

SIXTY SECOND REVIEW

UK PLATFORM INDUSTRY

4th QUARTER 2015



FUNDSCAPE

Global economic storm clouds were gathering in the fourth quarter of 2015. Gross and net platform sales were subdued in Q4. The transfer of pension and legacy business cushioned platforms from the worst.

AGAINST THE ODDS

Assets rose by 16% compared to 2014. A remarkable achievement since the FTSE 100 & All Share were down 5% & 2.5% for the year.

ANNUAL REPORT

Gross sales for the year were £93bn, up £10bn on 2014. Net sales were £45bn, only slightly higher than in 2014 another indication that net new money is drying up.

THE FAST TRACK

Hargreaves Lansdown saw assets rise by £10bn in 2015. If the pace of growth continues, it will overtake Fidelity to become the second largest platform in the UK.

STANDARD BEARER

Standard Life was the leading retail advised platform for net sales in 2015 and was second overall behind HL.

FOUR HUNDRED AND ONE

Despite market volatility and an uncertain economic outlook, platform assets grew to £401bn by end 2015.

STICKY WICKET

The net to gross sales ratio also fell below 50% in 2015 (48.7%) highlighting the more challenging investment environment.

PUSHING AHEAD

In percentage terms, several platforms recorded growth of >20% including Alliance Trust, Standard Life, Zurich and last but not least Aviva on 54%.

NOTHING PERSONAL

The correction is likely to affect Q116 activity and slow the start of the ISA season. At the modest end of the market, the new personal savings allowance could also dampen demand.

SLOWDOWN

Gross and net sales for the quarter were muted at £21bn and £10bn respectively — the lowest sales seen since Q314 and a warning bell for 2016.

SIZING UP THE COMPETITION

Cofunds is still the biggest platform in the industry with assets of £77bn. Its assets grew by £5bn in 2015.

POLE POSITION

Cofunds was the leading platform by gross sales for the year, and Hargreaves Lansdown for net sales.

ISA IS THE NEW PENSION

ISA flexibility has been extended from 2017 with a £20K limit for NISAs and the introduction of the lifetime ISA for homes or pension saving.