

Adviser business
**TWO YEARS FROM
LOCKDOWN ONE**

Advice **2022**



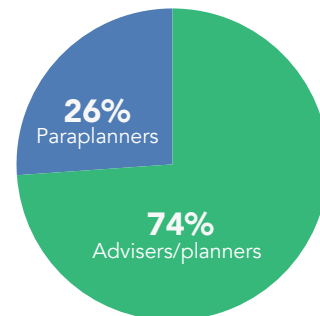
Overview

We undertook this research with the Adviser Home community to establish how advisers were responding to the new conditions – 24 months on from the first lockdown. This time last year we ran the same study so can now present a fascinating three year picture covering 2020/21/22.

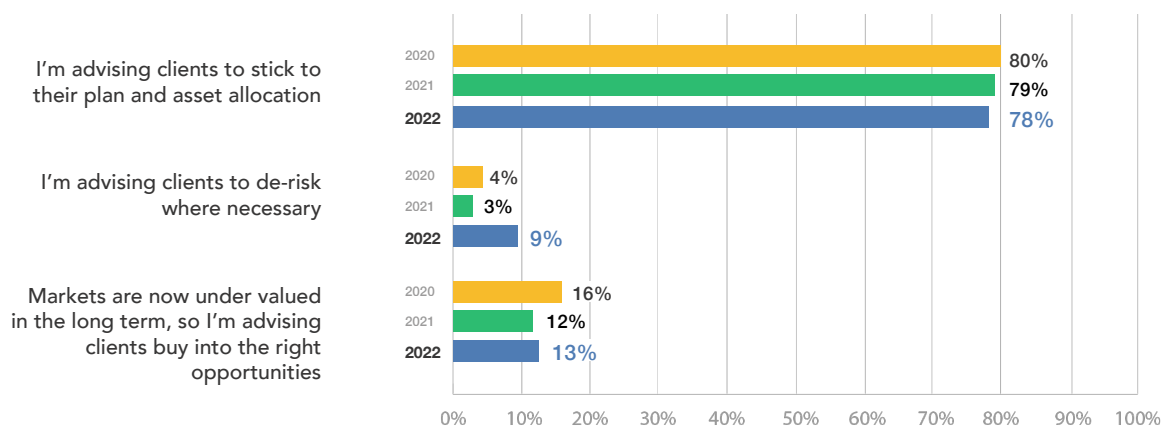
Who took part?

Responses and views were shared by **advisers/planners (74%)** and **paraplanners (26%)**.

66% of respondents were **directly authorised** and 34% were members of a network.



What are clients being advised to do in current market conditions



The top responses are notably consistent over the three years – an overwhelming majority of advisers using a client’s plan and associated asset allocation to shape investment portfolios. There is, though, an increase in the number of advisers suggesting their clients de-risk where necessary – up from 3% to 9%.



Individual adviser comments

“ We are goals-based planners. I don't believe having a view (market is cheap/market is expensive) is something that can be applied to client's plans to consistently add value - as it amounts to market timing decisions, which humans have managed to get spectacularly wrong in the past!

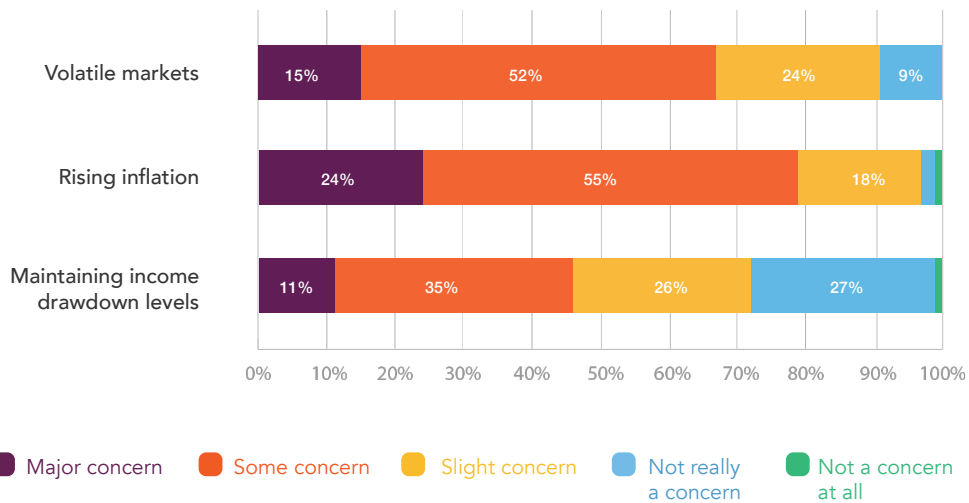
“ I advise clients to look at the market and buy according to the market.

“ Responses relate to how client firms are experiencing the market.

“ Reducing exposure to Fixed Interest and carrying more cash and equities.



Areas of concern for advisers' clients in 2022



It's clear that all three areas are of client concern but with rising inflation the top concern at **79%**. Only drawdown income levels register a "not really a concern" at 27% and this is partly because not all clients are in that life stage.



Additional comments

Comments from different perspectives:

A suggestion that economics and markets are not really an area of concern for clients but rather....

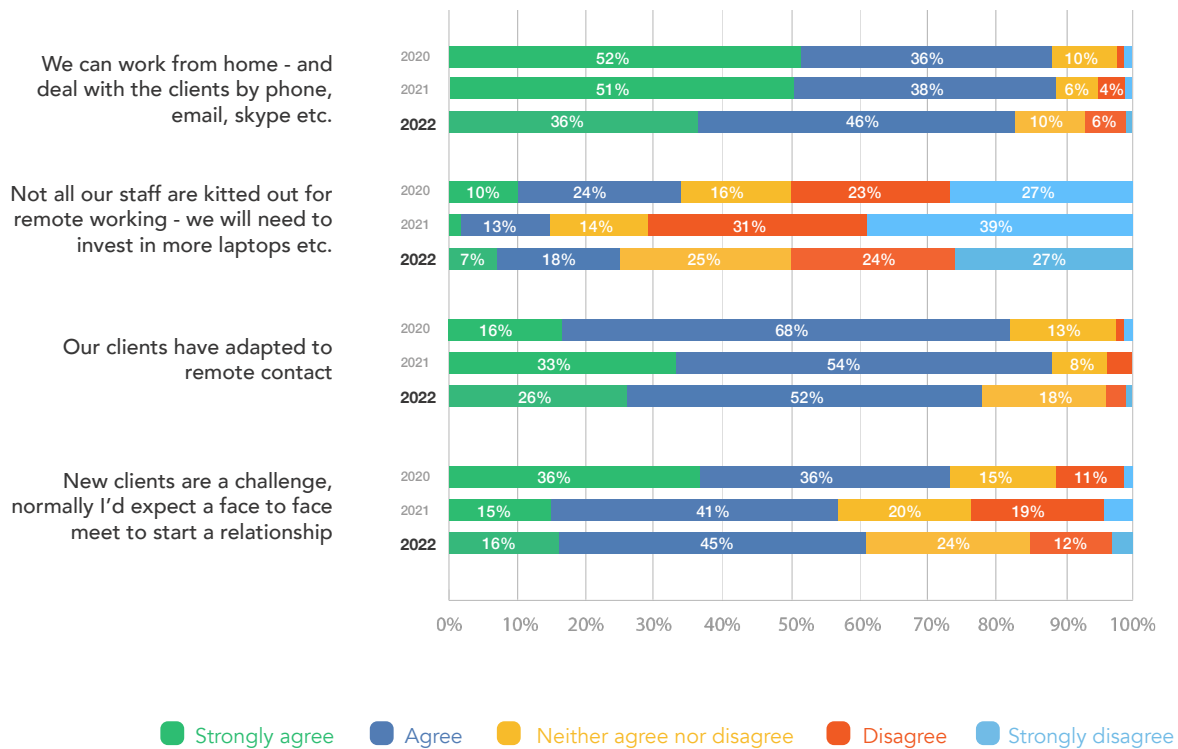
“ Their concerns are their goals and values (which are unique to each client)

On the other hand...

“ Lower returns than in the past



What impact has the pandemic had in terms of your day to day dealings with clients?



As we can see advisers are consistent across 2020, 2021 and 2022 as to their ability to work from home with **82%** either agreeing or strongly agreeing that they can deal with clients remotely with tech support. There is a slight drop here from 2021 where just **over 91%** felt this way. We'd interpret this not as reduced confidence in home or remote working but rather a move to hybrid working, given



that face to face is now, post restrictions, much more feasible.

The figures continue to fall for those advisers believing their staff are not kitted out for home working – with just **25%** either strongly agreeing or agreeing with this.

In 2022 advisers were confident that clients would adapt to remote contact (**88%** agreeing or strongly agreeing). In 2021 only 12% of clients had not adopted to a remote way of working with their adviser – and now in 2022 just **4%** of clients are proving “late adopters”. It’s difficult to see this figure dropping further.

Are new clients a challenge for remote dealing? In 2020 72% of advisers thought they would be and in 2021 this concern level had dropped to 56%. However for 2022 the figure has risen again to **78%**. There is no doubt that more clients are comfortable with on line work and have embraced this in their broader lives. However, from an adviser perspective with restrictions now lifted the commercial requirement to on-board new clients without face to face contact is less obvious – so remote work with new clients may be a challenge but advisers will react pragmatically and see those clients they need to.

Adviser comments

“ Harder to build trust via zoom or the like but still possible.

“ Face to face is still the preference of advisers and clients but some are happy to be more flexible and have virtual meetings instead.

“ With the value being in the planning, the pandemic offered an opportunity to move a client blank (wholesale) to virtual meetings. Hybrid is the way forward, but the vast majority of meetings will now be electronic in my business. It’s more efficient and greener.

“ If you have an existing client relationship then you can do online meetings However, as most of my clients are retired and simply don’t have the kit to get online, it makes this difficult for them

“ We had in place a robust disaster recovery plan prior to the pandemic, so adapting to remote working was virtually seamless

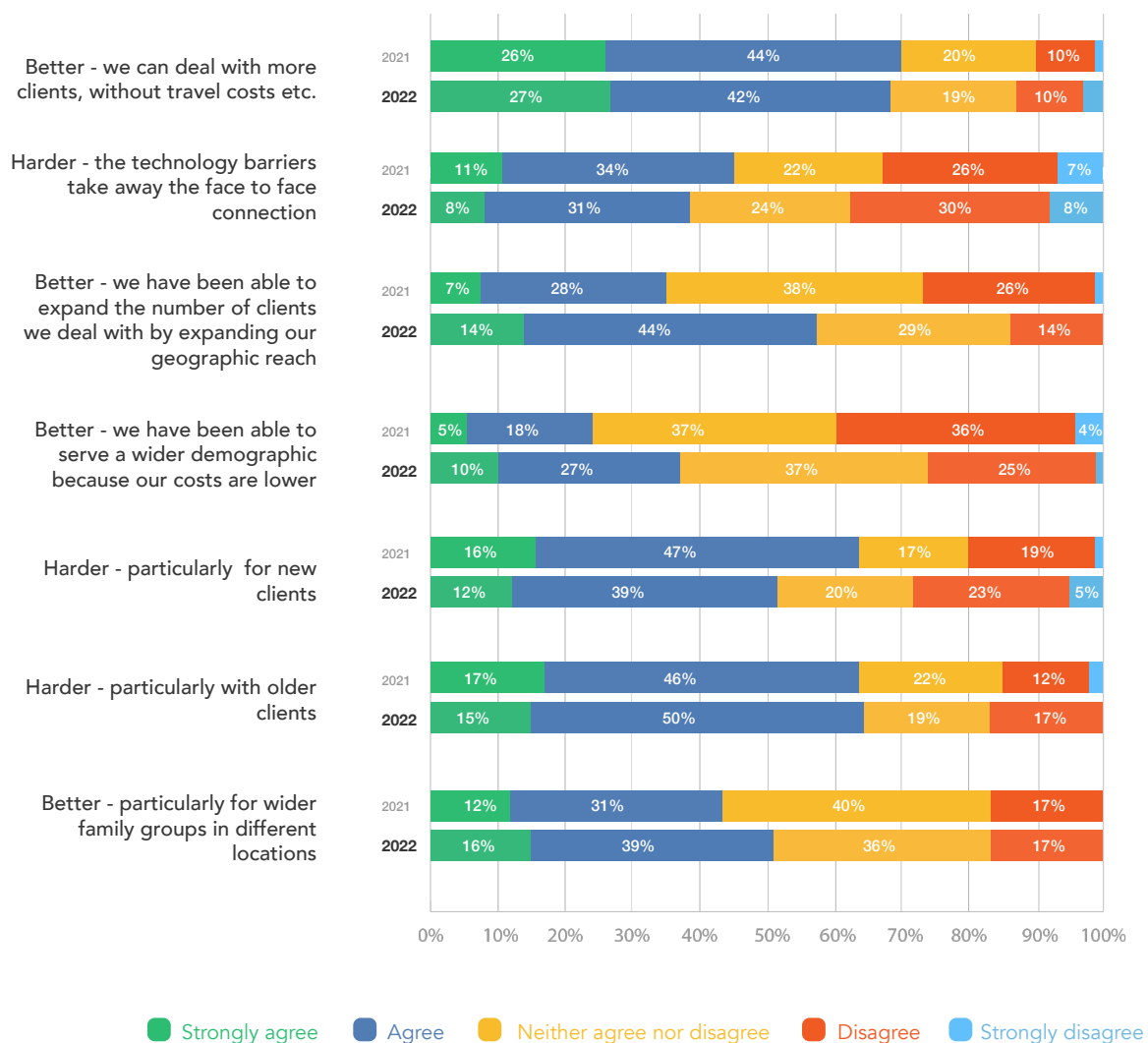
“ Clients are individuals and we adapt our meetings to suit them. More are now open to video conference, but some were keen to get back to face to face ASAP.

“ We are back to all working from the office, but still doing about 10% video meetings in the last twelve months

Adviser views on remote working?

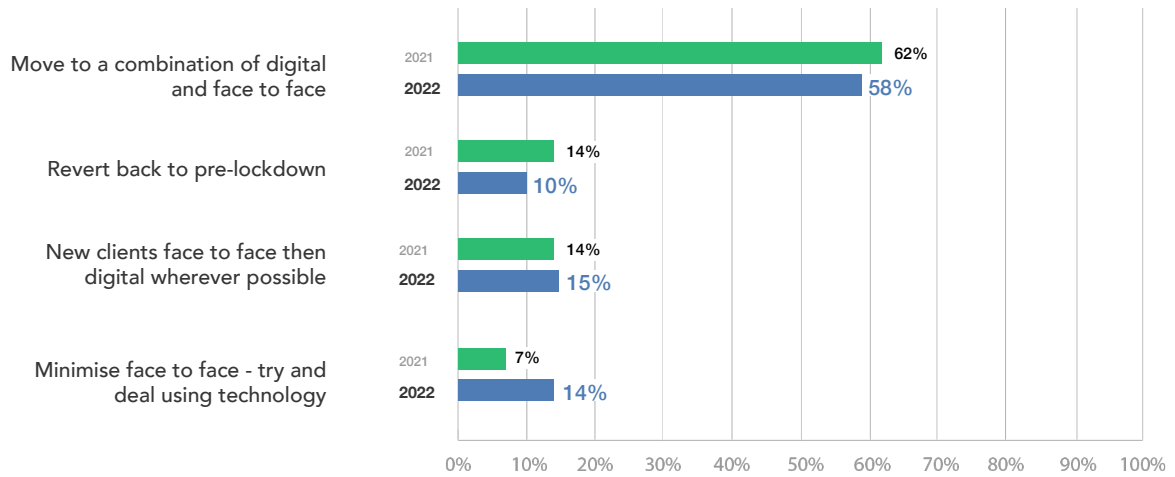
Last year, one year on from Lockdown One we asked advisers more detailed questions on their response to remote working. These are shown below together with the trend figures for 2022. Overall, advisers consider remote working to be better in that they can deal with more clients at a lower cost. Yet still **39%** believe that technology barriers take away the face to face connection. There's an increased number of advisers - **48%** (35% in 2021) saying that they have been able to deal with more clients as distance is no barrier to remote dealing, and an increased number saying that they can save on costs. There's also a drop in the number of advisers believing that new clients are a problem for remote dealing – **52%** (63% in 2021) and there are still **65%** of advisers saying that older clients are an issue for remote working.

Are advisers able to deal with a wider demographic because of reduced costs? In 2021 the answer was no with only 23% agreeing. In 2022 this has risen to **37%**, which is promising – particularly for those seeking solutions to the “advice gap”. The number believing that remote facilities help with family groups has risen from 43% to 55%.





Once restrictions are lifted do you think you will?

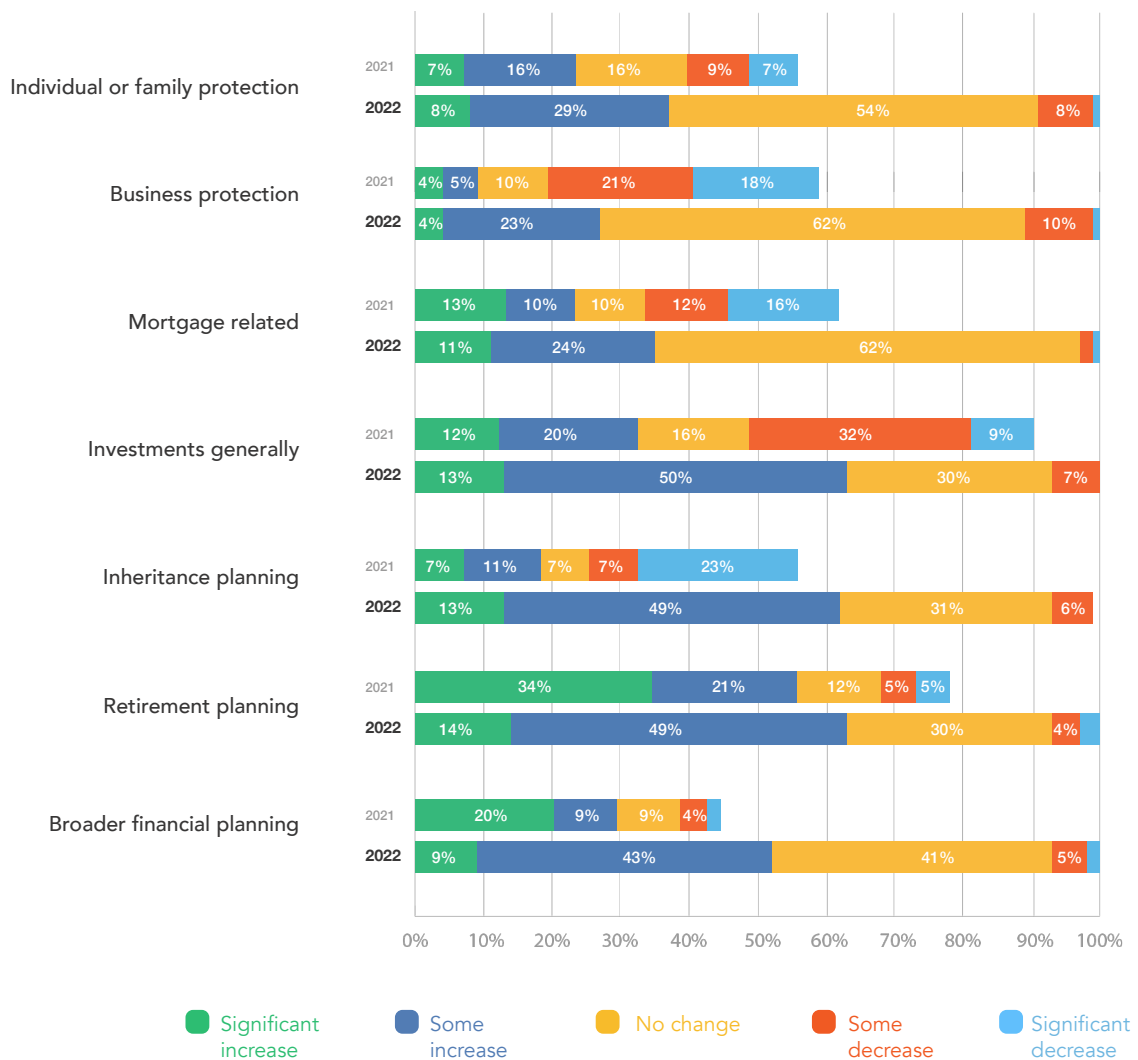


These 2022 responses are very consistent with the 2021 figures with the exception of those who plan to minimise face to face work – **14%** for 2022 and just 7% in 2021. Overall the hybrid approach is clearly taking shape both in terms of normal working arrangements and client interface.



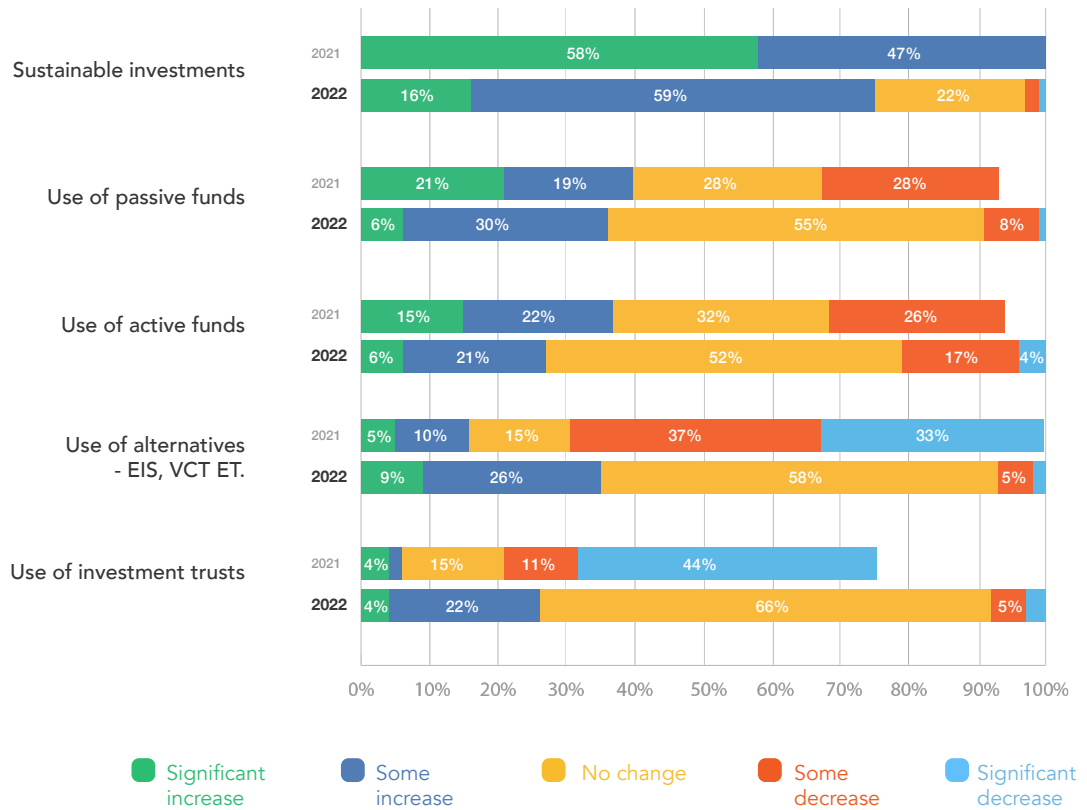
In the past twelve months which types of business have shown an increase or decrease?

The chart below shows clearly that for 2021 the three big winning growth areas were Retirement Planning, Broader Financial Planning and Investments generally with the latter also showing falls for some advisers. In 2022 these three areas are still up there but now joined by Inheritance Planning – this makes sense with more activity and coverage of the rises in family IT liabilities with **62%** of advisers seeing it as a growth area for advice.





Which of these business areas have shown changes in demand in the last twelve months?



Sustainable investments shows easily the strongest growth with **75%** of advisers giving it top marks as a growth area. This follows similar results in 2021. Active management experienced a mixed set of results with roughly half of the advisers seeing no change, and a quarter each seeing growth or decline.

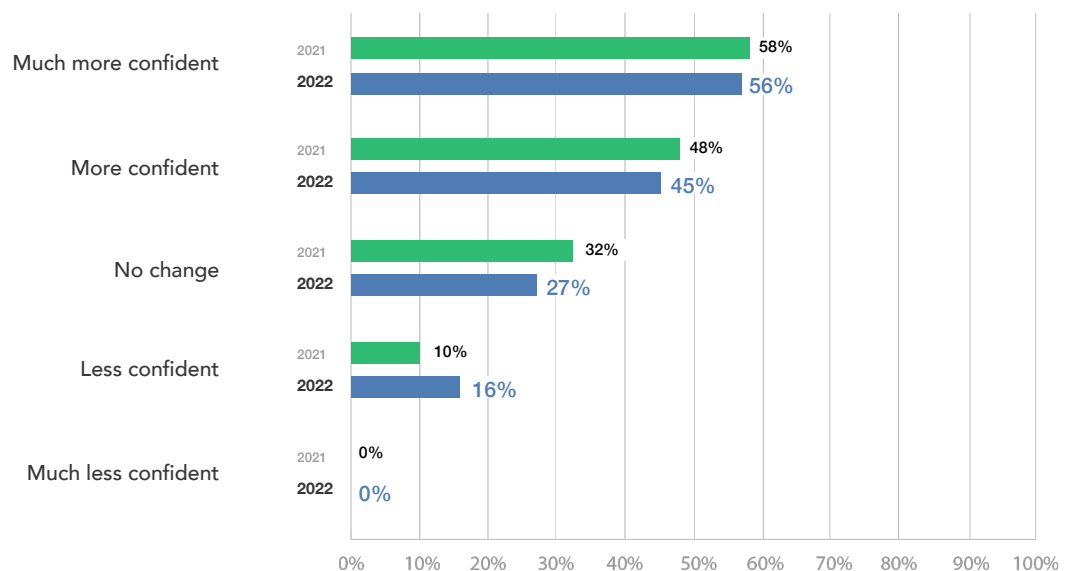
Level of adviser business confidence since this time in 2021

In 2021 58% of advisers were either more confident or much more confident than in 2020 and this confidence was more or less sustained with a 56% result this time. However the garden isn't equally rosy for all and whilst in 2021 only 10% of advisers experienced a drop in business confidence this time in 2022 the figure rises to **16%**.

Last year we identified two confidence drivers – the fact that businesses have survived and thrived during a time of unprecedented challenge and that they can now see the way out with restrictions lifting, infection rates falling and a high and rising level of vaccination. In 2022 whilst the pandemic is still with us, concerns are now more likely to be around the economy, markets, inflation and the cost of living crisis. Nevertheless the headline take out from this is that **56%** of advisers feel more business confident than in 2021.



Level of adviser business confidence since this time in 2021



Which providers have been most helpful to your business over the last 12 months?

We asked this question on an entirely open, free form basis so that advisers could select from the complete range of providers – life groups, asset managers, platforms, networks and tech providers. In total over 30 providers gained a mention showing that individual adviser experience determined their perceptions. Some took the view that traditional life groups were the weakest whilst others praised their BDM, CPD and general marketing support. The strongest theme was around digital signatures with DocuSign mentioned many times as part of provider’s commitment to remote servicing. Also important were those providers who have maintained contact points and in particular designated BDMs.

Overall Top 10 Helpful Providers 2022

- | | | | |
|---|------------|----|----------------------|
| 1 | Quilter | 6 | Transact |
| 2 | Prudential | 7 | Parmenion |
| 3 | AVIVA | 8 | Standard Life/ Abrdn |
| 4 | AJ Bell | 9 | Royal London |
| 5 | Aegon | 10 | L&G |

Positive multiple mentions for Quilter, Prudential and AVIVA

“ Quilter and Prudential as they have generally kept servicing high and most importantly have dedicated points of contact. Some previously strong service companies have dropped their standards, significantly.

“ Quilter - easy business submission online.

“ Quilter and Aegon through contact and service



“ Quilter Platform has improved.

“ Quilter platforms due to the platforms flexibility and information provision Quilter new platform makes it easy to do remote business

“ Quilter, good online submission system.

“ Prudential - due to the number of useful webinars they have put on Prudential. They make it easy for businesses

“ Prudential - calculators and technical advice

“ The Pru was very helpful when I had to deal with the pension of a terminally ill client

“ Prudential - more active in CPD and improving skills.

“ Aviva. Online submissions etc. and good online options

“ Aviva good platform & rep support Dimensional good support Royal London good rep support

“ Aviva - quick response times

“ Aviva and Royal London have been helpful as their BDM's have spent more time in contact with me offering to help.



Adoption of on line servicing

e.g. Docusign (digital signatures)

This was by far the biggest theme – new circumstances require different sorts of service...

“ Aegon and Aviva as they have accepted more emails / Docusign etc. to save posting and therefore helping reduce the need to go in to the office

“ Aviva and Aegon as they have kept in contact on a regular basis and have adapted their service to accept more things online / by email, e.g. LOAs.

“ Transact have linked and provided support for using Docusign.

“ Transact - Secure form upload service - online end to end client authorisation audit trail of transaction instructions

“ Docusign have and are providing a great deal of initial and ongoing support to enable us to integrate digital signing and secure communication options within the business.

“ Royal London, Vitality, True Potential AJ Bell- because they'll accept digital signatures and emailed documents

“ AJ Bell - processing times have not been affected by restrictions or during lockdowns and they have adopted very pragmatic approach to accepting emailed forms etc.

“ Parmenion & Embark - More application documents can be completed by electronic signature as opposed to wet signature

“ Openwork, my advice network has been helpful in adapting its rules for remote working, ID verification etc.

“ Any company that allow Docusign! It's 2022!

“ Any that have facilitated digital signatures.



The importance of keeping in contact

- “ Any that have maintained typical BDM contact and added value
- “ Mortgage Networks -staff have been available throughout lockdown and after
- “ Parmenion - partners of our in house MPS

Good marketing and education

- “ Aegon - good webinars
- “ L&G- the amount of educational information provided
- “ Royal London, some good marketing material available
- “ JPM web conferences

Type of provider can be important

- “ Generally, the investment houses and those that provide more esoteric solutions (e.g. VCT / EIS houses
- “ Octopus
- “ Traditional life companies have been the least helpful, by a large margin.



Miscellaneous mentions

“ Standard Life

“ Aegon Standard Life Scottish Widows

“ Aegon and Standard Life

“ AJBell - adapted well to challenges and gave great support

“ AJ Bell and Wealthtime

“ SJP has adapted well

“ 7IM Platform service

“ Dimensional, LV, Defaqto

“ Royal London, brilliant support in place

“ Our paraplanning provider, Parasols.

“ Seneca - quality EIS proposition

“ Royal London and Vitality have improved levels of support.

“ Winterflood Securities as they have provided us with the most business since the start of the pandemic

“ Platforms - they have helped keep business running



“ Just and L&G. Both have been proactive and willing to assist.

“ Abrdn Elevate services levels not really dropped

“ Our network Openwork however has been very good. Adaptable and very helpful in designing client communications, providing advice on remote working, etc.

“ Transact - the service has really stood up to the challenge

And a couple of positive mentions for Zoom!

Generally good

“ All have adapted and are better at accepting scanned documents and emails, however, service levels have slipped and everything takes longer. I also find the providers are using COVID as an excuse for the delays in providing services

“ All I have dealt with have adapted well with exception of a few.

No change

A small number felt nothing had changed:

“ To be honest the same providers have provided the same service

“ Not sure if anyone has been more helpful than others.



Negative reactions

27% of advisers could not nominate a helpful provider. Of these, a few made specific comments:

“ I can't nominate a single one for the award here I'm afraid. The Pandemic has made it an absolute joke to deal with all providers at some stage and for longer or for shorter periods of time with various providers but all have been negatively impacted by service levels and standards in my opinion.

“ After two years, the difficulties with some providers has been very frustrating

“ To be honest, most have been incredibly unhelpful and have used COVID as an excuse for either reducing staff numbers, reducing service or both.

“ I also find the providers are using COVID as an excuse for the delays in providing services

“ Unfortunately none, most are truly average or awful I'm afraid