



STATE
OF THE
ADVISER
NATION

WAVE FIVE

JANUARY 2023

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INTRODUCTION

A dreary autumnal morning in the Port of Leith, on the outskirts of Edinburgh. Two world-weary (but endearingly handsome) chaps are five coffees in despite it being quarter past 10.

Rich: What's up mate, you look glum? Is it the palpable tension throughout the world given the ongoing geopolitical state? Oh, wait, is it the British government's 16th different Cabinet permutation in the last two weeks? Oh I know, it's the ongoing cost of living crisis putting the fear into everyone?

Steve: No mate, it's none of those things. Although now I feel much worse, thanks.

Rich: Oh.

Steve: Nah, it's just it's time to design the next State of the Adviser Nation study and, well, I'm worried it'll be rubbish. I mean, it's the FIFTH one and have you ever heard of a fourth sequel being any good?

[Rich and Steve look into the distance for an uncomfortably long time]

Rich: I see.

Steve: Exactly.

Rich: What's the plan then?

Steve: Well, I thought of applying rigorous effort for an extended period of time. Really dedicating myself to it, y'know. But then I considered it some more and decided to get you to co-write it instead. Fresh blood and all that.

Rich: No pressure on me at all then. Thanks a bunch.

Steve: There's no I in team, Rich.

Rich: What do we need to do then?

Steve: Well, it needs to feel fresh every year. So there has to be topical content in there that people will find interesting, while keeping enough of the year-on-year stuff so we can look at trends and desperately cling to enough data to make ourselves seem intelligent when we speak to people.

Rich: Way to kill the magic, Steve. What new stuff are we going to put in then?

[Another long pause then Steve and Rich look at each other and in perfect unison...]

Both: CONSUMER DUTY SECTION!!!

[Steve and Rich high-five]

Rich: Surely if all we do is put a Consumer Duty section on top of the same old stuff then we'll be rumbled?

Steve: Alright Professor Buzzkill. You're right though. We definitely can't just repeat the greatest hits. There are a few things we've seen year-on-year and we best just leave them alone this year. You've read them all, right?

Rich: Yeah. Seems like we've proven a few things by now that we don't need to rehash. Like everyone runs a CIP, all firms are different, no-one really runs a different retirement CIP and everyone hates...

Steve: Us?

Rich: No, the FCA.

Steve: Oh, yeah, the verbatims never make for great reading and I'm sure it'll be the same this year. Listen, you're right. We can't just cover all that ground again. So that's another ground rule, no repeating the same stuff. If it changes, we'll call it out.

Rich: And we should have new ways of looking at things. How about we get firms to identify themselves on a series of scales? Their investment expertise, active versus passive, how happy they are with their tech, how they view traditional versus behavioural advice, that kind of thing? That way we can really bring the data analysis on. Some of it might not make the report but our readers can ask us all about it and we can look at the data and the profession in a whole new light.

Steve: That sounds brilliant. You're hired!

Rich: I've been here a year, mate.

Steve: Oh, Well. Either way, we'd best get on with it then huh?

[Scene ends]



STEVE NELSON
Insight director
the lang cat



RICH MAYOR
Senior analyst
the lang cat



INTRODUCTION CONTINUED

METHODOLOGY

- ▶ With this being wave five of the study, we're firmly in a groove of doing this year-on-year. Each subsequent wave, then, becomes a triangulation of:
 - ▶ Maintaining everything that's worked before in our processes, while...
 - ▶ ...introducing enough new content and analysis to make it fresh and topical, but also...
 - ▶ ...making sure enough of the core data set remains, to allow for important trend analysis in the years to come.
- ▶ It's also incumbent on us to reflect as much of the zeitgeist as possible and there's nothing more zeitgeisty (real word) than Consumer Duty. If you turn to page 26, you'll find a section dedicated to the topic dominating the financial services agenda at the moment.
- ▶ In an attempt to better define segments of the advice profession (and we appreciate how cold and ugly this kind of industry-speak potentially is), we introduced a range of new questions in this wave of *State of the Adviser Nation* (SOTAN) to help us better characterise what's going on in the collective minds of firms. We got respondents to identify themselves on a series of scales including things like perceived technological expertise, attitude to active versus passive investment, investment construction expertise, where they see themselves on traditional disciplines versus modern behavioural planning. You will, of course, see use of this data in the report but watch this space for more throughout 2023.

The Ground Rules

- ▶ The project is designed and signed off exclusively by the lang cat insight team. As you would expect, we regularly talk to our insight subscribers and clients and part of that process is to gather feedback on our work. However, no-one places or pays for a question, nor do we carry sponsorship or advertising. We've absolutely thought about it, especially in the context of incentives, but ultimately we continue to make the judgement call for SOTAN to be entirely free from any partnership.
- ▶ In a similar vein, there is no commercial link to the respondents of this study. We don't buy mailing lists or distribution access or enter into 'strategic partnerships'.
- ▶ SOTAN is designed to be a sentiment and issues-led omnibus study as opposed to a scrutiny of individual products and services. The exceptions are:
 - ▶ Where we assess usage levels of specific platforms, investment ranges and technology providers (while always providing space for 'other')
 - ▶ Where respondents rate their experience of their chosen platforms and DFM MPS providers.
- ▶ The really important bit from the perspective of our respondents is that the lang cat is a member of the Market Research Society (MRS) and the study was designed and executed in line with the principles of the MRS code of conduct.



INTRODUCTION continued

Doing It

- ▶ The fieldwork for this project was carried out in October and November 2022.
- ▶ Responses were collected from a number of sources:
 - ▶ The primary source is our wonderful adviser panel. This is a list of around 1,200 members of the advice profession representing a cross-section of firms and role types
 - ▶ Secondary sources included our typical channels such as our Top Class Wednesday Update mailer and social activity on LinkedIn and Twitter
 - ▶ Some providers also helped us promote the study to their own user base – chiefly as a mechanism to ensure their users were represented within the study
 - ▶ We're also extremely grateful to both the Paraplanners Assembly and NextGen Planners for hosting us on their channels and allowing us to promote the study.
- ▶ The lang cat insight team conducts many quantitative and qualitative studies throughout the year with advice firms. We make a commitment to not over-research our adviser panel and strictly limit the volume of studies to no more than one per month on a rolling average per calendar year.
- ▶ SOTAN is our biggest study of the year by some considerable distance and as such, we aim to block out pretty much the whole of Q4 to let it breathe and to not over-research our panel.
- ▶ Separately from SOTAN but related to that last point is that we also run regular provider rating studies. We took the decision to collapse the regular rating process inside SOTAN this year rather than run two studies concurrently. As a result, SOTAN also includes around 1,900 individual provider ratings (one of the strongest samples in the UK).

- ▶ A total of 602 members of the advice profession took part in wave five to some degree. Around two-thirds completed every question, with some others choosing to skip some questions and another chunk not making it to the end. Bless them.
- ▶ Our 602 respondents comprised both panel members and non-members. All are members of the UK financial advice profession.
- ▶ Respondents were rewarded with a range of incentives: the report you're reading right now, our annual guide to platforms and entry into an end-of-year prize draw.
- ▶ Each year we make the decision that no question should be mandatory other than those needed for survey routing.
- ▶ The study contained a total of 81 questions, six fewer than in wave four, fulfilling our promise of working each year to refine survey length.

▶ A huge thank you to everyone who took part in wave five and contributed to what we feel continues to be the best, most pragmatic and most insightful representation of the advice profession. Ultimately, that's for others to judge, but the day we stop aiming for this is the day we stop.

We hope you enjoy the report and do get in touch with us with any questions or feedback.

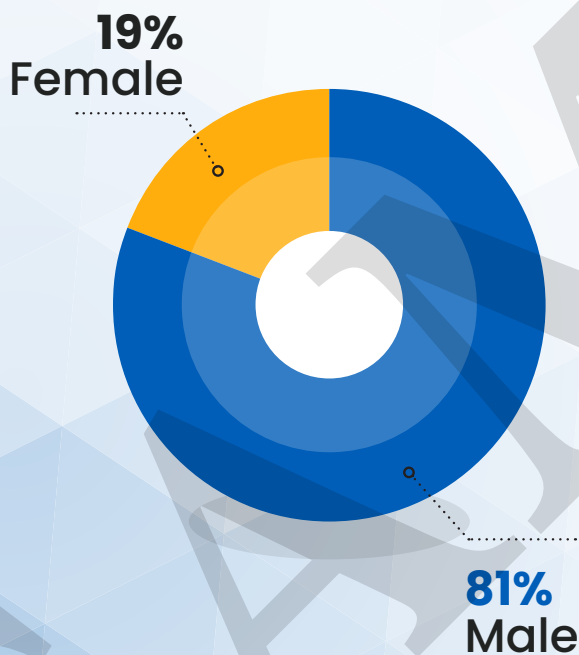
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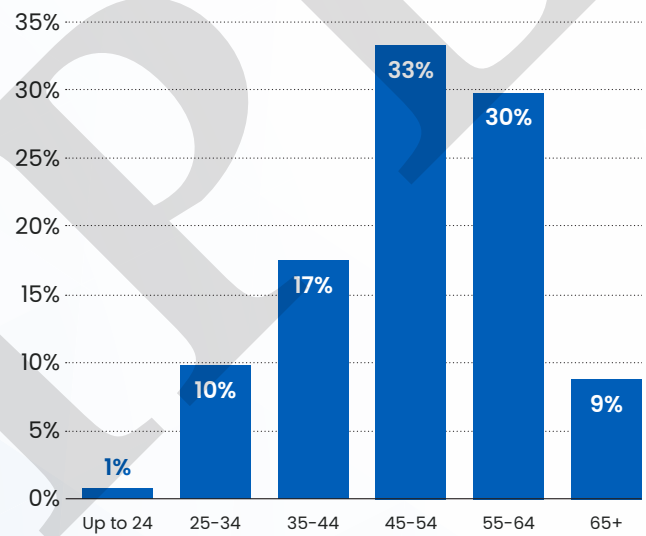
1. MEET OUR RESPONDENTS

Welcome to the first section of State of the Adviser Nation and we're going to ease our way into the study by getting to know our wonderful respondents a bit better.

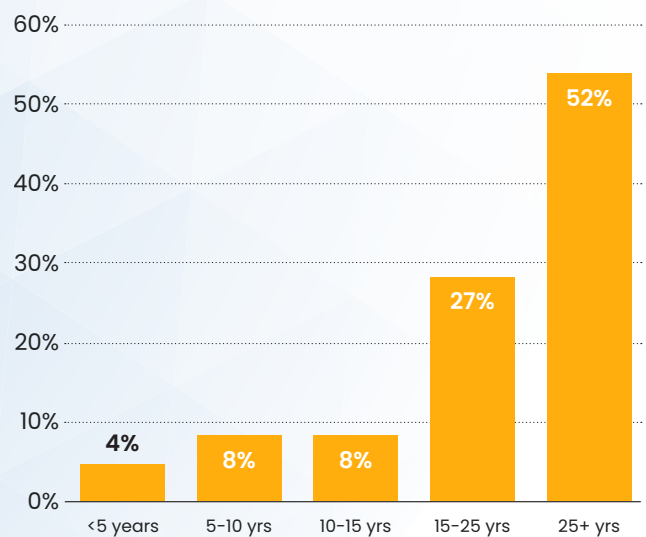
1.1 Gender breakdown



1.2 Age profile



1.3 Time spent in the sector





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WAVE FIVE

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