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Advisers split on adoption of cost-saving client comms

Fifty-eight per cent of financial advisers actively use online tools to service clients with modest portfolios, according to a survey of 404 advisers conducted by Cofunds.

When asked whether they currently use online tools to reduce the cost of servicing clients with smaller portfolios, 58 per cent of advisers said they did and 42 per cent said they didn't.

Those who said they did were asked to state which online services they used specifically to reduce the cost of servicing clients with more modest portfolios. The results break down as follows.

Online tools for clients to input information to fact find before a client meeting	96%
Email updates	86%
Client facing website, where they can view their financial plan	73%
Text messages	60%
Twitter	51%
Blog	49%
Corporate Facebook page	47%

The 42 per cent of adviser who said they currently don't use online tools were asked to indicate which online services they would consider using to help reduce the cost of servicing clients with more modest portfolios. The results break down as follows.

Online tools for clients to input information to fact find before a client meeting	22%
Email updates	18%
Client facing website, where they can view their financial plan	18%
Text messages	4%
Twitter	3%
Blog	3%
Corporate Facebook page	2%

Cofunds acknowledges that adviser firms provide a recognized, valuable offer to HNW clients but questions where the HNW clients of the future are going to come from. The platform believes adviser firms which actively use digital solutions, such

as a white-labelled self-directed service, have the answer.

Andy Coleman, Director of Distribution at Cofunds commented: “Constructing an offer to serve the self-directed segment of an existing customer base provides an opportunity for financial advisers to build a long-term sustainable business model. The type of self-directed model which complements the existing HNW model, one that acts as an extension of the adviser’s own business, and one that uses the adviser’s own branding can help future-proof the business. That’s because a self-directed service modelled along those lines enables advisers to maintain a relationship and a value exchange with clients with more modest portfolios but, crucially, provides the means to cultivate the HNW clients of the future.

“This self-directed model keeps the adviser firm front of mind for the time when either through a life event or thanks to portfolio growth the client reaches the point that they need full advice.

“So rather than running the risk of losing business by embracing self-directed, they will be helping to build long-term value in their firm by cost-effectively tending to the clients of the future.”

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About Cofunds

Cofunds is the leading investment platform for advisers and other financial institutions, with assets under administration over £52bn (as at 01.04.13). It provides flexible administration and management services for advisers and their clients as well as dealing and custody services for financial institutions. It does not offer investment management or advice, nor does it compete with advisers by offering its services direct to the end client. Cofunds exists to serve the needs of institutions, advisers, their clients, and fund managers. Cofunds is authorised and regulated by the Financial Conduct Authority.