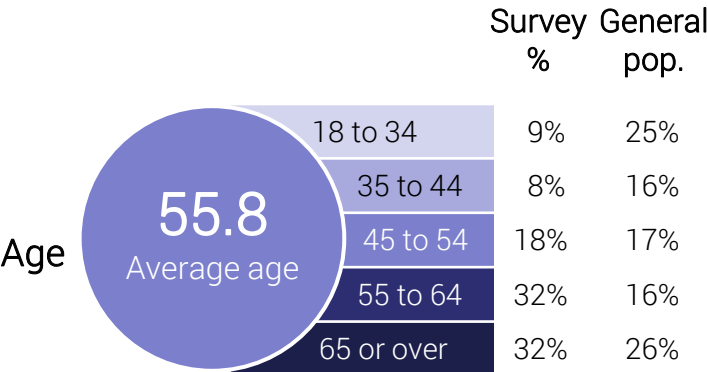
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Appendix



Population profile in each country



Source: <https://www.ons.gov.uk/>; <https://www.insee.fr/>; <https://ugeo.urbistat.com/>

About Investment Trends

Investment Trends is a specialist financial services market research organisation providing business insights and decision support information to many of the world's leading financial services organisations. We combine analytical rigour and strategic thinking with the most advanced market research and statistical techniques to help our clients gain competitive advantage. As a company we aim to improve the lives of millions of investors by making the whole financial services industry better.

Our research coverage spans eight countries across Australia, Asia, Europe and the US.

Our clients include industry regulators, leading local and global banks, investment platforms, leverage trading providers, fund managers, superannuation and pension funds, product issuers and manufacturers and financial planning software providers.

Our work is focused on helping clients answer three fundamental questions:

1. How does the market currently work?
2. How is the market evolving?
3. How do I improve business outcomes:
 - Acquire more customers
 - Retain more existing customers
 - Increase revenue per customer
 - Prioritise technology and process investments



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