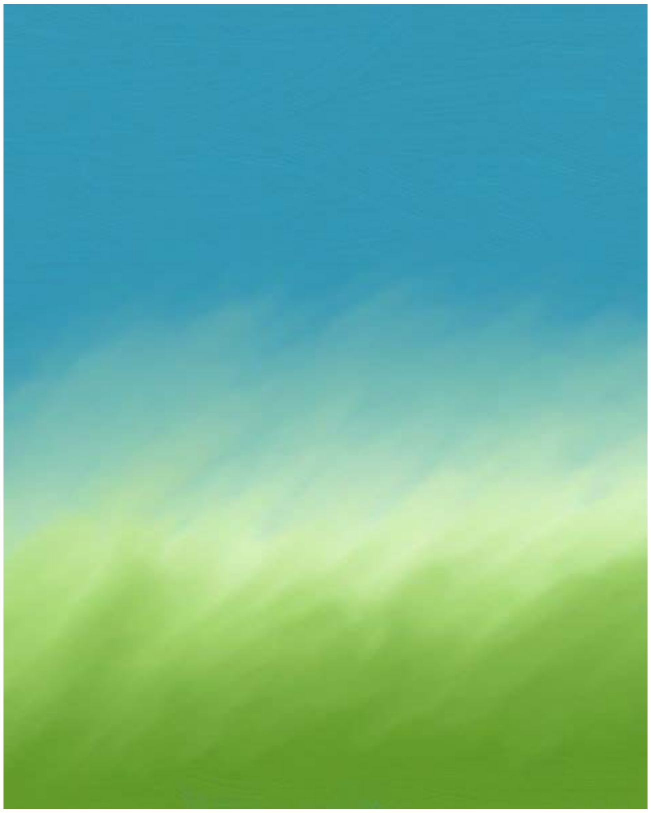


VOICE OF THE ADVISER 2013

A survey on the market for and marketing of independent financial advice

ABSTRACT

Economic confidence is returning strongly after the worst economic crisis in living memory. Following the introduction of the Retail Distribution Review, the advice market is finding its feet again. Predictions of client growth are firmer, but will the growth be sustainable, responsible or ethical? The fourth annual Voice of the Adviser survey delves into these issues.

Simon Leadbetter

Blue & Green Communications

Voice of the Adviser 2013

1 CONTENTS

2 About Us

Your invitation to read Blue & Green Tomorrow and Investor

Connecting high net-worth investors with advisers and wealth managers; connecting them with sustainable investment opportunities

Blue & Green Tomorrow is the fastest-growing and most widely visited sustainable investment magazine online in the UK. Blue & Green Tomorrow wants to help grow businesses that balance the needs of the planet, its people and prosperity. We aim to provide you with the knowledge you need to make informed choices without prejudice, scaremongering or greenwash. On our site you'll find insights into how to invest responsibly, travel sustainably, shop ethically and use cleaner sources of limitless energy.

We want the world to be as blue and green tomorrow as it was yesterday.

In July, we launched our new website and achieved a record 40% month-on-month growth. August, normally a quiet month, saw an exceptional 27% growth in visitor traffic from the record July. The typically quiet December was another record month as we touched 60,000 visitors, 38% up on November. While past performance is no indicator of future performance we're genuinely looking forward to the coming year.

Our recent acquisition of Worldwise Investor (rebranded as Blue & Green Investor in September) means we have now created a unique platform to connect a rapidly growing number of investors with advisers, and advisers with funds.

Responsible, ethical and thematic funds are becoming increasingly sought after as investors begin to recognise the growing importance of sustainable industries. This increased awareness and interest is fuelling a need for a greater breadth and depth of information and more straightforward and transparent access to key facts and figures.

Over the coming period of integration between Blue & Green and Worldwise, we will continue to invest in better insight and interactive tools for funds, advisers and investors.

Our long-term ambition is to be the *'Financial Times of sustainable investment'*: the only place to go for news, comment and analysis on sustainable investment.

We believe that everyone can play a part and anyone can make a difference. Not by going back through misplaced nostalgia to some bygone age, but by striding out to a bright new future in which we take advantage of the new approaches that can improve our quality of life, the food we eat, the air we breathe, the water we drink and the land we live on.

Life is for living without costing the Earth. There is no Plan(et) B.

3 EXECUTIVE SUMMARY

What a difference a year makes. Economic gloom and fear of the retail distribution review held the advice industry back in more ways than it would like to admit to itself.

The triple dip recession failed to materialise and it turned out, after some statistical shenanigans, that we hadn't even experienced a double dip.

Those who were well prepared were quietly confident that the RDR would drive out a large number of old model advisers, until some bright spark realised that the rest of the industry based its charges on assets under management. Fees based on a percentage of assets under management hoved into view.

And now economic confidence has soared. RDR has been a less of a disruption than thought, albeit pushing much need advice out of the reach of those who most need it, and have fewest alternatives.

Slightly more advisers experienced greater numbers of clients than in 2012, and significantly more expect more clients in 2014. The number of advisers getting requests for sustainable, responsible and ethical advice has increased slightly.

Purveyors of arms, tobacco, human rights abuses and pornography remain persona non grata amongst investors and the enthusiasm for renewable energy, fair trade and cleantech remains strong.

Friends Provident, Ecclesiastical and Aberdeen remain the favoured choices of all advisers, with Kames, Alliance Trust and Rathbones enjoying strong growth. Our friends at Cheviot Quilter and WHEB also jumped up the charts.

Among those in the know (Ethical Investment Association (EIA) members), Ecclesiastical retained the number one slot, with Aberdeen and Kames hot on their heels. Both Kames and Ecclesiastical made it onto the table of biggest risers among all IFAs, so they're still the ones to watch.

As mentioned gloom about the RDR has turned to grudging acceptance. Benefits to clients and firms have risen, and perceived harm has fallen. For firms they have seen a slight fall in the benefits, and a significant fall in the perceived harm. It wasn't as bad as expected, but nor has it been as good. Overall those seeing it as a success (26%) are outnumbered by those who see it as a failure (30%). The largest group are those sitting on the fence for now, saying it was neither.

There's been an increase in resources spent on securing new clients, and while word of mouth/recommendation still holds the dominant position, it's on the slide, with online marketing growing rapidly. Our own Blue & Green Investor makes the table for the first time with 2% of advisers using it to secure new clients.

Which takes us back to the macroeconomic. Economic confidence is picking up significantly with 78% of IFAs believing the conditions will be better in 12 months than they are now. Only 4% see them as getting worse, down from 56% in the dark days of 2011. The coalition's plans also get a seal of approval with 65% seeing them improving the situation and only 6% seeing them making matters worse.

The Labour party is still held most responsible for the economic crisis by 53% of advisers, down from 55% in 2011. Last year's survey showed that 48% of advisers would vote Conservative and 5% LibDem, so there may be a coalition bias in the sample. Investment banks and mainstream banks coming second and third at 24% and 9% respectively. The coalition has picked up a little bit of blame from Labour rising from 0% in 2011 to 3% in 2013.

In a year of European elections and a referendum we also asked about people's views on exiting from the EU and Scottish independence. The largest group of IFAs nationally wish to stay in the EU and for Scotland to remain in the United Kingdom. By a lesser margin, the largest number of Scottish IFAs also wish to remain in the United Kingdom.

4 FROM ETHICS TO SUSTAINABILITY: SHIFTING THE INVESTMENT DEBATE FOR 2014

Alex Blackburne speaks to four leading sustainable investment fund houses to gather their reflections on the last 12 months.

Ethical investment was thrust into the mainstream in 2013 – much to the Church of England's embarrassment – when it was revealed in July that the church had been investing indirectly in payday lender Wonga. This, just a day after the archbishop of Canterbury had condemned the payday industry over its irresponsible activity.

The issue reappeared in public consciousness a few months later, when a BBC Panorama investigation unearthed that Comic Relief held, or at least had held, stakes in a number of major tobacco, alcohol and arms companies. It's safe to say the charity's staff, supporters and trustees were left with red faces to match the red noses.

For Clare Brook, founding partner at London-based WHEB Asset Management, these two events – while beneficial in raising awareness – proved that the debate in 2014 needs to shift away from ethics and towards sustainability.

"We're not really talking about the far more serious issues around climate change and the fact that all major capital markets at the moment are still dominated by extractives and carbon-intensive industries", she says.

"It would be a significant breakthrough if in 2014 the debate around unburnable carbon, fossil fuel divestment and Bill McKibben's work – which is having a lot of resonance in our world – hit the popular consciousness."

McKibben, the founder of the activist group 350.org, has become the poster child of the fossil fuel divestment movement. Using the UK-based thinktank Carbon Tracker's comprehensive analysis into so-called stranded assets, he has toured the world in an effort to educate individuals about the threat, urging universities, businesses and investors to get rid of their oil, gas and coal stocks. The Carbon Tracker research describes as much as 80% of known high-carbon reserves as "unburnable" if the world begins to take tackling climate change seriously.

Brook believes this issue – known as the carbon bubble – is of greater significance than the Church of England or Comic Relief's unethical investment strategies.

"Would people be sufficiently outraged if a major charity that operates in third world countries was found to be investing in oil companies?" she asks.

"I don't want to downplay the significance of the Church of England's investment in Wonga, but nobody is going to die. But if you've got a typhoon hitting the Philippines on a scale that has never yet been seen – because we're looking at more and more extreme weather events due to climate change – people should be re-evaluating what drives our economies."

Tackling key sustainability challenges

Given the problems relating to fossil fuel usage, the ethical investment momentum going into 2014 appears to be with fund providers that actively seek out companies that provide sustainability solutions, rather than simply screen out the bad guys. This represents something of a sea change in an industry whose historical roots lie firmly in the negative screening camp.

The sextet of sin sectors that were at one time completely off-limits for ethically-minded investors – alcohol, tobacco, pornography, gambling, armaments and nuclear power – is somewhat dated, in that a range of other social and environmental concerns are perhaps more relevant now (few more so than fossil fuels).

And with fund managers increasingly selecting stocks on a positive basis, rather than excluding those using negative screens, the sustainable investment space has flourished in 2013.

Performance: the numbers speak for themselves

In August, Moneyfacts said that ethical and sustainable investment funds had generally performed better financially than their mainstream counterparts in the previous 12 months. The average ethical fund had delivered annual returns of 24%, it said, compared with the 18% growth displayed by the average non-ethical fund.

The HSBC Global Climate Change Benchmark Index (CCI) also showed strong returns, delivering an impressive 19.8% in the year to December 6, and in so doing outperforming the MSCI All Country World Index by 2.7%. HSBC says this is the first time the climate sector has performed better than global equities.

WHEB has seen its assets under management grow 56% in the past 12 months – which Brook attributes to the team of experts it acquired in 2012.

Meanwhile Alliance Trust Investments, another of the industry's leading players, has also seen its funds fare well in 2013, with its entire Sustainable Future range appearing in the first or second quartile over three years – the method by which performance is measured, with first quartile made up of the top 25% best performing funds. "We believe sustainable companies make better investments", it says, "Performance backs this up."

Its sustainable and responsible investment (SRI) team accredits the success to profitable stocks in its energy efficiency, pollution control, innovative medicines and vehicle safety themes. These include Kingspan, a building insulation manufacturer; Johnson Matthey, which makes catalytic convertors for cars; Roche and Alexion, which produce cancer drugs and treat rare auto-immune disease respectively; and Continental, which continues to develop safety equipment for cars.

"We believe that companies which help to make our environment cleaner and improve the quality of our lives are more likely to prosper", the team says.

"They will continue to grow as demand for their services increases. So while there will no doubt be macroeconomic wobbles in 2014, the prospects for more sustainable companies remains positive."

Engaging with business

The Rana Plaza disaster in Bangladesh, which saw more than a 1,000 die when a factory collapsed in May, also brought responsible investment to the fore. Alliance Trust joined a coalition of investors urging major retailers to sign the Accord on Fire and Building Safety in Bangladesh, of which over 100 are now signatories.

The SRI team highlights this sort of investor engagement as crucial going into 2014, adding, "It can't be called a highlight, given the tragic loss of life, but the reaction of shareholders, unions and retailers to the Rana Plaza accident is commendable, and shows that abuses of human rights in business is completely unacceptable."

Another example is that of GlaxoSmithKline, which some of Alliance Trust's Sustainable Future funds invest in. In July, when the pharmaceuticals giant was accused of large-scale bribery in China, Alliance Trust SRI analyst Mike Appleby wrote a detailed critique justifying their investment in the company. He confirmed they would be meeting GSK representatives to discuss the misdemeanours, adding, "We will continue to hold the company as long as we are satisfied that it is doing all it can to get its house in order and clean up how it operates if evidenced by a proactive and industry leading response to how it manages its business."

Elsewhere, the WHEB team ambitiously write to every company they vote against at meetings – 32 so far – explaining their reason for doing so. Four have responded and shown good progress, while 11 are said to have recognised the issues and made some improvements. One firm replied saying WHEB's was the first investor letter it had ever received.

Key themes in 2013

Brook points towards the HSBC research, which says energy efficiency and energy management had been the strongest performing sector in the climate space in 2013, with returns of 29.3%. This was followed by low-carbon energy production (15.0%) and environment and land use management (14.8%).

Meanwhile, Claudia Quiroz, investment director at Quilter Cheviot, says 2013 has been a successful one for equity markets more generally.

"The macroeconomic background has been clearly supportive for equities with investors anticipating an improving trend and global equities re-rating from their 2011 low", she says.

"Having said that, valuations still look reasonable. Even in markets such as the US, which have performed very strongly, valuations are only at their long-term average and well below previous market peaks.

"The UK saw a 'renaissance' of the renewables space in 2013 with nearly £1 billion worth of equity raised for solar and wind power generation projects via the stock market."

Quiroz adds that the firm's Climate Assets fund, which invests in companies that stand to benefit from the convergence of climate change, population growth and resource scarcity, has fared very well in 2013. Financial Express, the investment data service, recognised the fund's solid performance by awarding it a three Crown rating – given to funds that appear in the second quartile.

Looking ahead to 2014

It’s clear that investment that takes into account non-financial factors can match, and often outperform, investment that focuses solely on the bottom line. Neville White, senior socially responsible investment analyst at Ecclesiastical Investment Management, says investor appetite for sustainability will continue to grow into 2014 – despite the well-publicised events at the Co-operative Bank dividing many opinions.

“Unlike 2012’s shareholder spring, 2013 saw little appetite from investors for similar levels of confrontation. Instead, they are waiting to see the impact of a mandatory vote on remuneration policy in 2014, with early consultations already looking promising”, he adds.

There are a few challenges for the ethical sector, though. White says, “Continued economic austerity and budget deficit pressures have muted environmental initiatives in favour of growth, whilst on house building, bridging the supply-demand gap is galvanising all three political parties in a way not seen since the great building boom under Macmillan in the 1950s. We fear that the environment will again be the loser here as planning supersedes protection.

“When it comes to energy sources, fracking will continue to drive debate and political enthusiasm in 2014 and beyond. While the withdrawal of the onshore wind subsidies will create further uncertainty around national energy policy which we will be closely following.”

However, to echo Clare Brook’s sentiments at WHEB, we need to transform the debate for 2014. It’s no longer solely about ethics; it’s about sustainability. Let’s not get rid of ethics completely – they are still integral to investment – but let’s instead focus on engaging the mainstream with the financial case for sustainability. The likes of Carbon Tracker are doing that brilliantly in relation to fossil fuels, so let’s build on their excellent work.

Mark Hoskin, a partner at London-based financial advisory firm Holden & Partners, agrees that talking about sustainability rather than ethics is the best way forward.

He says, “We believe that sustainability is going to be important to investors going forward and there are good reasons why an investor would invest in this area for purely financial reasons. Firstly because of the obvious challenges posed by global carbon emissions and the impact this will have on society and the investment world, but also for diversification reasons.

“The sorts of stocks that sustainable investment managers invest in are not the run of the mill equity selections made by the average fund manager and thus investing in sustainable funds provides an investor with real diversification. This is why Holden & Partners have just committed to encourage all of their clients to have an exposure of 10% of their investment portfolio to sustainable funds irrespective of their view of the world.”

So, if it is morally repugnant for investors to profit from industries like tobacco, alcohol and the arms trade, it is utterly deplorable for them to hold fossil fuel stocks that contribute to an environmental challenge, the likes of which have never been witnessed by humankind. The same goes for owning stakes in businesses with atrocious human rights records and ones that deplete precious natural resources like water.

It’s time to change the line of attack. Let’s aim for the investment community’s head, not its heart.

5 ECCLESIASTICAL: THE ADVISERS' CHOICE

Since March 1988, Ecclesiastical Investment Management Limited has been at the forefront of socially responsible investing.

Head of Investments Sue Round launched one of the UK's first retail ethical investment funds – the Amity UK Fund – over 20 years ago and we now offer a full range of socially responsible Amity screened funds to give your clients the opportunity to diversify across asset classes and regions.

At Ecclesiastical Investment Management we are proud to be able to share the number of accolades we have won from a number of high profile industry awards, some of which are highlighted below.

- Moneyfact's Best ethical investment provider - Ecclesiastical Investment Management Ltd. This is the fifth consecutive year we have won this award, which is voted for by the IFA community.
- Moneywise's Best mixed investment 40 - 85% shares - Ecclesiastical Higher Income Fund
- Money Observer's Best Ethical/SRI Bond Fund 2013 - Amity Sterling Bond Fund
- Lipper's Best Mixed Asset GBP Balanced Fund - Ecclesiastical Higher Income Fund over 5 years
- What Investment Best Multi-Asset Fund 2013 - Higher Income Fund
- Nomination - Best Specialist Group - Ecclesiastical Investment Management Ltd
- Nomination - Robin Hepworth, Fund Manager of the Year (Balanced Category) - Higher Income Fund
- Nomination - Andrew Jackson, Fund Manager of the Year (UK Equity Growth Category) - UK Equity Growth Fund
- European Funds Trophy for Best European Asset Manager with 4 to 7 Funds and also special FUNDCLASS trophy for the Best European Asset Manager with 4 to 7 Funds on a long term basis

6 MATRIX SOLUTIONS

Matrix Solutions is a business intelligence consultancy with 30 years' experience in the financial services sector. Until December 2013 Matrix was an independently-owned business prior to its acquisition by FactSet Research Systems, a leading US financial intelligence organisation.

We are widely regarded as the leading data owner for financial intermediary and private investor intelligence, thanks to our marketing databases being the most comprehensive, insightful and up to date in the UK. In recent years we've expanded our offering into CRM implementation and performance benchmarking services (Financial-Clarity) for the whole of the UK financial sector.

As of the start of 2013 we now collect sales transaction information for over 90% of the nation's asset management groups and over 50% of the life and pensions companies. The aggregated dataset is then accessed in a secure online client environment, allowing individual firms to conduct their own trend and market analyses to help them develop the most commercially viable sales and distribution strategies for their own business model.

Our clients appreciate Matrix's passion for generating insight from a huge variety of data sources and our relentless quest to deliver the most efficient revenue-building solution for their particular business. We are a consulting partner for SalesForce.com, we have co-branded products with the Council of Mortgage Lenders and we surpass the most stringent of data management requirements to ensure the confidentiality of all our client data.

We are always interested in meeting new clients, especially those who would like to create a genuine difference in the role that data and business intelligence plays in their day-to-day operational strategy. If you would like to read any of our case studies or would like to trial any of our databases and/or performance benchmarking tools, visit us at www.matrixsolutions.co.uk.

We look forward to helping you grow your business into 2014 and beyond.

MatrixSolutions
Inside intelligence


MISSING
YOUR FIRM
LAST SEEN
Unknown. Your Adviser Firm has never been registered on our mylocaladviser.co.uk database and is missing out on generating free business leads.
Please Help – Your Information Needed
We have over 500,000 people searching for firms like yours but they can't find you unless you register some basic information about your firm. Can you spare 15 minutes to give us some information, so that you are more likely to show up in the search when your listing is made live?
REWARDS
• Free Business Leads
• Free Business Intelligence & Analytics Tools
• Free Market Reports & Surveys
mylocaladviser.co.uk

7 SUSTAINABLE INVESTMENT BOOTCAMPS 2014

Following the success of the first Sustainable Investment Bootcamp we will be running a series of events throughout the UK in 2014.

What is sustainable investment?

Sustainable investment - a name that better reflects the range of options that are available today - has evolved considerably from its ethical negative screening origins.

Alongside more traditional ethical approaches this sector is also concerned with positively selecting the fastest-growing, most innovative industries of the future - across big business and in cleantech, biotech, healthcare, sustainable transport, forestry and elsewhere. It is not simply about screening unethical 'offenders' out anymore - although for many this remains a core strategy. It's as much about a strong and sustainable performance as sustainability.

Why it matters more than ever?

Critically for financial advisers, clients who invest sustainably are more loyal to their adviser and funds. Because investors buy these funds based on principles, as well as performance, they're more likely to hold on to their investments.

Sustainable and responsible investment (SRI) and ethical investment are not areas an adviser can afford to ignore. The Financial Conduct Authority (FCA) and the Financial Services Authority (FSA) before it makes it clear that this area should be included in advice processes as advice must be "comprehensive, fair, unbiased and unrestricted" and "advice on retail investment products must relate to clients' needs".

Guidance issued in 2012 went further, with the FSA specifically commenting on SRI when it clarified that "advisers who use panels should be able to go 'off panel' for areas such as ethical/SRI investment to find funds that meet clients' needs."

What will the participant get from the one-day event?

1. Access to adviser and industry thought leaders in this rapidly growing investment area
2. Information on leading sustainable investment funds
3. The latest data on who is investing in what and what that means to advisers and why
4. What investors are looking for and the relative importance of ethics and sustainability
5. Support after the event to secure new clients interested in this investment strategy
6. Institute of Financial Planning (IFP) continuing professional development (CPD) hours

ACT TODAY: Spaces will be strictly limited so please register your interest early to avoid disappointment.

✓ To see a video of last year's event please click here.
✓ To download a guide to the event from 2013 click here.
✓ **To register for an event in 2014 please click here.**

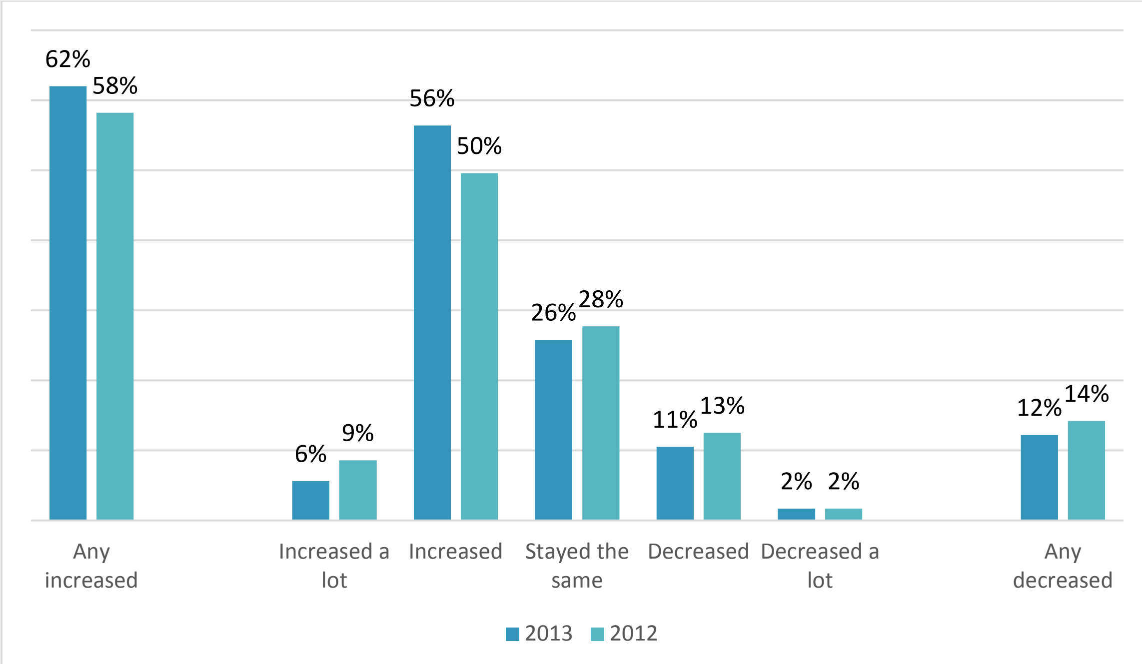
Month	Location
April	Leeds
May	Liverpool
June	Edinburgh
September	London
October	Birmingham
November	Bristol

8 FINDINGS

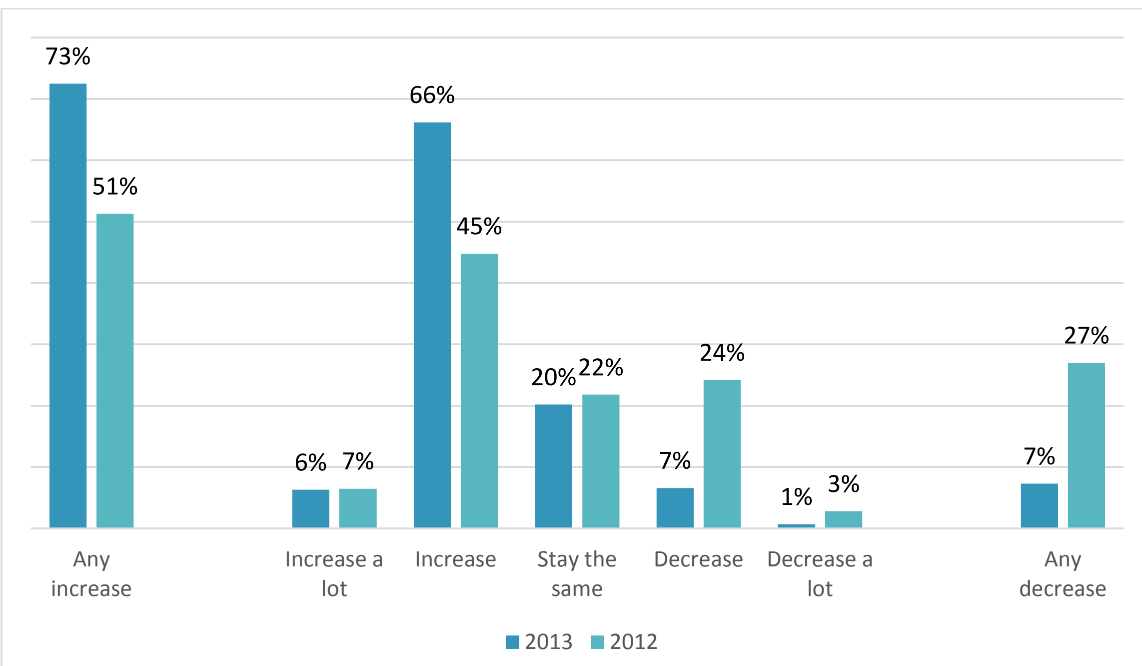
8.1 THE MARKET FOR ADVICE

- The number of advisers experiencing an increase in clients from the previous year has risen from 58% in 2012 to 64% in 2013
- 73% of advisers expect to see an increase in clients in 2014, compared to 51% in 2012. Those expecting to see a decrease has fallen from 27% to 7%
- The biggest competitor to advice remains the 47% who are not getting advice, up from 42% in 2012. Online advice sites (41%) have overtaken the mainstream media (38%), whereas other financial professionals (accountants, stockbrokers etc.) have seen the biggest increase from 16% to 36%. Banks and building societies have seen the biggest fall from 38% to 21%, reflecting the sector's withdrawal from the advice market
- Those expecting to see greater competition from direct purchase has fallen from 58% to 45%, whereas competition from restricted tied advice and platforms have remained stable, with the greatest competition coming from platforms (56%)
- The average number of other IFAs that an IFA thinks they compete with has fallen slightly from 9 to 8
- The number of advisers experiencing an increase in demand for advice from existing clients has risen from 58% in 2012 to 64% in 2013
- The number of advisers expecting an increase in demand for advice from existing clients has remained stable at 50%

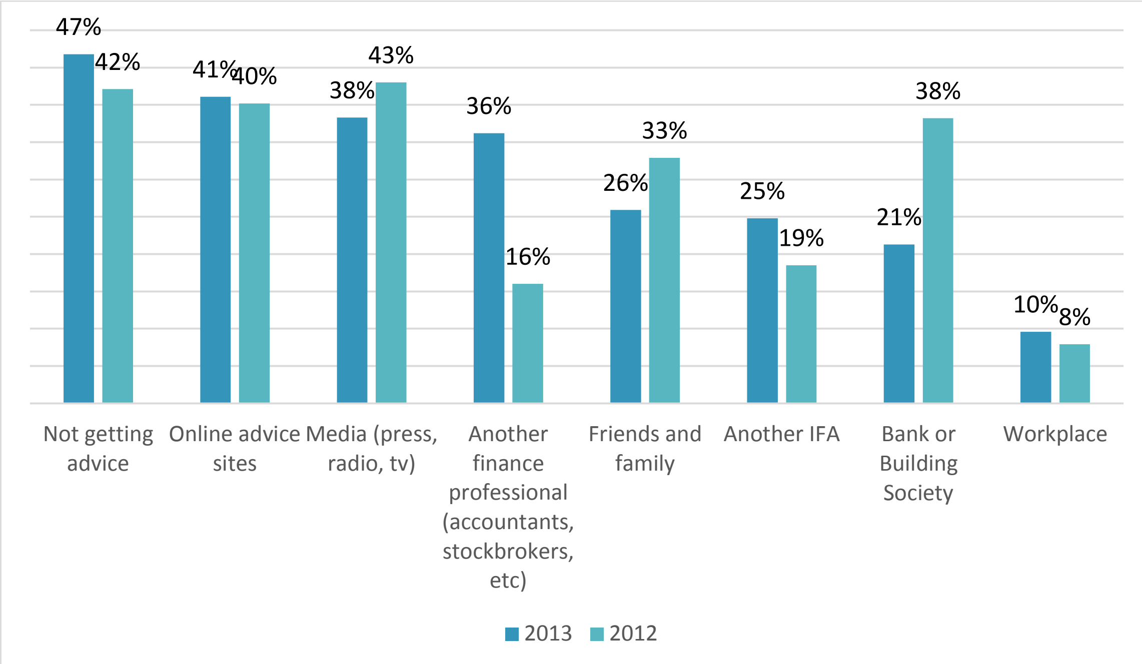
Q2. In the last 12mths has the number of clients you work with increased, stayed the same or declined?



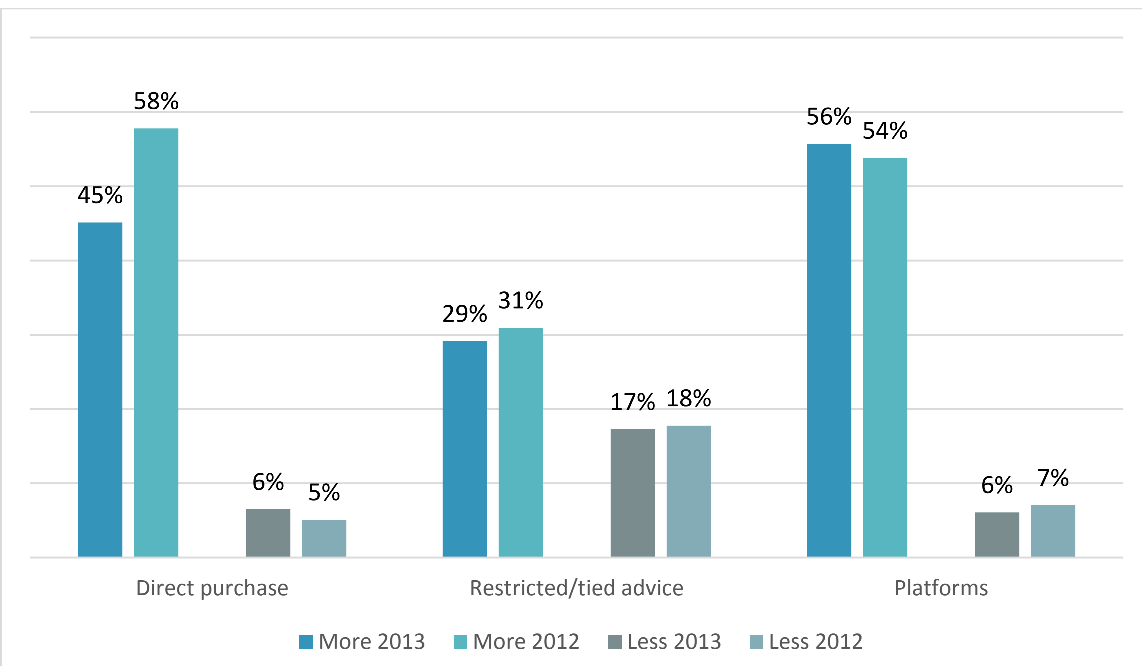
Q3. In the next 12mths do you expect the number of clients you work with to increase, stay the same or decline?



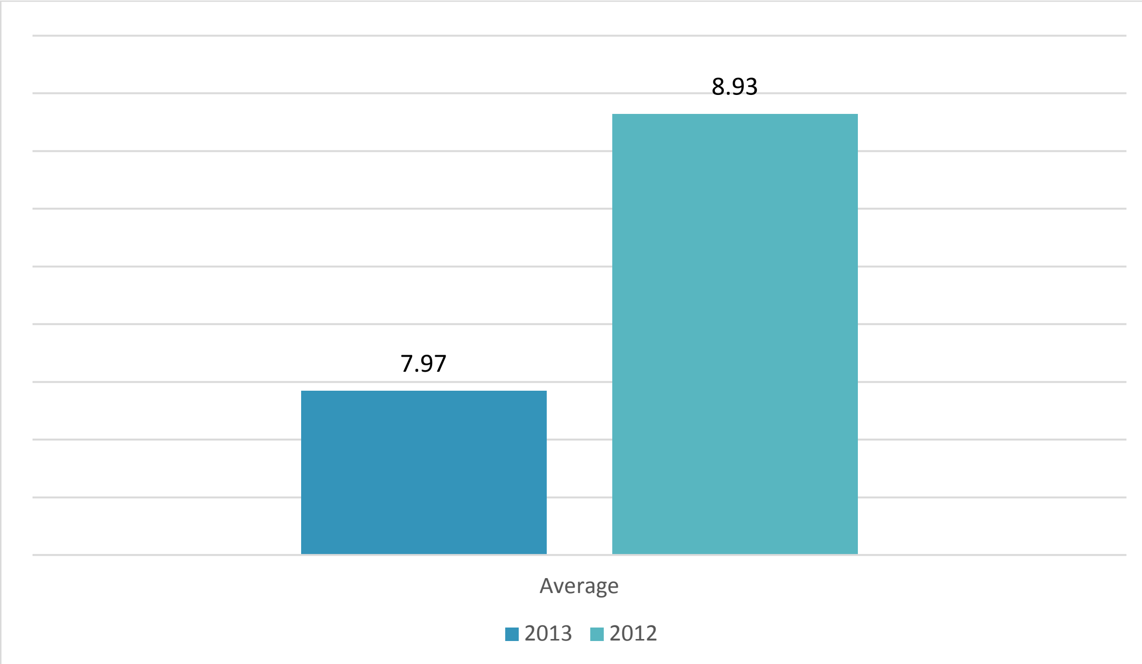
Q4. Where else do you believe your clients are getting advice from? (Please tick all that apply)



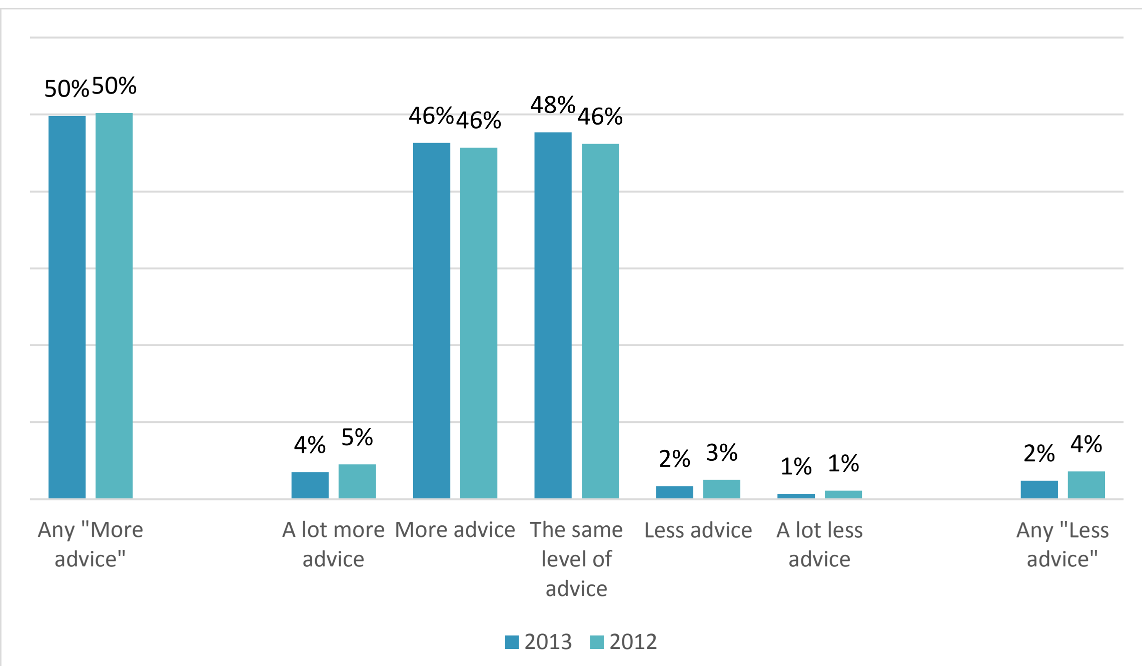
Q5. Do you see more or less advised clients turning to any of the following over the next 12 months?



Q6. *In your own area how many other IFAs do you estimate you compete with for clients?*



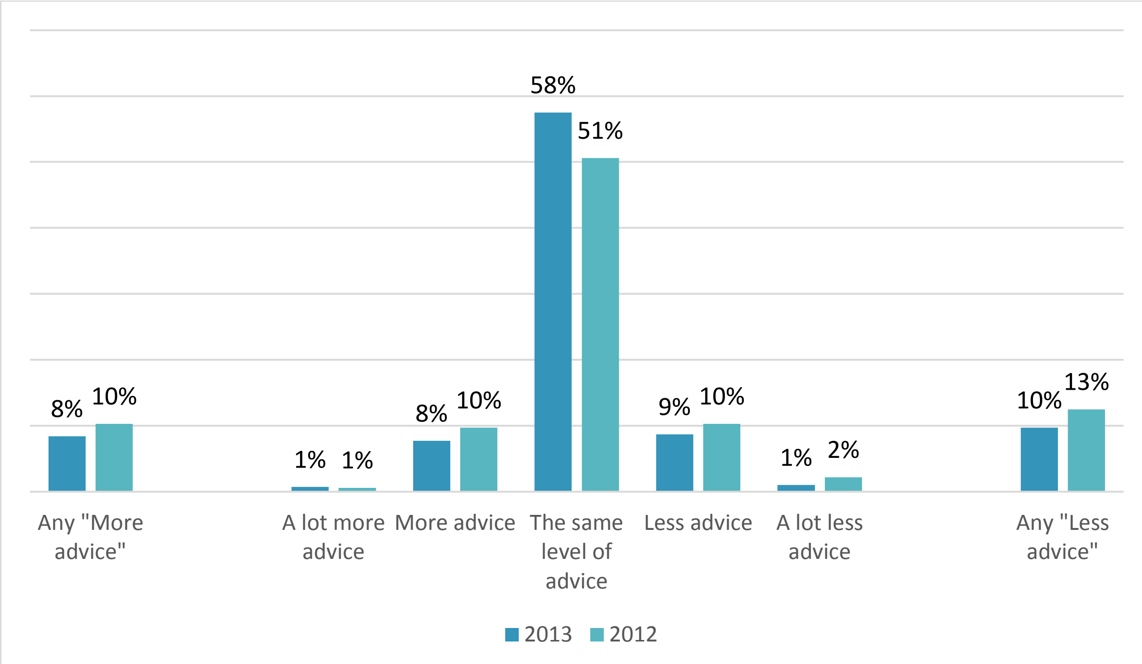
Q7. *On average, in the last 12mths are your clients requiring more or less advice/management/planning from you?*

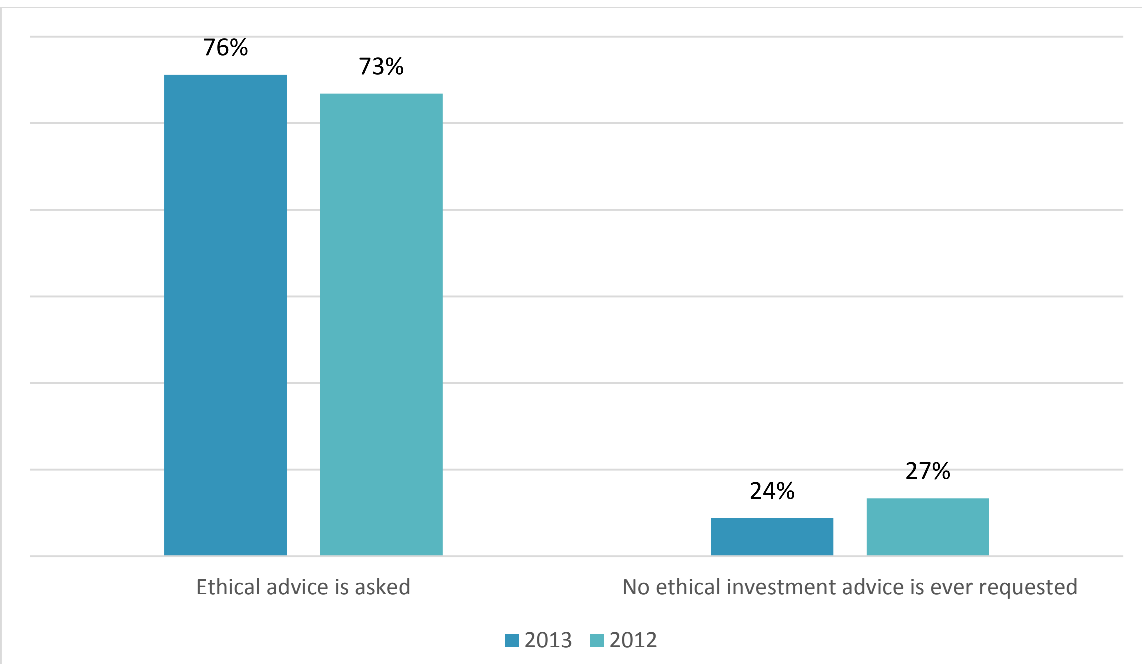


8.2 Sustainable, Responsible And Ethical Investment

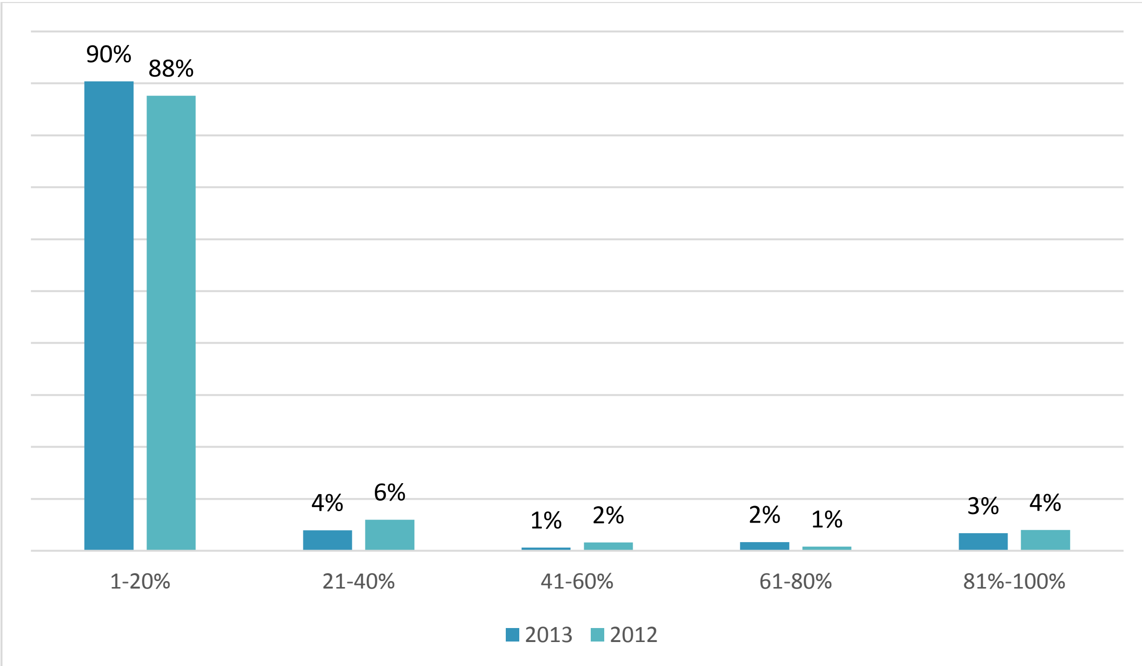
- The number of advisers experiencing an increase in demand for sustainable, responsible or ethical advice from clients has fallen slightly from 10% to 8%. Those experiencing a fall in demand has also fallen from 13% to 10%, with the greatest growth coming in those getting the same level of requests
- The number of advisers being asked about ethical advice has risen marginally from 73% to 76%
- Of those who get requests for sustainable, responsible or ethical advice, the pattern is stable year-on-year, with the overwhelming majority of advisers getting requests from 1-20% of their clients. In 2014, we will break this category down further
- The pattern of share of portfolio put in sustainable, responsible or ethical options amongst those who request is volatile, with the biggest shifts at either end of the scale. Those who put 1-20% of their portfolio in sustainable, responsible or ethical options has fallen from 39% to 28%, those who put 81-100% of their portfolio in these options has risen from 26% to 35%
- The weapons (67%), tobacco (58%), human rights abuses (55%) and pornography (52%) are the sectors investors are most keen to avoid
- Those they are least keen to avoid are fossil fuels (9%), poor relations with employees (10%) and nuclear power generation (10%)
- Renewable energy (79%), fair trade (55%) and clean technology (54%) are the sectors they are most keen to invest in
- Those they are least keen to invest in are mass transportation (2.2%), sustainable travel (3.8%) and organic food (8.8%)
- The top three funds for all advisers are Friends Provident (42%), Ecclesiastical (36%) and Aberdeen (32%)
- The top risers (with those more than 5%) have been Premier (+122%), Cheviot (+70%) and WHEB (+70%)
- Amongst specialist ethical advisers of the EIA, the top three funds are Ecclesiastical (78%), Aberdeen (78%) and Kames (72%)

Q8. On average, in the last 12 months are your clients seeking more or less specific ETHICAL advice/management/planning from you? (i.e. they express an interest in exploring ethical, impact, responsible, green or sustainable investment options)

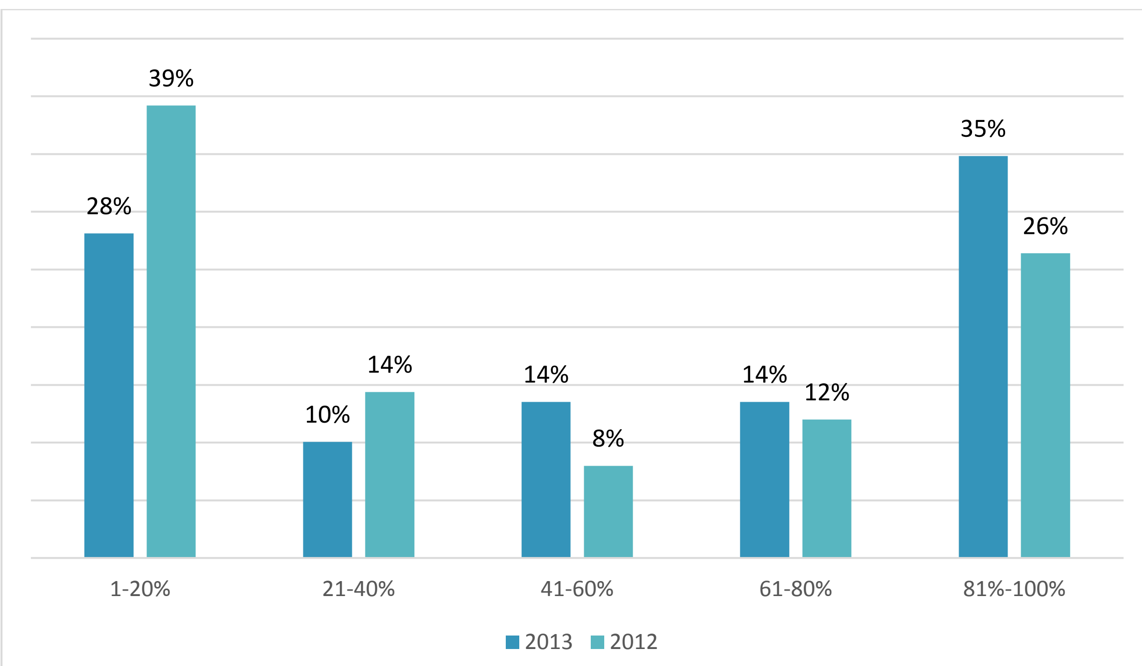




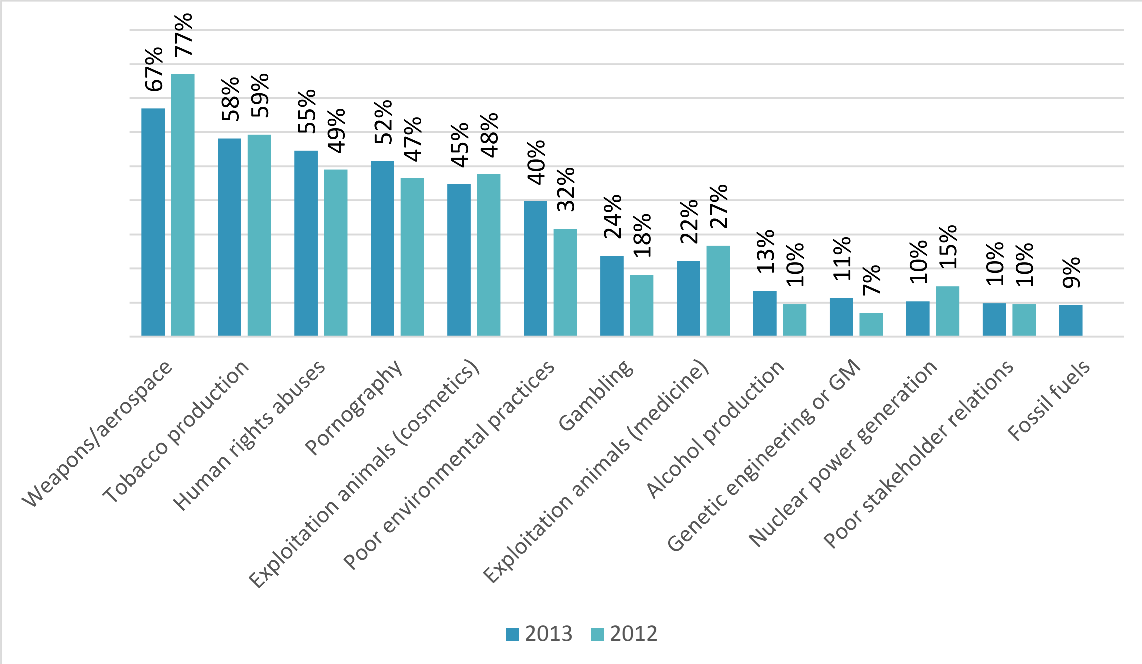
Q9. On average, what percentage of your clients ask for ethical, responsible or sustainable investment advice?



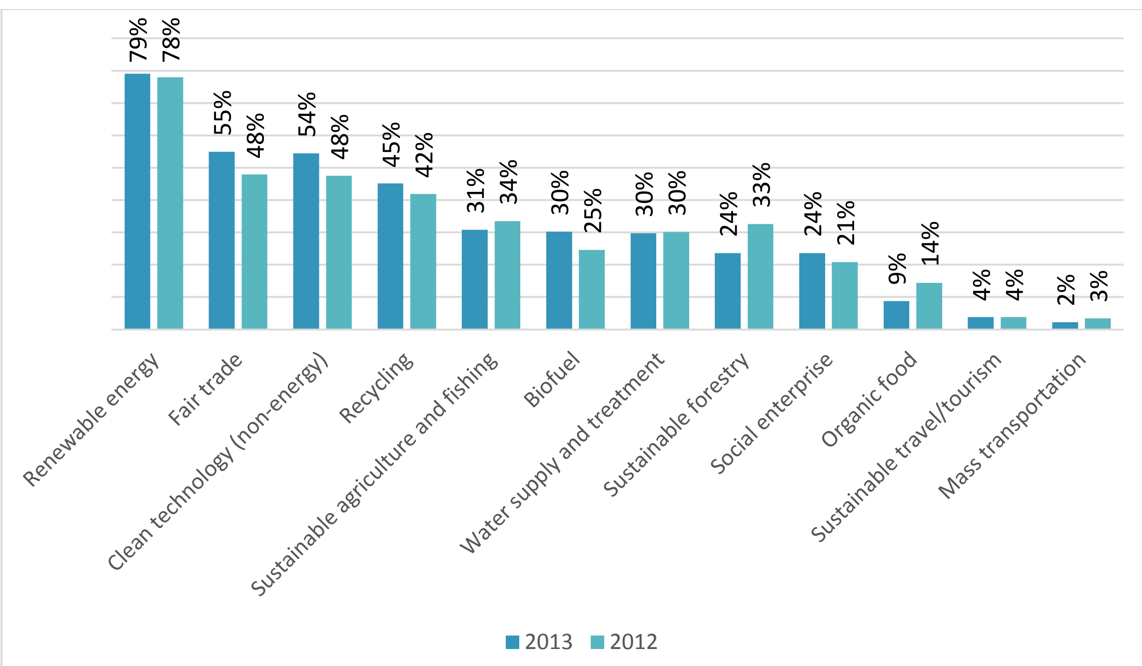
Q10. Of those who ask for ethical advice, on average what percentage of their portfolio do they put in ethical funds?



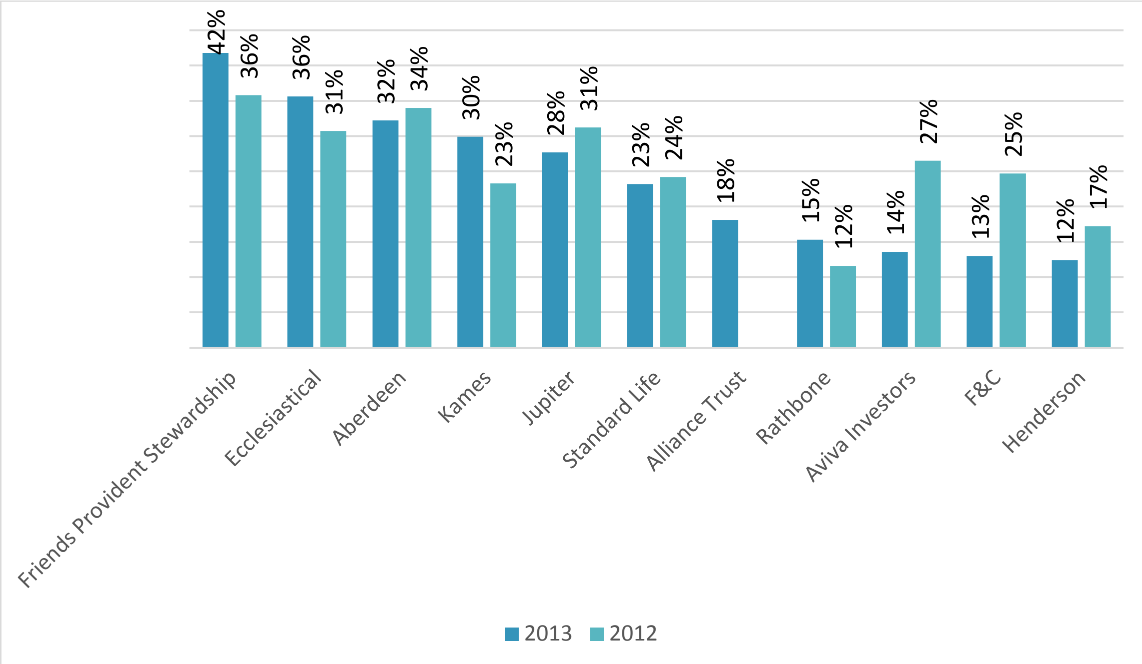
Q11. *What sectors are your clients MOST KEEN TO AVOID investing in? (Please tick 5 that apply the most)*



Q12. *What ethical sectors are your clients MOST KEEN to invest in? (Please tick 5 that apply the most)*



Q13. *Which of these ethical fund providers do you use most often? (Please tick all that apply)*

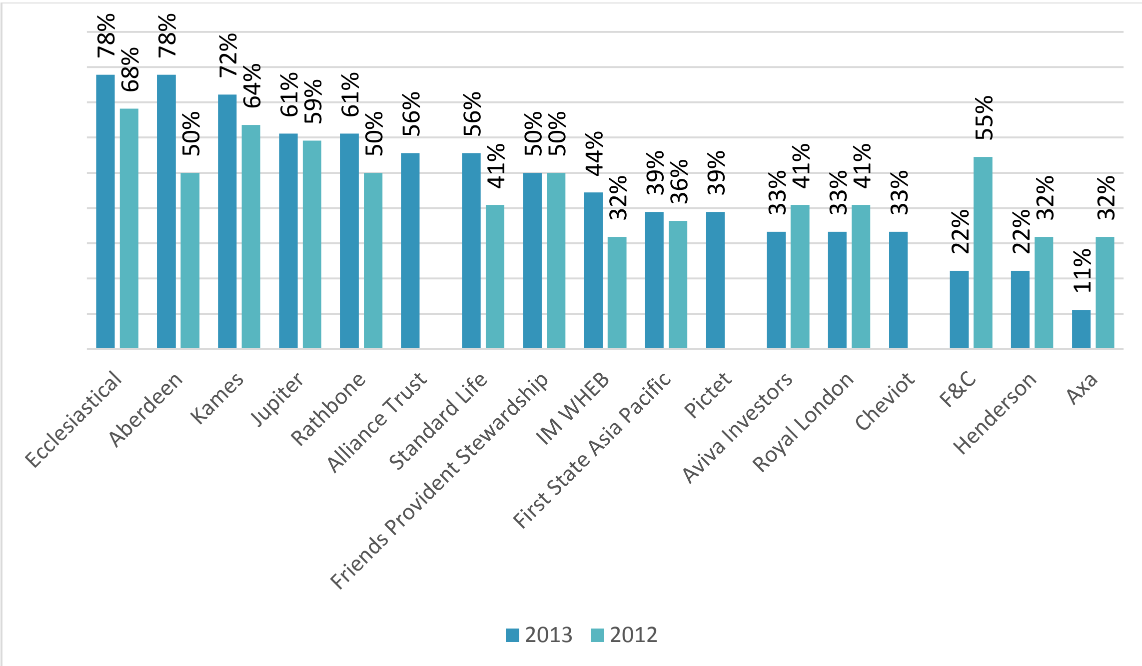


Biggest risers (of those with more than 1%)

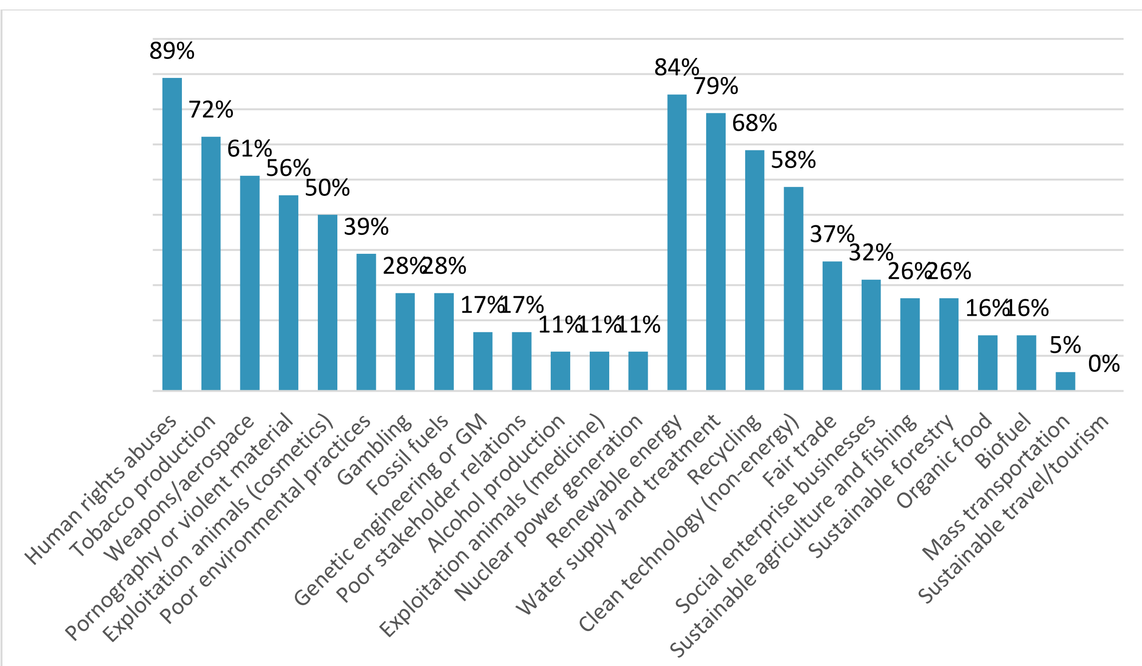
	2013	2012	Growth
Premier	5.1%	2.3%	122%
Cheviot	5.6%	3.3%	70%
Wheb AM	5.6%	3.3%	70%
Schroders	7.3%	5.1%	43%
Rathbone	15.3%	11.6%	32%
Kames	29.9%	23.3%	28%
Scottish Widows	7.9%	6.5%	22%
Friends Provident Stewardship	41.8%	35.8%	17%
Ecclesiastical	35.6%	30.7%	16%

Q13. Which of these ethical fund providers do you use most often? (Please tick all that apply)

Ethical Investment Association specialists only



Q11. What sectors are your clients MOST KEEN TO invest/AVOID investing in?

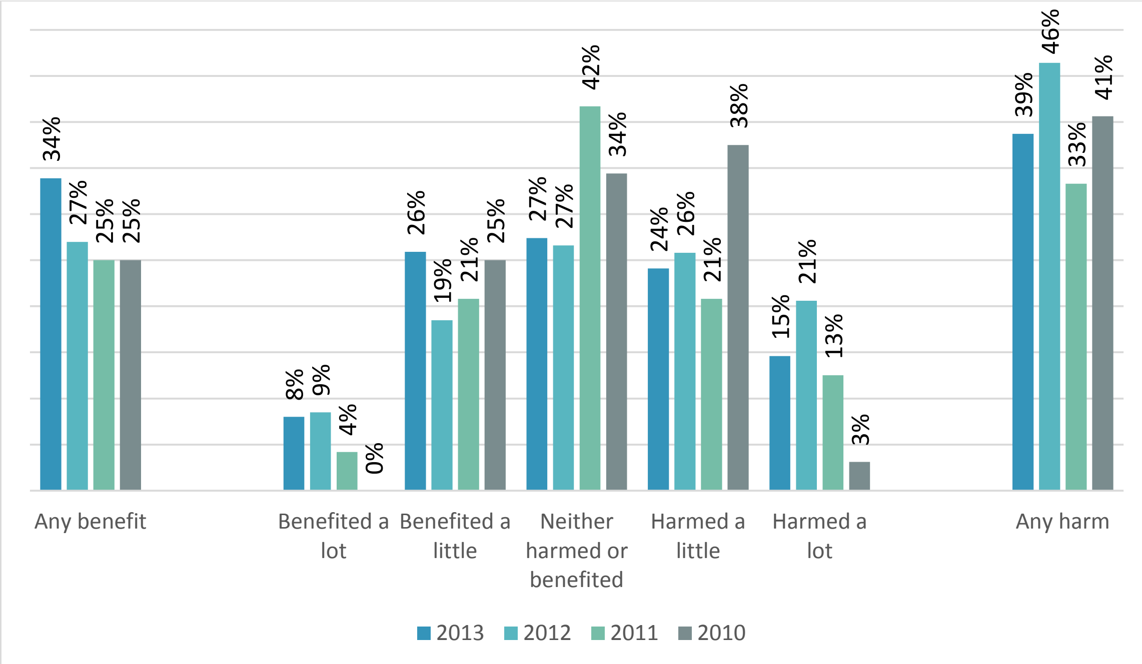


8.3 Retail Distribution Review

- Those seeing benefits from the RDR for clients has steadily risen since 2010. 25% saw benefits in 2010 with 34% seeing benefits one year post implementation
- Those seeing harm from the RDR for clients has fallen since 2010. 41% saw harm in 2010, and peaked at 46% in 2012 with 39% seeing harm one year post implementation
- Those seeing benefits from the RDR for firms has fallen slightly since 2012. 42% saw benefits in 2012 (the same as 2011) with 39% seeing benefits one year post implementation
- Those seeing harm from the RDR for firms has fallen since 2012. 36% saw harm in 2012, with 26% seeing harm one year post implementation
- 26% see the RDR as a success (17% qualified, 9% outright), 30% see it as a failure (19% qualified, 10% outright)

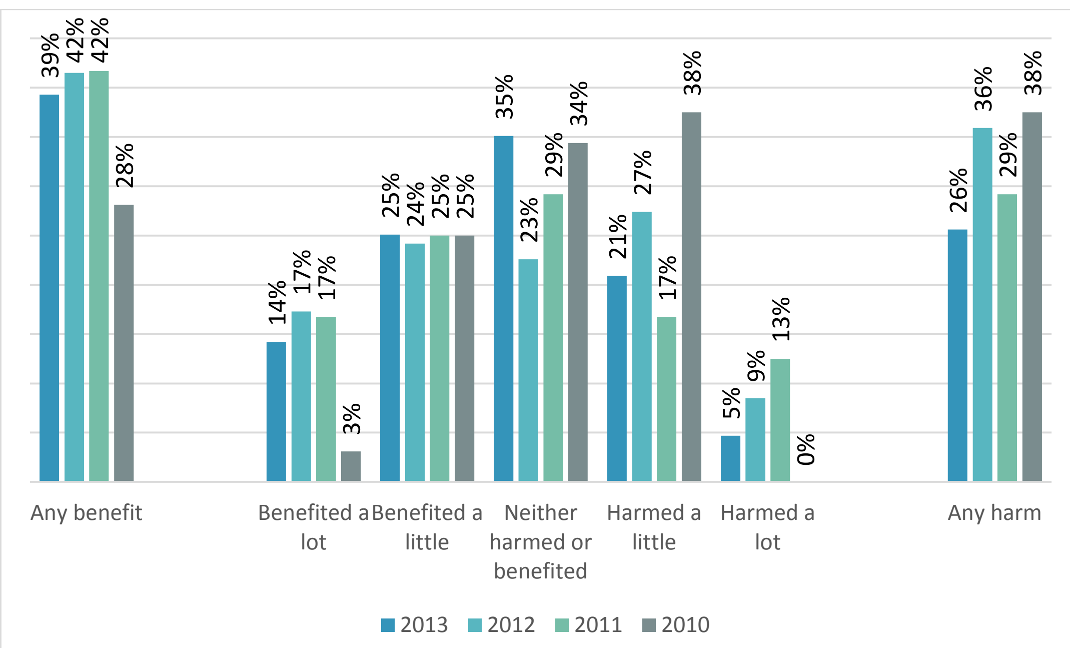
Q15. Do you think the RDR has benefitted or harmed the interests of your CLIENTS?

Pre-2013, the question was "will benefit or harm"

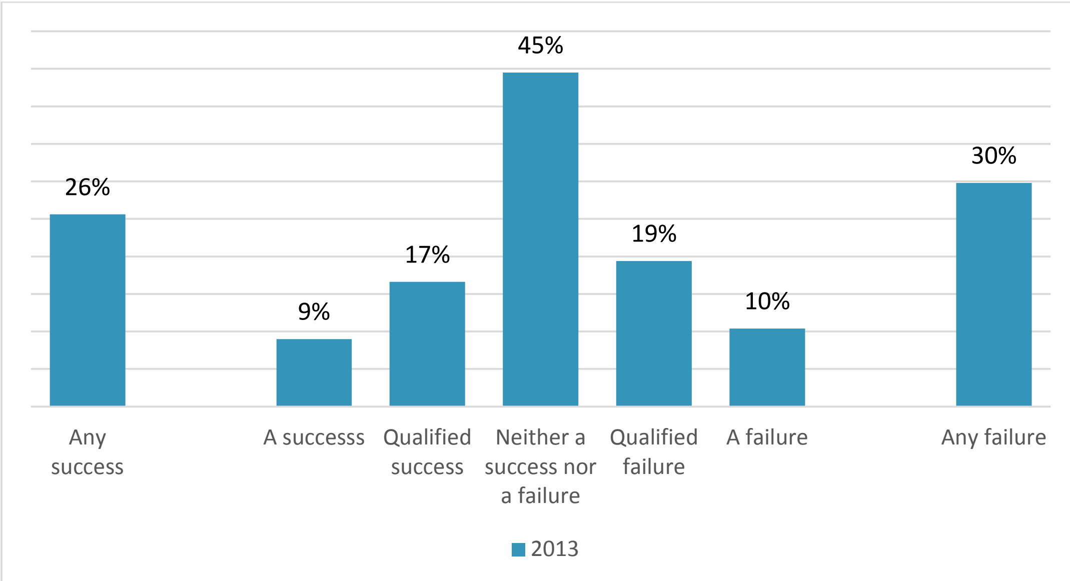


Q16. Do you think the RDR has benefitted or harmed the interests of your FIRM?

Pre-2013, the question was "will benefit or harm"



Q17. Overall, has RDR been a success or failure in your experience?



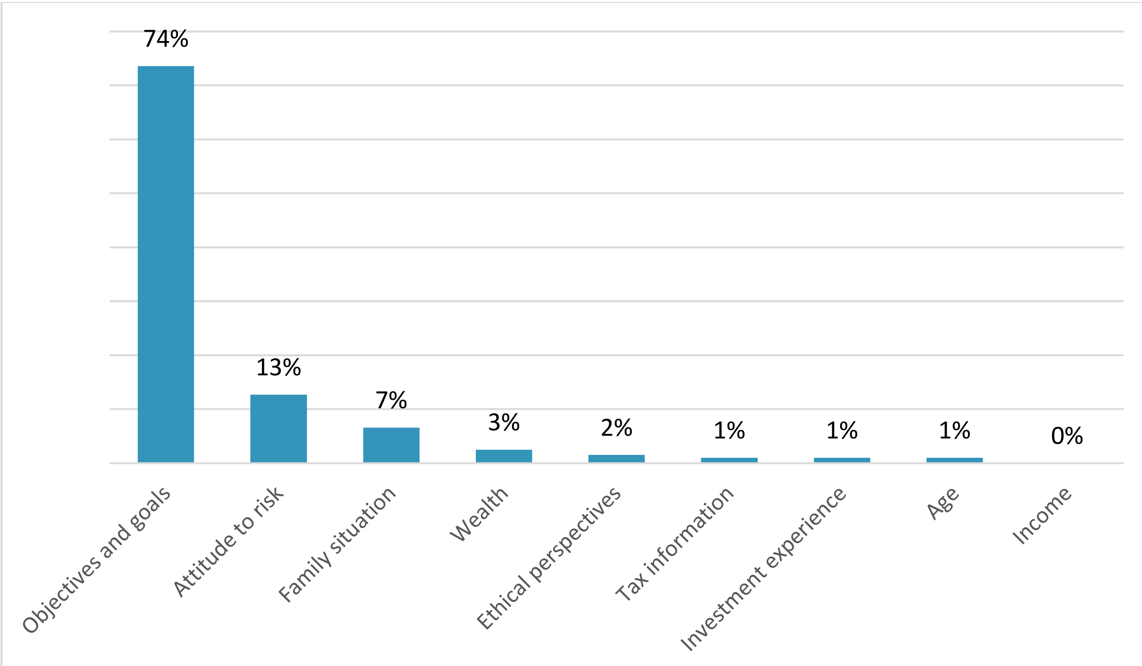
Q18. What do you believe the biggest single impact of RDR has been since implementation?

The biggest changes are seen as being greater transparency, increased professionalism for the industry but fewer clients served.

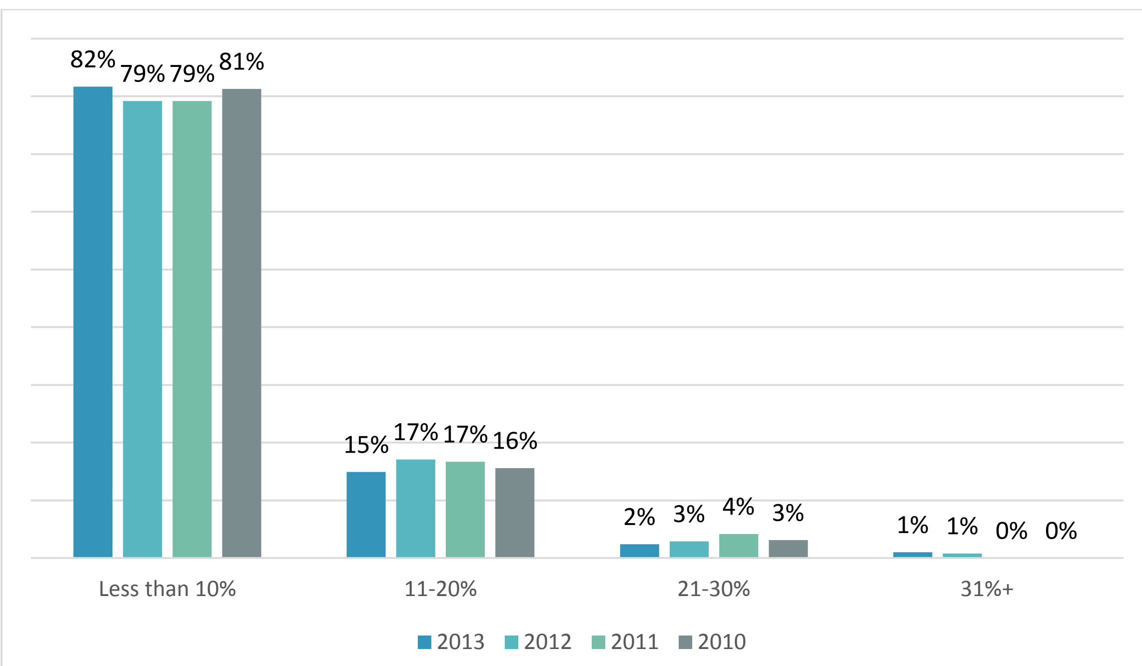
8.4 WINNING NEW CLIENTS

- A client's objectives and goals (73%) remain the most important information for an adviser to gather in winning trust and business from a new client. Their attitudes to risk comes second with 13%. Ethical perspectives is seen as important by only 1.5% of advisers
- 82% of advisers spend less than 10% of their income on marketing to new clients
- There has been in an increase in the amount spent in personal time and marketing/advertising to secure a new client
- The number of prospects an adviser needs to engage with to secure a new client is 7.2, up from 6.6 in 2012
- The number looking for no minimum portfolio size is stable at 48%. Those looking for a minimum portfolio of over £500k has appeared for the first time on the survey at 1.5%
- In terms of method of recruitment of new clients, word of mouth and recommendation remain dominant (84%) although there has been a gradual decline since 2010 (91%). Unbiased.co.uk comes second for the fourth year running at 34%, but this has similarly suffered a slide from 2010 (47%). Online marketing has leapt from 14% in 2010 to 25% in 2013

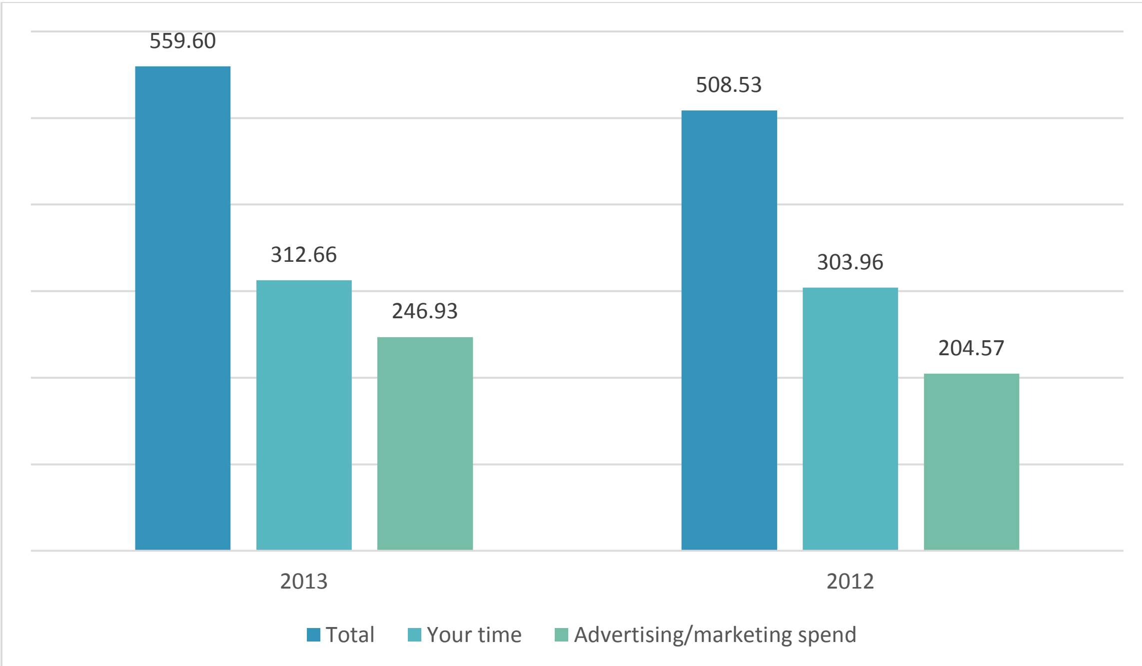
Q19. What is the SINGLE most important piece of information, other than their name and contact details, that you need from a prospective client to win their trust and business?



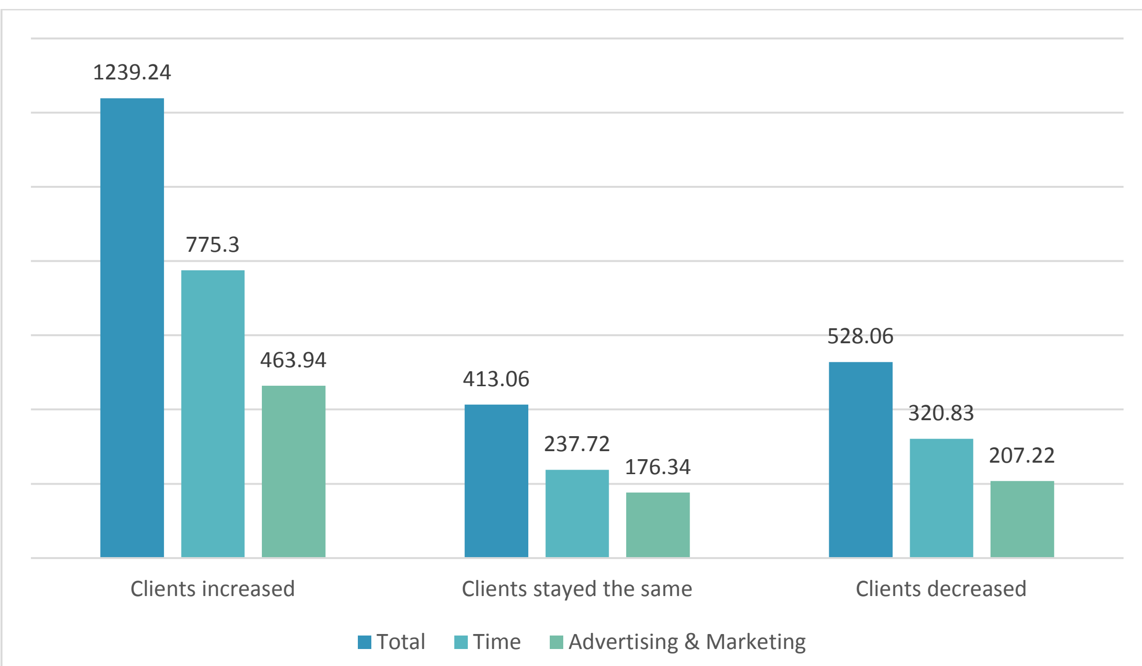
Q20. What percentage of your firm's income do you spend per annum on new client generation/marketing?



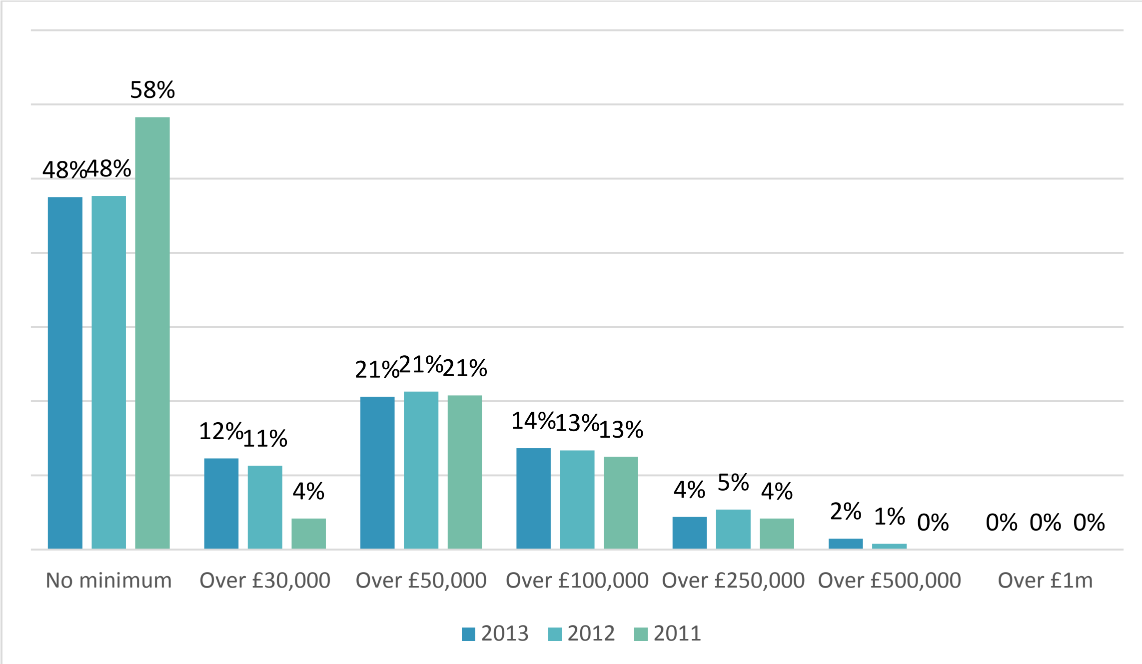
Q21. *On average how much money (£s) would you invest to acquire a single new client? (e.g. value of your time in a free consultation and advertising/marketing spend)*



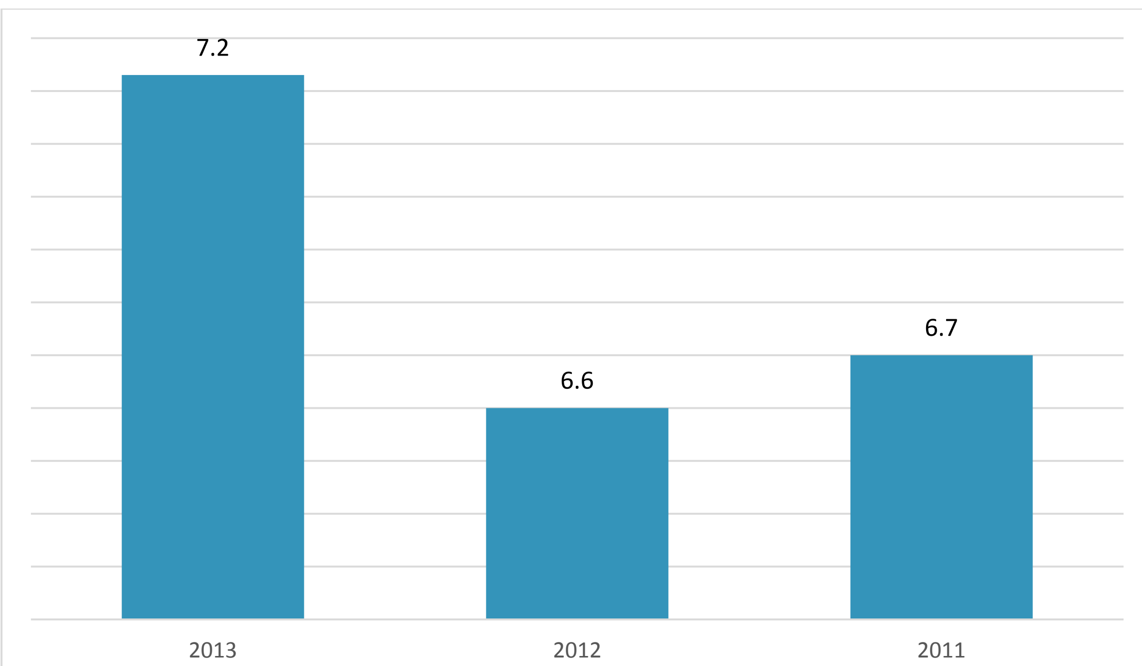
Spend based on 2013 growth segments



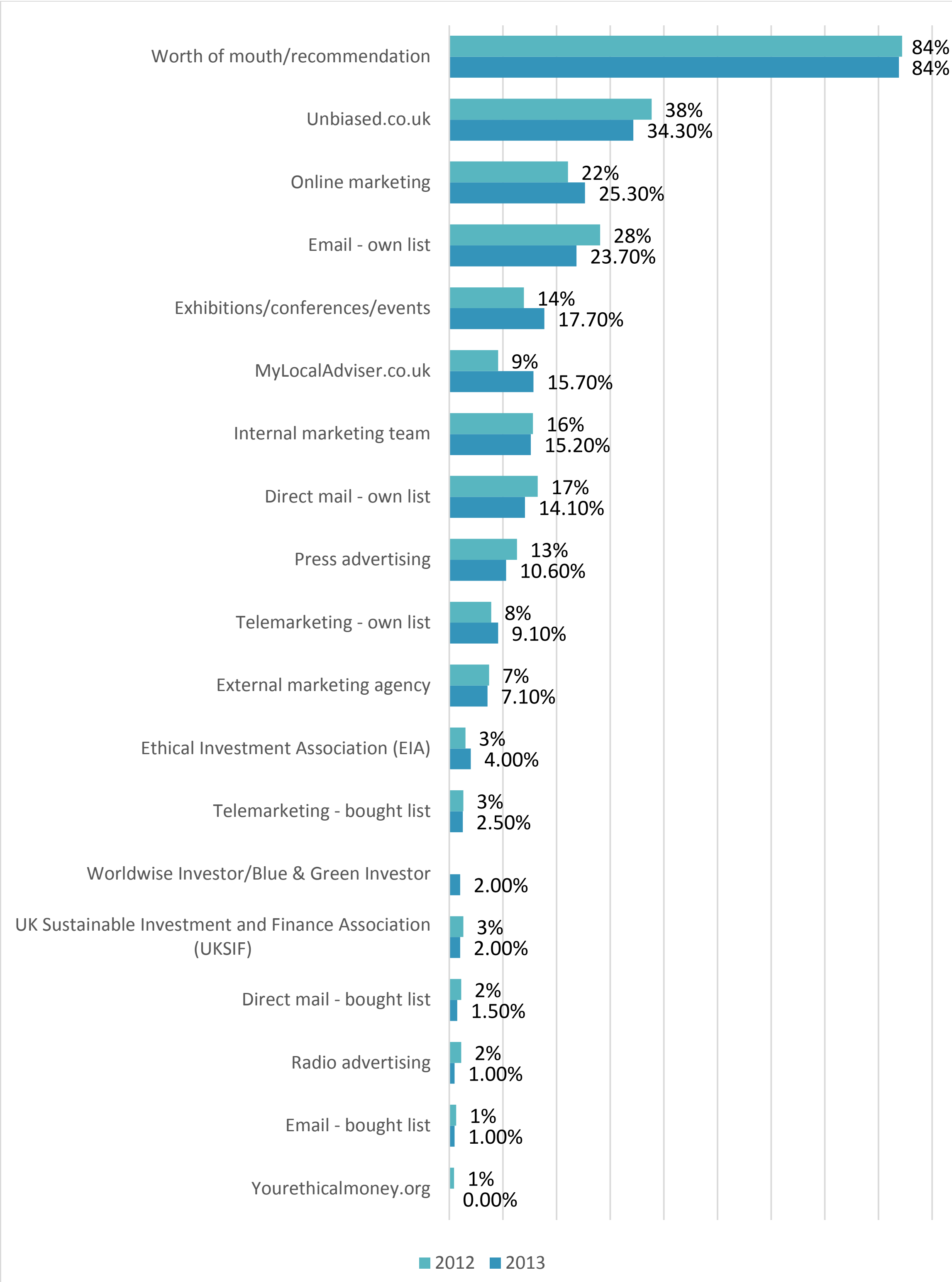
Q22. What is the minimum portfolio size you look at to take on a client?



Q23. On average how many prospects would you say you need to have had a conversation (by phone or face-to-face) with in order to win one new client?



Q24. What methods do you mainly use to generate new clients? (Please tick the 5 methods you use most)



Top three over three years

Marketing approach	2013	2012	2011
Worth of mouth/recommendation	83.8%	84.4%	86.4%
Unbiased.co.uk	34.3%	37.7%	40.9%
Online marketing	25.3%	22.1%	13.6%

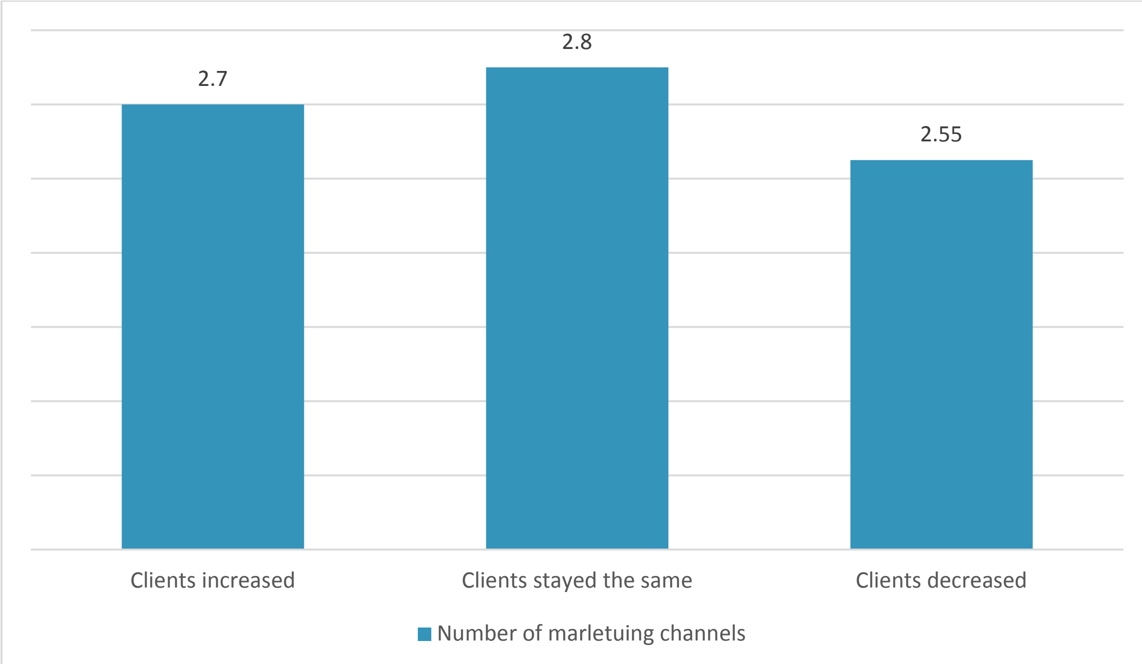
Largest risers in approach 2012 to 2013 (year-on-year)

Marketing approach	2013	2012	12 to 13
MyLocalAdviser.co.uk	15.70%	9.10%	73%
Ethical Investment Association (EIA)	4.00%	3.00%	33%
Exhibitions/conferences/events	17.70%	13.90%	27%
Telemarketing - own list	9.10%	7.80%	17%
Online marketing	25.30%	22.10%	14%
Worldwise Investor/Blue & Green Investor	2.00%	n/a	

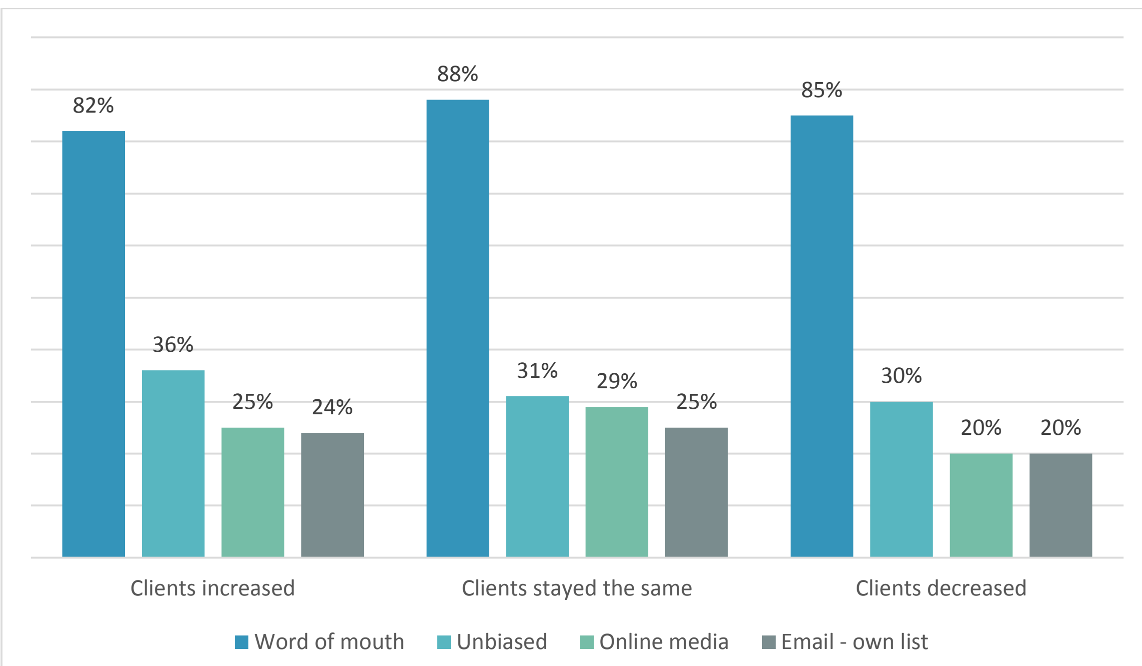
Largest risers 2010 to 2013 (over three years)

Marketing approach	2013	2010	10 to 13
Email - own list	23.7%	9.4%	199%
Direct mail - own list	14.1%	9.4%	76%
Internal marketing team	15.2%	9.4%	66%
Telemarketing – own list	9.1%	6.3%	24%
Exhibitions/conferences/events	17.7%	12.5%	11%

Channels to market by growth segment



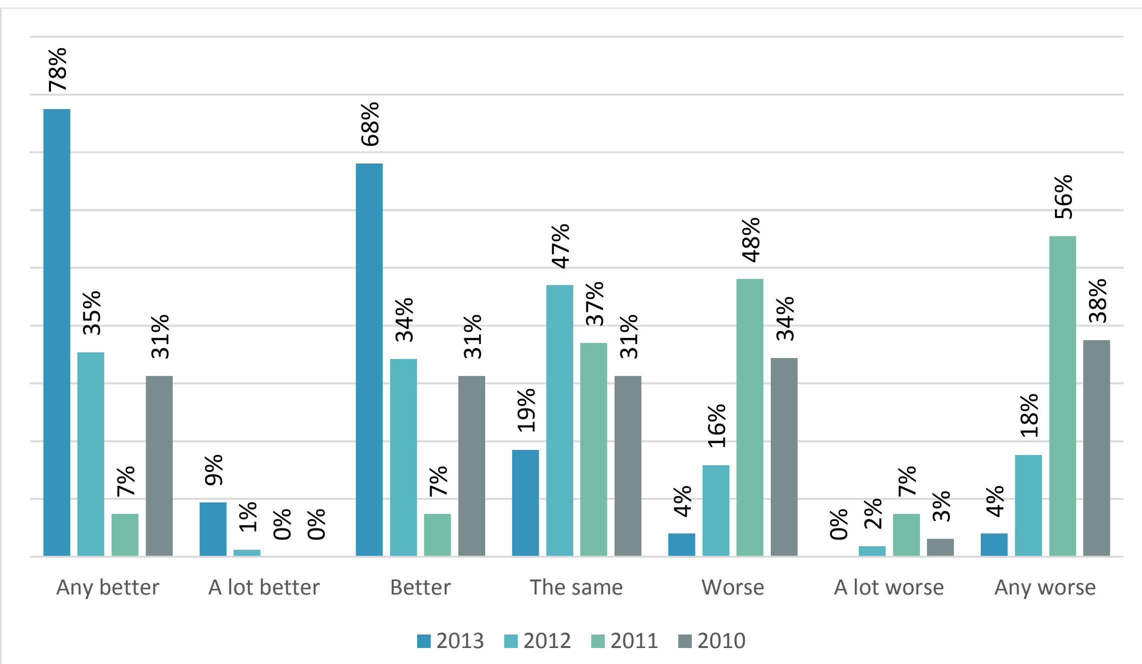
Number of advisers using top four channels



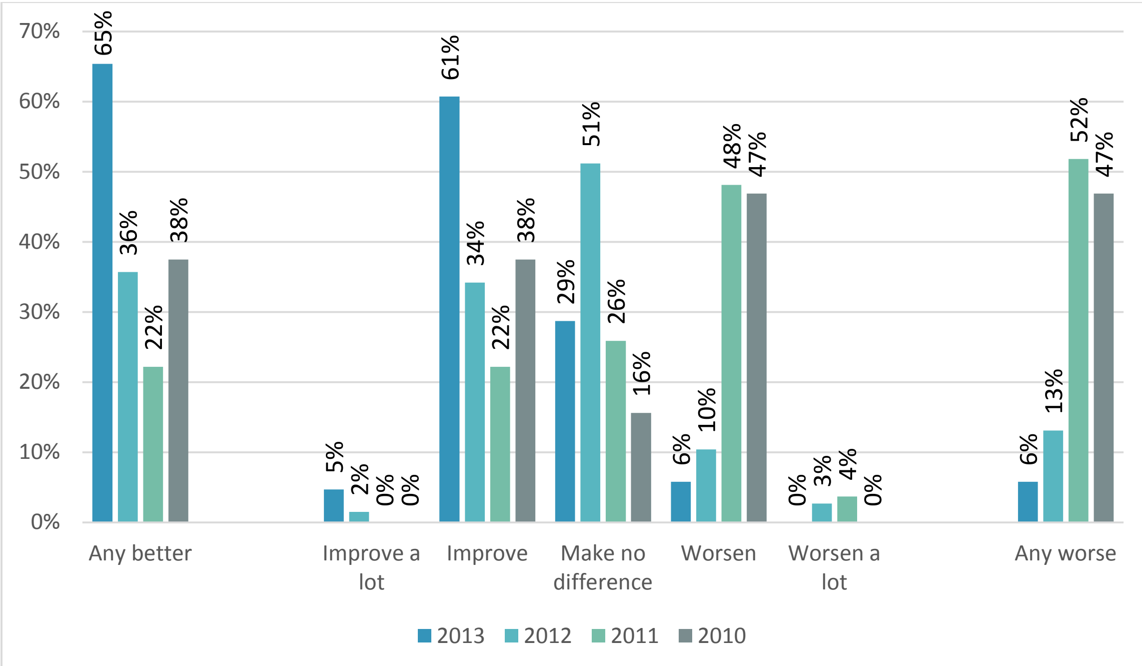
8.5 Economic And Political Conditons

- Economic confidence is strong with 78% seeing the economy improving over the next 12 months. This was 35% in 2012, 7% in 2011, and is well above the 31% in 2010. Those seeing it being worse has fallen from its peak of 55% in 2011 to 4% in 2013
- 65% see the coalition's plans improving the economic outlook over the next 12 months compared to only 6% who see it doing harm. In 2010 38% saw the plans benefitting the economic outlook, compared to 47% seeing it do harm
- Labour has seen a marginal fall in blame from 55% to 52% for the current economic crisis and the coalition has picked up all of that blame, from 0% to 3%
- On Europe, the majority (49%) of advisers would vote to remain in the EU, 35% would vote to exit
- On the Scottish referendum, 58% of advisers in Scotland would vote remain part of the UK, 42% would vote to leave. Across all UK advisers, 76% would vote for Scotland to remain part of the UK, 24% would vote for Scotland to leave

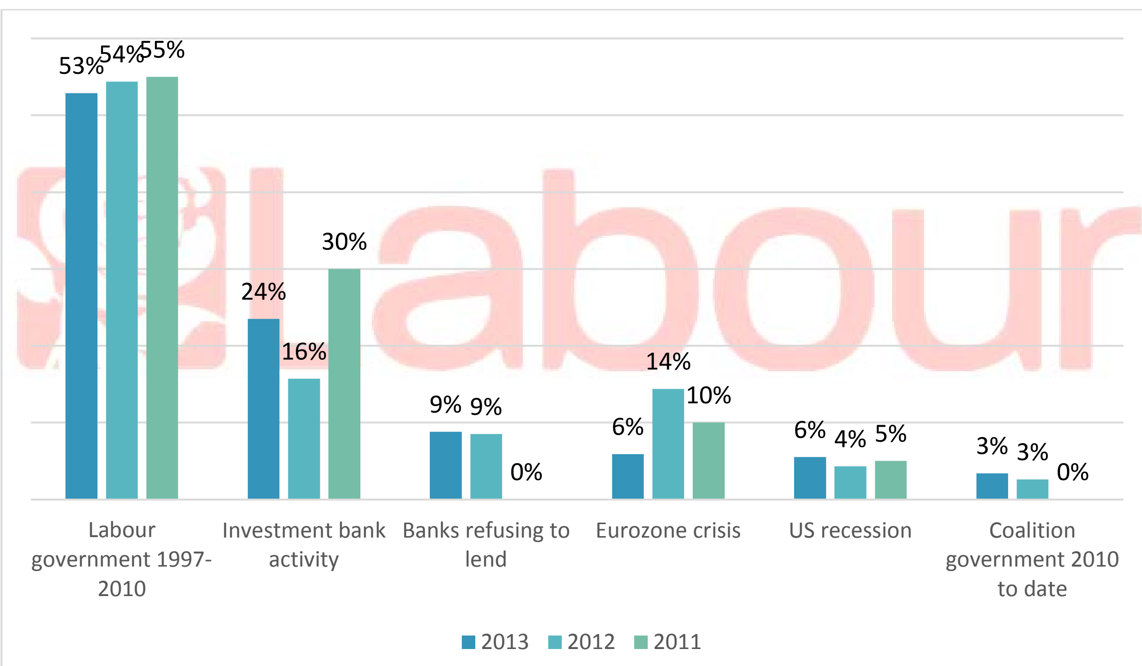
Q25. Do you expect overall economic conditions in the UK to be better or worse 12 months from now?



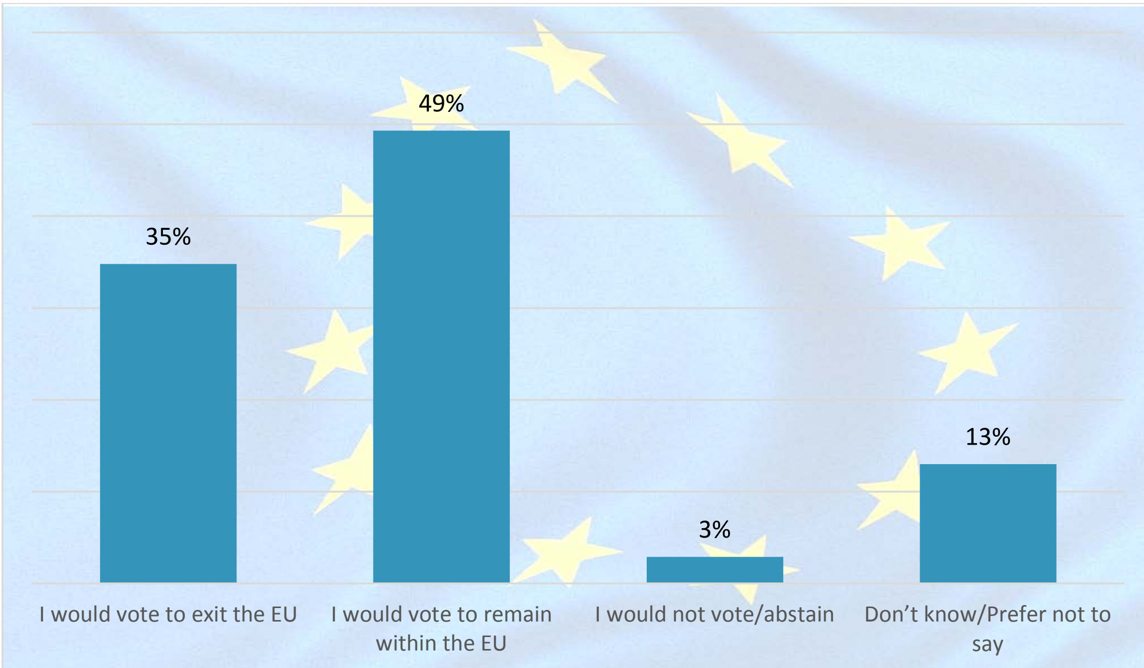
Q26. Do you believe the Coalition Government's economic plans will improve or worsen the economic outlook over the next 12 months?



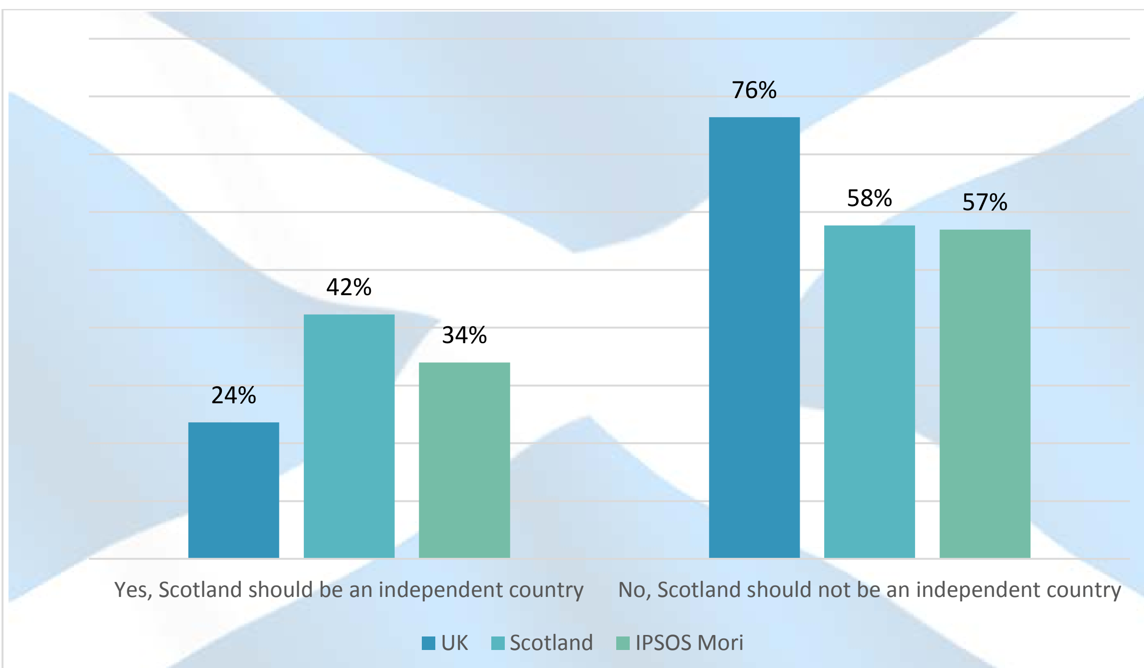
Q27. Who do you hold MOST responsible for the current economic crisis?



Q28. *There is a lot of discussion about the UK's role in Europe. If a referendum were held tomorrow how would you vote on our membership of the European Union?*

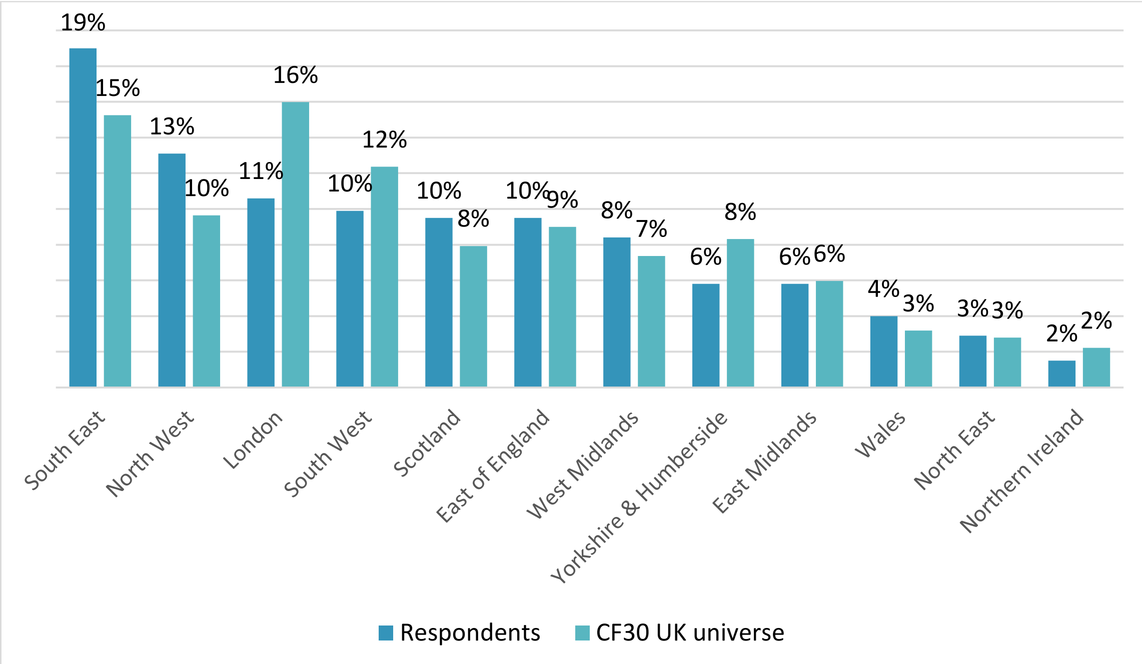


Q29. In 2014, Scotland has a referendum on staying with or leaving the United Kingdom. Regardless of where you live, "Do you agree that Scotland should be an independent country?"

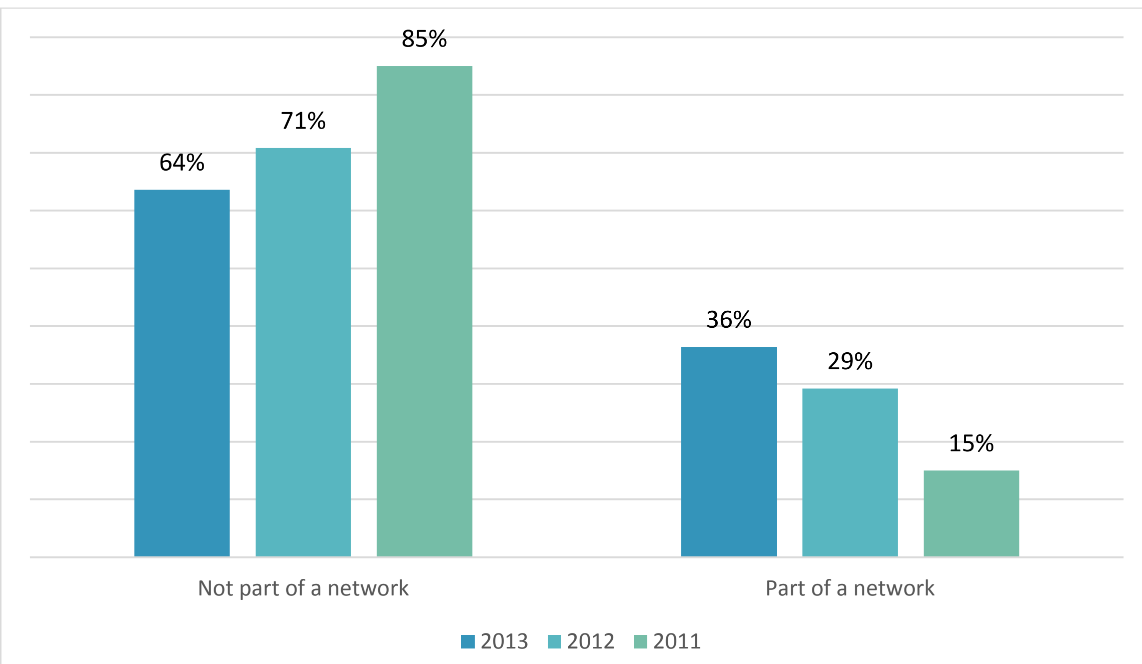


8.6 RESPONDENTS' PROFILE

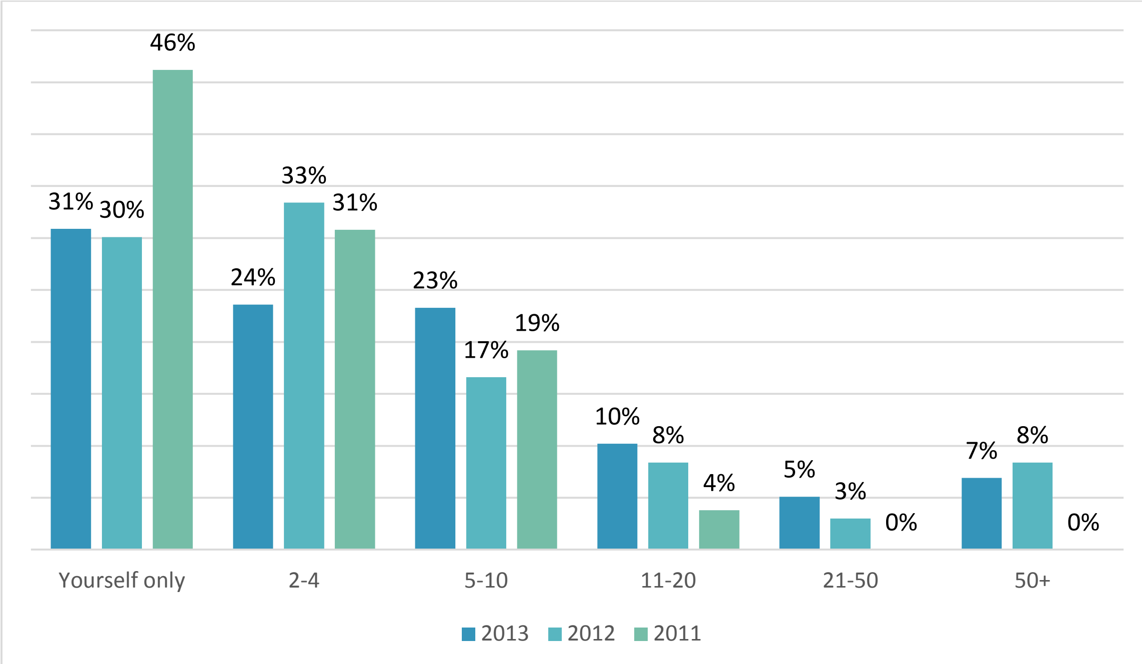
Q30. Which region of the United Kingdom contains the majority of your firm's client base?



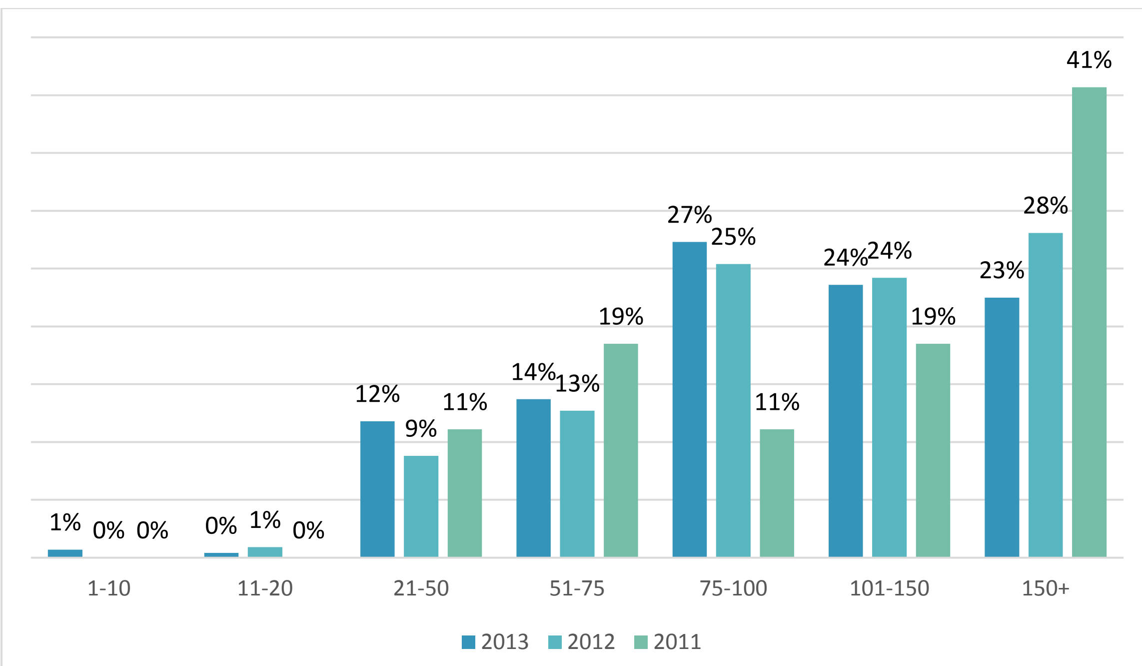
Q31. Are you part of a network?



Q32. *How many advisers are there in your company?*



Q33. *On average how many clients is each financial adviser managing?*



9 Conclusion

In the four years of running the Voice of the Adviser survey we have been gratified by the response and the quality of that response. Reading over several hundred comments on why the RDR was a success or failure may not be everyone's cup of tea, but it provides an incredible insight into the state of mind of advisers in the current climate.

The 2010/11 surveys were solely of Ethical Investment Association members, 2012 and 2013 have been 'whole of universe' surveys and the results much more compelling.

The increased confidence in the economy this year is truly striking. The Christmas of 2011 was quite dark, reading that only 7% of IFAs saw 2012 as improving economically whereas 56% saw it getting worse. Now we have 78% seeing an economic improvement in 2014 (9% seeing it a lot better) and only 4% predicting it to be worse.

The frustration, even from those who see the RDR as not far enough, beneficial and a success, is clear. It hasn't driven out a swathe of IFAs as expected and competition has increased for those clients willing to pay fees. It has created extra paperwork for hard-pressed, time-poor advisers. Critically, it has taken a lot of the 'independence' out of the advice market.

It will be some time before evidence of an advice gap materialises, if at all. However with fees ranging upwards from £500 for an initial financial review, you need investment pot of at least £100,000 to justify the fees. In 2010, 60% of households have less than £100,000 in pension wealth and 80% have less than £100,000 in financial wealth. We know that the recession has hit those with the least hardest.

In terms of sustainable, responsible and ethical investment we see marginally more advisers getting request for it, from an increasing number of clients. This is good news, which has not yet turned into a rapid growth in funds under management. Performance myths and prejudice still hold the sustainable investment industry back.

This suggests economic confidence should be treated with caution. The recovery is fragile and by no means certain. Historically low interest rates have protected borrowers from house repossessions and debt default. The desire to encourage rapid house price increases before the next election carries profound risks. Before Christmas household debt has reached record levels of £1.43 trillion (each adult owes £28,489). The UK government owes £1.16 trillion and this will rise to £1.4 trillion by 2015.

The banking sector remains unreformed, refuses to lend to businesses for growth and there are more scandals to come. The Eurozone is by no means out of the woods and the US has become ungovernable. None of the systemic risks have been addressed.

Fuse increasing environmental concerns, peak resources, volatile and rising commodity prices, extreme weather events costing many billions, stranded capital (the carbon bubble of unburnable carbon) in fossil fuels worth trillions, societal unrest and inequality from continued austerity, within the framework of a dysfunctional democracy and unreformed investment sector and the growing confidence may be both premature and misplaced.

Simon Leadbetter
January 2014

10 Verbatim Outcomes Of RDR Survey

Benefitted clients	Harmed clients	Neither harmed or benefitted clients
Already operating within the spirit of RDR	Advice cost has increased dramatically	Because my clients were very well aware that we received income from the work / products they took up. In fact they insist on it!!
Because they have more confidence in the transparent proposition as well as on going servicing.	Advice has become elitist. People on budgets will not seek advice because of the fear of fees they cannot afford. It might be a perceived thought on their part but they will not take the risk.	For my clients there has been no change.
Charges, if done properly are clear and separate from any recommendation. Based on advice, not a sale	Advice now too expensive for Mr & Mrs Average	It has not been around long enough yet for the market to adjust. It remains to be seen what demand there is from the new marginal cost of supply.
Clear concise charging, removal of banks & their over charged products; regular reviews	As a relatively new addition to the IFA community I feel that the new clients are not going to be dealt with and as these clients will eventually become "good" clients then the whole market will have more worries in the future gaining new and younger clients	Little change from a clients' perspective
Clear how and what they are charged	As clients still prefer to take charges from plan. Previously you could give up commission and companies used to offer enhanced allocation to get business. Clients knew the penalty period and our commission so no problem.	My advice to clients was never based on remuneration
Clearer charging structure, even less bias relating to investments than before.	Because it was never explained to the public and was introduced in a very unprofessional manner by an institution which knew it would not be answerable for the massive errors made. The investor was never really involved in the process. Proof is the ignoring of the many MPs who questioned it.	My business was established 3 years ago in line with what we were expecting at that point from the forthcoming RDR, so not much has changed for them.
Clearer structure regarding charges everything is upfront now, clients explained to in a clearer way.	Because the cost is a perceived barrier and clients are afraid of asking for help for fear of costing.	No change to business model.
Clever clients understand that no advice can be free ever.	Because the people who need advice can't afford to pay for advice, commission solved that issue- and the removal of bank advice has left people without guidance	No change to what we were already doing.
Clients get a clear service proposition.	Because they just won't do anything themselves unless I do it for them in many cases	No changes to fees
Clients taking a greater interest in how we add value	Caused a division between those that can afford to pay for advice and those who cannot and has had the effect of restricting choice	No real change in how we do business

Existing clients getting more service. Non clients though are not seeking advice	Caused even more disturbance in the market for no benefit at all and resulted in massive reduction in sources of true advice (for many middle and lower wealth clients)	Operating a best advice model
Explicit agreement on charges	Client fees have put clients off	Our business structure has not altered since the introduction of RDR as worked within its principles
Has enforced transparency, leaving nothing for less reputable companies to hide behind	Clients are confused and seem untrusting so would rather go to a large brand for advice as they think it's safer even though they have access to a restricted market	Our clients have always been willing to pay fees for advice
Higher levels of qualification for advisers	Clients are now not getting advice as they know they have to pay regardless of the outcome	The basis of our service and that which we charge has not changed
Improved transparency of costs and a trend towards lower fund management costs.	Clients more confused	The effects of RDR are not understood widely enough to bring any lasting benefit to the industry
Improving standards of advice in the area of portfolio construction and risk management	Clients who can't or won't pay will not get advice	They don't really see a difference. Of the ones that have, they commented they would have preferred commission!!
In a generic sense clients should have a better image of the adviser sector	Commission bias was never proven - read the report. All people are now being told by the media that they cannot afford advice and many will believe it	To my clients it has made very little difference I do think that for the majority or average client it has restricted the access to advice which is undesirable.
In general charges are lower and clearer	Confused them rather than helped	Too early to tell the impact on clients
It has cleared some of the less informed advisers	Costs and choice	We have been fee based for many years and therefore clients have seen little change
It would be better if insurance companies accepted the rules and applied them	Costs have increased and good advice is now out of reach of many people	We have been RDR compliant since 2006
A lot more transparent and how IFA's should have worked anyway	Costs more for the same	We were working like RDR for last two-three years
Lower charges, meaningful service proposition, regular reviews	Costs of advice and investments have actually become more expensive	We worked in an RDR way pre RDR
More information, but at more cost to clients, but they will get the on-going service they have signed up for	Created unnecessary complexity	
More protection around ongoing advice	Customers are unsure of how to find and pay for advice.	
More transparency but less advice available to most	Even more complexity minimum advisor charges	
More transparency has improved customer perceptions.	Extra Costs	
More transparent charging structures	Fewer people now have access to affordable advice	

Most of the advisers out there who did not do the right thing have left the industry and the banks have stopped playing.	I deal with older people and they are adverse to the thought of paying for advice and refuse to see an IFA.	
Only if they have an existing IFA	I still have clients who would prefer to pay via commission.	
Providers & advisers have had to be more specific about charges. Increased press coverage has helped educate clients.	Increased charges	
The clarity and quality of advice (and costs) has not fully materialised. people are not yet empowered to say and get what they want, they are IFA led	Increased complexity	
The clearer charging structure has probably driven down charges...	Its confused them and disadvantaged when changing over to clean share classes	
Their charges are clearer and some are getting a better service	Less clients are getting any advice at all	
They can more clearly see the cost of advice and assess its value.	Limited number of advisers now in the industry	
They pay for what they get and are happy to do so	Lots of smaller ticket business is now ending up not receiving advice and planning for the future	
Transparency	Lower value clients struggling to obtain advice- regular premiums products such as pensions	
Transparency of charges and fees	Made a barrier to advice for the mass market - only available now to high net worth	
Transparency on charges - reduction of provider and fund manager's charges.	Many clients do not wish to pay for advice...	
We were already fee based	More advisers will be forced down the restricted route and less clients will seek advice.	
	Most IFAs have raided their charges (I Haven't though!)	
	My clients were aware that advice wasn't free when commission was paid, but it allowed them to spread the cost of the advice they received.	
	No clarity as to adviser status any more (what does restricted mean to a client?). Made advice unaffordable for a swathe of the population.	
	One way or another it has cost them money and smaller clients cannot now afford financial advice	
	Prevented a lot of people getting proper advice	
	Prices rising	

	Put clients off seeking advice, especially the less well off	
	RDR has done nothing for my clients	
	RDR has made advice too costly for lower net worth clients.	
	RDR has not been for the benefit of clients and a lot of money has been wasted.	
	Reduced availability and increased cost of advice	
	Reduced number of advisers available; clients not willing to pay fees	
	Reduced their payment options	
	Restricted access to advice. The costs are now being pushed towards the clients pocket on regular contributions and has put people off paying for advice on regular contributions. Clients are better off with lump sums but regulars provide barriers to clients	
	Restricted their choices and some can't afford fees	
	Rich end up paying the same for advice and those that really need it end up paying more	
	Smaller clients unable to afford to pay	
	Some clients cannot afford to pay fees upfront	
	Some clients will pay more for advice than they used too	
	Some Life Offices taking advantage of non-payment of commission by not adding these monies back into the plan.	
	The cost of advice has increased substantially	
	They are more confused than ever	
	They are still paying the same for lump sum advice but ongoing is going up and as ifas get to grips with profitability small clients will suffer	
	They understood completely how we were remunerated previously (commission), but some find it all very confusing now.	
	Turned away future seekers of advice	
	Unintended consequences of rdr, structured products, most are now paying more for advice	
	Very negative focus on costs not service	

Benefitted firm	Harmed firm	Neither harmed or benefitted firm
2plan will stay IFA, whereas most of the competition are going restricted	Advisers leaving industry like myself	Allowed us to recruit ex bank assurers
Apart from changing to a fee from commission not a lot has changed	After a large cost in time we now have more time to deal with clients face to face which they value. We believe we will pick up new clients from other IFAs either not having their act together or leaving the industry	Because we worked like RDR before RDR
Really - Transparency & Focus on Client Service.	Already fully RDR Compliant	Business model was RDR compliant from the outset
Bank have stopped giving advice which helps us all	Already moved to structure in 2010	Clients are aware that we need to generate income streams, and we carry on as we did before RDR.
Clients benefit	Although enquirers ask what we charge, they do not expect a fee of £475 for initial advice and so do not proceed.	Clients value transparency
Clients refer to us and banks/tied agents no longer in the market.	Because we were already fee based	Creates an advice gap plus means the non-advised sector is stronger
Cost have increased	Neen able to charge more	Focused
Gaining more clients who used to deal with banks and building societies	Business up 30%	Greater regulation means less time for fee based business
Greater need to focus on service proposition.	Business volume same	In the past we stood out charging fees, it wasn't a problem once explained but now people come to use expecting to have to pay which makes life a little easier
Has removed some competitors from the market that used to charge high commissions	Catastrophic loss of professional time, endless box ticking, loss of income.	Increase in costs
Image	Clients reluctant to seek advice for fear of high fees.	It has not been around long enough yet for the market to adjust. It remains to be seen what demand there is from the new marginal cost of supply.
It has made the providers be much clearer on their charges	Costs have increased slightly	It has reduced the number of IFAs, meaning there are fewer of us dealing with the same number of potential clients.
Less cowboys wanted to do the Diploma so they dropped out of this market.	Costs involved in change	Most clients are unaware of RDR except for the information we provide. As a firm our business plan and structure has seen no material change.
Not all advisers wanted to do further exams to stay qualified	Due to other IFAs closing	No changes to fees
Now charge for work if they don't take up a recommendation	Extra workload has been unprofitable and the confusion around different share classes to name one issue has been messy to say the least.	Our clients have always been willing to pay fees for advice

Reduced competition - especially from old school "sell and scarper" advisers	Fewer clients	Potential increased in perceived professionalism by public in general however I think still too early to tell
Reduced the availability of advice overall.	Figures released.	We can now move into other areas of business and regardless of whether we conduct any transactions we can charge for the time allocated to a particular query.
Reduction in profitability	Firm structure very well suited to new post-RDR environment	We have been RDR compliant since 2006
There are pros and cons. The difficulty in providing cost effective bespoke ethical financial advice for clients with lower net worth can be balanced against the more thorough approach to investment advice and higher levels of qualifications and expertise now required by advisers.	For the same reasons. What harms clients harms my company.	Whilst we are more accountable as an industry, we have to keep far more auditable material to prove it, which in turn impacts on costs charged to clients
There hasn't been any significant change to our charging structure, other than trail commission becoming an on-going advice charge.	Had to do a lot of work for very little actual output	
We are better placed than a lot of the competition	Has harmed to the extent of client loss and additional costing in running the business.	
We are engaging with more clients again which in turn increases our opportunities	Has increase the business focus on profitability and sustainability	
We can clearly define our service proposition	I built my business up on the basis of servicing using trail commission and sacrificed upfront to do this for the long term benefit of my business and clients and now that's going to go	
We charge a percentage of the investment. Looks a lot like commission which clients have generally felt comfortable with. The difference is it's more explicit.	I have had a busy year with ban increase in funds under management but less in initial fees.	
We do less for free	Impact on business	
We have a focussed proposition and RDR has just confirmed that we are doing the right things	It has removed firms that didn't meet the standard and so helping to clean up the industry for those of us that are left. Also allowed expansion through acquisition of firms leaving the industry	

We have always worked in an RDR manner	It helped clear out some more of the dodgier IFAs who can't operate on fees	
We have not changed how we work	It is no longer profitable to offer advice to non-wealthy clients	
We set up the business in 2009 with the aim of being RDR ready from day 1. Therefore, the transition was BAU	It's more complicated but clients will either pay the same or more	
We were already fee based	Less competition	
	Loss of clients	
	Massive burden which we are funding... Poorly conceived and in the end the consumer will be worse off.	
	More admin. Weakening of financial strength due to renewal/fund based income being withdrawn over next few years.	
	More clients per adviser	
	More complexity and paperwork	
	More regulation/legislation costs money	
	More time spent on bureaucracy	
	Not yet anyway. Harmed a lot will be the case in a few years' time.	
	Prefer fee paying	
	Product salesmen including banks are no longer allowed in the same way	
	Smaller ticket business is harder to recommend due to the size of the fee	
	The firm was already fairly well advanced in fee charging	
	There have been gains by taking fees on renewal but new clients have been harder to obtain.	
	Very restricted as to how we get paid	
	We are IFA's	
	We are in much less competition now	
	We have a lot more clients asking for advice	
	We now charge fees at a level commensurate with the cost of providing that service as opposed to Life Offices dictating what we get paid. Added to which we better articulate what we do than we did before.	

	We were chartered, fee charging, with a compelling proposition well before the crowd, so have been able to concentrate on improving systems and processes, and importantly, marketing	
	We were mainly commission, now IFA	
	We've adapted	
A Success	**A failure**	**Neither a success or failure**
Because it is.	100s are now without advice. The likes of St James place are taking the piss and the FCA are doing nothing to correct this. The big players are moving to push the smaller players out of the market by offering some groups preferable terms	Because of the loss of advice for the many
Created confusion in clients, increased costs	Because it has not been thought through logically	Because the masses can only access poor advice via, say MAS, and they need more than that
Didn't go far enough	Clients still prefer to take charges from plan	Better qualified advisers and clients understand what they are paying for and indeed how much.
I have no competition now at all in my niche areas.	Depends on whose perspective - client's and companies no. Individual wanting to start a pension no have to pay considerably more and Employer looking for good advice on auto enrolment will select NEST just because of cost	Business up a little, clients not really noticed a difference yet
It failed to secure affordable advice for clients	Designed to improve the savings culture, when most pensions are sold/advised and compulsion was chickened out from!!??	Clients are worse serviced and paying more
It has changed the way we work but not impacted upon profitability	Haven't noticed much difference	Clients once made aware feel more confident.
It has increased professionalism, but at the cost of taking advice beyond the affordability of many.	I think the unintended knock on effects have not benefitted the clients at all.	Clients suffer
It has reduced clients access to advice and ability to pay for savings advice	It has not made advice more accessible or cheaper it has made advisers more qualified	Costs have increased for both ourselves and the client. More compliance, more time spent justifying changes to clients, etc. which all has to be paid for.
It is muddled. Some firms can receive commissions whereas those who advise cannot. Not enough definition between IFA & restricted	It has not provided the clarity that such a big change should have given the amount of time it has been in the making	Further changes are still needed
It was supposed to protect the client but it succeeded in making advice for the wealthy leaving the majority unable to afford quality advice leaving them worse off	It's like Turkeys taking exams to qualify for the Christmas roast	Has taken huge amounts of people out of getting advice
More information comes at a cost to clients and firms and does not mean that clients understand more, they are just bombarded with more small print	Making advice less easy to obtain for those that need it most	Higher qualifications, more professional

More transparency has meant some poor advisers have left industry	No advice for lower ticket clients	It has failed to deliver all of what it set out to do but been a success in some areas such as professional standards and technical knowledge.
Not sure yet give it time...	No one educated the public and the media are misleading	Its putting people off taking advice
On the one hand it has helped the industry find a more professional identity, however at what cost to the consumer, in terms of fees, and those with fewer assets where they cannot afford advice.	Not much seems to have changed	Lack of access to advice to major section of consumers due to fact not high net worth
Regulation disaster and lack of guidance	Some benefits some disadvantages	More transparency
Some clients are now left without help	Still to find out whether bulk of IFAs embrace the changes in spirit as well as principle	Most people no longer have access to advice through their bank so are therefore not receiving any advice. This is positive for IFAs but means there are lots of orphan clients.
Some limited advantage, but at vast expense to everyone	There is still client confusion	Professional standards have been raised
There seems to be little knowledge of RDR outside of the advice sector and clients seem no more clear as to what they are paying for and how than they were before RDR. That said, at least now product driven commission is largely a thing of the past which can only be good.	Time will tell	Professionalism and transparency have been driven up.
Too much bureaucracy increasing cost and removing good advice for many people	Too early	Some aspects are good; others have just created confusion
	Too early to judge but potentially a success	Some aspects are worthwhile, i.e. higher qualifications increase perceived professionalism, but ban of commission is a negative.
	Too many "unintended consequences"	Still early has stopped some poor practices and advisers
	What has really changed, but has removed banks	Still too early to say
		Substantially reduced access to qualified advice for the mass market
		The withdrawal by banks will lead to an advice gap
		This has been a costly compliance exercise which has not been a benefit for the client, despite being marketed as a client benefit
		Time will tell in respect of the industry
		We all needed to improve our knowledge and professionalism
		Weeded out bad apples

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12 Research Approach

Blue & Green Communications and Matrix Solutions contacted the universe of CF30 financial advisers in the UK between November 13th and December 12th, generating 299 responses.

Some percentages may not add up to 100% in the commentary due to rounding.

We are grateful to all those who completed the survey. The winner of the iPad mini will be announced on Blue & Green Investor at the end of January.