

The Direct Platform Guide 2012

LONDON, FEBRUARY 2012

More activity under the surface

On the surface there's not much movement in the direct-to-consumer (D2C) sea but beneath the waves there are exciting changes. A market of 6.5 million active private investors in the UK are not unnoticed by providers. The RDR, changing consumer behaviour and the march of digital technology continue to disrupt this market. What are the opportunities and who is taking the initiative?

The Platform has researched the D2C market for the second year and find the big fish are still patrolling but the smaller fish are also making waves - established D2C brands, stockbrokers, fund managers and discount brokers all have their slice of the (fish?) pie but so do a fresh wave of new entrants.

Executive Summary Highlights

- The direct platform market had £73.2bn in assets under administration as at 30 September 2011. As at 30 September 2010, this stood at £64.9bn AUA
- There are 6.5 million active private investors - a little over 2 million are 'very actively involved' and over 4 million are 'somewhat actively involved'
- Social media is starting to change propositions enabling a different approach for those who ask friends and family for 'financial advice'
- In our User Leaderboard, the most established direct platforms scored well followed by several online stockbrokers making up the mid-table with some of the newer entrants struggling to score consistently across a broad range of attributes.
- Looking to the future, the consensus view is that RDR and adviser charging will accelerate the uptake of direct platforms

"This year we have seen new propositions come to market and we salute the newbies who are challenging the slightly staid 'cod and chips' direct platforms out there."

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“Young people are priced out of the housing market and are therefore managing their investments in the meantime.” **THE SHARE CENTRE**

The Platforms Themselves

All aboard The Platform's glass bottom boat for the perfect view of:



The Big Fish – an in-depth look at the 14 biggest direct platforms in the market



The Smaller Fish – a cross section of over 30 propositions that sit outside the top bracket in terms of AUA but bring something interesting to the D2C party



The Engines – the technology providers behind the scenes

The D2C Consumer

We examine the evolving sector and with new research from Ipsos MORI and Consensus Research we test the water from the consumers' perspective. New this year are our Platform D2C User Ratings, updated consumer research and a fresh bunch of platforms coming to market.

With younger consumers, more direct platform users, a greater demand for ease and aggregation and not as much focus on cost as the media would have us believe, the dynamics of the end-user are ever-changing.

The Platform D2C User Ratings appear for the first time informed by our own road testing (opening accounts with direct platforms and putting them through their paces). We give the consumer perspective of the best propositions and why.

We also address the challenge of selling to customers and look at the rapidly changing world of digital marketing – what are the options for direct platforms and which are pushing the digital boundaries.

Informed by over 25 interviews with direct platform providers and our own road testing, the end result has brought together input from:

Holly Mackay, platform queenfish and founder of The Platform;

Lucian Camp, consumer sentiment champion and all-round marketing expert;

The Platform's **Jeremy Fawcett**, the digital maestro; and

The Platform's **Dr Richard Bradley**, our data guru and much-needed “left-hand side of the brain” person.

The Direct Platform Guide is an annual publication available to purchase at £6,500+VAT

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“Earned wealth is taking over from inherited wealth and those people want more involvement.” **HARGREAVES LANSDOWN**