

**EMBARGOED UNTIL 17TH AUGUST 2023 AT 7AM**

## LOWEST SALES IN 13 YEARS FOR THE PLATFORM INDUSTRY

As the tax-year-end approached, platform activity warmed up and there were high hopes that the momentum would carry through into the second quarter and beyond. Unfortunately, that was not the case. The second quarter of the year spectacularly failed to deliver on the sales front, but stock-market performance gave platform assets a reprieve (and therefore revenues). The FTSE All-World Index was up 3.2% for the quarter, although the FTSE 100 fell by 1.3%. As a result, platform assets were back over the £900bn<sup>1</sup> mark for the first time since the fourth quarter of 2021 (when we were still feeling optimistic about the future).

HEADLINE FIGURES						
	All platform Assets	Qtrly Asset Grth	Qtrly Asset Grth %	Gross sales	Net sales	Net/gross ratio
Q2 2023	£903.7bn	£21.1bn	2.4%	£33.8bn	£5.5bn	16.4%
Q1 2023	£882.6bn	£29.9bn	3.5%	£35.2bn	£9.4bn	26.8%
Q4 2022	£852.7bn	£27.4bn	3.3%	£25.0bn	£5.4bn	21.4%
	Advised platform Assets	Qtrly Asset Grth	Qtrly Asset Grth %	Advised gross sales	Advised net sales	Net/gross ratio
Q2 2023	£559.8bn	£3.3bn	0.6%	£15.7bn	£2.5bn	15.9%
Q1 2023	£556.5bn	£14.7bn	2.7%	£17.0bn	£4.6bn	27.1%
Q4 2022	£541.8bn	£16.5bn	3.1%	£14.0bn	£3.9bn	27.9%

Sales, however, were a bloodbath. Gross sales rose to £34bn but net sales plummeted to just £5.5bn, despite the quarter capturing the tail end of the ISA season, taking the net-to-gross ratio to just 16%. Not only was it the worst second quarter since 2010, but also flows are also down by an average of 48% against every second quarter of the last 10 years.

TOP 5 PLATFORMS (all channels) BY GROSS SALES Q223 (£bn)		TOP 5 PLATFORMS (all channels) BY NET SALES Q223 (£bn)	
Aegon	£8.6bn	AJ Bell	£1.1bn
Fidelity	£6.7bn	Hargreaves Lansdown	£902m
Hargreaves Lansdown	£4.0bn	True Potential	£893m
AJ Bell	£2.4bn	Aviva	£677m
Quilter	£2.0bn	Transact	£626m
TOP 5 PLATFORMS (all channels) BY GROSS SALES H123 (£bn)		TOP 5 PLATFORMS (all channels) BY NET SALES H123 (£bn)	
Aegon	£18.6bn	Aegon	£3.6bn
Fidelity	£12.4bn	AJ Bell	£2.3bn
Hargreaves Lansdown	£8.1bn	True Potential	£1.9bn
AJ Bell	£4.9bn	Hargreaves Lansdown	£1.6bn
Quilter	£4.0bn	Transact	£1.6bn

## Adviser platforms

Adviser platform business was also much weaker in the second quarter. Gross sales were a respectable £16bn but net flows were the lowest net sales total since Q411. All advised platforms were home to a downturn in gross and net flows while a small number registered a second quarter of net outflows. One reason for this has been the industry’s focus on the implementation of Consumer Duty, which has inevitably led to less time with clients.

TOP 5 PLATFORMS (retail advised channel) BY GROSS SALES Q223 (£bn)		TOP 5 PLATFORMS (retail advised channel) BY NET SALES Q223 (£bn)	
Quilter	£2.0bn	True Potential	£852m
Aviva	£1.6bn	Aviva	£656m
Transact	£1.5bn	Transact	£626m
True Potential	£1.4bn	Quilter	£413m
abrdn	£1.3bn	AJ Bell	£400m
TOP 5 PLATFORMS (retail advised channel) BY GROSS SALES H123 (£bn)		TOP 5 PLATFORMS (retail advised channel) BY NET SALES H123 (£bn)	
Quilter	£4.0bn	True Potential	£1.8bn
Transact	£3.3bn	Transact	£1.6bn
Aviva	£3.2bn	Aviva	£1.5bn
True Potential	£2.8bn	Quilter	£1.0bn
abrdn	£2.8bn	AJ Bell	£1.0bn

**Bella Caridade-Ferreira, CEO of Fundscape said,** ‘The cost-of-living crisis, competition from cash, consumer morale, and the Consumer Duty have wreaked chaos on the platform industry in 2023. No platform has been spared from the downturn in business.

‘Inflation easing for the year to July was welcome news, but it also increased the likelihood of further interest rate rises with a knock-on effect on the cost of living and disposable incomes. The investment industry has faced significant headwinds over the past nine months and we don’t expect the outlook to improve until the first half of 2024 at the earliest. Platforms need to batten down the hatches and ride out the storm.’

- Ends-

### 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](http://www.fundscape.co.uk). A total of 19 platforms are included in the analysis. Platform coverage is estimated at 98% of the platform universe.

<sup>1</sup> All platform assets. Includes institutional and workplace platforms.

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