

EMBARGOED UNTIL 10TH NOVEMBER 2022 AT 8AM

PLATFORM FLOWS PLUMMET ON BACK OF Q3 MELTDOWN

The going got exceptionally tough for the platform industry in the third quarter. The cost-of-living crisis, rampant inflation, the uncertain economic outlook and political instability together had a huge, negative impact on investor confidence. Investors were spooked, abandoned risk in their droves and retreated to the safety of cash. As a result, gross sales fell to £26bn, the lowest since the fourth quarter of 2016, while net sales plummeted to just £4.4bn — the lowest industry net sales in over a decade.

HEADLINE FIGURES						
	All platform Assets	Qtrly Asset Grth	Qtrly Asset Grth %	Gross sales	Net sales	Net/gross ratio
Q3 2022	£825.3bn	-£13.1bn	-1.6%	£26.1bn	£4.4bn	16.9%
Q2 2022	£838.4bn	-£52.2bn	-5.9%	£31.4bn	£7.8bn	24.8%
Q1 2022	£890.7bn	-£39.4bn	-4.2%	£35.7bn	£11.9bn	33.3%
	Advised platform Assets	Qtrly Asset Grth	Qtrly Asset Grth %	Advised gross sales	Advised net sales	Net/gross ratio
Q3 2022	£525.3bn	-£7.8bn	-1.5%	£15.3bn	£4.9bn	32.0%
Q2 2022	£533.0bn	-£33.5bn	-5.9%	£16.6bn	£7.0bn	42.1%
Q1 2022	£566.6bn	-£14.7bn	-2.5%	£20.2bn	£9.5bn	47.0%

Assets shrank by a more sedate 1.5% to £825bn in the three months to September, less than the FTSE 100's 3.8% decline. However, since the start of the year, the industry has lost a total of £105bn in assets, with an inevitable impact on platform revenues. Fortunately, some platforms can boost their flagging revenues with higher clippings from the rise in the interest rates and cash holdings on platform.

TOP 5 PLATFORMS (all channels) BY GROSS SALES Q322		TOP 5 PLATFORMS (all channels) BY NET SALES Q322	
Aegon	£6.2bn	True Potential	£1.3bn
Fidelity	£3.8bn	AJ Bell	£1.2bn
Hargreaves Lansdown ¹	£2.6bn	Aviva	£887m
AJ Bell	£2.1bn	Transact	£728m
Quilter	£1.7bn	Fidelity	£630m
TOP 5 PLATFORMS (all channels) BY GROSS SALES YTD 2022 (£bn)		TOP 5 PLATFORMS (all channels) BY NET SALES YTD 2022 (£bn)	
Aegon	£22.9bn	AJ Bell	£4.4bn
Fidelity	£13.1bn	True Potential	£3.9bn
Hargreaves Lansdown ¹	£10.4bn	Aviva	£3.4bn
AJ Bell	£7.4bn	Transact	£3.1bn
Quilter	£5.9bn	Hargreaves Lansdown ¹	£2.1bn

Apart from True Potential, all platforms sustained a marked drop in flows in the third quarter. True Potential was the quarter's stand-out winner, topping both the all-channel and the advised platform net sales tables thanks to its vertically integrated model and compelling advice firm offer. Quilter, also a vertically integrated platform, was in the lead for advised platform gross sales for both the quarter and the year to date.

TOP 5 PLATFORMS (retail advised channel) BY GROSS SALES Q322 (£m)		TOP 5 PLATFORMS (retail advised channel) BY NET SALES Q322 (£bn)	
Quilter	£1,698m	True Potential	£1.2bn
True Potential	£1,576m	AJ Bell	£900m
Aviva	£1,548m	Aviva	£852m
Transact	£1,504m	Transact	£728m
AJ Bell	£1,500m	Fidelity	£330m
TOP 5 PLATFORMS (retail advised channel) BY GROSS SALES YTD 2022 (£bn)		TOP 5 PLATFORMS (retail advised channel) BY NET SALES YTD 2022 (£bn)	
Quilter	£5.9bn	True Potential	£3.8bn
abrdn	£5.4bn	Aviva	£3.3bn
Aviva	£5.33bn	Transact	£3.1bn
Transact	£5.30bn	AJ Bell	£2.7bn
True Potential	£4.8bn	Fidelity	£1.9bn

Bella Caridade-Ferreira, CEO of Fundscape said, 'The cost-of-living crisis is a global phenomenon, but Trussonomics led to a market meltdown and sent investors running for the hills and retreating to the safety of cash. A new government and the forthcoming budget should hopefully stabilise the situation.

'The UK retail wealth management industry's long-term fundamentals remain strong. But with the UK in recession and likely to remain so for at least a year, it will be a bumpy ride for the platform industry as the world adjusts to a new normal of higher inflation and lower disposable income. Consumers will need a lot of support over the next couple of years. Vertically integrated platforms are adept at supporting both advisers and consumers — other platforms may need to take a leaf out of their books.'

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Notes to Editors:

The Platform Report is a confidential report published by Fundscape. To subscribe to the report, platforms must contribute asset and sales data on a quarterly basis. For further information about the report and Fundscape, please visit www.fundscape.co.uk. A total of 19 platforms are included in the analysis. Platform coverage is estimated at 98% of the platform universe.

¹ Hargreaves Lansdown reports in arrears. Assets are actual from trading update. Flows have been estimated from trading update.

For further information or background please contact: press@fundscape.co.uk