

75% of people have not taken financial advice in last five years whilst inflation woes leave some regretting this decision

- 75% of people across the UK have not taken advice in last five years.
- 55% of people surveyed have never seen a financial adviser, with a further 20% who haven't seen one in the last five years.
- Over one in ten (12%) admitted to regretting not taking financial advice.
- Of this, 31% felt they had underestimated the impact of persistent inflation.

New research carried out by Charles Stanley and the financial services consultancy, AKG, has found that 75% of people across the UK have not taken financial advice in the last five years, despite inflation changing the playing field, leading to regret for one in ten.

The research paper *'Future of Advice – State of Flux'* explores the advice market in the UK from both the consumer and adviser perspective and considers the current opportunities and challenges. Of the 2000 consumers surveyed, some 55% admitted that they have never seen a financial adviser with a further 20% admitting that, whilst they have seen one in the past, they have not spoken with an adviser in the last five years.

Over this time period, we have seen a transition from an ultra-low interest rate environment - fuelled by central bank monetary policy as the world grappled to recover from the 2008-9 Global Financial Crisis - to persistent high inflation driving interest rates up in most developed economies. The impact of high inflation has been far reaching and has led to increased market volatility and everyday living costs, including energy bills and mortgages.

In this challenging context, more than one in ten of the people surveyed admitted that they regret not taking financial advice on a major financial decision, such as retirement planning. The main two reasons given for this stated regret were that they had underestimated the impact of inflation (31%) and that they now felt that they did not have enough money set aside to afford the retirement that they would like (35%). Other reasons given included the fact that they had lost money (27%), had bought the wrong product (25%), or had not bought the appropriate product (21%) due to not taking professional advice.

The research found that, in hindsight, this subset of investors would have sought advice on savings and investing (35%), pensions (32%) and general financial planning (31%).

PRESS RELEASE

Sean Osborne, Group Head of Sales at Charles Stanley, commented: *“We cannot ignore the huge impact that inflation has had on people’s lives. The paper has unearthed something that we are seeing day-to-day when speaking with advisers and clients. Many are grappling with ensuring that their investments and savings are well positioned to weather the impact of inflationary forces.*

“Now more than ever it is vital that the industry continues to work towards effectively articulating the value that financial advice offers in times of change and disruption, clearly demonstrated by the regret that some already have.

“At a time when many major asset classes, including equity and bond markets, have taken a beating, many are left wondering where to turn to get inflation beating returns, and shield cash that is saved for the long-term, such as pensions.

“A well-diversified portfolio that has access to a deep breadth of research is the approach that we believe will help advisers and their clients weather the storm.”

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Notes to Editors**Methodology**

*The research was carried out in the summer 2023 and comprised three elements:

- Consumer research (quantitative) – online survey was conducted by Opinium between 22-25 August 2023. The research sample was 2000 UK adults, weighted to be nationally representative.
- Adviser research (quantitative) – online survey was conducted by Pureprofile between 22-25 August 2023. The research sample was 100 advisers.
- Adviser research (qualitative) –a series of online/telephone interviews were conducted by Frank Fletcher of Widewater Consulting between July and August 2023.

For further information please contact:

Olivia Nelson / Sam Peploe

Teamspirit

Charles-Stanley@teamspirit.uk.com

07392 106925 / 07810 512006

Joanne Higginson / Lucy Cotter

Charles Stanley

media@charles-stanley.co.uk

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