

## Failing to Invest: UK public in need of financial advice

- Half of UK adults are unlikely to seek financial advice when investing money during 2016 (51%)
- Two thirds already made an investment in 2016 without any financial advice (68%)
- Almost a quarter believe financial advice is too expensive (23%)
- HSBC launches face-to-face simplified advice service for individuals with £15K to invest

**6th April 2016, London** – Research released today by HSBC indicates the UK public may be missing out on financial reward by not seeking professional advice.

Of the investments made to-date in 2016, two thirds were arranged without any financial consultation (68%). Over half of respondents planning to make an investment during the remainder of the year are unlikely to seek any advice (51%) and almost a quarter (23%) of those asked felt it was too expensive.

With a fifth (18%) of customers we spoke to during our research telling us that they are looking to make an investment during 2016, HSBC has launched Stand-alone Investment Advice following a successful trial period. The service is designed to provide financial advice for customers looking to invest single lump sums of cash from £15k.

One in five adults in the UK (22%) has £15K or more to invest. Despite this, there is currently a gap in the UK advice market where customers who have smaller amounts of money to invest can't access the appropriate advice. This could mean customers leave their long-term savings in cash, sitting in bank accounts as seen by almost half of the respondents (47%).

With the introduction of Stand-alone Investment Advice at a 30% discount to full financial advice, HSBC aims to provide a more affordable service to customers as and when they need it, helping them to make the most of their money.

Stand-alone Investment Advice will be available to HSBC customers who are looking to invest between £15k and £100k of cash. Customers qualify for this service by having £50k or more of savings or investments. If the service is a success, the bank plans to make it more widely available later this year.

### **Caroline Connellan, Head of UK Wealth and Premier said:**

"Many of our customers tell us they want help managing their money to make the most of their savings and we want to make it easier for them to access advice that will help them achieve this.

Full financial advice is our core offering and is right for many customers, but others want quicker, lower cost advice for relatively simple needs. With many people keeping their long-term savings in cash it seems there is a real need for advice - and it's why we're excited to introduce Stand-alone Investment Advice. We believe it will help more customers make important financial decisions for themselves and their families and help them achieve their financial goals. "

### **The research in more detail**

When asked why financial advice is not used, the barriers to investment given by the respondents were broad. Almost one in four people stated financial advice is too expensive (23%), one in ten find it too difficult to know where to source this advice (10%) and one in ten just haven't thought about it before (8%).

When advice is sought, people are still securing information from traditional sources, with Financial Advisors (36%), banks (24%) and building societies (15%) recognised as three key destinations. However, people are increasingly turning to family and friends for advice, with one in five (21%) discussing options with parents and one in ten (12%) securing guidance from their friends. In addition, people are taking direction from online sources such as financial websites (34%), three times more popular than personal finance pages in newspapers (11%).

### **A generational gap to investing**

The data also showed a series of trends between young and older financial investors. Three quarters (75%) of all 18-34 year olds plan to seek advice before making an investment, compared to just two fifths (39%) of all 45+ year olds.

There are also differences in where these groups go for advice. One in four 18-24 year olds seek advice from friends (28%), compared to just 5% of 55+ year olds. Almost half of all 18-24 year olds review financial websites (49%), compared to just a third of 55+ year olds. Interestingly, 19% of 18-24 year olds seek advice from forums, compared to 2% of 55+yr olds.

### **More on Stand-alone Investment Advice**

The advice service will be designed for customers who have between £15k and £100k to invest and it will cost 30% less than HSBC Premier Financial Advice, the current full financial advice service offered by HSBC. The simplified nature of the advice also means customers can expect to save time when meeting with their Financial Adviser.

In the first instance Stand-alone Investment Advice will be available across the UK to all customers who have £50k or more of savings or investments. Following this launch HSBC hopes to make the service available to more customers in the future; meaning more customers will be able to receive the right advice to help them make the most of their money and investments.

Ends

### **Notes to Editors:**

<sup>1</sup>Table detailing costs associated with Stand-alone Investment Advice compared with HSBC Premier Financial Advice.

<b>Pricing feature</b>	<b>HSBC Premier Financial Advice</b>	<b>Stand-alone Investment Advice</b>
Report-only fee (Incl VAT)	£420	£294
<b>Report &amp; Implementation fee</b>		
Minimum charge	£960	£672
% charge	2.75%	1.93%

<sup>2</sup>A customer will qualify for Premier and Wealth banking if they have £50,000 of investable assets.

<sup>3</sup>All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2079 adults. Fieldwork was undertaken between 1st - 4th April 2016. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+).

Please contact Jenna Brown for more information. Phone: 0207 991 4980/ Email: [Jenna.brown@hsbc.com](mailto:Jenna.brown@hsbc.com)

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**HSBC Bank plc**

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**The HSBC Group**

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