

## PRESS RELEASE - EMBARGOED UNTIL 9<sup>TH</sup> MARCH 2023 8AM

# GOOD TIMES WILL RETURN – JUST NOT YET

2022 was a tough year for platforms and the final quarter of the year was no exception. Investor sentiment has been battered by a seemingly endless succession of bad news including the squeeze on living standards brought on by inflation, higher taxes, energy prices and the war in Ukraine. All this means customers and new flows are hard to come by and business levels are down. Stock market volatility meant most platforms closed the year with lower assets than they started with.

2022 ASSET TRENDS							
	Q421	Q322	Q422	Q422 Grth £m	Q422 Grth %	2022 Grth £m	2022 Grth %
Aegon	179,636.0	151,742.7	157,371.6	5,628.9	3.7	-22,264.4	-12.4
HL	137,378.0	117,335.0	120,801.0	3,466.0	3.0	-16,577.0	-12.1
Fidelity	125,727.9	110,366.7	114,196.5	3,829.8	3.5	-11,531.4	-9.2
abrdn	76,184.0	66,928.7	68,537.1	1,608.4	2.4	-7,646.9	-10.0
Quilter	73,168.7	64,631.9	66,991.9	2,360.0	3.7	-6,176.8	-8.4
AJ Bell	68,100.0	64,100.0	66,300.0	2,200.0	3.4	-1,800.0	-2.6
Transact	54,538.6	50,070.3	52,063.1	1,992.8	4.0	-2,475.5	-4.5
Aviva	43,101.1	40,301.5	41,850.7	1,549.2	3.8	-1,250.4	-2.9
Advance	29,722.2	26,110.6	27,029.6	919.0	3.5	-2,692.7	-9.1
James Hay	28,615.0	25,587.8	25,459.0	-128.8	-0.5	-3,156.0	-11.0
True Potential	20,649.9	21,489.3	23,263.5	1,774.2	8.3	2,613.6	12.7
Nucleus	19,827.6	17,581.6	18,064.3	482.7	2.7	-1,763.3	-8.9
M&G Wealth	17,529.4	15,297.4	15,601.6	304.2	2.0	-1,927.8	-11.0
7IM	14,868.0	13,698.8	14,184.6	485.8	3.5	-683.4	-4.6
R James	15,500.0	14,000.0	13,800.0	-200.0	-1.4	-1,700.0	-11.0
Novia	8,951.1	10,816.9	11,076.7	259.8	2.4	2,125.6	23.7
Parmenion	9,634.2	8,468.0	8,612.8	144.7	1.7	-1,021.4	-10.6
Hubwise	3,673.0	3,569.0	4,031.0	462.0	12.9	358.0	9.7
Morningstar	3,310.3	3,195.3	3,423.3	228.0	7.1	113.0	3.4
<b>Total</b>	<b>930,114.8</b>	<b>825,291.5</b>	<b>852,658.1</b>	<b>27,366.6</b>	<b>3.3</b>	<b>-77,456.7</b>	<b>-8.3</b>

### Disruption pays off

When the going gets tough, it helps to have a multi-channel platform business. As a result, the Aegon and Fidelity platforms, which support adviser, workplace and D2C propositions, wrote the most business in the final quarter and 2022 as a whole.

Only one platform, True Potential, was able to record over £1bn in net flow in the fourth quarter, illustrating just how difficult market conditions were. The figure was slightly down on True Potential's quarterly run rate for 2022 as it wrote an impressive £5.1bn net for the year. The remarkably consistent AJ Bell was the only firm to top this with net sales of £5.2bn.

TOP 5 PLATFORMS (all channels) BY GROSS SALES Q422 (£bn)	
Aegon	£6.7bn
Fidelity	£3.2bn
Hargreaves Lansdown	£2.6bn
AJ Bell	£1.9bn
Quilter	£1.6bn
TOP 5 PLATFORMS (all channels) BY GROSS SALES 2022 (£bn)	
Aegon	£29.5bn
Fidelity	£17.0bn
Hargreaves Lansdown	£13.0bn
AJ Bell	£9.3bn
Quilter	£7.5bn

TOP 5 PLATFORMS (all channels) BY NET SALES Q422 (£bn)	
True Potential	£1.1bn
Aegon	£822m
AJ Bell	£800m
Transact	£700m
Aviva	£575m
TOP 5 PLATFORMS (all channels) BY NET SALES 2022 (£bn)	
AJ Bell	£5.2bn
True Potential	£5.1bn
Aviva	£4.0bn
Transact	£3.8bn
Fidelity	£2.4bn

## Adviser platforms

A benefit of vertical integration is the ability to work closely with advisers and clients, especially during difficult market conditions. It's no surprise, therefore, that Quilter and True Potential topped the adviser platform tables for the fourth quarter and the year. True Potential's buyout programme for retiring advisers helped push sales to new heights. Transact was in second place for gross and net sales across the board except for full year net sales where it was just edged out by Aviva, proving that independent, service-led propositions are highly valued by independent financial advisers.

TOP 5 ADVISER PLATFORMS BY GROSS SALES Q4 22	
Quilter	£1.6bn
Transact	£1.5bn
True Potential	£1.5bn
Aviva	£1.3bn
abrdn	£1.2bn
TOP 5 ADVISER PLATFORMS BY GROSS SALES 2022	
Quilter	£7.5bn
Transact	£6.8bn
Aviva	£6.7bn
abrdn	£6.6bn
True Potential	£6.3bn

TOP 5 ADVISER PLATFORMS BY NET SALES Q4 22	
True Potential	£1.1bn
Transact	£700m
Aviva	£562m
AJ Bell	£500m
Fidelity	£350m
TOP 5 ADVISER PLATFORMS BY NET SALES 2022	
True Potential	£4.9bn
Aviva	£3.85bn
Transact	£3.83bn
AJ Bell	£3.2bn
Fidelity	£2.3bn

**Bella Caridade-Ferreira, CEO of Fundscape, said,** '2023 will be a tough year for platforms. The ISA season always sets the tone for the platform industry for the year, and we suspect it will be lacklustre. Higher inflation, interest rates and taxes mean disposable income will be squeezed. The ability to save and invest, never mind the willingness to do so, will be affected.'

Cautious investors who can still afford to save and invest will undoubtedly be attracted by better interest rates on cash and deposits —despite the impact of inflation on their cash balances.

‘Having said that, the market is underpinned by strong structural drivers, so the longer-term picture is healthy. But the short-term picture is less rosy. Investor sentiment will be a big factor. 2023 and potentially the first half of 2024, will be difficult. We expect a 12-18-month time-lag as savers and investors adjust to a new normal. After that, life should start to return to normal, investors to adapt, and risk to return to the table again.’

- Ends-

**Notes to Editors:**

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For further information or background please contact: [press@fundscape.co.uk](mailto:press@fundscape.co.uk)