

SIXTY SECOND REVIEW

UK PLATFORM INDUSTRY

2nd QUARTER 2015



Flows took off in the second quarter as the ISA season moved into the final straight, pension freedoms came into force, and the conservatives won the general election. Brewing in the background were economic uncertainties that come to a head in Q3.

STALLING GROWTH

Assets grew by £5bn in Q2, compared to £27bn in Q1. Most of that was the addition of a new platform (Aegon).

SWITCHING AROUND

However, the gross to net sales ratio fell to 45%, suggestive of more switches and less new money.

GIVE ME FIVE!

ISAs had their best quarter on record with gross sales of £5.6bn and net sales of £3.2bn. It was the 1st time ISA sales had smashed through the £5bn and £3bn ceilings.

SETTING NEW STANDARDS

Standard Life was the stand-out winner for retail advised net sales (£1.2bn).

STANDING OUT FROM THE CROWD

Once again it was Aviva and Zurich that had the best quarterly growth with assets up by 9% and 4% respectively.

TOPPING THE BILL

Cofunds topped the bill with gross sales that accounted for a quarter of total industry flows. Fidelity was not far behind.

FREEDOM!

Pensions represent a higher proportion of platform activity. Gross sales of £10bn and net sales of £6bn represented 41% and 57% of totals.

VERTICAL CHALLENGES

It is no surprise that the leading retail advised platforms by sales (OM and SL) are vertically integrated.

LET IT FLOW

Gross flows rose to £25bn, a new high, while net flows were £11bn, the second highest total on record.

IN THE NET

In terms of net flows it was D2C provider, Hargreaves Lansdown, that dominated the field. Standard Life was second overall.

A WORD OF ADVICE

Advised business remained strong with 62% of total net platform flows, while D2C flows accounted for 21%.

VOLATILE MARKETS

The third quarter will be marred by sharp stock-market falls. Will D2C clients hold their nerves? And what about advisers?