

EMBARGOED UNTIL 16TH NOVEMBER 2023 AT 7AM

WORST NET PLATFORM FLOWS ON FUNDSCAPE RECORDS

Global stock markets were down, but UK stock markets were up in the third quarter. The net effect was that platform assets flatlined with a tiny 0.2% rise to £906bn. The UK economy also flatlined in the third quarter, narrowly avoiding a recession as high interest rates and inflation weighed on consumer confidence and households struggled with living costs. Gross sales were stable at £32.7bn, but uncertainty, lower disposable incomes and the siren call of cash and gilts, resulted in substantial outflows. Net flows plummeted to just £2.3bn — the worst quarterly net sales on Fundscape’s records —resulting in a net-to-gross sales ratio of just 7%. Seven!

HEADLINE FIGURES						
	All platform Assets	Qtrly Asset Grth	Qtrly Asset Grth %	Gross sales	Net sales	Net/gross ratio
Q3 2023	£905.6bn	£1.9bn	0.2%	£32.7bn	£2.3bn	7.0%
Q2 2023	£903.7bn	£21.1bn	2.4%	£33.8bn	£5.5bn	16.3%
Q1 2023	£882.6bn	£29.9bn	3.5%	£35.2bn	£9.4bn	26.8%
	Advised platform Assets	Qtrly Asset Grth	Qtrly Asset Grth %	Advised gross sales	Advised net sales	Net/gross ratio
Q3 2023	£560.2bn	£0.4bn	0.1%	£16.0bn	£1.3bn	8.1%
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%

TOP 5 PLATFORMS (all channels) BY GROSS SALES Q323 (£bn)		TOP 5 PLATFORMS (all channels) BY NET SALES Q323 (£bn)	
Fidelity	£7.0bn	AJ Bell	£1.1bn
Aegon	£6.98bn	Hubwise	£1.0bn
Hargreaves Lansdown	£2.9bn	True Potential	£813m
AJ Bell	£2.5bn	Aviva	£645m
Quilter	£2.0bn	Transact	£426m
TOP 5 PLATFORMS (all channels) BY GROSS SALES YTD 23 (£bn)		TOP 5 PLATFORMS (all channels) BY NET SALES YTD 23 (£bn)	
Aegon	£25.6bn	AJ Bell	£3.4bn
Fidelity	£19.4bn	True Potential	£2.7bn
Hargreaves Lansdown	£11.1bn	Aegon	£2.3bn
AJ Bell	£7.4bn	Aviva	£2.2bn
Quilter	£6.0bn	Transact	£2.0bn

While gross sales were static and net sales were making the wrong kind of records, the experience was not universal across the market. A small cohort of platforms continues to write robust amounts of new business and book solid net sales. The top five platforms for net sales in Q3, between them accounted for more than the market total – in other words, a significant number of platforms were in net outflow.

Looking at pure adviser platform propositions, the numbers are just as stark. Gross flows totalled £16bn and net flows plunged to an all-time low of £1.3bn. Top of the competitor charts were Quilter and True Potential, demonstrating the laser-sharp focus of vertically integrated business models. Not far behind were Aviva and Transact, opposite ends of the platform spectrum, and illustrating that while propositions can vary, service and user experience always win the day.

TOP 5 PLATFORMS (retail advised channel) BY GROSS SALES Q323 (£bn)		TOP 5 PLATFORMS (retail advised channel) BY NET SALES Q323 (£bn)	
Quilter	£2.0bn	True Potential	£772m
Aviva	£1.6bn	Aviva	£615m
Transact	£1.6bn	Hubwise	£486m
abrdn	£1.5bn	Transact	£426m
True Potential	£1.4bn	AJ Bell	£400m
TOP 5 PLATFORMS (retail advised channel) BY GROSS SALES YTD 23 (£bn)		TOP 5 PLATFORMS (retail advised channel) BY NET SALES YTD 23 (£bn)	
Quilter	£6.0bn	True Potential	£2.6bn
Transact	£4.9bn	Aviva	£2.1bn
Aviva	£4.8bn	Transact	£2.0bn
abrdn	£4.3bn	AJ Bell	£1.4bn
True Potential	£4.2bn	Quilter	£1.3bn

Bella Caridade-Ferreira, CEO of Fundscope said, ‘Although inflation is easing, it will not result in an immediate return to good times. The Israel-Hamas war is another major blow for global peace and economics, so the final quarter of 2023 could be even worse than the third.

‘The world is going through a painful economic adjustment that will last at least another year or two. Consumer finances and confidence will take time to rebuild. Platforms need to brace themselves for another disappointing ISA season and a difficult 2024, including two major elections on either side of the pond! It goes without saying that distressed companies and fire sales will present substantial M&A opportunities across the value chain.’

- Ends-

Notes to Editors:

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

¹ All platform assets. Includes institutional and workplace platforms.

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