

Survey report: public confidence in financial advice

The trust and confidence of consumers who use financial advice has increased by 40% since 2013, according to surveys conducted for the CII.

- Whereas in 2013, 43% of advised customers said they trusted the financial advice sector, 60% said this in 2016.
- There has also been a considerable shift from those who said they did not trust advisers or did not know: both have plunged by about a quarter since 2013.

For those customers who have never sought advice, the results remained the same, except for a 15% fall in people who said they did not trust advisers.

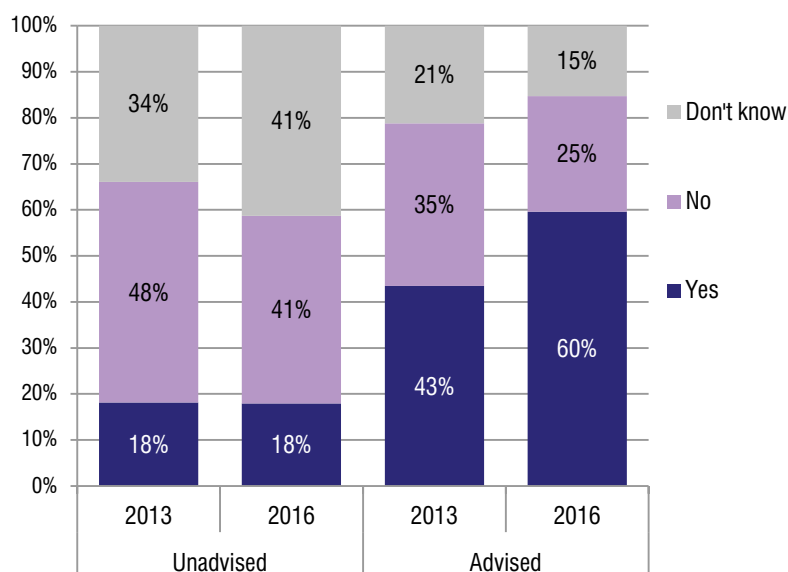
Commentary: this is a re-run of a survey we published in our 2013 report *The RDR and Consumers*. The result between the two clearly demonstrates the improved sentiment since the RDR. Whereas many consumers were openly negative towards professional financial advice in 2013, many are less sure. And some are in fact more positive.

Next Steps: we intend to undertake a third survey later this year to track progress.

Public Trust and Confidence in Advice, by familiarity with advice

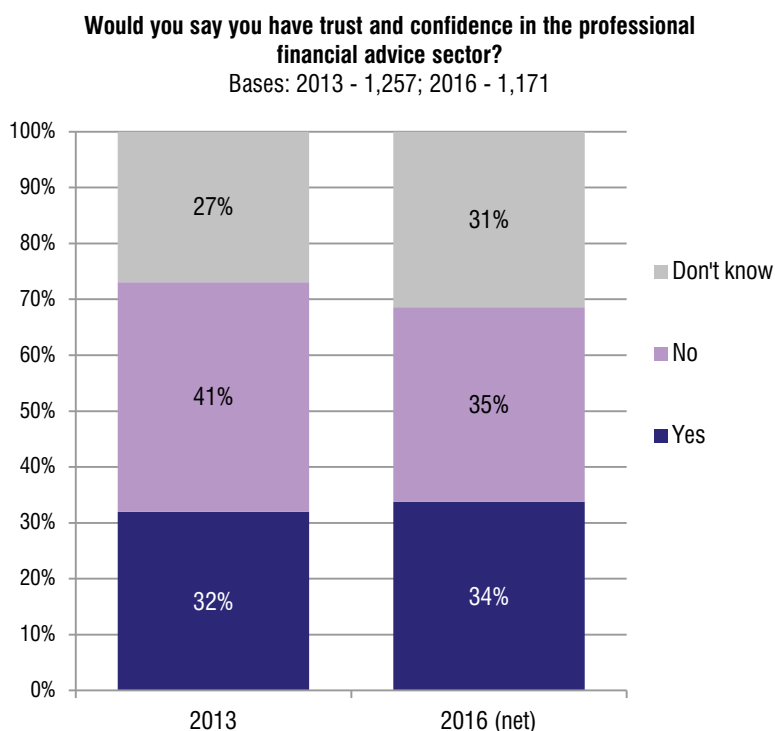
Would you say you have trust and confidence in the professional financial advice sector?

Bases: 2013: Non-advised 571; Advised 686
2016: Non-advised 726; Advised 445



- **For advised customers, a 40% increase in confidence:** or 17 percentage points difference in those who said they have confidence in the advice sector compared to 2013.
- **Women accounted for the biggest positive shift in confidence:** advised women increased trust and confidence by 18 percentage points, compared to 13 percentage points for advised men.
- **Fewer don't knows:** many advised customers who said they either didn't have confidence or didn't know in 2013 now do have confidence.
- **For unadvised customers, less anti-advice sentiment:** those who said they didn't have trust in 2013, now say they "don't know", suggesting a positive direction of travel.

The overall picture: all customers



- **Slight rise in confidence overall:** from 32% to 34%.
- **Overall shift away from anti-advice sentiment:** of the group that said they had “no confidence” in advice before, mostly don’t know now, or a few do have confidence.
- **Women are more likely than men to say they “don’t know” than “yes”:** in 2013, the women were more likely than men to respond that they did not know; and in 2016 this proportion increased, whereas the group of women answering that they do have confidence remained constant.

About the survey

The survey was conducted by Populus on 2-3 March 2016, and involved a sample of 2,030 members of the public. This is a re-run of part of similar questionnaire in December 2013, and involved a sample of over 2,000 people, that we published in early 2014 in a report *The RDR and Consumers: The Public’s Views Towards the Retail Financial Investment Advice Market*.

As in 2013, we filtered out consumers who know they cannot afford advice, don’t make investment decisions, or do not have funds to invest:

- those 859 respondents who answered “never wanted to invest or don’t have the money to invest”, “definitely know I cannot afford a financial adviser”, and “I don’t make investment decisions in my household so don’t really know” were not subject to further analysis.
- this left 1,172 respondents who had either sought advice in the past or had selected the options “Never really thought about it” or “I’d rather use other advice/information instead of professional financial advice”.

Prior to beginning the questionnaire, respondents were told that, for the purposes of the survey, “professional financial advice” was “not to be confused with Government-sponsored services such as Pension Wise, the Pensions Advisory Service, the Money Advice Service or Citizens Advice; but rather private firms offering regulated advice for a fee such as an independent financial adviser (IFA), Sesame, St James’s Place or pension firms.”

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