

Financial Conduct Authority



MS15/2.2: Annex 3

Market Study

Asset Management Market Study

Interim Report: Annex 3 – Consumer Research

November 2016

Annex 3: Consumer Research

Summary of key findings

Across both the qualitative (interviews) and quantitative (online survey) research, we found that investors can differ from each other in terms of reason for investing, knowledge, preference, experience, and behaviour.

The differences between investors are reflected in the use of a large variety of investment channels: some invest through their local high street banks and building societies and others invest through online investment platforms. These differences are also reflected in the wide range of choices of investment products, with some investors investing in funds or fund portfolios through a tax-wrapper whilst others invest directly in funds.

Investors expressed that there was generally sufficient information available in the market when making their investment decision. However, such information is not always well-understood, and investors with various levels of understanding will utilise the information sources that they are most comfortable with, be that statistics data on a fund's past performance or recommendations from friends and family.

Similarly, investors are aware of the large number of funds available on the market, and will choose their investment based on a short-list of funds. The size of each short-list is linked to the investors' ability to process and compare fund information; some investors prefer a small set of options offered by their local bank while others prefer to shop from a larger set of funds, filtered from the thousands of funds available through an online investment platform.

Past performance is one of the most important factors that investors use to choose their investment, which is also interpreted as its likely future return by some investors. We found from the online survey that charges are also an important consideration; however, this finding is not consistent with that of the qualitative interviews, where interviewees had to be heavily prompted before they expressed that they took charges into consideration when choosing their investments.

In the online survey, respondents stated that they monitor and review their funds on a regular basis, which contradicts the finding through the in-depth interviews, where interviewees told us that they do not actively monitor their investments once they were made. In any event, switching rate appears to be low: respondents in the qualitative interviews expressed a weak willingness to switch, citing long-term investment and unwillingness to crystallise losses as reasons for not switching, while only around 37% of respondents in the online survey have ever switched their investments from one fund to another.

In terms of financial knowledge, we found that a significant number of investors are not aware of the distinction between active and passive management, do not appreciate the relevance of benchmarks or can be misled by relative performance against a benchmark, are not aware that they pay any fund charges, cannot identify the cheapest fee structure when fee options are presented in percentage terms and in pound terms, and are not aware of their ability to switch investments from one fund to another.

Introduction

1. This annex sets out the findings from the qualitative and quantitative research on retail investor behaviour, which was commissioned by the FCA and conducted by NMG Consulting. The population of interest for this research is retail fund investors, who have invested directly (i.e. not through an Independent Financial Adviser), with investable assets above £5,000 (for the qualitative research) or £10,000 (for the quantitative research). We refer to this population of interest simply as 'investors' throughout this annex.
2. On the qualitative research, we present the NMG's findings on investor behaviour based on 40 hour-long in-depth interviews; on the quantitative research, we summarise the responses of 2,500 investors to a 15-minute long online survey.
3. The aim of our research is to understand the investors' consumer journey into fund investment: this includes their understanding of the financial services they procure, the factors they consider when making investment decisions, their behaviour when faced with complex products and services, how and when investments are reviewed once they have been made, and how switching decisions are made.
4. It is worth noting that our findings from the qualitative research and quantitative research can differ significantly in a number of areas, notably in whether charges are considered when making investment decisions and the frequency of monitoring existing investments. We believe that these discrepancies are the result of a combination of the limitations across the two research methods, which we discuss in the sub-section *Limitations* (page 5).
5. For the remainder of this annex, we set out our research objectives and methodology in the section *Research Objectives and Methodology* (page 4); we then present NMG's findings from the qualitative research in section *Qualitative Research Findings* (page 6), followed by the quantitative findings from the online survey in section *Quantitative Findings by Survey Question* (aggregating across all respondents; page 30) and section *Quantitative Findings by Consumer Segment* (selected responses split out by demographic characteristics; page 56). We conclude this annex with the quantitative survey results displayed in section *Quantitative Survey Results - Data Table* (page 83).

Research Objectives and Methodology

6. We commissioned a two-stage consumer survey to understand the consumer experience of direct retail investing and investors' decision-making process, specifically in relation to fund-based products.¹ This research was conducted by NMG, and forms a part of our understanding of how asset managers compete to deliver value and control costs and quality along the value chain.
7. The population of interest for this research is retail fund investors who have invested directly (i.e. not through an Independent Financial Adviser), with investable assets above £5,000 (for the qualitative research) or £10,000 (for the quantitative research).

¹ Direct retail investors are defined as those that make their own investments into retail funds, rather than investors who use an adviser to make investments on their behalf. Direct retail investors may have received advice about their investments.

The key objectives were to understand:

- Investors’ decision-making process,
 - The fund/product features investors take into account when making an investment,
 - Investors’ perceptions of what constitutes value for money,
 - Investors’ awareness of charges,
 - The reasons investors review their investments and how they monitor the appropriateness of their investments over time, and
 - The triggers for investors to move their money to a different fund and investment manager and/or fund, and whether there are significant barriers to switching.
8. The research employed a two-phase approach. The first, qualitative phase comprised 40 in-depth interviews with participants meeting the following profile:
- Consists of a mix of life stages from young singles through to retirees;
 - Have from £5,000 to over £250,000 of investable assets;
 - Consists of three key behaviour groups:
 - 20 new investors (invested in funds in the last 12 months);
 - 10 long term non switchers (invested in to funds more than 3 years ago, no fund switch); and
 - 10 switchers (switched funds/product/providers in the last 12 months).
 - Are sole or joint financial decision makers in the household;
 - Hold at least one fund based product which they took out themselves (not through a financial adviser);
 - Have a mix of investment experience and confidence; and
 - Used a mix of channels for investment (including online platform, bank, insurer, fund manager)
9. The quantitative phase was conducted following the completion of the qualitative phase. This consisted of an online survey with 2,500 direct fund investors, comprising respondents that:
- Are sole or joint financial decision makers in the household;
 - Have investable assets above £10,000;
 - Hold at least one fund based product which they took out themselves (i.e. not through a financial adviser); and
 - Are representative of the population of interest in terms of age, region, gender, investable asset level, and social grade.
10. Since we do not have sufficient information on the product mix and switching behaviour of the population of interest, we do not control for these factors in the sample and we allowed such characteristics to fall out naturally from the sampling process.
11. For further details on how the study was conducted, see *Annex 3 - Appendix 1 - NMG Consumer Research Technical Report*. We have discussed the survey design with the Investment Association; however the FCA is solely responsible for its final design.

Limitations

As is common with consumer studies, this consumer research conducted on direct retail fund investors suffers from a number of potential limitations, which should be taken into account when interpreting the findings from the study. These limitations include:

- Stated preference – Most questions contained within our quantitative survey solicit stated preferences from the respondents. Such stated preferences may not reflect the respondents’ actual behaviour (i.e. revealed preferences) under the circumstances described.
 - Self-reporting bias – Even where our qualitative interview or quantitative survey questions relate to past behaviour, and should therefore solicit a response about the respondents’ revealed preference in the past, the responses we received may be subject to self-reporting bias, where the respondents provide the response that is considered ‘correct’ rather than reflecting their own actions.
 - Over-claim in prompted response – The quantitative survey was designed to induce prompted responses. This feature of the survey may have led the respondents to respond positively to an option that they would otherwise not have answered had such option not been presented directly to them. This feature of the survey may contribute, among other factors, to the discrepancies between the quantitative the qualitative findings (where no specific options were presented in the first instance).²
 - Representativeness – If participation is voluntary and the response rate is low (even from a random sample), then the research findings may not be representative of the population of interest. For the online survey, while quotas have been employed during the sampling process and weights have been placed to ensure that our survey sample is representative of our estimate of the population of interest, in terms of key demographic characteristics (including age, gender, social grade, level of investable assets, and region), biases may still persist based on unobserved characteristics. For instance, respondents were drawn from consumer panels, which may induce a self-selection bias. For the in-depth, qualitative interview, interviewees were found on a ‘free-find’³ basis, which may also induce a self-selection bias.⁴
12. In order to address some of these limitations, and to learn more about investors’ revealed preferences, between the interim and final report, we will conduct further work looking at how investors interact with platforms and navigate platform webpages.
13. Notwithstanding these limitations, we find the survey to be useful in shedding light on investor understanding and behaviour. Recognising the limitations of consumer surveys, we will interpret the results with care and in conjunction with other evidence on investor behaviour.

Qualitative Research Findings

14. The qualitative phase comprised 40 in-depth, one-hour interviews with participants meeting the following profile:
- Consists of a mix of life stages from young singles through to retirees;
 - Have from £5,000 to over £250,000 of investable assets;

² Specifically, interviewees in the qualitative interviews rarely expressed the unprompted view that fund fees were an important consideration in fund selection; however, when presented with the explicit choice, many respondents in the quantitative survey stated that fund fees were an important consideration in fund selection.

³ ‘Free-find’ is a recruitment process where participants for a research study are recruited from the general population using a variety of techniques rather than from database lists.

⁴ See *Annex 3 - Appendix 1 - NMG Consumer Research Technical Report* for further details on the sampling process for the qualitative interviews and the quantitative survey.

- Consists of three key behaviour groups:
 - 20 new investors (invested in funds in the last 12 months);
 - 10 long term non switchers (invested in to funds more than 3 years ago, no fund switch); and
 - 10 switchers (switched funds/product/providers in the last 12 months).
 - Are sole or joint financial decision makers in the household;
 - Hold at least one fund based product which they took out themselves (not through a financial adviser);
 - Have a mix of investment experience and confidence; and
 - Used a mix of channels for investment (including online platform, bank, insurer, fund manager)
15. In the following section, we describe the interview findings by NMG researchers on the research objectives set out in Section: Research Objectives and Methodology (page 4).

Summary of qualitative findings

16. Through the in-depth interviews, NMG found the following high-level information about direct fund investors:
- **Investors are different** – Investors can differ substantially in terms of knowledge, preferences, experience and behaviour. NMG found that by sorting investors according to their attitude to investing, investors can be separated into groups where the investors within each group behave similarly. Interviewees were asked how they feel about investment, and were assigned to one of the three attitudinal types (high engagement level, medium engagement level and low engagement level) based on their responses.⁵ This categorisation was adjusted by the interviewers on a small number of occasions based on the responses provided during the interview.
 - **Access and Assess** – Interviewees find that **there is sufficient, if not too much, information available**, and **would use this information to the extent they can understand or are comfortable with it**. Investors feel that there are occasions when they face words, phrases and concepts that they do not understand and are not properly explained. However, most investors find the investment process to be straightforward.
 - **Provider and platform selection** – Investors tend to **use a single platform**, and many have consolidated their investments onto a single platform for ease of management and monitoring. Selection criteria differ by investor: 'high engagement' investors choose a platform and/or provider on the basis of availability of choice, charges, reporting functionality, and availability of research material; 'low engagement' investors tend to use the existing provider of another service (e.g. retail banking), and value a simple, user-friendly interface and investment experience. Investment channels appear to be delivering the customer experience desired by the types of investors using them.

⁵ Interviewees were asked to choose which of the following best reflect their attitude to investing: a) feels confident and comfortable with investing, b) does not have a lot of experience in investing but is reasonably confident c) feels investing is important but feels a little out of their comfort zone. Based on their responses (and potential moderation by the interviewers), interviewees were assigned as having 'high engagement level', 'moderate engagement level' or 'low engagement level' respectively.

- **Fund choice set** – Investors find that **there is sufficient fund choice in the market**. Highly engaged investors choose funds from a large choice set while less engaged investors prefer simple choice sets or portfolio products with pre-selected funds.
- **Fund selection** – Across all investors, the key criteria that determine choice of fund are risk profile and performance. ‘High engagement’ investors also consider fund-specific characteristics such as expected return, geography of investment, brand, and fund objective to be the important factors of fund choice. ‘Low engagement’ investors are influenced by soft factors, such as brand, familiarity, convenience, sense of trust, and media recommendations; they also tend to take out packaged portfolios without looking at the underlying fund investment. Factors such as charges, active/passive management, and the fund’s lifecycle, are rarely considered by investors, with the exception of highly engaged investors being more aware of the fee differences across providers.
- **Value for money** – Value for money was not a key consideration for the interviewees at the time of investment. When pressed, **most interviewees consider returns (some specified the net returns, after fees are deducted) to be the most important measure of value for money**, followed by charges, information provision, and the quality of services. The evaluation of whether a fund is doing well or not is based on “the bottom-line”, i.e. whether the total fund value has increased by a reasonable percentage, typically over a 12-month period.
- **Fund charges** – In general interviewees have poor recall of the fund charges that they pay, although most claim to be familiar with the charges when the investment was made. They felt sufficiently informed about the fund fees by fund managers or distributors at the time of investment, and felt that the fees are reasonable, and typically in the region of 0.5% - 1%. Interviewees generally had very limited understanding of the fees levied within and outside of the Ongoing Charge Figure (OCF), and do not often compare funds on the basis of fees. Most interviewees chose to focus on the past returns of a fund rather than its fees. Only the most engaged investors are able to confidently recall charges and break them down into different elements.
- **Monitoring** – There is limited active monitoring of investment portfolios except amongst the more engaged category. Monitoring of fund performance is more likely to be driven by the provider sending them information e.g. annual statements. Around half of the interviewees have accessed online valuations, although only the more engaged investors monitor their investment frequently.
- **Switching** – Many interviewees claim that they would withdraw their investments in the event of a 10-25% decrease in the value of their investment, but also expressed **unwillingness to crystallise losses** by redeeming their investments. Only the most engaged investors proactively switch their investment between funds; the majority of investors have strong ‘buy and hold’ mentality.
- **Desired improvements of asset management services** – Some interviewees expressed the wish for improved clarity and consistency of information provided relative the key drivers of fund selection: risk ratings and fund performance. Many do not understand how to interpret the existing risk scale in the KIID, and some interviewees expressed desire to see past performance relative to peer funds. Some interviewees also express the wish to see predicted returns.

Investor segmentation

17. The researchers found that self-directed investors exhibit varying levels of engagement with investment decision-making, and that investors with different levels of engagement react and behave differently in all stages of the investment process. The researchers found that the level of engagement is, to a large extent, determined by the investor's dominant emotional response to investing, as categorised in the following table:

Engagement level	Emotional response	Likely action
High	Satisfaction, control	Active participation, self-reliant
Moderate	Interest, enthusiasm	Motivated, willing to take action but would seek support
Low	Disinterest, apprehension	Hesitant, strong need for support, require simplification (in the purchasing process and product) and education

18. The researchers also found that an investor's level of engagement is strongly indicative of their investment behaviour, levels of investable assets, experience, attitude to risk and complexity of portfolio held, as characterised below:

Engagement level	Investment behaviour
High	<ul style="list-style-type: none"> • Comfortable controlling their finances without regular professional advice • Confident when making their own decisions • Relaxed about the use of specialist providers • Wealthier and hold a broader range of assets • More strategic in their placing of assets across risk spectrum • Active in research and reading financial news; use of multiple sources across different channels • More likely to consider higher risk funds on a regular basis • A minority may be over-confident in relation to the knowledge they held • Channels: Online platforms
Moderate	<ul style="list-style-type: none"> • Although enthusiastic, often lack confidence to take decisions on more complex investments • Low to moderate level of knowledge • Generally lower levels of investable assets and/or shorter time spent investing • Highly motivated to do their own research: often relying on fewer sources than highly engaged investors, sometimes exclusively dependent on the current service provider • Investments held in simpler, understandable products and funds;

Engagement level	Investment behaviour
	have a preference for known brands <ul style="list-style-type: none"> • Tend to invest in medium to low risk funds / products • Channels: Mix of online, high street banks / building societies and insurers
Low	<ul style="list-style-type: none"> • Investing is 'out of their comfort zone' • Typically lower levels of investable assets and lower tolerance for risk than other investors • Very low levels of knowledge; may not always be aware that they are invested in funds • Typically invest in a trusted provider (or brand) where a long standing relationship is in place • Very likely to adopt a 'buy and hold' attitude, with little monitoring • Channels: Highly reliant on high street banks / building societies, some insurance companies. Also most likely to use advice offered by high street distributors.⁶

19. Investors may move between engagement levels as their attitude, knowledge, experience, and behaviour change. To further illustrate these investor characteristics, we provide a case study for investors in each engagement level below. These case studies are drawn from the investor interviews that were conducted as part of our qualitative research.

⁶ This could have been understood by interviewees as wider than regulated financial advice; interviewees may have included investment guidance provided by retail banks within their responses.

Investor case studies

High Engagement Level

Investor	'Leslie', 56, empty-nester, invests in stocks and shares ISAs, shares, premium bonds, unit trusts and SIPP.
Attitude to risk	Low for pension, medium for direct funds
Trigger for investment	Desire to earn growth for the medium term and gain tax breaks
Ongoing behaviour	Received free advice through work on Additional Voluntary Contributions, ⁷ talked to colleagues.
Investment	Online investment account with an investment platform – chosen based on online functionality and fund information
Consumer journey	Carried out lots of research online – media, platform and forums. Considered and compared different options.
Choice criteria	Risk, geography, fund manager, charges and companies held by the fund
Monitoring	Sometimes daily but usually every few weeks
Selected quotes	<p>"I did a lot of research online. I looked at various sites – [lists websites providing investment advice]. It was forums too to see what people said around certain investments. I use that with discretion but you can pick up a trend. You can get a slight insight. Spread rumours and speculation. [A financial newspaper]; what the fund manager says; who the manager is and his track record..."</p> <p>"The driver was the tax-free aspect to it. As a 40% tax payer, I was keen to protect that."</p> <p>"At the time, the general trend was avoid East and global funds. Invest in US or UK funds. There were problems with the euro and with China. I choose UK funds as I was familiar with them. It was names and brands."</p>

⁷ Additional Voluntary Contributions are voluntary contributions that one can make to their pension scheme, in addition to the contribution by their employer.

Medium Engagement Level

Investor	`Chris', 38, two children. Invests in SIPP, stocks and shares ISA, property, and holds some cash savings.
Engagement level	Moderate
Attitude to risk	Medium
Trigger for investment	Launch of new fund –announcement from an investment platform
Ongoing behaviour	Relies on single platform resource for research. Has switched investments when performance has been poor.
Investment	Invests in a large trust through an online platform.
Consumer journey	Had discussion with work colleagues, considered fund manager pedigree and performance of other Woodford funds. Researched funds on platform and set up investment after a few weeks.
Choice criteria	Reputation of fund manager
Monitoring	Monitors regularly and now plans to sell as price is down by 13% after 6 months
Selected quotes	<p>“[My investment platform] sent a note saying the [an investment trust] was floating, I talked to some guys at work who are also with [the same platform] and they saw it. I am also with another [fund of the same brand] and that was performing well and I looked at his background and felt he was quite a strong fund manager to go for so that was the process.”</p> <p>“From time to time I do take stock and if things are crap I dump them in favour of things that are doing better.”</p> <p>“I am a keen investor with not much time so I don’t look at my portfolio every day; probably every 2 weeks to a month. I don’t like to change it if something goes wrong; I just leave it. I don’t like to panic. As long as it goes up.”</p>

Low Engagement Level

Investor	'Suzie', 35, new to investing, holds stocks and shares ISA, premium bonds, and cash savings.
Attitude to risk	Low
Trigger for investment	Desire to provide for retirement
Ongoing behaviour	Lack of knowledge and confidence deters switching
Investment	A high street building society's stocks and shares ISA
Consumer journey	Spoke to an IFA to gain knowledge but self-invested to avoid fees. Invested with a building society due to an existing relationship in place and trusted the building society's reputation. Conducted very limited research or comparison with other providers.
Choice criteria	Reliance on initial adviser guidance; trust in a well-known brand; satisfied with website; simple fund range aligned to risk profile.
Monitoring	Infrequent, relies on annual statement
Selected quotes	<p>"I am fine on the safe things like premium bonds or savings but then you don't get a great return on them. My attitude is I want to take not huge risks but I want to maximise my return on my stocks and shares ISA and my pension and I signed up for medium risk because I thought time is not on my side if I want to retire in 10-15 years' time, I need to get the maximum return I can."</p> <p>"I knew that I wanted to do medium risk so I didn't want very risky shares and stocks. It was actually quite straightforward... there was a lot of information on the website and if it hadn't been for the fact that you choose the group that you want to put it in to I wouldn't have had a clue where to put it so I was kind of lead by them really."</p> <p>"I don't monitor it on a month by month basis. It is something that I know I am paying into and I can see the money leaving my account and I get a statement once a year with all my payments going in and it gives me a look into the future."</p>

Risk attitude

20. The majority of interviewees took low to medium levels of risk when investing. Most interviewees claim that they would change their funds if they experience a 10%-25% drop in value, but also expressed that they would be averse to crystallising a loss by redeeming investment in a poorly-performed fund.

Other findings on investors' risk attitude include:

- The perceived opportunity to recoup loss is often directly related to age and/or time from retirement

- The belief that investment in funds which provide for prospective retirement income 'should not be gambled with', and therefore there is a preference for low-risk investments where its purpose relates to retirement planning
- Previous losses may heighten a cautious attitude
- A desire to protect the interests of the beneficiaries (typically spouse and children) of their investments
- Investors only invest amounts that they can afford to lose
- Typically, most investors will limit the proportion of equity-based products in their fund portfolio to 10%-30% of the total value.⁸

⁸ Equity is typically the most volatile asset class that a fund can invest in; the proportion of equity-based allocation can therefore be used to reflect the risk level of a fund portfolio or a multi-asset fund.

Selected quotes from investor interviews

"I am quite interested and have done various investments for many years and have got my fingers burnt with a few so I am a bit more wary now. In the present zero interest climate, it is almost a necessary evil. My view has been that the stock market is probably one of the better places to put it although it does have its pitfalls. My investing has always been for the long term and to hope that it comes good over time." (High Engagement)

"I'm not very clued up, even though it has got a risk of losing money you have got a higher chance of gaining money compared to a lot of the accounts you see on the market." (Moderate Engagement)

"Look at the amount that investments have made over a 5 year period and annualise that out, then it's a lot better than if I'd put it in a building society at 0.5%." (High Engagement)

"If they said it is just a blip, give it another 3 or 4 months and it is going to rise quite dramatically ... I wouldn't want to write it off to the point of losing five thousand at that point I'd take their advice to sit it out." (Moderate Engagement)

"Because I am only now 15 years away from retirement, I don't want to go for a quick win that in 15 years' time could disappear." (Moderate Engagement)

"I chose higher risk because I thought I would make more money, I know there is a bigger risk of losing but I thought I would take a chance." (Moderate Engagement)

"I am medium risk because the things like the premium bonds and savings account there is no risk and you are not going to get a great return and it is just money sitting there if you need it. You have to take a certain amount of risk to get a better return." (Low Engagement)

"I am not risk averse; the investment trusts I chose on the 1 –7 scale are up at 5 –6. They are not the safest of the investment trusts. The fact that they are good fund managers and I chose them on the basis of magazine performance and I work on the assumption that if they have performed well in the past they must have half an idea of what they are doing, it is probably a good place to put it. I have lost quite a few thousand pounds but I know it is long term and I am hoping, over 5 years, it will come back." (High Engagement)

"You can't help but be concerned as you see yourself losing huge amounts if you were to sell ... I find it difficult to sell things that are not doing well." (High Engagement)

Investment motivation and triggers

21. Investors expressed the following reasons for investing in funds:
- There is comfort in their investment being managed by professionals with the time and expertise to maximise return
 - It is an efficient route into a broad range of shares/assets that reduces volatility and provides diversification

- It avoids having to monitor individual company share performance
 - For less engaged investors, it is the easiest route into investing, although not always well understood.
22. The researchers found that reasons for self-directed investment (i.e. without the use of an Independent Financial Adviser (IFA)) include:
- Some investors were not offered advice from IFAs; some interviewees who were offered advice from IFAs rejected them based on the fees charged.
 - Some investors distrust IFAs because of poor experiences, or due to the poor reputation of the advisory service.
 - Some of the more engaged investors want to be in control of their own investments, and feel confident in managing and monitoring investments themselves.
 - Some less engaged investors feel they have been given sufficient support from friends, colleagues and family.
 - Self-directed channels are thought to be easy to navigate:
 - High street banks are seen as convenient, accessible and work on an execution only basis (Information services provided by banks are sometimes misinterpreted as advice).
 - Those who use online self-investing channels say that they are user-friendly and offer a simple, straightforward experience which goes a long way towards making investing appear more accessible.

Selected quotes from investor interviews

"We came into some money that we weren't expecting' –'we ummed and ahhed about whether to do something different with it rather than put it into the savings account or the cash ISA ... we weren't expecting the money anyway so we thought we would try something different with it instead." (Moderate Engagement)

"For some reason I liked the idea of buying and selling myself, me having control over it rather than someone else having control." (Moderate Engagement)

"I didn't want to try to choose individual stocks. It's very specialist to be able to choose. With funds you can base your decision on the person running the fund and his reputation over the last 15 years." (High Engagement)

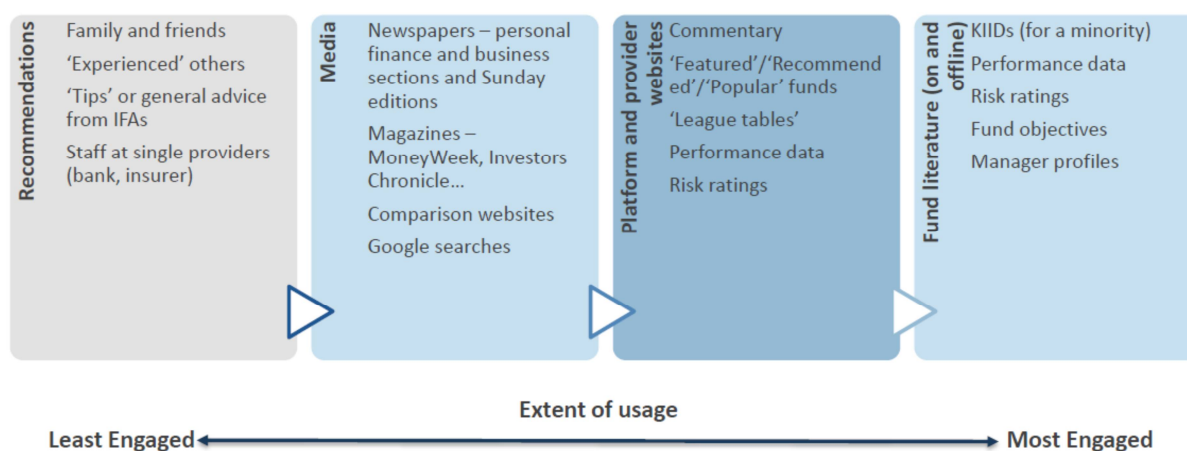
"The last 10 years I have been thinking – What am I going to do? I got to my mid 30s and thought I had better start planning something. It worries me because you get used to a certain lifestyle and you need to look ahead. You want money when you retire and I don't want to be working all my life. My plan is to retire mid to late 50s and that has spurred me on to get a pension." (Low Engagement)

"It's fairly easy to understand ... there is the jargon and stuff like that ... but when you are speaking to someone they can explain it a bit better than reading it." (Low Engagement)

Ability to access and assess information

23. The majority of interviewees believed there may be too much information available and any facility to 'filter' this information would be much appreciated. Investors were happy with the amount and quality of information available on markets, products and funds.
- Most investors claimed that information sources are generally understandable.
 - However, many only interrogated the information up to their 'comfort level' and even more experienced investors do not read through the small print of a product's terms and conditions.
 - All investors felt that there were occasions when they encountered words, phrases and concepts they were unfamiliar with and which were not explained well.
 - There is a distinction between how different segments of investors access and assess information:
 - Amongst the least engaged investors, very little information is used, often involving only a cursory glance at the fund or product literature. There is a strong reliance amongst the least engaged interviewees on human interaction and a single source of information, for example staff at a bank branch.
 - Amongst the more highly engaged investors, multiple sources of information are used, including the media and websites commenting on markets, products and funds platforms or providers. More engaged investors are interested in specific fund information and will spend time reading to try to understand the relative differences between funds.

Figure 1: Use of information sources by investors



Source: NMG

Selected quotes from investor interviews

"I phoned them originally when I said I wanted to move my product and they advised that I went online to have a look... [A building society] give you a lot of information... there is a lot of information on their site and you have to go to the right part whether it is mortgage or investment or whatever... I just found it very easy to use... I didn't have any issues with it." (Low Engagement)

"I did do a bit of digging around with big companies, it was all very confusing and I thought I would stick with what I know. I knew [a building society] did stocks and shares so I just moved it within that company which seems very tame and unexciting." (Low Engagement)

"I trust [an investment platform] and I look at their research and I think they are very thorough in terms of the information they provide on the fund manager and the other funds they manage, the investments they look at and the process they go through. I think they are very, very good." (Moderate Engagement)

"I start by choosing a geographical area. We do everything in sterling so it makes sense to do it in sterling. It's not going to be impacted by Exchange rates so I'd then use online research tools ... there is a lot of information there ... I use [an asset management company]. [An investment platform] provide information too on market commentary. The one I use the most are [a fund rating website] and a fund comparison website where you can select 4-5 funds. You can select a number of funds and they are shown in a column form. You can see the charge application to the fund and who is managing the fund and how much is invested ... how much is held in cash, equities etc. With [the fund rating website] you can get quite good information for 1-5 year performance. I'll start by looking at that and see which funds have been performing well for an extended period of time. Then I'll look at information about the manager of the funds and if they haven't been managing that fund for very long or have come from another company, I'll try to find out what they managed before. I'll take the size of the fund into consideration. Some do well and then get bigger and the performance tends to tail off." (High Engagement)

Fund choice set

24. Investors feel they have sufficient choice to make their selection. The great majority will narrow the choice down to four funds or fewer for comparison purposes.
25. High Engagement investors were aware of the very wide range of funds they can select from, the extent of choices within preferred sector or geographic regions, and the wide range of brands available.
26. Low engagement investors tended to choose their investment from a smaller choice set, frequently referring to the offerings of a single trusted high street bank. They often did not (and didn't want to) pick funds themselves, and have strong preference for packaged solutions (e.g. risk rated portfolios, default funds) to avoid having to make too many decisions. For these investors, being offered more choices did not lead to greater comfort or satisfaction; rather this provoked indecision.

Selected quotes from investor interviews

*"There are thousands of funds on this thing and it has got every big fund manager."
(Moderate Engagement)*

*"It was the only one that I really looked into and it looked good. It looked interesting."
(Low Engagement)*

Provider and platform selection

27. The researchers found that only the most engaged investors undertake a formal and considered process to select their platform or provider; less engaged investors will often opt for a provider/platform that offers a simple and user-friendly interface and experience and an 'acceptable' level of charges. Among the least engaged, there may be almost no consideration of alternative providers especially where there is a long-standing relationship with the brand.
28. Highly Engaged investors will consider the following factors when deciding on the provider or platform of fund investment (in approximate order of importance):
- Choice of investments (funds, products, etc.)
 - Charges
 - Reporting functionality
 - Availability of information and educational resources
 - Availability of telephone service
 - Printed documentation
 - Financial stability, brand name and reputation
 - Recommendation by other investors
29. Investors typically use only one platform, and many have consolidated their investments onto one platform to simplify management and monitoring.

Selected quotes from investor interviews

*"That was the one where we have done our longest banking with so we decided to go with them ... we were happy with the [high street bank] brand so that was the main pulling power for it ... we wanted it so we didn't have to do too much work ... I didn't want to have to watch where the stock market was going and making any decisions on whether to move it or change it ... I wanted it to be as simple and easy as possible really."
(Moderate Engagement)*

*"There are no costs and that was the draw in the first place to [an investment platform]. My wife was recommended [the investment platform] by her Financial Controller at work who is an accountant and a savvy investor"
(Moderate Engagement)*

Fund selection criteria

30. Generally, the less engaged investors are more reliant on 'soft' criteria when selecting funds compared to more engaged investors. The selection criteria highlight the influence of 'soft' and emotive factors on decision making:
- Brand reputation and familiarity
 - Convenience (e.g. high street)
 - Trust (existing relationship)
 - Media tips and 'recommendations' from platforms
 - Service
 - 'Advice' from family, friends and colleagues
 - Perceived size of fund/popularity
 - Risk profile – a 'hard' factor that some less engaged investors think about. A fit with perceived risk appetite can be an influence on choice
31. Those purchasing from High Street banks often do not perceive they have a choice of funds (generally, those least engaged with the process) and it appears there is little to no fund selection undertaken as these investors prefer to think at the product level (e.g. Stocks and Shares ISA) rather than at the fund level.
32. The more engaged investors tend to assess funds based on 'hard' criteria. This type of investor tends to draw information from a broader range of sources to make their decision. Factors considered, in decreasing order of frequency, include:
- Risk rating
 - Past performance
 - Expected rate of return
 - Geography
 - Fund manager brand
 - Fund objectives/strategy
 - Fund manager name/profile
 - Popularity/high value of fund

On the other hand, the following factors were rarely considered by all investor groups:

- Stage of the fund's lifecycle
 - Charges
 - Passive vs. active fund
 - Volatility
 - Liquidity (only when prompted); funds are assumed to be easily accessible
 - Fund suspension (not an issue generally known to investors)
33. The more highly engaged investors tend to give more importance to past performance over risk rating, and sometimes disagree with the risk rating of a fund. Highly engaged investors are aware of the fee differences across providers and will switch providers with the confidence that, where necessary, they can use any investment channel with ease.

Selected quote from investor interviews

"I looked up the funds in financial magazines I bought and then gridded the performance of the trusts and each sector they scored them over 1 –5 years. I picked the trusts that had reasonable names; [An investment trust] had a very good performance rating over the previous period and were stable for a number of years. I got the background from the web of where the trust invested and picked them like that." (High Engagement)

Use of the KIID

34. As part of the interview process, interviewees were presented with two Key Investor Information Documents (KIIDs) and asked a number of questions relating to the document.
35. The KIIDs were recognised by some investors – generally those more engaged with investing; many interviewees recall seeing similar documents (Key Facts) or elements of the KIID in different documents.
36. The researchers also found that:
 - Most interviewees found the KIIDs to be useful, easy to understand, comprehensive, well laid out and structured, and not too long; diagrams were particularly appreciated
 - However the less engaged investors find the KIIDs too complex and difficult to understand
 - Some interviewees queried the comparability of information across KIIDs (e.g. risk rating of funds)
 - Key messages within the KIIDs are perceived to be (in order):
 - Performance data, especially the bar chart
 - Risk profile (scale chart)
 - Charges
 - Objectives
 - Brand name
 - Benchmark performance can be helpful but is often not understood nor accepted by interviewees
 - Moderate to High Engagement investors are more likely to read the KIIDs in detail, focusing on the performance data and fund objectives

Selected quotes from investor interviews, when shown sample Key Investor Information Documents (KIIDs)

"The risk is the thing that strikes me first when I look at both of these. What sort of growth fund it is, the name of the fund doesn't really mean very much to me ... that is interesting that [fund manager] charges an entry charge and I don't recall having an entry charge with [a building society]. That is quite a big fee as well: 5%." (Low Engagement)

"It is quite concise, it gives you the key points that were important to us." (Moderate Engagement)

"It means nothing to me ... all this practical information here ... what does that mean ... it is all very confusing to me, is it taxed at source?" (Low Engagement)

Use of benchmarks

37. When interviewees were asked about benchmarks, the researchers found that very few investors make assessments of performance against industry benchmarks. The majority will make a judgement by comparison with savings account interest rates.

Additionally:

- It is rare for investors to accurately calculate how their investment performs and/or to make a like-for-like comparison with an appropriate benchmark or even with alternative funds
- Many investors do not understand the concept of benchmarking and how benchmarks are set; instead, they may be inclined to make a judgement based on broad assessments of performance, media reports on market trends and attitudes to the brand
- Although many accept the value in making a relevant comparison, many either do not understand it or are sceptical of the validity of the comparator
- A minority of more engaged investors use benchmarks or quartile rankings to assess a fund's performance. Some Moderate and High Engagement investors questioned the relevance of benchmarking against, for example, the FTSE 250, and consider a like-for-like comparison with funds within the same sector would be more useful.

Selected quotes from investor interviews, when shown fund performance against a benchmark

"I think it is more geared towards somebody who understands more about the investment markets than somebody like me would." (Low Engagement)

"I think that's really good. I'd be looking at the difference. There are some years with a significant difference. In some years that'd appeal. Where they are very close, it's not telling me a lot. Where there are significant variations, I think that'd grab attention. The past performance and the comparison is good." (High Engagement)

Ongoing monitoring of fund

38. Researchers found that the monitoring of investments is infrequent, especially among less engaged investors. Monitoring of fund performance is more likely to be triggered by provider sending information to the investor e.g. annual statements.

Additionally, NMG found that:

- There is a high reliance on the annual / bi-annual statements sent from providers for monitoring the performance of investments
- Among those with online access, monitoring is more likely to take place in the weeks following the investment. After this time, frequency of monitoring varies from weekly to yearly
- Monitoring can be prompted by news on market movements, security alerts about irregular account activities (e.g. failed log-in attempts), the need to complete a tax return or when monitoring other products
- There is greater interest in monitoring the value of investments when markets are rising; conversely some investors avoid monitoring their investments when markets are volatile
- The prime focus of monitoring is on the overall investment value and how this compares with the previous valuation rather than individual fund performance
- The majority of Low to Moderate Engagement investors rely on annual statements. Around half of the interviewees have accessed online valuations, although only the more engaged investors check these frequently.

Selected quotes from investor interviews

"I literally just get what they send me, I have a look through it and think, I don't really know what that means." (Low Engagement)

"I don't check more than once or twice a year because I think it will go up and down and I can't imagine why I would want to take any money out so it seems pointless to look at it hopefully it will have made some gains in a few years when I want to take money out." (High Engagement)

"It takes two seconds online to check it. I go on to [the pension provider] website and I can see all the funds I am invested in. There are about 15 funds and once a year I get a read out of each one and see how each has performed." (High Engagement)

"I look at the news nowadays with experts saying the market is going to dive so I hear this and think I wonder what the pension is doing." (High Engagement)

Fund switching

39. Amongst the majority of investors there is a strong tendency to hold their investment indefinitely once invested; there is a strong element of 'you don't lose until you cash in' which deters investors from switching when the fund is performing poorly.

40. Despite this, when switching does occur, NMG found that this is due to a combination of 'push' and 'pull' factors (i.e. reasons for leaving and reasons for investing in another fund):
- Push factors include:
 - Poor performance
 - Poor service experiences
 - High charges
 - Over exposure in one sector/asset/fund
 - Desire to try something new
 - Pull factors include:
 - Media tips
 - 'Recommended' funds
 - Performance of other funds
41. Only the most engaged investors consider switching actively. This is usually in response to either a fund doing badly or a new fund coming to their attention rather than in response to cost or service issues.
42. Deterrents to switching appear to include:
- Low frequency of monitoring the fund performance, which limits the realisation of the need to switch;
 - Some investors deliberately avoid monitoring when markets are performing poorly;
 - Awareness that investment is a long-term activity (especially for pensions);
 - A belief that if a product, particularly pensions, cannot be redeemed prior to a certain time, then the funds themselves should also be left alone;
 - A belief that they are 'tied in' or that there are charges associated with switching;
 - A lack of prompts to sell – a minority of interviewees believe that providers or introducers would (and should) alert them to poor performance;
 - A lack of knowledge of how to manage the portfolio;
 - Too much work, time and/or effort required;
 - Amongst the less engaged interviewees, a lack of expertise and experience deter them from switching; and
 - Limited recognition that changes in personal circumstances (change in their risk profile, or changes to the number of years to retirement) should prompt a review of the funds held.

Selected quotes from investor interviews

"I thought I could make it work a little bit harder, I was happy with [an investment platform and asset manager] and I quite liked the look of their tracker product, the profile was right for me." (High Engagement)

"They were not performing quite so well and they are not doing what they said they would do." (High Engagement)

"I just wanted something that would give a good return at the end of it ... I think the brand is quite sophisticated and welcoming." (High Engagement)

"I think I may be tied in ... I have made my choice the only thing I can do is to increase the amount ... I have never thought about it since and even if there was the option I wouldn't be taking it ... I am never going to gamble with the pension." (Moderate Engagement)

"It is such a diverse portfolio without actually looking into it as much as I should. I have been very busy setting up other stuff and it has always been a pain. I should study it, I have not seen anything that says 'these are all the different funds you should invest in, these are the different areas you should look for over the next 6 months to a year.'" (High Engagement)

"At the time I set the pension up, I knew I needed a pension and I needed to put money aside from my salary. I picked a fund, put it in there and to me I don't think a pension is something you swap and change a lot. The Stocks and Shares ISA is constantly changing and you move it about but a pension... you don't really keep updating it - because you have your pension with a certain company and they invest your money for you as they see fit; because they want to give you the best return with your money as they can. If a company wasn't performing then people wouldn't be investing with them so I imagine that is all going on behind the scenes at [my provider]. They are taking my money and putting it within those funds I have chosen." (Low Engagement)

Fund charges

43. Investors do not remember the specific charges, and fund charges are rarely central to a fund selection decision (apart from amongst the more engaged investors). Fund charges are often seen to be similar across funds. More specifically, the researchers found that:
- Few investors can cite the charges they pay with any degree of confidence, or accuracy. However, this is not perceived to be an issue amongst investors. Most claim that they knew the charges when they made the investment;
 - Information on charges is felt to be adequately provided by fund managers / providers at time of purchase;
 - There appears less awareness of information on charges provided in ongoing materials (e.g. annual statements), where recall is limited;
 - When examined, information in these communications is sometimes limited and not always clear;

- There is very limited awareness of the OCF and how it differs to the AMC;
 - There is little consideration of what fund managers do for their money beyond the human resource cost;
 - There is very limited to zero awareness of ancillary charges or transaction costs that may be incurred such as brokerage fees or custody charges;
 - Investors generally feel that fund charges are acceptable, with 0.5% to 1% being commonly cited;
 - There is very little comparison between funds on the basis of charges but investors feel that charges are 'within the same ballpark';
 - Where certain funds charge a higher fee, this does not necessarily deter investors from selecting these funds if the fees can be justified by other factors. However, a high initial charge (such as 5%) can deter investors;
 - A few investors commented that different charging structures between fund managers and/or funds can make comparison difficult (even if investors do not compare funds based on charges);
 - Interviewees make almost no assessment of the impact of fund charges on the investment's return over time; and
 - Most investors focus on the bottom line return and do not focus on charges.
44. Only the most engaged investors are able to confidently recall charges and break them down into different elements (initial, ongoing, platform, fund, etc). However, even within this group, a significant number of platform users had limited knowledge of their platform charges.

Selected quotes from investor interviews

"I think there was an annual charge, I remember it wasn't very much and thought that was okay because if I make a certain amount. I don't remember it being extortionate." (Low Engagement)

"It does all get quite complicated when you don't really know what you are doing." (Moderate Engagement)

"I think the funds have different charges. I don't look at this very often." (Moderate Engagement)

"Normally I would be concerned about funds that have significant ongoing charges. If the funds only go up a few per cent, the management charges will be a significant amount of that. It's not a sophisticated view but I just invest in funds that don't have too much ongoing charges." (High Engagement)

"If I had 2-3 funds and one charged 1.5% p.a. and the other charged 0.7%. You think it's a small number. If that fund is with somebody well known and performed 3-4% better p.a. then fair enough. It'd influence my decision if there was nothing else to say whether to have that fund or that fund." (High Engagement)

Value for money

45. Value for money is not a top-of-mind consideration although, on reflection, interviewees cited a number of factors that may contribute to value for money. Return on investment is by far the most important criterion. When further pushed to consider what value for money means, interviewees considered charges and their longer term impact on returns to be of significant importance. More engaged investors specifically mentioned net returns as being the key indicator of value for money.

Most mentioned drivers of value for money	Driver of value for money with some mention
<ul style="list-style-type: none"> • Returns • Charges • Information provision (education, tools, etc.) • Service from staff – at the provider, platform and fund level 	<ul style="list-style-type: none"> • Flexibility of service e.g. to alter regular payments or to switch • Liquidity i.e. ability to access money easily • Expertise of the fund manager • Security of an investor’s personal data and funds

46. There are mixed views on the value for money of current investments given turbulence in financial markets which was not expected by investors and which has been unsettling, especially for new investors.

Selected quotes from investor interviews

"The charges are value for money against what you are making." (Low Engagement)

"It's compared to what else is in the marketplace. I'm not totally convinced that the charges are valid ... generally I'll go for the lowest one." (High Engagement)

"The same or more as I would have if I was doing it with someone else ... also am I getting a better return than in a savings?" (Moderate Engagement)

Experience of direct investment

47. Interviewees’ experience of direct investment (i.e. not through a financial adviser) is often determined by the returns on their investments, especially those that have been held for some time. Expectations of the industry, beyond delivering positive performance, do not appear to be high.
48. Additionally, the researchers found that:
- The experience of executing and managing their investment was perceived to be sufficiently straightforward for their needs: those that wanted a simple experience with a limited choice set were able to invest this way, whilst others wanting more diverse and sophisticated solutions were able to find them;

- Providers and platforms appear to have made good progress in making retail investing straightforward and user-friendly, which is reflected by some very positive comments from interviewees about their online experiences in particular;
- The only negative experiences reported were around short-term falls in fund values, on the back of recent downturns in the market; and
- Investors believe that they:
 - Receive sufficient and comprehensive information that meets their requirements;
 - Are offered a wide enough range of funds to meet their needs; and
 - Are provided with services that are efficient and professional.

Selected quotes from investor interviews

"It was so simple. I am familiar with how to use the tool and when I rang them they were very helpful... It couldn't have been easier ... when I am looking at several funds I can narrow them down and put them all on one chart and I can see what is going on. With that and the fund manager, the company, the sector and all of it, you just look at it and it is an easy decision to make ... I would probably do the same thing and I follow the same process all the time because it has worked for me." (Moderate Engagement)

Desired improvements

49. Many investors, across the engagement spectrum, feel that they could benefit from more education on how to invest, how to manage their investments and explanations of the technicalities of investing.
50. Other suggestions tend to arise from the more engaged investors and focus on fund selection and monitoring of investments, which are the two most challenging parts of the investor journey. Some of the expressed desires for improvements include:
 - Standardisation and consistency of labels, terms and information from different fund managers to allow easier comparison of funds
 - Clearer information on performance over some defined time periods
 - Benchmark data to compare fund performance against the sector/peer group
 - An alert system that informs investors when the value of their fund falls below a certain level
 - An independent comparison site to aid fund selection for the lay person, with clear labelling of risk rating
 - Performance data that takes account of charges (some interviewees expressed that some fund marketing material do not present past performance net of charges)
 - An app to make monitoring of the portfolio easier on smart phones
 - Monthly emails from platforms on portfolio performance.
51. We note that the above recommendations are based on the perception of the market by interviewees, and do not necessarily reflect the reality: some of the above recommendations (such as mobile apps and monthly emails) are already being provided by market participants; however interviewees may not be fully aware of their availability.

52. The most positive experiences and examples come from interviewees using online platforms.

Selected quotes from investor interviews

"Charging ... if I put £1,000 in here, this is what they have done with it historically and I have got £1,500 back over three years and all the charges are included in there. I find that easier to understand than all the bar charts." (High Engagement)

"The only thing that would make me switch is if there was a place that I could feel very comfortable with and there was a foundation course on financial management... If I could be educated in that I would probably be more inclined and have more confidence." (Moderate Engagement)

"Rather than those bar charts I would like to see past performance charts in the nature of those magazines where it is one month, one year or two years because some funds don't perform over a year and they are longer term and may be looking to have a return in three years." (High Engagement)

"The thing I find difficult is you get individual information on each one and generally they are in slightly different formats so then you have to rely on your illustrations to try and benchmark across them. I want to be able to see them all alongside and not have to do the maths yourself saying ...that one has done that over the last 10 years. If you had something you could key into and say, 'I am trying to get over 15 years a growth in this pot, who has satisfied that in the last 10 years?' ... and be able to rank them. Something that allows you to put in some criteria, it comes back to you and then tables your risks, costs and benefits on the last 10 years." (High Engagement)

Quantitative Findings by Survey Question

53. Following the completion of the qualitative phase, an online survey with 2,500 direct fund investors was undertaken, comprising respondent that:
- Are sole or joint financial decision makers in the household;
 - Have investable assets above £10,000;
 - Hold at least one fund based product which they invested directly (i.e. not through a financial adviser); and
 - Are representative of the population of interest in terms of age, region, gender, investable asset level, and social grade.
54. In this section, we present and summarise the findings of each of the survey questions. We begin by describing the demographic profile of direct investors, which formed the demographic quotas of our consumer survey. We then look at other characteristics of direct investors that we obtained through the survey, such as their channel of investment and choice of tax wrapper. Finally, we set out our survey findings, by research theme, alongside our commentary.
55. Unless stated otherwise, all quantitative findings presented in sections *Quantitative Findings by Survey Question* and *Quantitative Findings by Consumer Segment* have been weighted to ensure that our sample matches the population of interest in terms of age, region, gender, total investable assets, and social grades.⁹ Un-weighted survey results can be found in the final section *Quantitative Survey Results - Data Table*.

Demographic description of direct investors

56. Based on the demographic information NMG holds about direct retail fund investors, we set the following demographic quotas for the survey.¹⁰ Since respondents to the consumer survey did not match the following demographic profile exactly, weights have been further applied to ensure that the weighted sample of direct retail investors matches the following demographic profile of direct investors.¹¹

Table 1: Demographic profile of direct investors

Demographic characteristic		%
Gender	Male	68%
	Female	32%
Social grade	A	22%
	B	40%
	C1	21%
	C2	8%

⁹ For details on how weights are determined, see *Annex 3 - Appendix 1 - NMG Consumer Research Technical Report*

¹⁰ Direct retail investors, for the purposes of the quantitative research, are defined as non-advised (i.e. direct) fund investors with a least £10,000 of investable assets. For details on how demographic information was obtained by the NMG, see *Annex 3 - Appendix 1 - NMG Consumer Research Technical Report*

¹¹ For details on how weights are determined, see *Annex 3 - Appendix 1 - NMG Consumer Research Technical Report*

Demographic characteristic		%
	D	4%
	E	6%
Age	18 – 34	23%
	35 – 44	19%
	45 – 54	16%
	55 – 64	20%
	65+	22%
Total investable assets	£10,000 - £29,999	24%
	£30,000 - £99,999	37%
	£100,000 - £249,999	17%
	£250,000+	22%
Region	North / Yorks & Humberside / North West	24%
	Midlands / East / Wales	25%
	London	20%
	South East / South West	23%
	Scotland	6%
	Northern Ireland	2%

Source: NMG

57. Direct investors are over twice as likely to be male than female (68% vs. 32%), predominantly from the higher social grades of A, B, and C1 (83% collectively), generally above the age of 45 (58%; this is largely similar to the proportion of UK adults aged 45 or above, which is 55%)¹², and typically hold investable assets below £100,000 (61%), although there are a significant number of investors with total investable assets above £250,000 (22%).¹³
58. Some of the survey questions that are intended to screen-out and/or classify investors for other survey questions have been omitted in the following section, as they do not in themselves contribute to the research objectives.

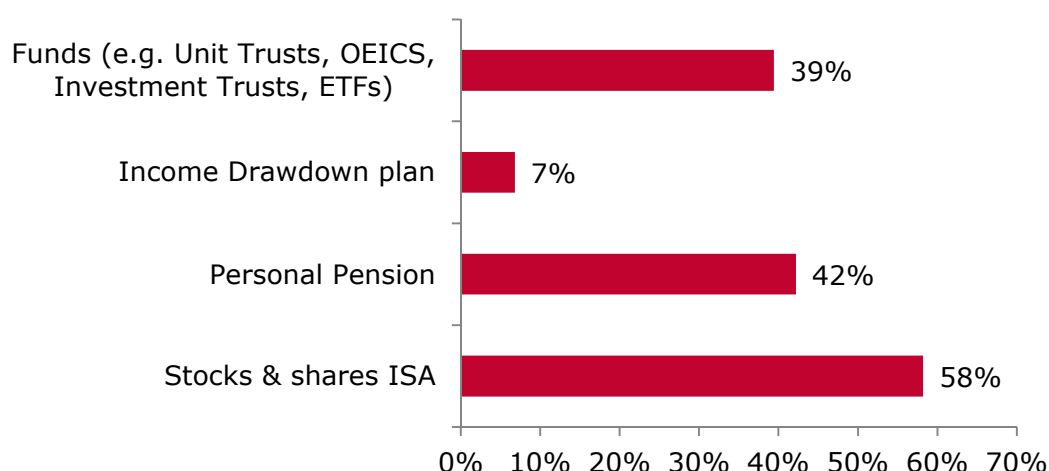
Investor classification

59. The figure below shows the types of direct fund products held by the survey respondents. At 58%, Stocks and Shares ISA is the most commonly held investment product by direct fund investors, followed by personal pensions (42%), funds (39%), and income drawdown plans (7%). Many fund investors hold a number of different types of fund investment products.

¹² ONS 2014 data.

¹³ See Annex 3 - Appendix 1 - NMG Consumer Research Technical Report for how these quotas have been set.

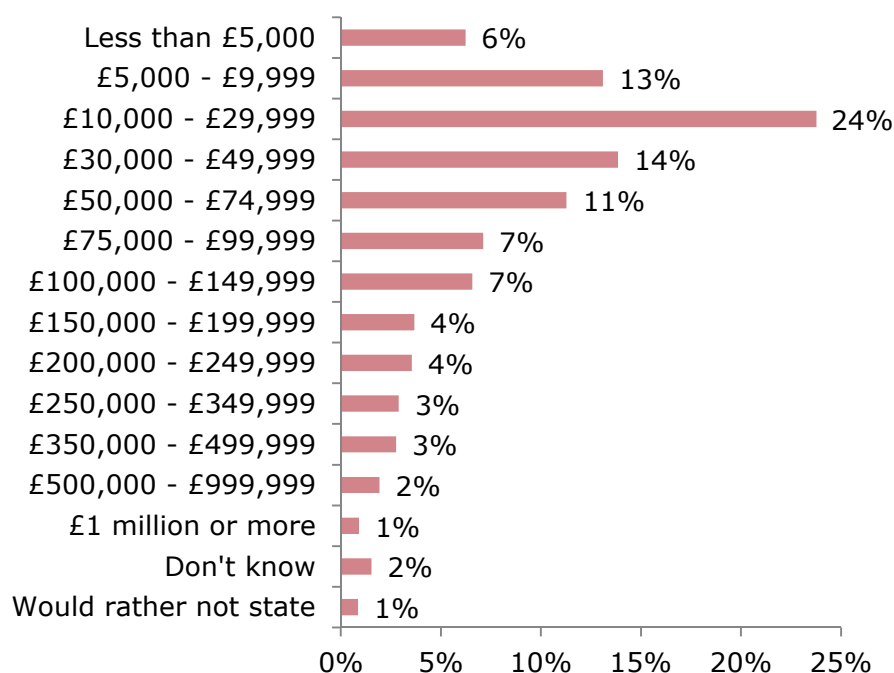
Figure 2: Direct fund products held



Sample base: All survey respondents (2500)

60. The majority of survey respondents (57%) have a total holding in fund investments below £50,000; this rises to three-quarters (75%) when we consider respondents with a total holding in fund investments below £100,000.¹⁴

Figure 3: Thinking about the investments you have which invest into funds (rather than cash or direct stocks and shares) and that you arranged yourself, please estimate the total value across all of these (Q11)

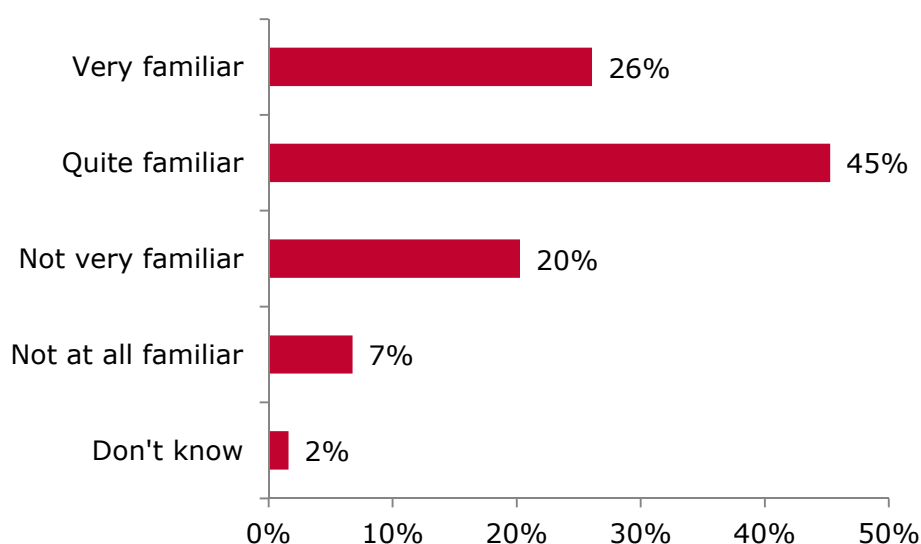


Sample base: All survey respondents (2500)

¹⁴ Note that a small proportion of respondents (176) reported higher level of fund investments than their total investible assets.

61. When asked whether they are familiar with the terms 'active' and 'passive' management, over 70% of respondents stated that they are either 'quite familiar' or 'very familiar' with these management styles. This contrast strongly with our qualitative finding where few interviewees appeared to be aware of the difference between actively and passively managed funds. This discrepancy may be the result of over-claim of familiarity with these management styles when respondents are prompted for a response in the survey setting.¹⁵

Figure 4: Funds can be managed "actively" or "passively". A passive fund manager seeks to track the performance of an index or a market (e.g. the FTSE in the UK), while an active fund manager has greater freedom to select individual stocks and shares, and/or invest across different asset classes (e.g. bonds, property). How familiar are you with the terms "active" and "passive"? (Q12)

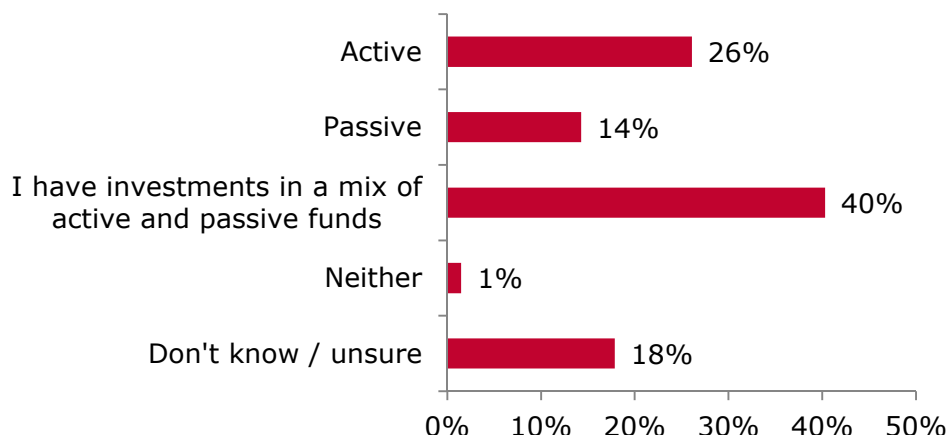


Sample base: All survey respondents (2500)

62. When asked whether they have invested in actively or passively managed funds, a large proportion of the respondents claim that they have invested in both (40%), followed by active only (26%) and passive only (14%). A significant proportion of respondents (18%) did not know or were unsure as to the management type of their investment.

¹⁵ See discussion on limitations on page 4.

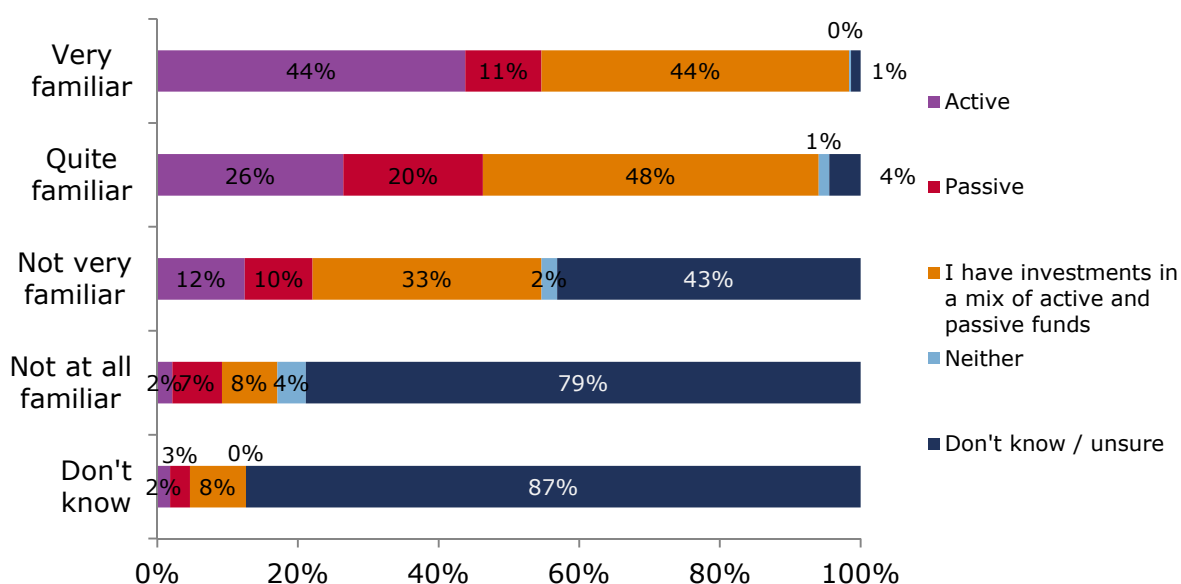
Figure 5: Do you know whether your investments are in active funds, passive funds or a combination of the two? (Q13)



Sample base: All survey respondents (2500)

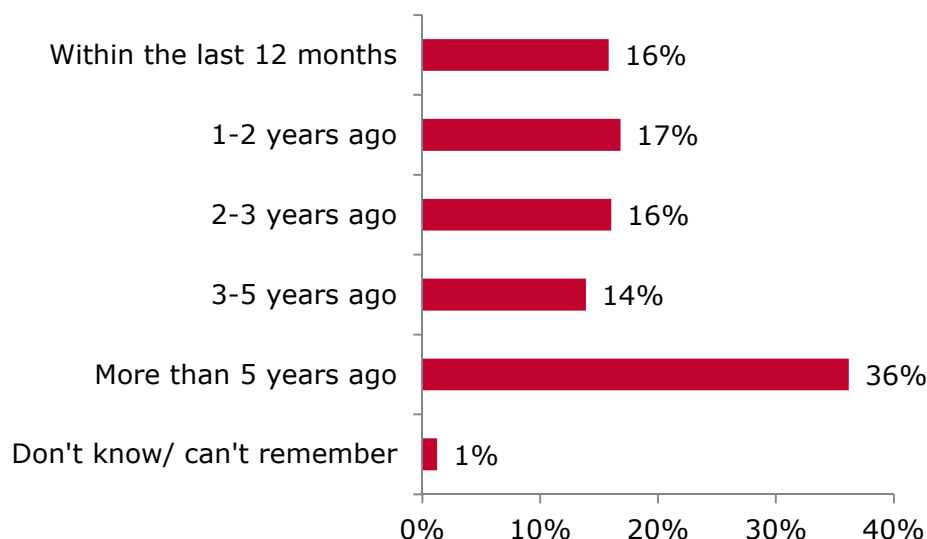
63. We also looked at the relationship between the stated familiarity of active and passive management and the stated investment products. Figure 6 below shows that respondents stating that they are more familiar with the terms active and passive management are more likely to state that they hold actively management products (either on its own or alongside other passive investments). Perhaps unsurprisingly, investors who are unfamiliar with the concepts of active and passive management are also unlikely to know the type of fund management they have invested in. It is also worth noting that of respondents that claimed to be 'quite familiar' with active and passive management styles, around 4% either do not know or is unsure which style they have invested in.

Figure 6: Familiarity with passive and active management and choice of management style (Q12 & Q13)



Sample base: All survey respondents (2500)

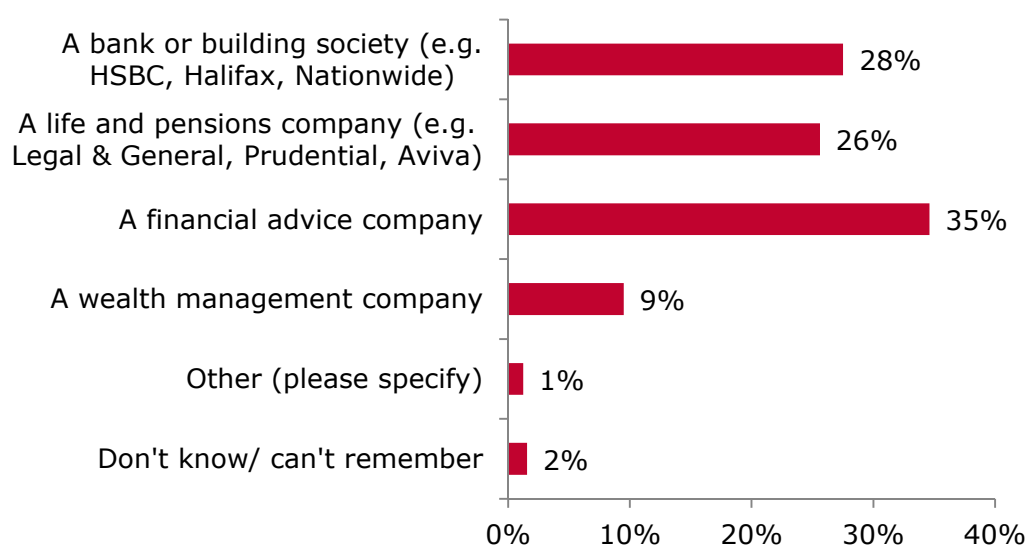
Figure 7: When did you take out the [MOST RECENT PRODUCT] which you set up yourself? (Q15)



Sample base: All survey respondents (2500)

64. Some respondents stated that they have received some advice before making the investment themselves. This 'advice' may have been general guidance provided by a high street bank or building society, or regulated advice provided by a Financial Adviser. We found that a significant portion of the direct investors had received some regulated advice from Independent Financial Advisers (35%), as well as regulated advice or general investment guidance from banks and building societies (28%), life and pensions companies (26%), and wealth management companies (9%).

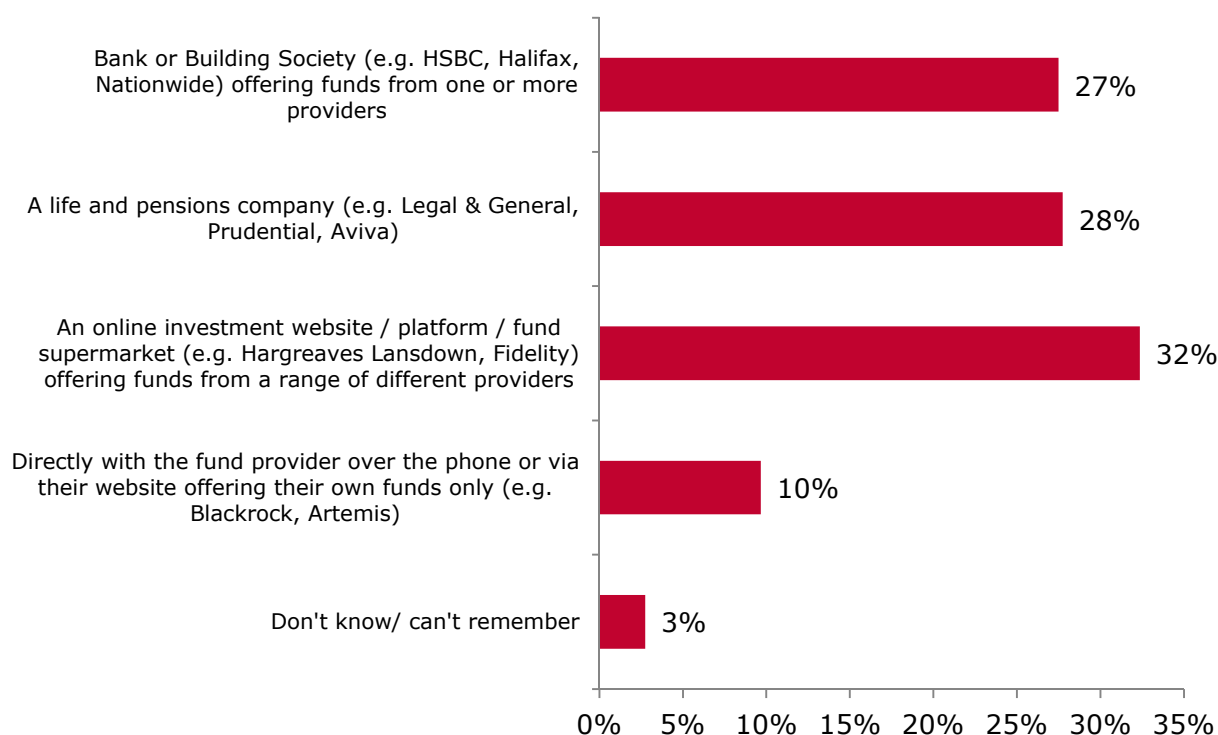
Figure 8: You mentioned that when you took out your [MOST RECENT PRODUCT] you spoke to a professional financial adviser. What type of firm did this adviser work in? (Q16)



Sample base: Respondents who spoke to a professional financial adviser regarding their latest investment (952).

65. In terms of the channel of investment, the most popular channel is online investment websites, platforms, and fund supermarkets (32%), followed closely by life and pensions companies (28%) and banks and building societies (27%). Only around 10% of respondents invested directly with the fund provider.

Figure 9: Thinking about when you took out your [MOST RECENT PRODUCT], which of the following best describes the type of company or channel you invested with or invested through originally? (Q17)



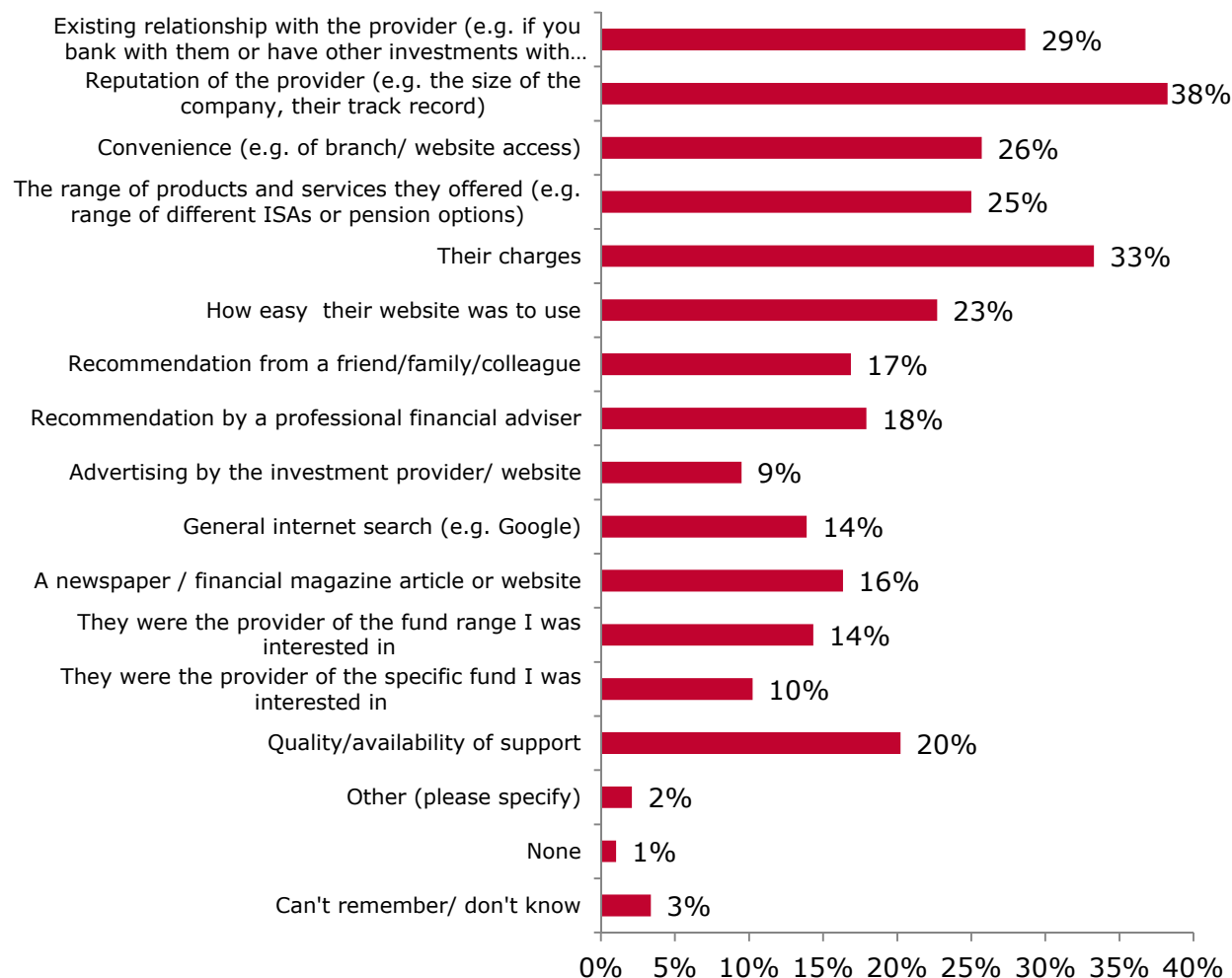
Sample base: All survey respondents (2500)

Consumer journey

Choice of investment channel

66. When asked about the factors that they considered when choosing the investment channel, respondents considered the reputation of the provider (38%), their charges (33%), existing relationship with the provider (29%), convenience (26%), and product range (25%) to have influenced their decision. We also asked respondents, of each of the factors that they considered, how influential these factors were. We found that this did not provide us with more information about the relative importance of these factors: factors that respondents consider to be 'extremely influential' or 'very influential' are the same as factors that most number of respondents have considered when making investment decisions. In other words, there were no factors that many respondents considered but have little influence, or that few respondents considered but are very influential to those that considered them. We therefore do not separately present the findings on how influential these factors are.

Figure 10: Which of the following factors, if any, had any influence on your choice of investment channel? (Q18)

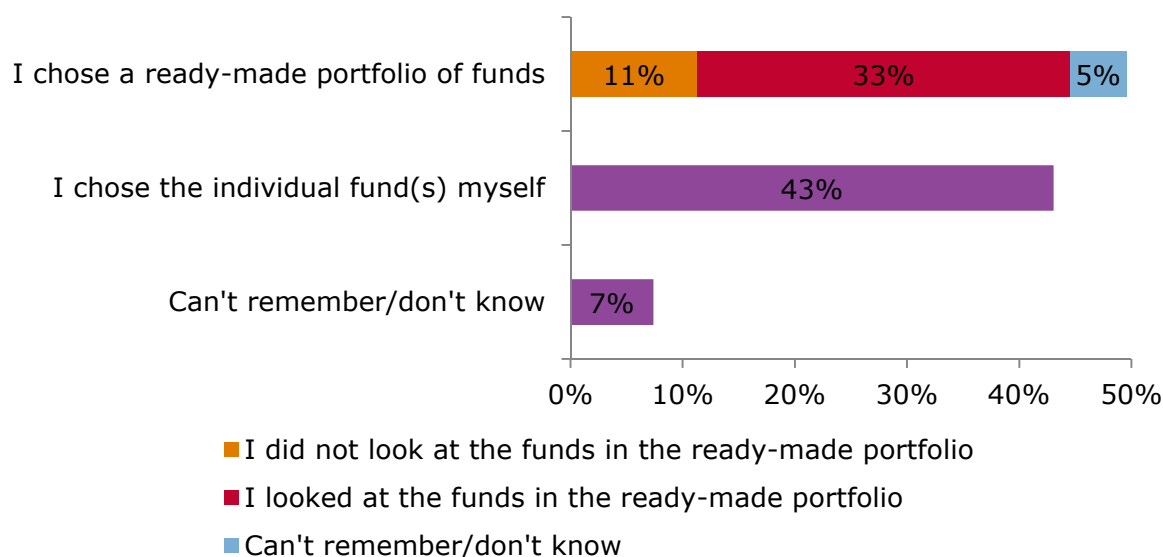


Sample base: All survey respondents (2500)

Choice of investment product

67. Where the respondent’s most recent investment is made through a financial product such as the Stocks & Shares ISA, Personal Pension, or Income Drawdown Plan (and not directly in funds), we asked whether they chose a ready-made portfolio of funds or chose individual funds within that financial product. Around 50% of respondents said they chose a ready-make portfolio, of which around two-thirds looked at the funds in the ready-made portfolio; one-third of respondents who purchased a portfolio of fund did not, cannot remember, or don’t know whether they looked at the funds within the portfolio.

Figure 11: Choice of portfolio of funds or individual funds, and whether investors looked at the funds within the portfolio (Q19a & Q20)

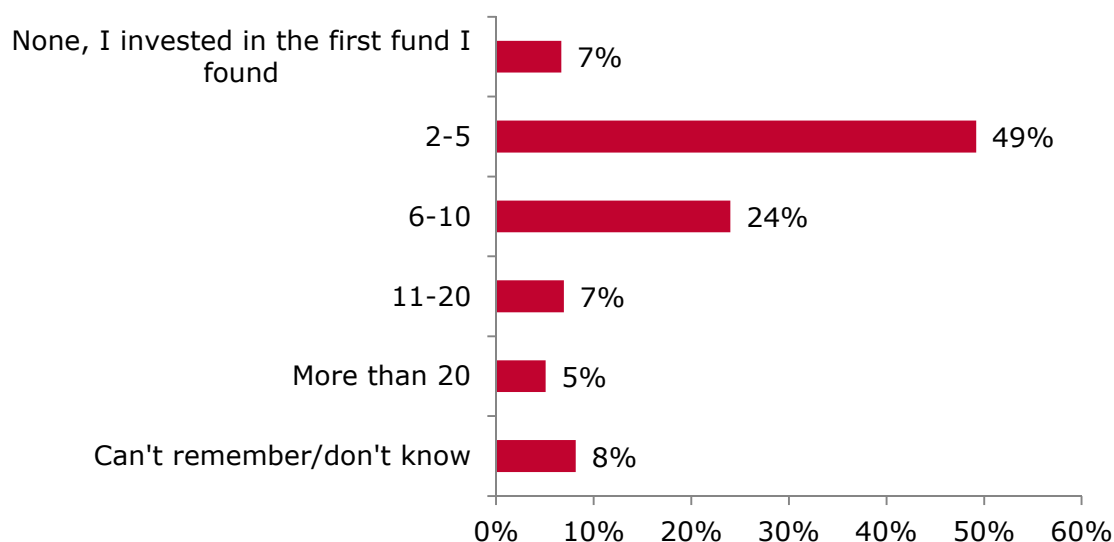


Sample base: Respondents whose latest investment is either a Stocks & Shares ISA, a personal pension, or an Income Drawdown plan were asked Q19a (1897). Respondent who answered that they chose a ready-made portfolio of funds in Q19a were asked Q20 (940).

Shopping around

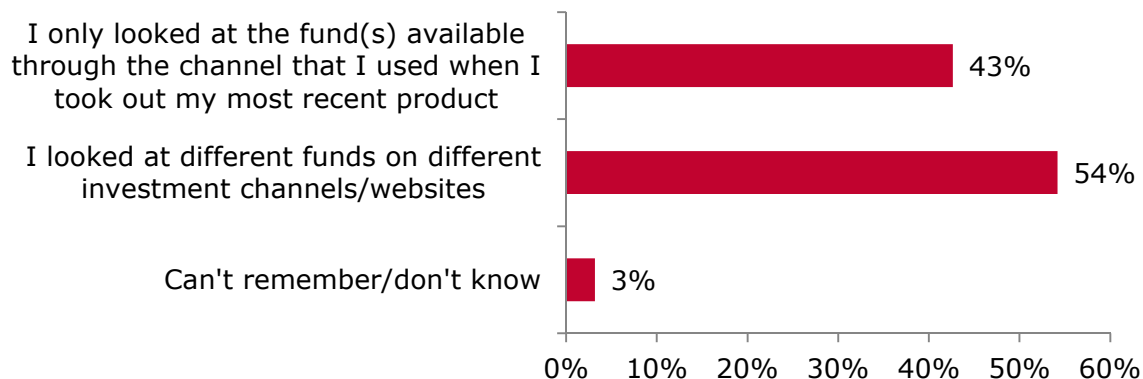
68. The two figures below show the extent to which respondents shopped around before deciding on their most recent investment. Around half of respondents reported comparing between two to five funds before making their most recent investment, and 7% of respondents invested in the first fund they found. On the question of whether investors look across distribution channels when searching for investment candidates, 43% of respondents looked only at the funds available on the channel that they used.

Figure 12: How many funds did you compare before making your most recent investment? (Q20b)



Sample base: Respondents who have looked at the funds purchased (2049)

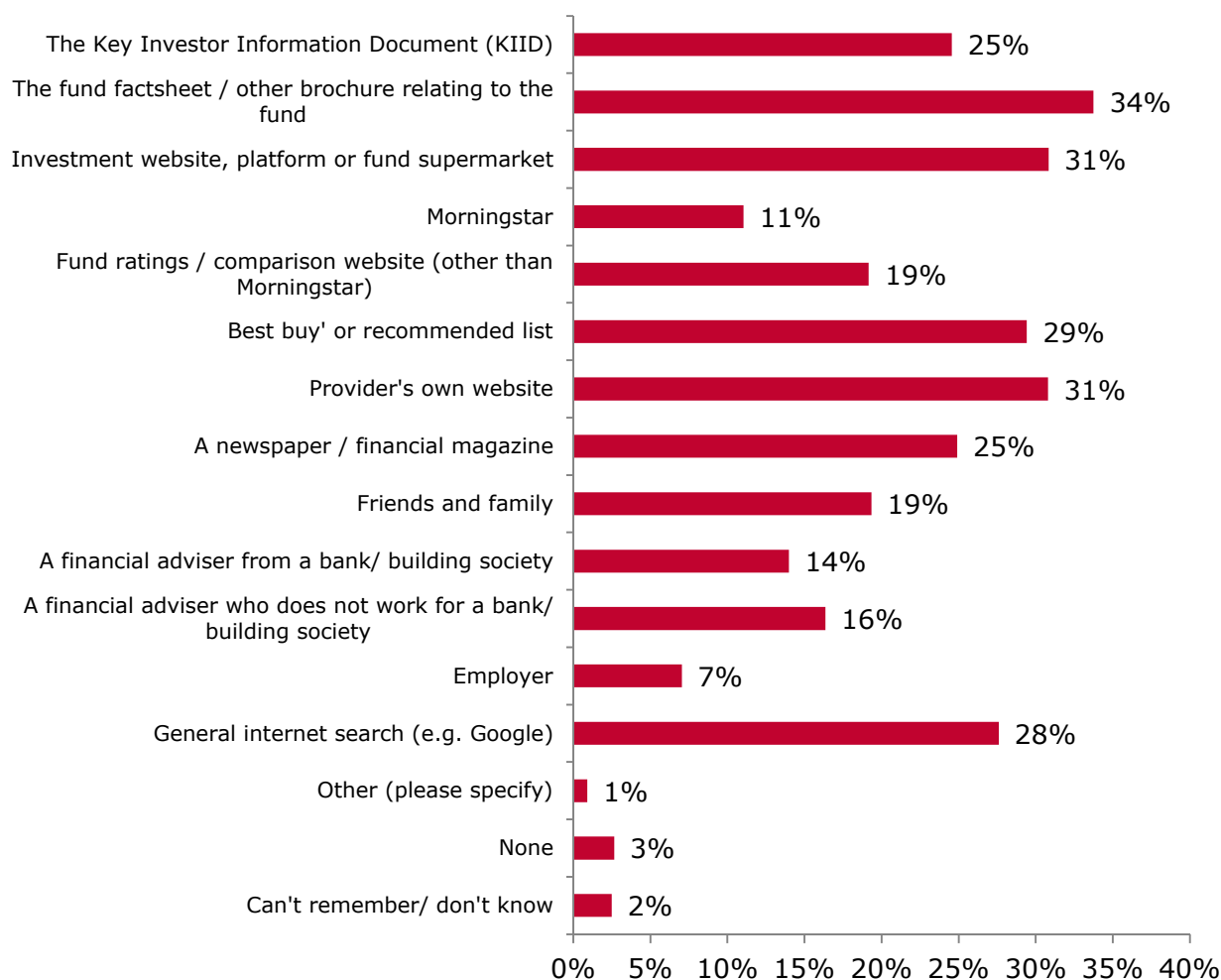
Figure 13: Still thinking about your [MOST RECENT PRODUCT], please select the phrase which best describes how you compared funds: (Q20c)



Sample base: Respondents who answered that they looked at more than one fund before making their most recent investment (1745)

69. Figure 14 below shows that marketing material such as the fund factsheet and brochure (34%) were the most popular information source when deciding on which fund to invest in, followed by investment websites and platforms (31%), provider's website (31%), best-buy list or recommended list (29%) and general internet search (28%). The Key Investor Information Documents were used by only one in four (25%) respondents.

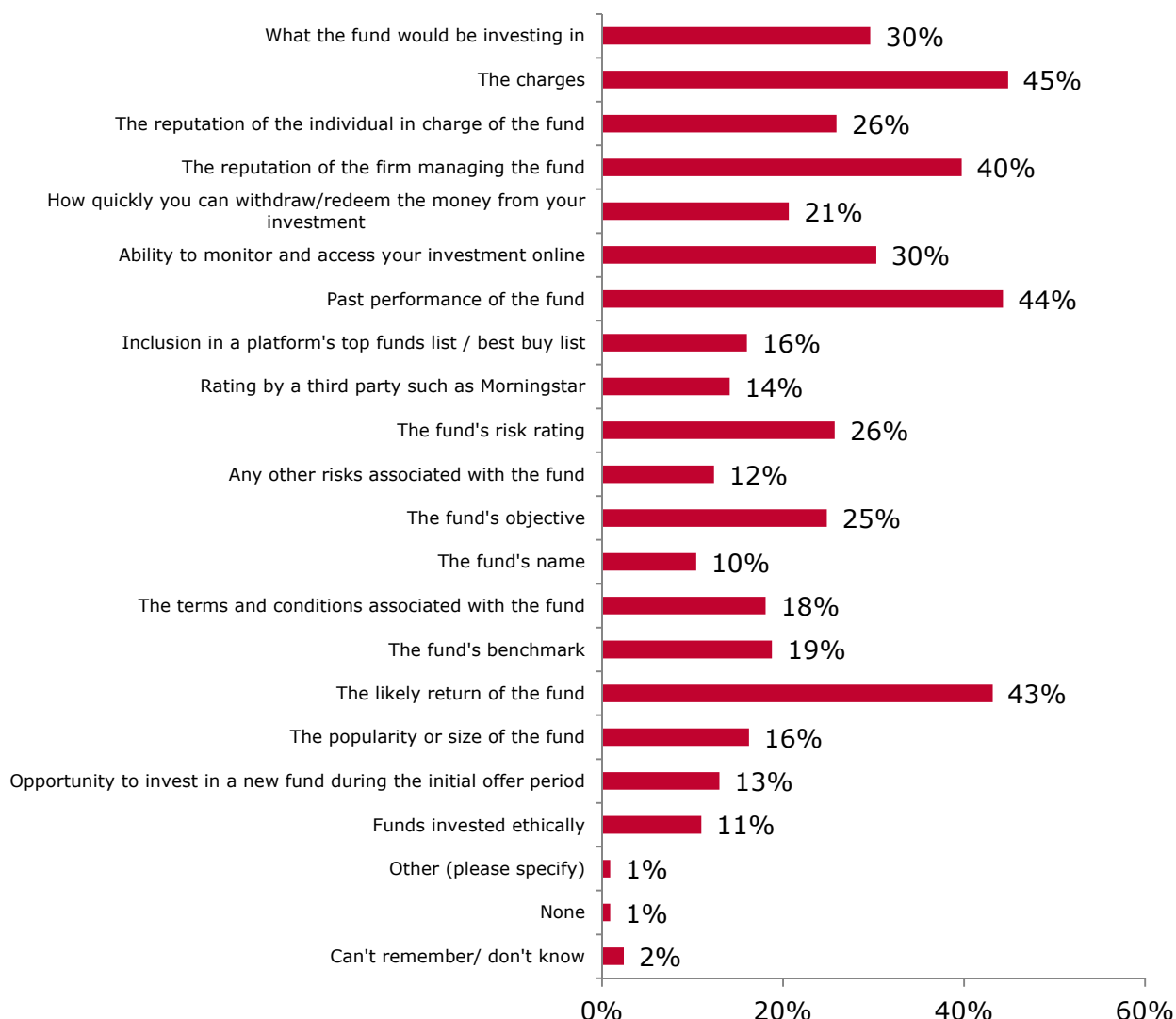
Figure 14: Which of the following information sources, if any, did you consult when deciding which fund(s) to invest in? (Q21)



Sample base: Respondents who have looked at the funds purchased (2049)

70. Lastly, when asked which factors were influential in the choice of funds in the respondent's investment, the highest factors are the charges (45%), the past performance (44%) and the likely return (43%) of the fund, followed by the reputation of the asset management firm (40%), the assets the fund invests in (30%), and the ability to monitor the investment online (30%).

Figure 15: Which of the following factors, if any, were influential to any extent in your choice of the funds in your investment? (Q28)

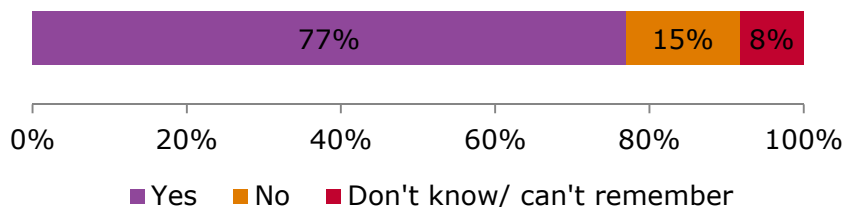


Sample base: Respondents who have looked at the funds purchased (2049)

Awareness of charges

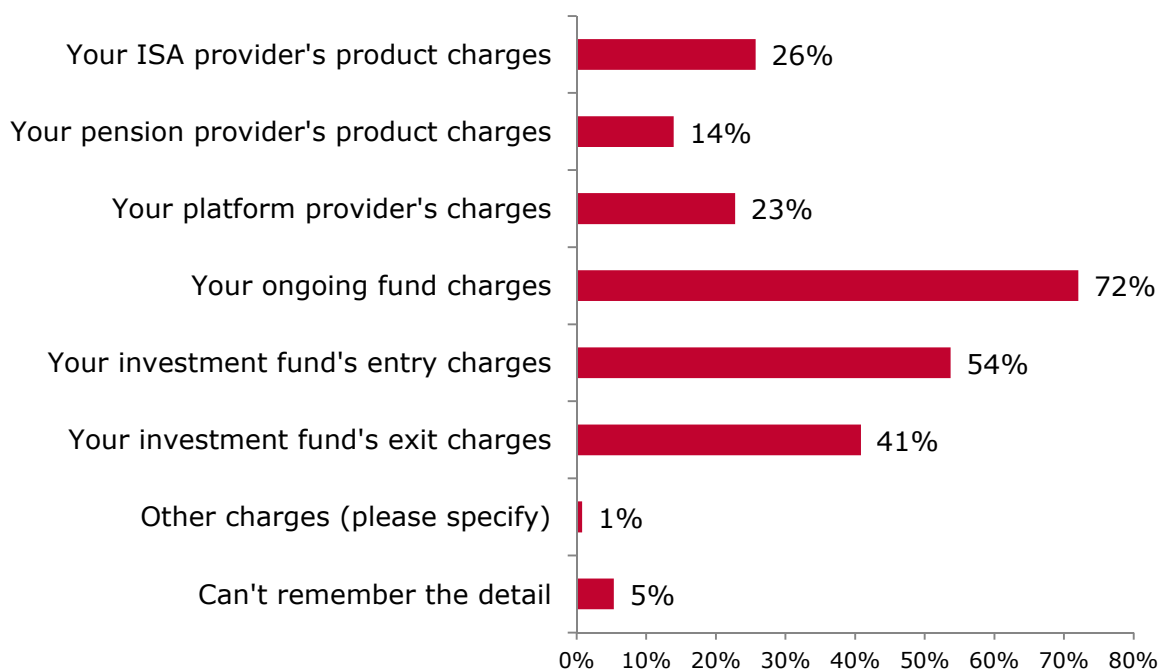
71. We asked respondents about their awareness of charges. Figure 16 below shows that 77% of respondents stated that they looked at the charges when they made their investment decision. Figure 17 shows that of those respondents that looked at charges, the ongoing fund charges (72%) attracted the most attention, followed by the fund entry charges (54%) and exit charges (41%). Only a small proportion of the relevant respondents looked at their ISA product charges (26%), pension product charges (14%), or platform charges (23%). Lastly, Figure 18 shows that of those respondents that looked at the ongoing fund charges, the charges that attracted the most attention were the Annual Management Charge (73%) followed by the Ongoing Charge Figure (42%).

Figure 16: Did you look at any of the charges when you made your investment? (Q24a)



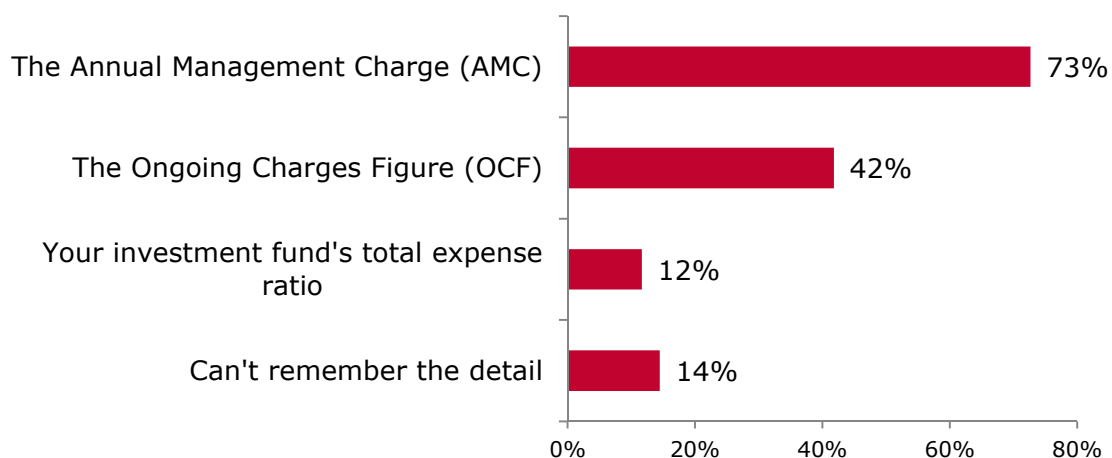
Sample base: All survey respondents (2500)

Figure 17: Which charges did you look at when you made your investment? (Q25)



Sample base: Respondents who answered that they looked at some of the charges when they made their investment (1923)

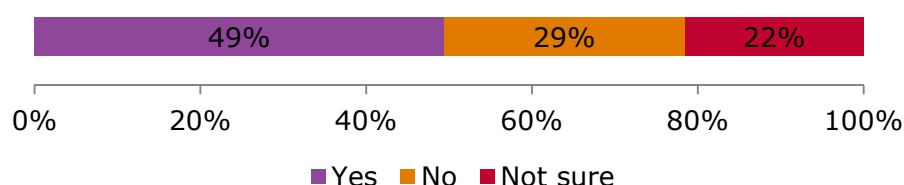
Figure 18: You mentioned you looked at your ongoing fund charges. Which of the following did you look at? (Q26a)



Sample base: Respondents who answered that they looked at ongoing fund charges when they made their investment (1385)

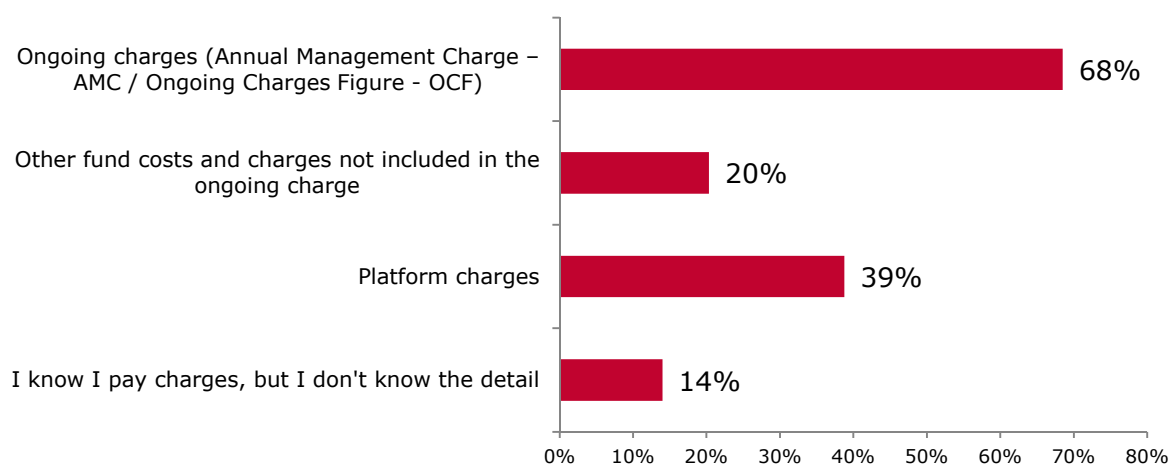
72. Respondents were asked about the charges that they currently pay. As shown in Figure 19, under half (49%) of respondents reported paying any fund charges on their most recent investment, in strong contrast with the higher proportion of respondents who claim to have looked at charges at the time of investment. Of the respondents that acknowledged that they pay fund charges, 68% acknowledged paying ongoing fund charges (in the form of AMC or OCF) and 20% acknowledged paying costs and charges outside of the ongoing charges. Of respondents that use a platform and acknowledge that they pay fund charges, 39% acknowledged paying platform charges.

Figure 19: Do you pay fund charges on your [MOST RECENT PRODUCT]? (Q30)



Sample base: All survey respondents (2500)

Figure 20: Which of the following fund charges do you pay for investing your money in your [MOST RECENT PRODUCT]? (Q31)

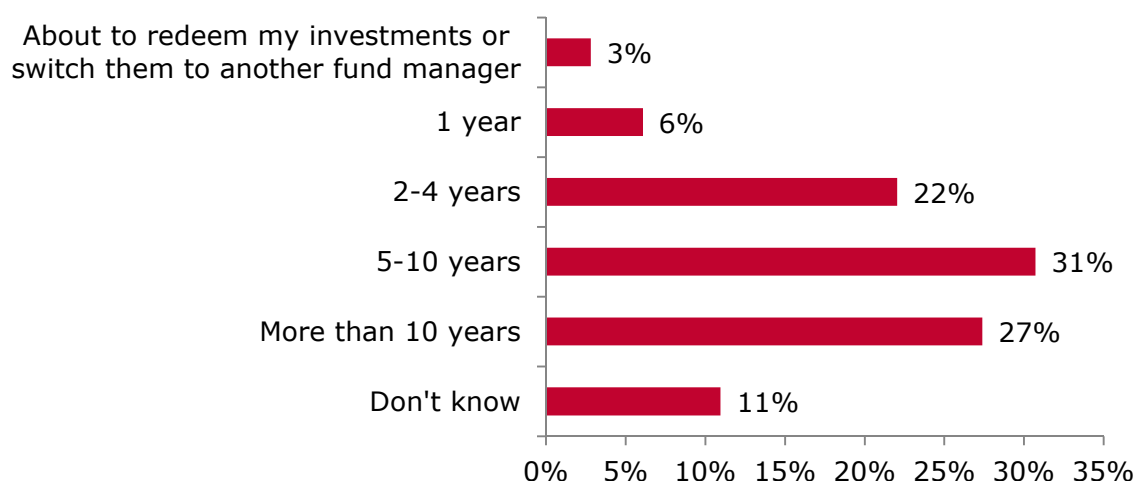


Sample base: Respondents that indicated that they pay charges on their most recent product (1234). The option of 'platform charges' is only seen by respondents that invest through the platform channel and indicated that they pay charges on their most recent product (471)

Planned investment horizon

73. When asked about the investment horizon, over half of respondents (58%) stated that they plan to keep their investment for 5 years or more. On the other hand, a small group of respondents (9%) planned to redeem or switch their investment within a year.

Figure 21: How long do you expect to keep your money invested in your [MOST RECENT PRODUCT]? (Q31a)



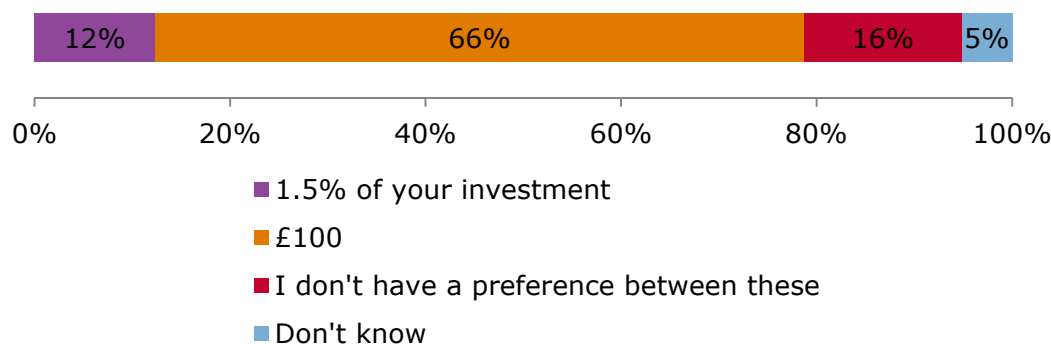
Sample base: All survey respondents (2500)

Ability to compare different fee structures

74. We tested whether investors can differentiate between the fees they pay under different fee structures. As shown in Figure 22 below, we asked whether investors would prefer to pay, based on an investment of £10,000, 1.5% of the investment (i.e. £150) or a flat fee

of £100. Two-third of respondents (66%) selected the cheaper option of £100, while around 12% of respondents chose the more expensive option of 1.5% of investment. Over one-in-five (21%) respondents either don't have a preference or don't know.

Figure 22: Please imagine a scenario where you have £10,000 to invest, and the fund you are looking to invest in has two fee structures which you can choose from. Would you prefer to be charged an annual fee of: (Q31b)

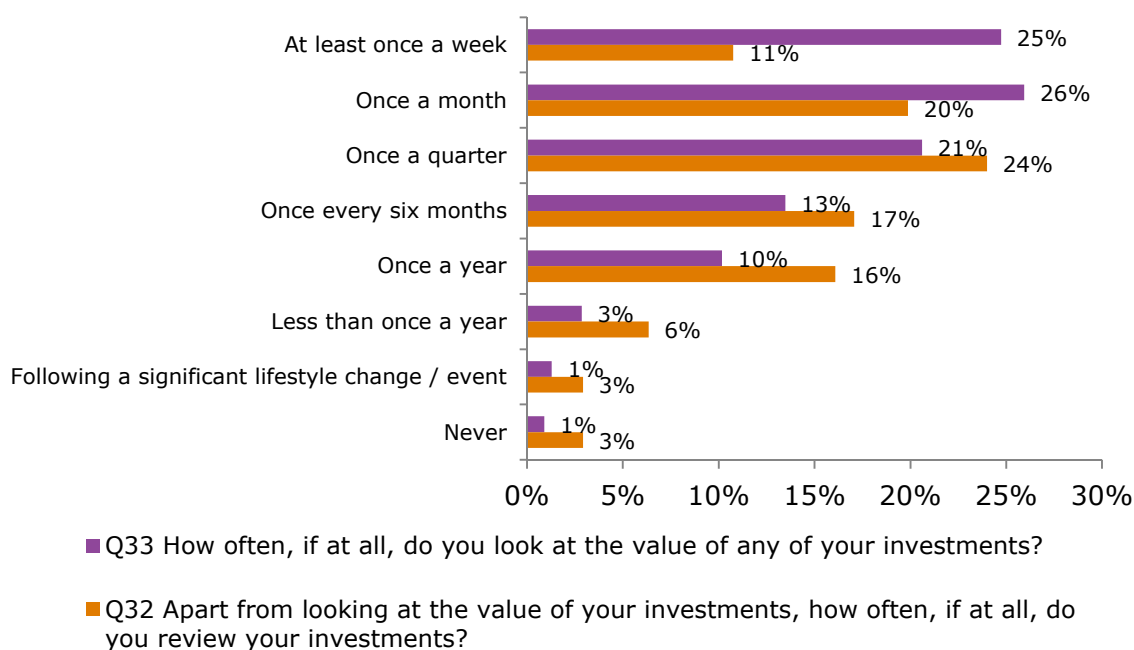


Sample base: All survey respondents (2500)

Monitoring of investments

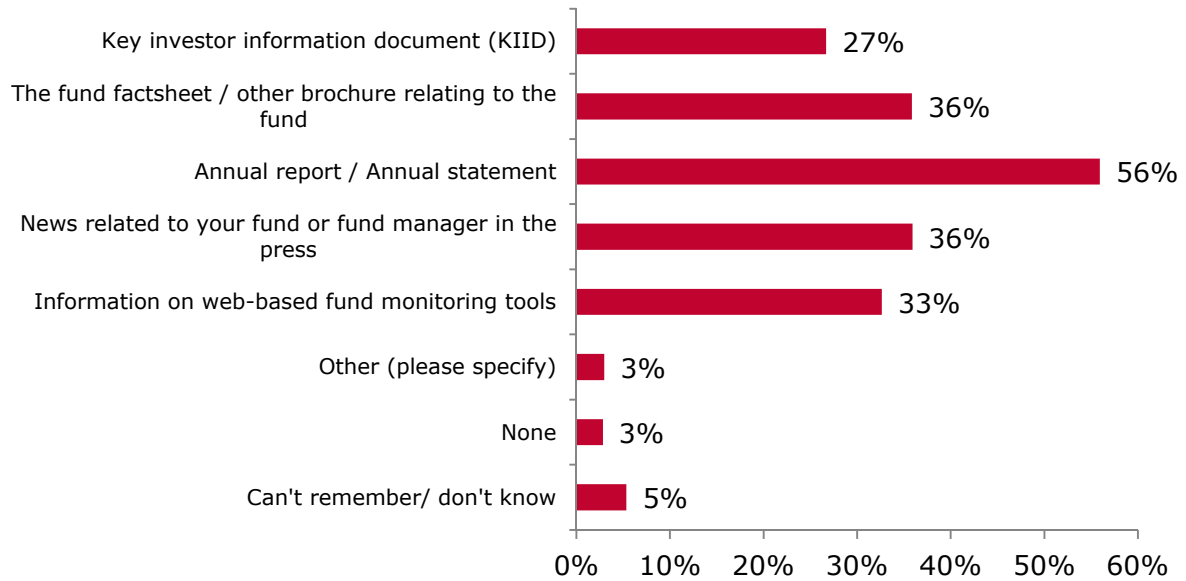
75. We found that over 50% of respondents report checking the value of their investments at least once a month, with around 95% doing so at least once a year. Respondents review their investment less frequently, with 31% reviewing their investments at least once a month and 55% at least once a quarter. Around 88% report to review their investments at least once a year.

Figure 23: Frequency of reviewing investment (Q32 & Q33)



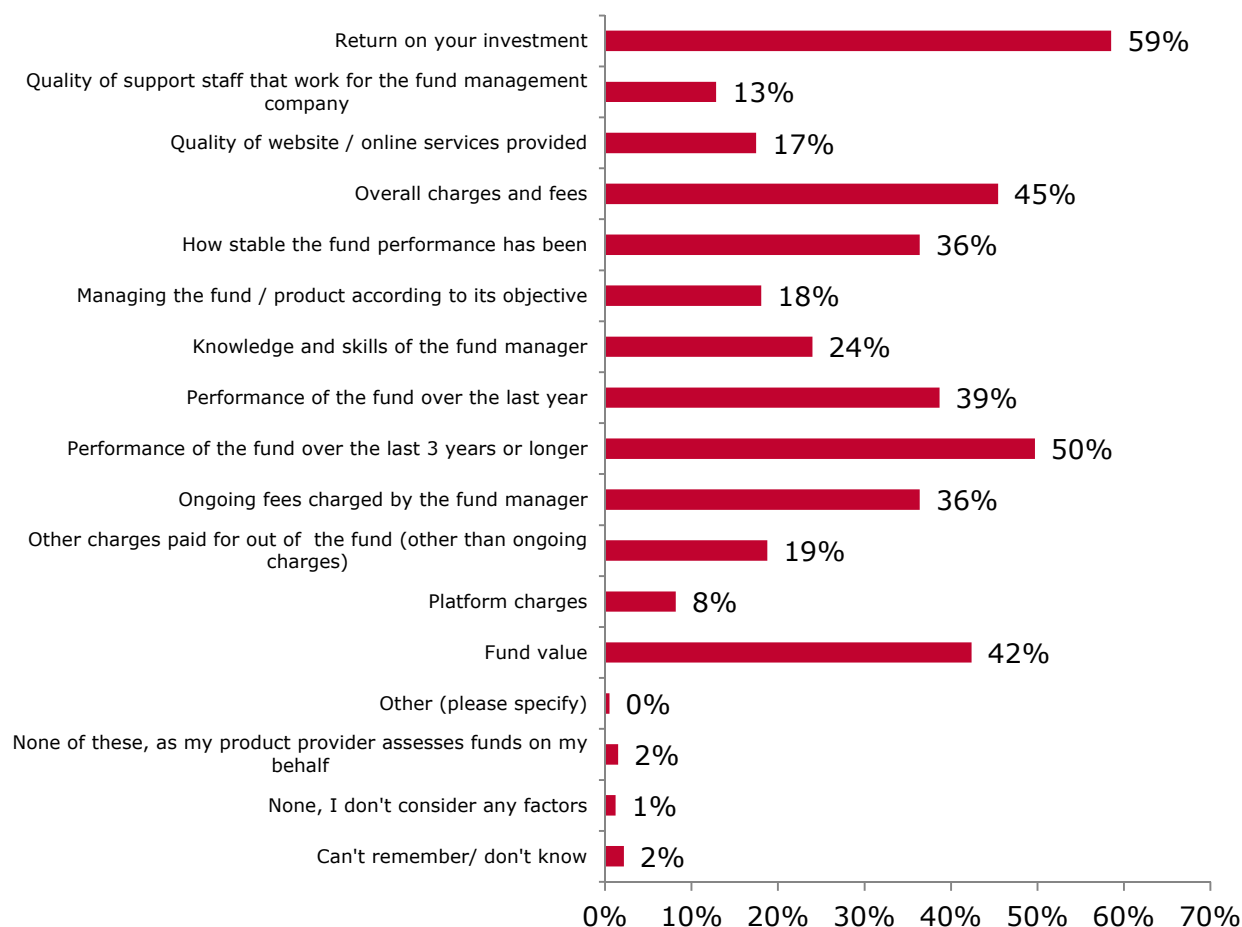
Sample base: All survey respondents (2500)

Figure 24: Which sources of information, if any, do you recall having reviewed in relation to your existing fund investments? Please exclude any which you looked at only when you were setting up/choosing the investment initially (Q34)



Sample base: Excludes respondents that never reviewed their investment (2427)

Figure 25: What factors, if any, do you consider when assessing your fund(s)? (Q36)

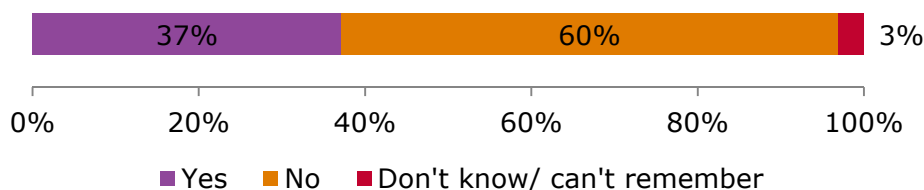


Sample base: Excludes respondents that never reviewed their investments apart from looking at the value of their investments (2427)

Switching

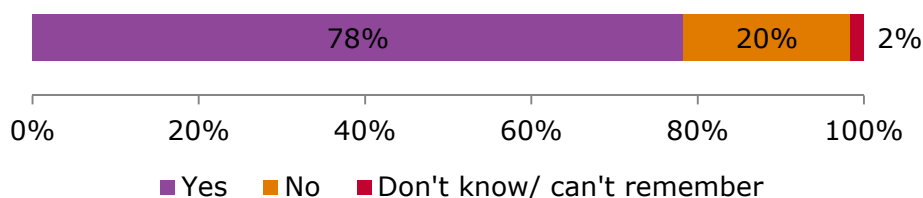
76. As Figure 26 below shows, around 60% of respondents have never switched their investment from one fund to another. Of those who have switched, the vast majority of them (78%) managed the switch themselves without going through a financial adviser (see Figure 27). Of these respondents who have switched themselves, around one-third (35%) did so within the past 12 months, a further 31% between one and two years ago, and the balance (around another one-third) over two years ago (see Figure 28).

Figure 26: Have you ever switched your money from one fund to another fund? (Q39)



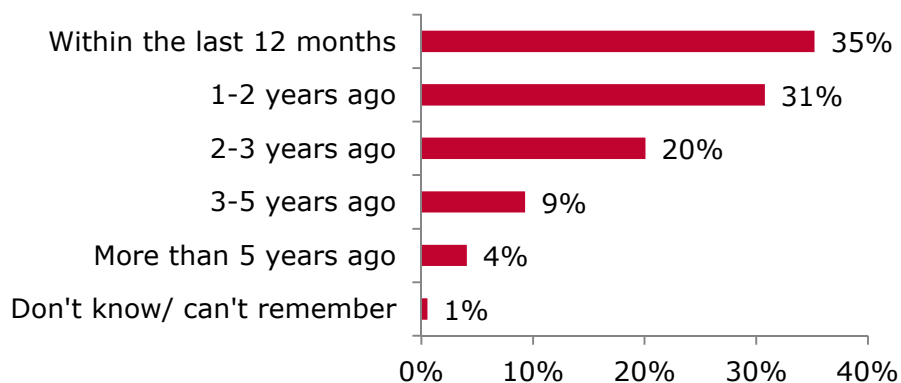
Sample base: All survey respondents (2500)

Figure 27: When you switched your money from one fund to another, did you make the switch yourself (i.e. without going through a financial adviser)? (Q40)



Sample base: Respondents who have switched money from one fund to another (928)

Figure 28: When was the last time that you switched your money from one fund to another? (Q41)



Sample base: Respondents who have switched money from one fund to another themselves (726)

77. When asked what prompted them to switch (of those that have switched and did so without going through a financial adviser), the two most cited reasons for switching were poor investment performance (40%) and found a better-performing fund (37%), as shown in Figure 29.

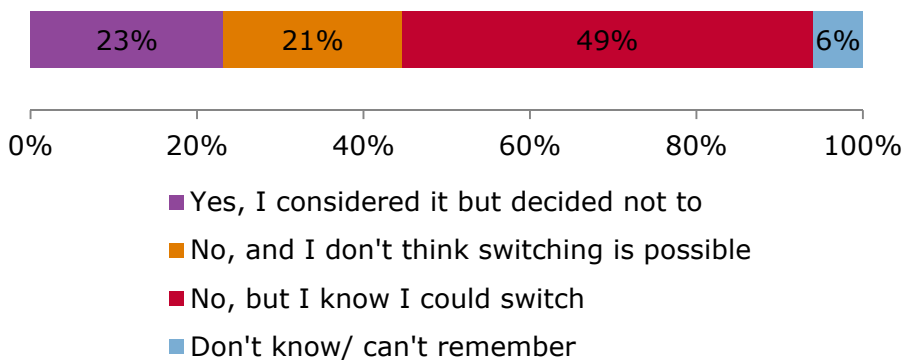
Figure 29: What prompted you to switch from one fund to another? (Q42)



Sample base: Respondents who have switched money from one fund to another themselves (726)

78. Of the respondents that did not switch, around a quarter considered switching but decided not to (23%), and around 70% did not consider switching at all. The 70% of respondents that did not consider switching at all are comprised of those that knew they could switch (49%) and those that were unaware that switching is possible (21%).

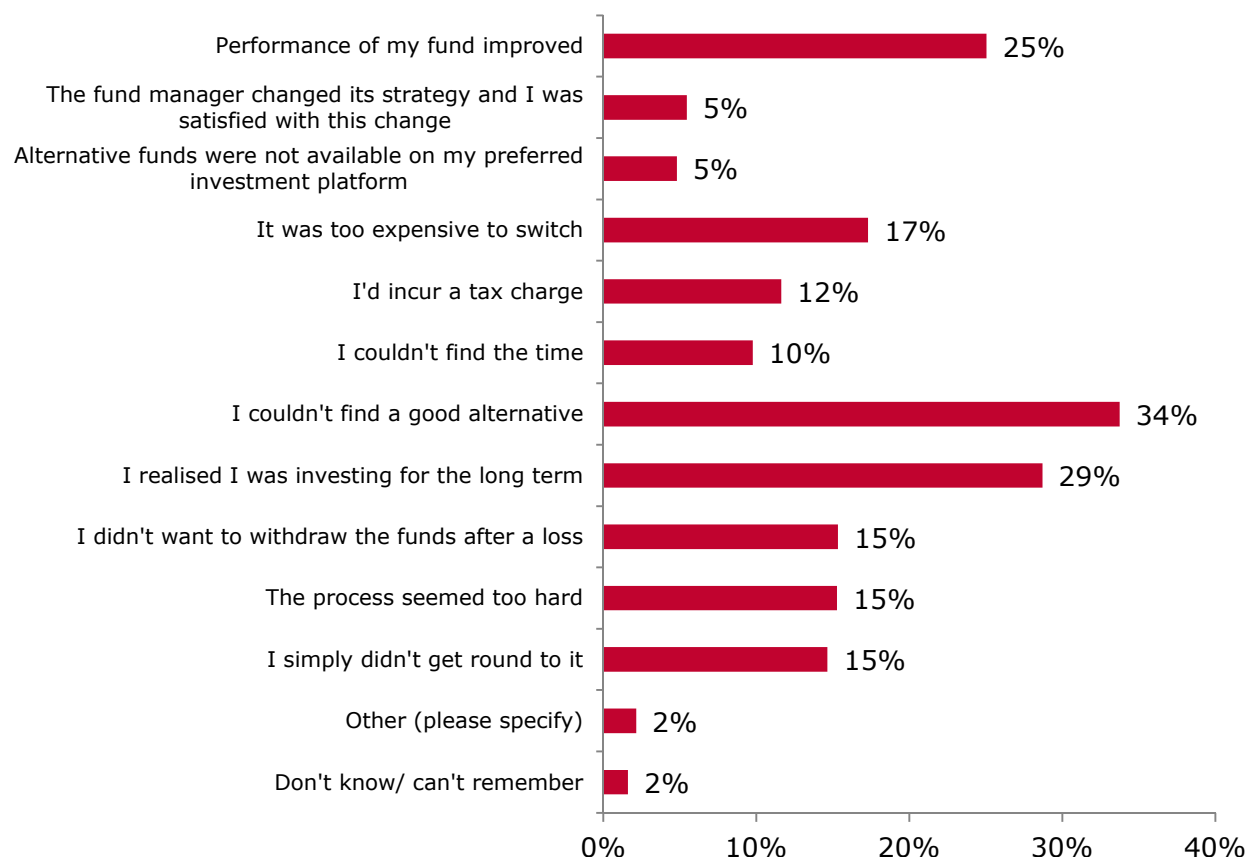
Figure 30: Have you ever seriously considered switching your money from one fund to another and then decided not to? By considering we mean that you have seriously looked around for alternatives (Q44)



Sample base: Respondents who have never switched money from one fund to another (1494)

79. Of the respondents that considered switching but did not switch, the three most cited reasons for not switching were that they couldn't find a good alternative (34%), they realised they were investing for the long term (29%), and that the performance of their fund investment improved (25%).

Figure 31: Why did you not switch your money from one fund to another? (Q45)

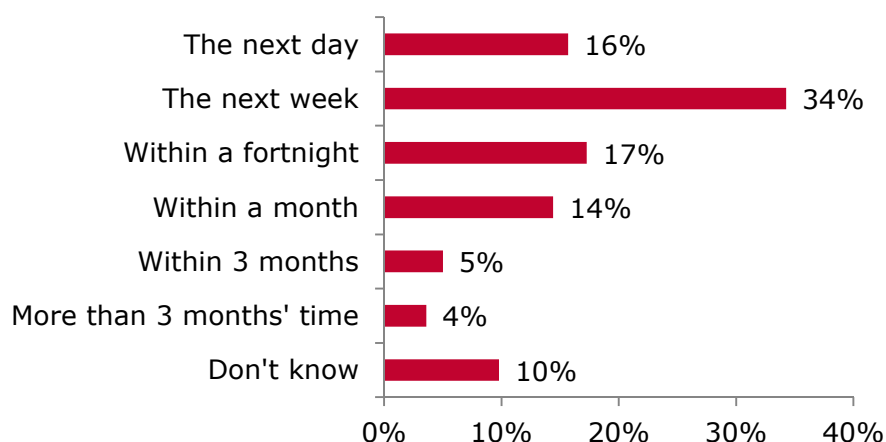


Sample base: Respondents who have considered switching but decided not to (346)

Liquidity

80. When asked about the respondents' expectation on how quickly they can redeem their fund investment to access cash, around one-third (34%) expected to be able to access cash within a week; 17% of respondents expected to be able to access cash within two weeks, while 16% of respondents expected to be able to access cash the following day.

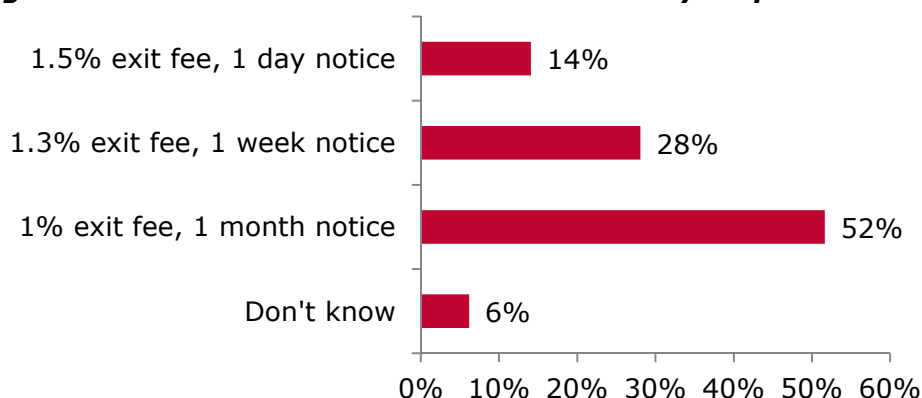
Figure 32: If you decided to redeem shares from your fund based investments to access cash, how soon would you expect to be able to redeem those units? Redeeming units/shares means the fund manager repurchases them from you, sometimes with a charge (Q47)



Sample base: All survey respondents (2500)

81. When asked about the trade-off between exit fee (a one-off charge when fund investment is redeemed) and the notice period for redemption, over half (52%) of respondents would prefer the longest notice period (1 month) for the lowest exit fee (1%).

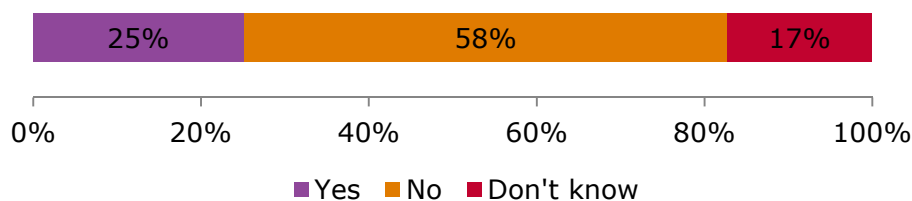
Figure 33: Which one of the funds would you prefer to invest in? (Q48)



Sample base: All survey respondents excluding speeders (2220)

82. The majority of respondents (58%) were not aware of circumstances under which they cannot redeem their fund investment. Only a quarter of respondents (25%) stated that they were aware of such circumstances.

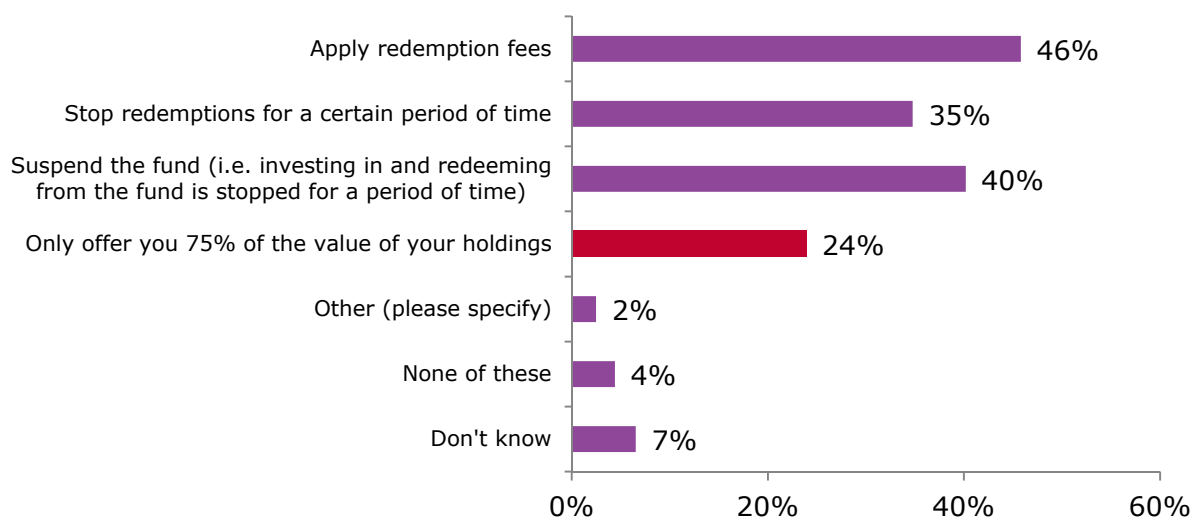
Figure 34: Thinking about your own investments into funds, are you aware of any circumstances when it might not be possible for you to be able to redeem your fund investments and access your money (e.g. your manager prevents you from doing so)? (Q49)



Sample base: All survey respondents (2500)

83. Of the respondents that stated that they are aware of circumstances where redemption may be halted, we asked them what measures a fund manager is permitted to take to deter or prevent redemption. The most selected option was for the fund manager to apply redemption fees (46%), followed by fund suspension (40%) and stop redemptions for a certain period of time (35%). Around a quarter (24%) stated that the fund manager can offer them redemption at 75% of the value of their holdings, which is incorrect and has been shown with a red bar in Figure 35. Respondents that selected all of the available options were likely to be over-claiming their knowledge of the correct responses, and have been removed from the sample.

Figure 35: Which of the following actions might fund managers be permitted to take to deter or prevent you from withdrawing your money within your expected timeframe? (Q50)

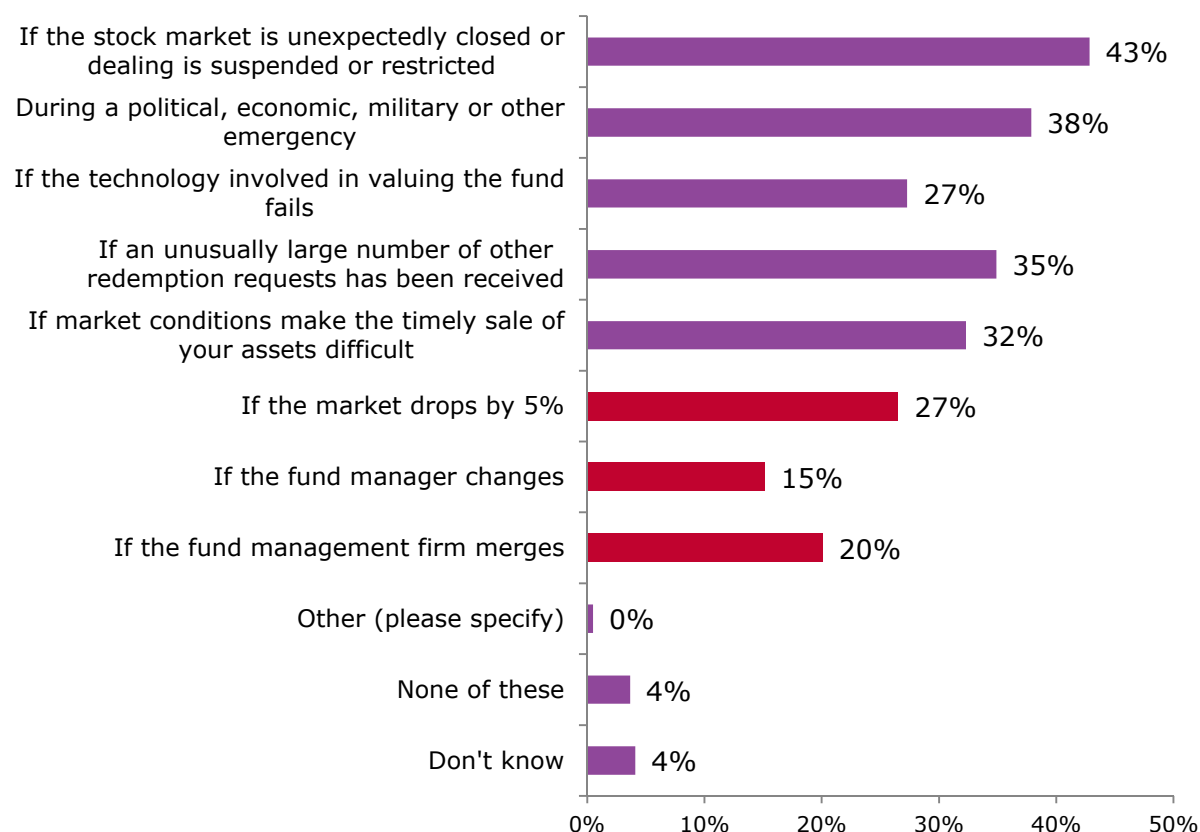


Sample base: Respondents that answered they were aware of circumstances where redemption may not be possible and did not select all of the available options in this question (603)

84. Of the respondents that stated that they are aware of circumstances where redemption may be halted, we asked them about the circumstances under which their ability to redeem their fund investment may be affected. The most selected option was if the stock market closes unexpectedly or stock dealing is suspended or restricted (43%), followed by during a political, economic, military or other emergencies (38%), an unusually large number of other redemption requests (35%), and if market conditions make the timely

sale of assets difficult (32%). Incorrect responses for this question have been shown with red bars in Figure 36. Respondents that selected all of the available options were likely to be over-claiming their knowledge of the correct responses, and have been removed from the sample.

Figure 36: Which of the following circumstances might affect your ability to withdraw your money from the fund? (Q51)



Sample base: Respondents that answered they were aware of circumstances where redemption may not be possible (628), and did not select all options in this question (618)

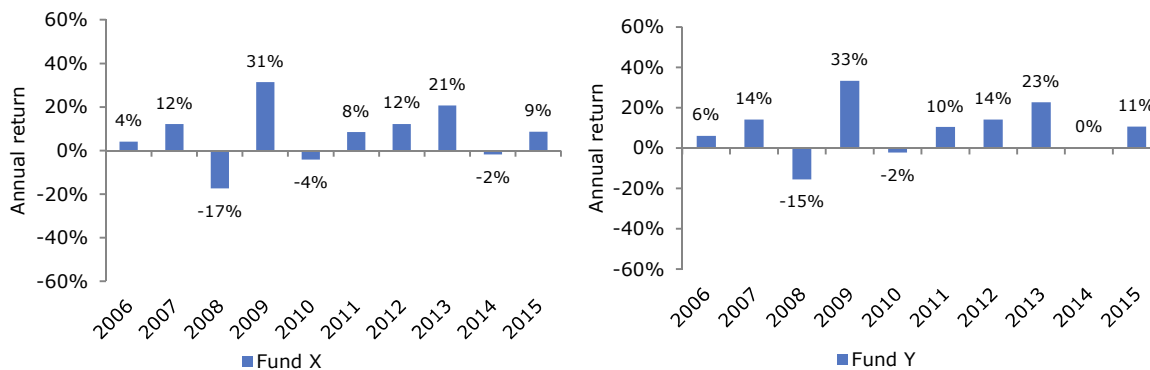
Benchmark framing effect

85. We tested whether the perception of performance is influenced by the use of benchmarks. In this question, respondents are randomly assigned one of three scenarios. In all scenarios, the past performance of two funds, X and Y, are presented, and shows that Y outperforms X in all years by 2%. We state in the question that 'both funds carry the same risk rating and fee structure and the performance information below is shown net of any charges', and ask the respondents which fund they would invest in if they had £5,000 to invest. We wished to test whether the presence of a benchmark, which highlights the relative performance of a fund to its benchmark, has any impact on the fund choice.
86. In Scenario A, no additional benchmarks for either fund are provided. In Scenario B, the performance of a benchmark for fund X is displayed next to the performance of X, while the performance of Y is displayed without benchmark; the fund X appears to outperform its benchmark in most years. In Scenario C, the performance of a benchmark for fund Y is displayed next to the performance of Y, while the performance of X is displayed

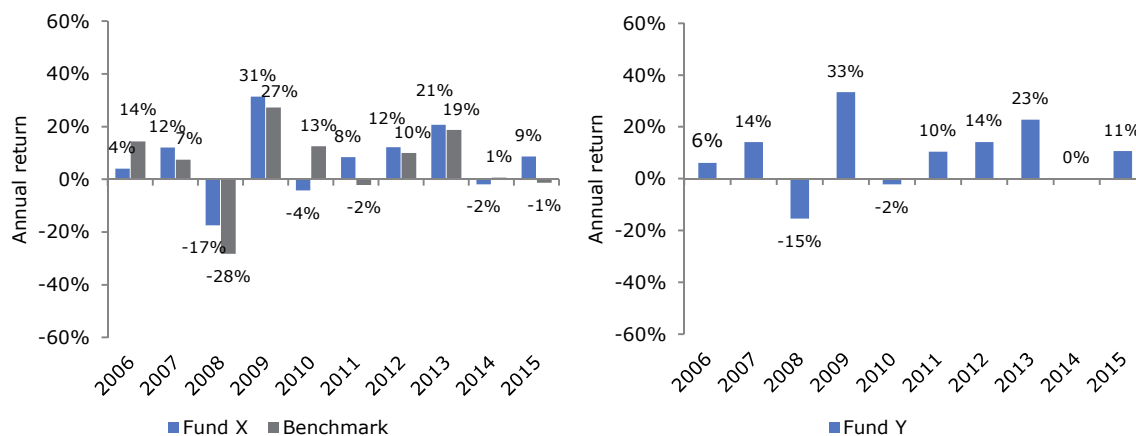
without benchmark; the fund X appears to outperform its benchmark in most years. These scenarios are shown in Figure 37 below.

Figure 37: Scenarios presented to respondents

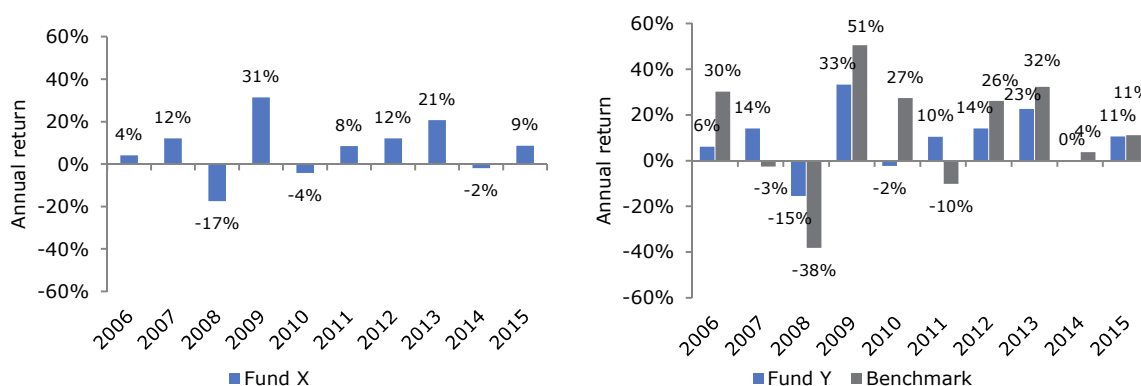
Scenario A



Scenario B



Scenario C

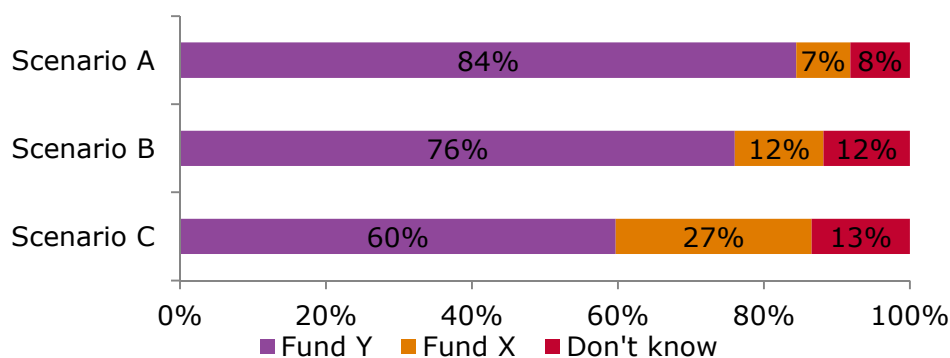


87. We found that, in Scenario A (which is our control group without any benchmarks), 84% of respondents chose to invest in fund Y, which outperforms fund X by 2% in all years.
88. In Scenario B, where despite its poorer performance relative to fund Y, fund X's performance is placed next to a benchmark and appears to outperform that benchmark, fewer respondents (76%) chose to invest in Y and a larger proportion (12%) chose to

invest in fund X relative to the control group (where 84% chose fund Y and 7% chose fund X). The number of respondents that answered 'don't know' also increased relative to the control group, from 8% to 12%.

89. In Scenario C, where despite its superior performance relative to fund X, fund Y's performance is place next to a benchmark and appears to underperform that benchmark, fewer respondents (60%) chose to invest in Y and a larger proportion (27%) chose to invest in fund X relative to the control group (where 84% chose fund Y and 7% chose fund X). The number of respondents that answered 'don't know' also increased relative to the control group, from 8% to 13%.

Figure 38: Based on the past performance information below, which fund would you choose to invest in? (Q53a)



Sample base: Scenario A (659), Scenario B (630), Scenario C (636). Speeders (i.e. respondents who spent very limited time on answering the question) have been removed from sample.

Quantitative Findings by Consumer Segment

90. To further understand the differences in responses between consumer segments, in this section we review the responses to a number of the survey questions, split by various demographic grouping.
91. We have collected the following demographic information about our survey respondents: age, gender, social grade (determined by declared profession), income, size of investable assets, size of fund investment, and region.
92. We have found that the split of responses by the size of investable assets and the size of fund investment are very similar to that of income; we therefore do not separately present the breakdown according to these demographic characteristics. We have not found any consistent differences in responses between respondents from different geographic regions, and therefore do not present the breakdown of responses according to region.
93. Accordingly, we present the some of the survey responses split by the respondents' **age, gender, social grade, and income**, in the following section.
94. We reviewed the following questions for each of the above demographic splits:
- Consumer journey and investment decisions:
 - Choice of investment channel
 - Type of fund that was invested in most recently
 - Choice of portfolio of funds or individual funds
 - Knowledge of active and passive management
 - Sources consulted on when making investment decisions
 - Fund charges:
 - Awareness of charges
 - Ability to select the cheapest management fee option
 - Switching behaviour:
 - Ever switched investment?
 - If not, have you considered switching?
 - Risk appetite
95. Unless stated otherwise, all quantitative findings presented in Sections 0 and 0 have been weighted to ensure that our sample matches the population of interest in terms of age, region, gender, total investable assets, and social grades.

Links between demographic characteristics

96. In interpreting the survey responses by demographic segmentation, it is important to note that while certain demographic segments shows strong levels of correlation with particular types of responses, it may be inappropriate to attribute these responses to be the direct result of the corresponding demographic characteristics. Many of the demographic characteristics are themselves strongly correlated, and the causes of a particular type of response cannot be easily attributed to a single demographic characteristic. In Table 2 to Table 6 below, we show that the household income of the respondent can be strongly correlated with a number of other demographic characteristics, such as social grade, total investable assets, and total fund investments.

Table 2: Income distribution (rows) of respondents by age group (columns)

	18 - 34	35 - 44	45 - 54	55 - 64	65+
<£10k	2%	1%	1%	1%	0%
£10k – £15k	5%	2%	1%	4%	2%
£15k – £20k	8%	4%	2%	4%	6%
£20k – £30k	12%	7%	10%	15%	19%
£30k – £40k	16%	14%	12%	18%	17%
£40k – £50k	15%	14%	13%	15%	17%
£50k – £75k	18%	21%	22%	20%	22%
£75k – £100k	12%	20%	19%	13%	10%
£100k – £150k	9%	11%	12%	8%	4%
>£150k	3%	6%	6%	4%	2%
Total	100%	100%	100%	100%	100%

Sample base: Respondents that stated their household income (2426). Note: The darker the shaded colour, the higher the share of respondents of a given age group in the corresponding income band.

Table 3: Income distribution (rows) of respondents by gender (columns)

	M	F
<£10k	1%	1%
£10k – £15k	2%	5%
£15k – £20k	4%	9%
£20k – £30k	13%	14%
£30k – £40k	15%	15%
£40k – £50k	15%	14%
£50k – £75k	21%	19%
£75k – £100k	15%	12%
£100k – £150k	9%	7%
>£150k	4%	3%
Total	100%	100%

Sample base: Respondents that stated their household income (2426). Note: The darker the shaded colour, the higher the share of respondents of a given age group in the corresponding income band.

Table 4: Income distribution (rows) of respondents by social grade (columns)

	A	B	C1	C2	D	E
<£10k	1%	0%	1%	1%	5%	6%
£10k – £15k	0%	1%	3%	11%	18%	10%
£15k – £20k	2%	2%	7%	16%	18%	15%
£20k – £30k	4%	10%	19%	20%	35%	32%
£30k – £40k	8%	15%	21%	21%	11%	15%
£40k – £50k	9%	17%	19%	15%	10%	7%
£50k – £75k	21%	26%	19%	9%	2%	9%
£75k – £100k	23%	17%	7%	5%	2%	6%
£100k – £150k	21%	9%	2%	1%	0%	0%
>£150k	12%	3%	1%	0%	0%	1%

Total	100%	100%	100%	100%	100%	100%
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Sample base: Respondents that stated their household income (2426). Note: The darker the shaded colour, the higher the share of respondents of a given age group in the corresponding income band.

Table 5: Income distribution (rows) of respondents by investable assets (columns)

	£10k-£30k	£30k-£100k	£100k-£250k	>£250k
<£10k	1%	1%	1%	0%
£10k – £15k	9%	2%	1%	1%
£15k – £20k	13%	5%	3%	1%
£20k – £30k	22%	14%	10%	6%
£30k – £40k	13%	20%	17%	8%
£40k – £50k	12%	17%	15%	13%
£50k – £75k	16%	21%	24%	21%
£75k – £100k	8%	14%	14%	20%
£100k – £150k	5%	6%	12%	15%
>£150k	0%	1%	3%	14%
Total	100%	100%	100%	100%

Sample base: Respondents that stated their household income (2426). Note: The darker the shaded colour, the higher the share of respondents of a given age group in the corresponding income band.

Table 6: Income distribution (rows) of respondents by fund investment (columns)

	<£30k	£30k-£100k	£100k-£250k	>£250k
<£10k	2%	1%	0%	1%
£10k – £15k	6%	2%	0%	0%
£15k – £20k	10%	4%	1%	1%
£20k – £30k	16%	13%	13%	3%
£30k – £40k	16%	17%	13%	7%
£40k – £50k	15%	15%	14%	12%
£50k – £75k	19%	21%	23%	21%
£75k – £100k	11%	17%	14%	21%
£100k – £150k	5%	9%	14%	16%
>£150k	1%	2%	7%	19%
Total	100%	100%	100%	100%

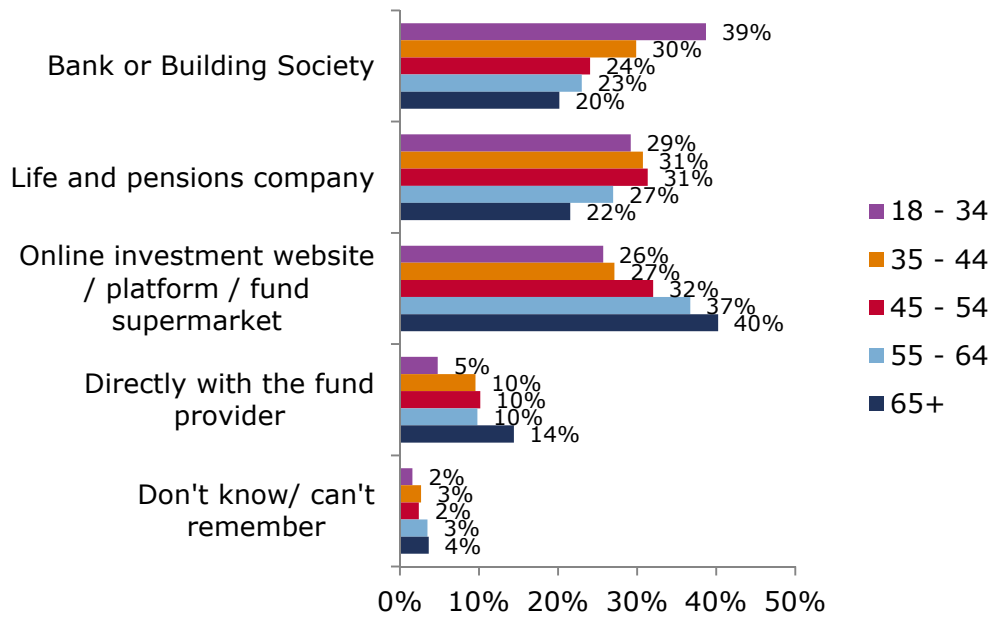
Sample base: Respondents that stated their household income (2426). Note: The darker the shaded colour, the higher the share of respondents of a given age group in the corresponding income band. A small proportion of respondents (176) reported higher level of fund investments than their total investable assets.

Age

97. Across all survey respondents, we found that online investment websites / platforms / fund supermarkets were the most popular choice of investment channel (see Figure 9). However, when we split the respondents by age group (see Figure 39), we found that while online investment websites / platforms / fund supermarkets are favoured by the older respondents, the younger generation of investors are more likely to using a bank or building society.

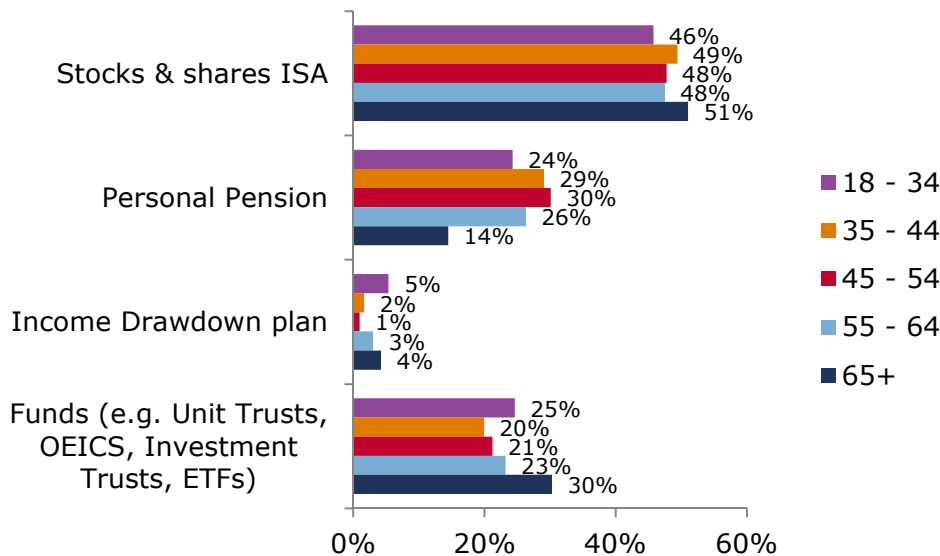
98. Respondents across all age groups are more likely to possess a combination of active and passive funds, with the older investors being more likely to invest in an active fund. Figure 40 shows that respondents across all age groups are likely to have invested in Stocks & shares ISA more recently than other types of funds, with the elderly population strongly favouring Stocks & Shares ISA over Personal Pension.
99. There do not appear to be clear differences between investors of different age groups on whether they choose to invest in a portfolio of funds or individual funds. However, conditional on having chosen a ready-made portfolio, younger investors report that they are more likely to have looked at the funds contained in the portfolio compared to older investors (see Figure 41).
100. On the whole, respondents aged 18-34 reported slightly higher levels of familiarity with the terms 'active' and 'passive' relative to older respondents. However, such differences are small across age groups (see Figure 42).
101. Different sources of information are favoured by different age groups: younger investors (18-34) tend to rely on Morningstar rating, friends and family, financial advisers (whether from a bank/building society or independent adviser), employers, and internet search; while older investors (65+) tend to rely on the KIID, fund factsheet or other brochure, investment websites, platforms, and fund supermarkets, best-buy lists, and newspaper / financial magazine (see Figure 43).
102. Respondents of all ages reported similar levels of awareness of fund charges. Older respondents (45+) are more likely to be unsure as to whether they pay fund charges on their most recent investment compared to younger respondents.
103. As shown in Figure 44, older investors are better at working out the most cost-effective fee structure (£100), while young investors are more likely than older investors to select the more expensive option (1.5% of £10,000 equates to £150).
104. On switching, the oldest group of respondents (65+) appears slightly more likely than other age groups to have ever switched from one fund to another; however, this result is only statistically significant relative to the '35-44' band of respondents. When those respondents that have never switched were asked if they had 'seriously considered switching', around 70% of respondents, across all age groups, have never considered switching. However, among those that have never switched, older respondents are much more likely to be aware that they can switch to another fund, while a significant portion of young respondents reported that they don't think switching is possible (see Figure 45).
105. On risk appetite, we found that younger respondents (18-34) have slightly higher risk appetite compared to older respondents (55+). This is shown by the higher proportions of darker bars (reflecting higher risk levels) for younger respondents in Figure 46.

Figure 39: Thinking about when you took out your [MOST RECENT PRODUCT], which of the following best describes the type of company or channel you invested with or invested through originally? (Split by age group)



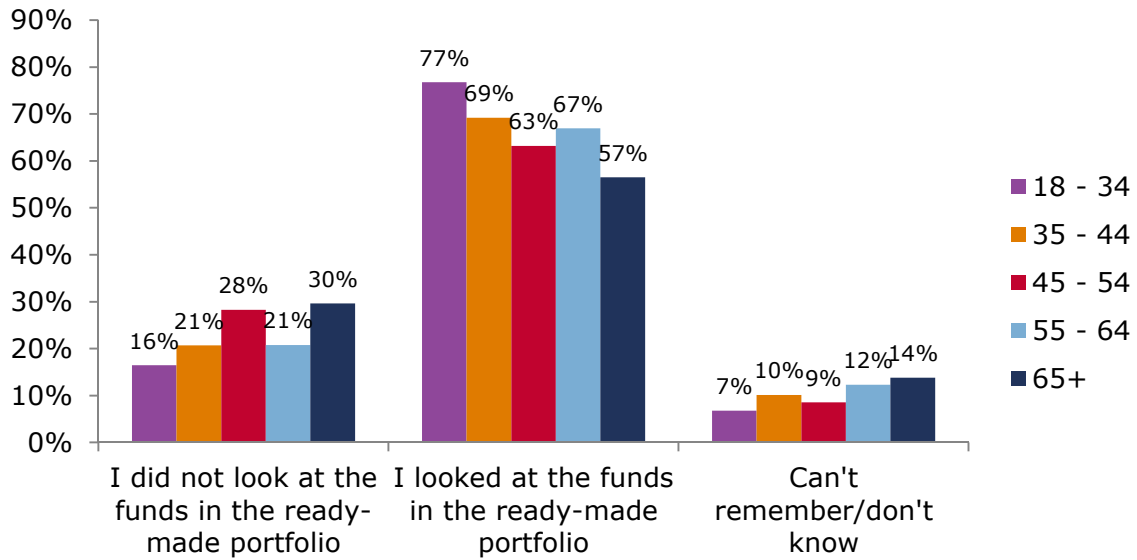
Sample base: All survey respondents (2500). Sample size by age group: 18-34 (575), 35-44 (478), 45-54 (411), 55-64 (490), 65+ (545)

Figure 40: Which of these products that invest in funds and that you arranged yourself did you take out most recently? (Split by age group)



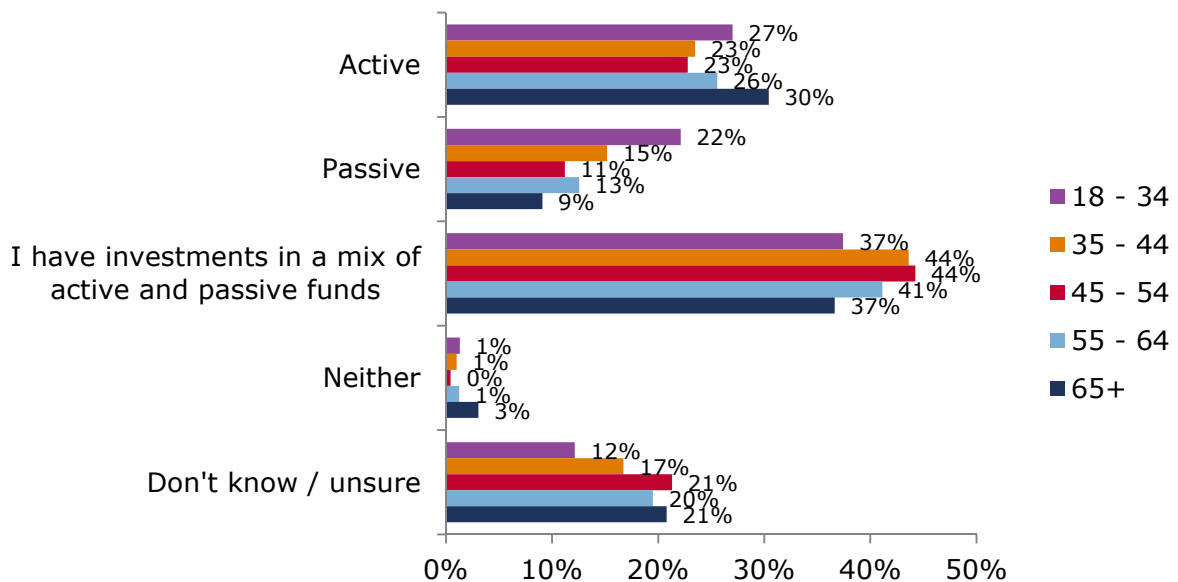
Sample base: All survey respondents (2500). Sample size by age group: 18-34 (575), 35-44 (478), 45-54 (411), 55-64 (490), 65+ (545)

Figure 41: Did you look at the range of funds available to you? (Split by age group)



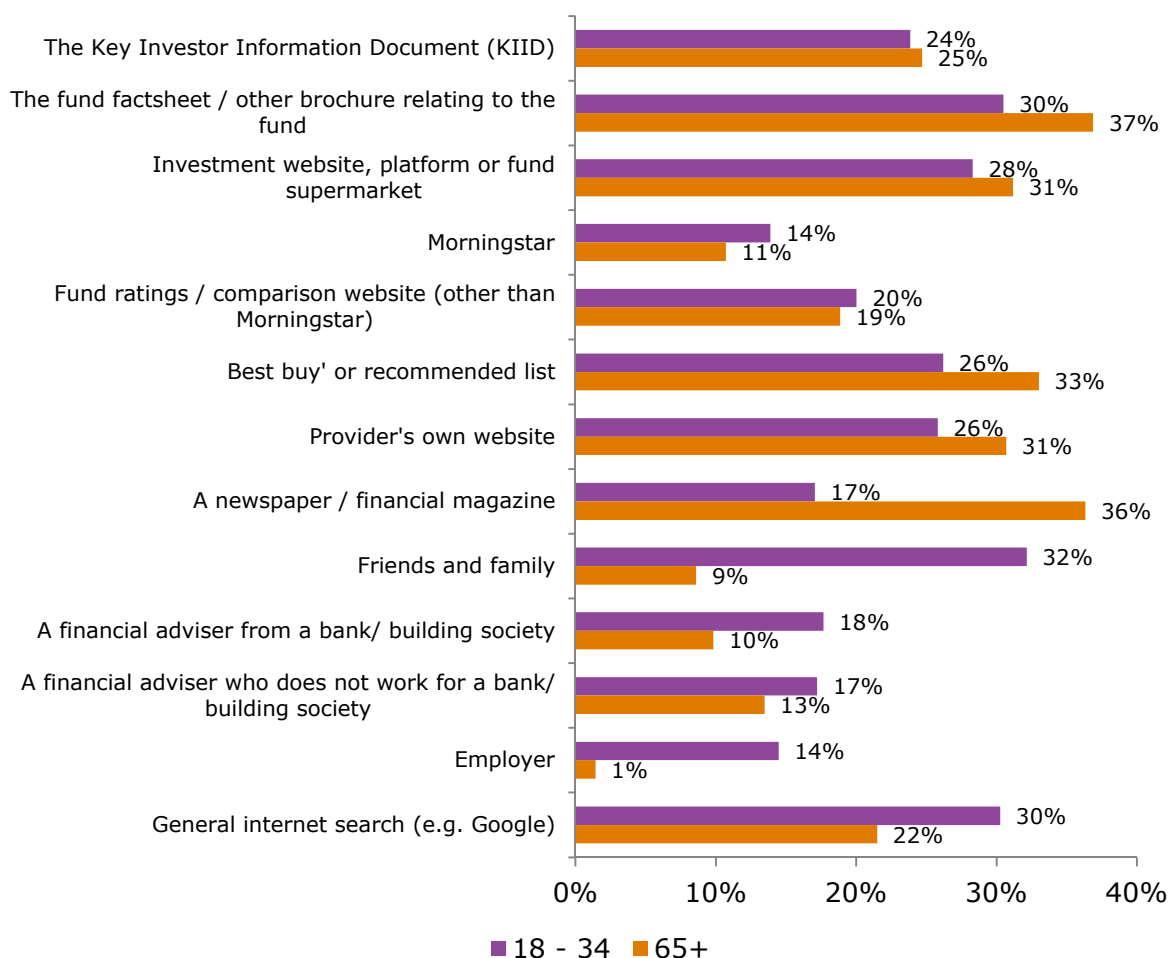
Sample base: Respondents that have invested through a Stock & Share ISA, a personal pension, or an Income Drawdown plan, and chose a ready-made fund portfolio (940). Sample size by age group: 18-34 (222), 35-44 (175), 45-54 (174), 55-64 (183), 65+ (185)

Figure 42: Do you know whether your investments are in active funds, passive funds or a combination of the two? (Split by age group)



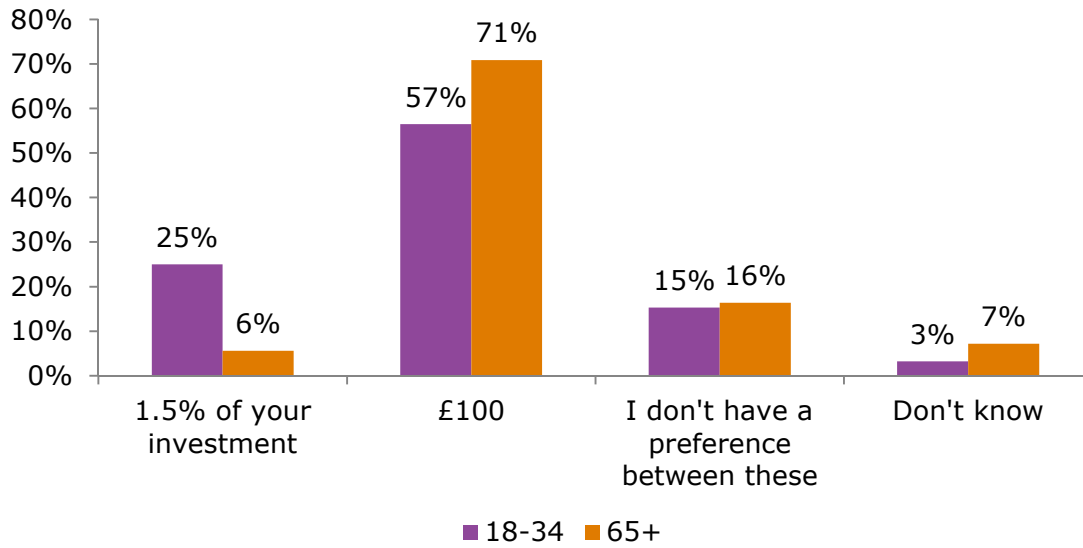
Sample base: All survey respondents (2500). Sample size by age group: 18-34 (575), 35-44 (478), 45-54 (411), 55-64 (490), 65+ (545)

Figure 43: Which of the following information sources, if any, did you consult when deciding which fund(s) to invest in? (Split by age group)



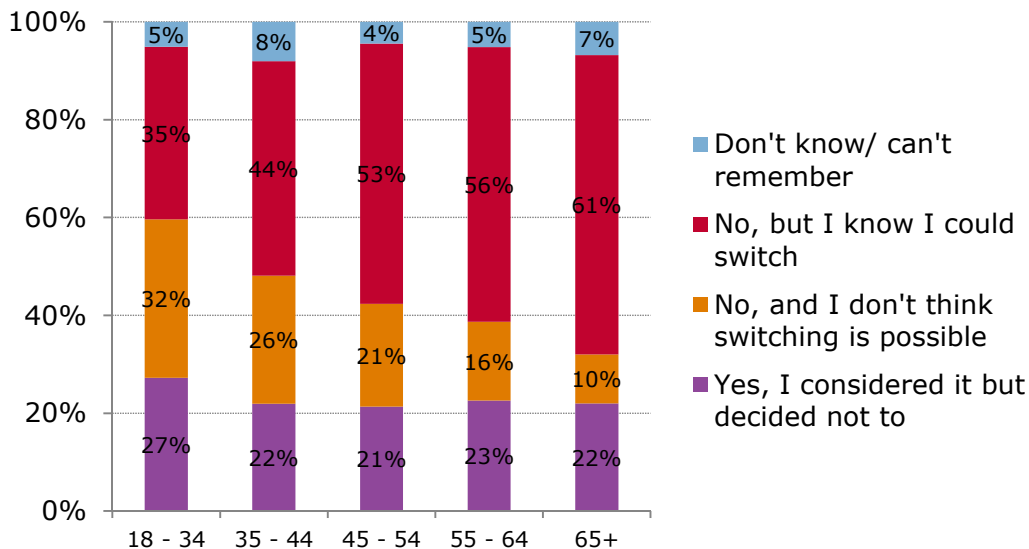
Sample base: Excludes respondents that invested in a fund portfolio between the ages of 35-64 and those respondents that invested without looking at its constituent funds; excludes responses 'Other (please specify)', 'None', and 'Can't remember / don't know' (2049). Sample size by age group: 18-34 (498), 65+ (438)

Figure 44: Please imagine a scenario where you have £10,000 to invest, and the fund you are looking to invest in has two fee structures which you can choose from. Would you prefer to be charged an annual fee of: (Split by age group)



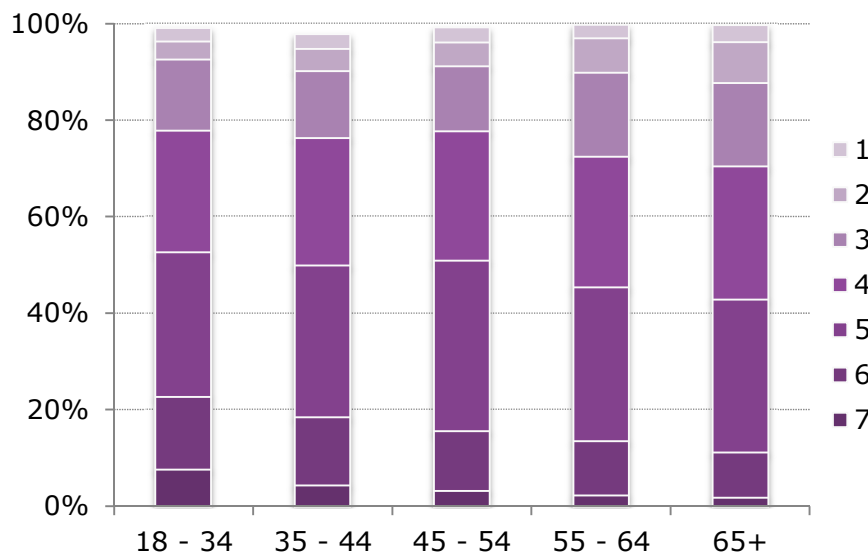
Sample base: All survey respondents (2500). Excludes respondents between the ages of 35-64. Sample size by age group: 18-34 (575), 65+ (545)

Figure 45: Have you ever seriously considered switching your money from one fund to another and then decided not to? By considering we mean that you have seriously looked around for alternatives. (Split by age group)



Sample base: Respondents that have never switched money from one fund to another (1494). Sample size by age group: 18-34 (341), 35-44 (301), 45-54 (249), 55-64 (296), 65+ (306)

Figure 46: Using the following scale, how would you rate your appetite for taking risk with your investments? [1 – Lower risk, typically lower rewards, 7 – higher risk, typically higher rewards] (Split by age group)



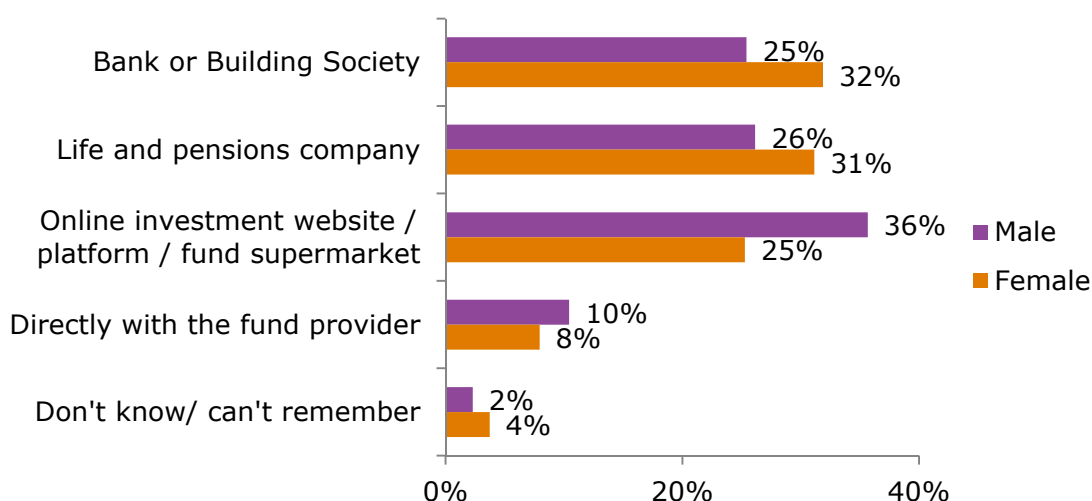
Sample base: All survey respondents (2500). Sample size by age group: 18-34 (575), 35-44 (478), 45-54 (411), 55-64 (490), 65+ (545)

Gender

106. Figure 47 shows that while male respondents tended to invest through online investment websites, platforms, and fund supermarkets, female respondents tended to invest through banks, building societies, and life and pensions companies.
107. Figure 48 shows that male respondents invested in Stocks & shares ISA more recently than females, whereas female respondents invested in Personal Pension more recently than their counterparts.
108. On whether respondents invested in a portfolio of funds or individual funds, there is not significant distinction between male and female investors. Conditional on having invested in a ready-made portfolio, there is also no significant distinction between male and female investors on whether they have looked at the funds within the portfolio.
109. Male investors were significantly more likely than female investors to state that they are familiar with the terms 'active' and 'passive' in the context of asset management (see Figure 49) and are also more likely to have invested in active funds, with male respondents more likely to have invested in active funds (see Figure 50).
110. As shown in Figure 51, male respondents were more likely to have consulted the KIID, the fund factsheet, investment websites, platforms or fund supermarkets, Morningstar and other fund ratings, best-buy list, and provider's own website than female respondents when deciding on which funds to invest. Female respondents were more likely to have consulted friends and family, financial advisers, and their employers, than male respondents when deciding on which funds to invest.
111. On fund charges, male respondents were more likely to be aware that they pay fund charges than female respondents. Male respondents were more likely to select the cheaper fee structure than female respondents.

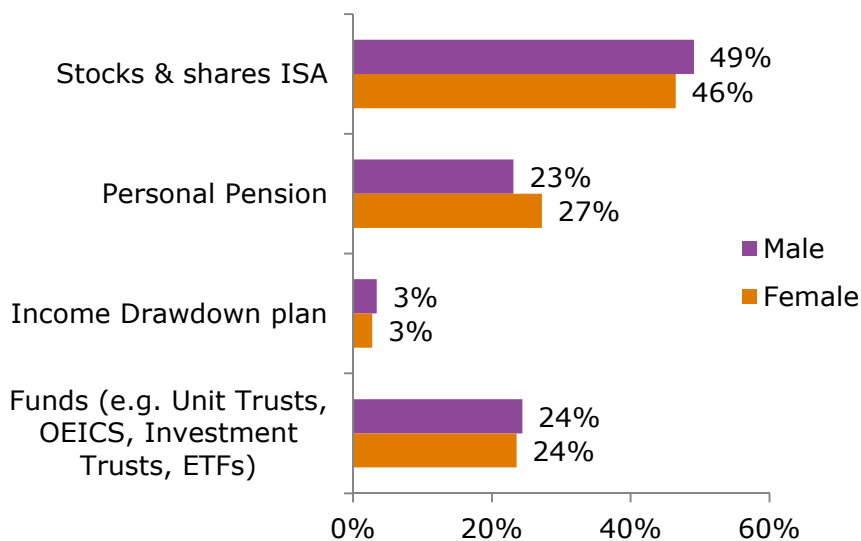
- 112. Male respondents were also more likely to have switched between funds compared to female respondents. For respondents that have never switched investment between funds, both male and female respondents were equally likely to have considered switching, but of those who have not seriously considered switching, male respondents were more aware that the option to switch is available to them; female respondents were more likely to believe that switching is not possible (see Figure 52).
- 113. On risk appetite, male respondents had more appetite for risk compared to female respondents: 54% of male respondents reported a risk appetite of between 5 and 7 on the 7-point scale, while only 36% of female respondents expressed such risk appetite (See Figure 53).

Figure 47: Thinking about when you took out your [MOST RECENT PRODUCT], which of the following best describes the type of company or channel you invested with or invested through originally? (Split by gender)



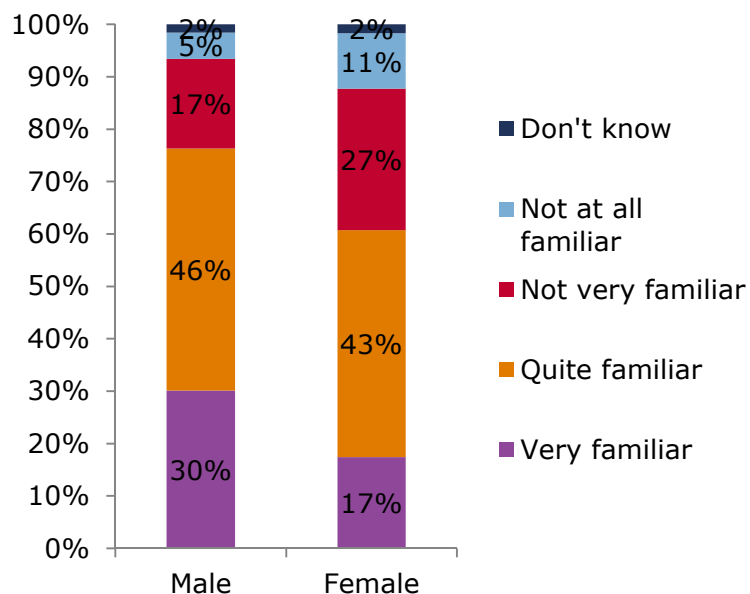
Sample base: All survey respondents (2500). Sample size by gender: Male (1704), Female (796)

Figure 48: Which of these products that invest in funds and that you arranged yourself did you take out most recently? (Split by gender)



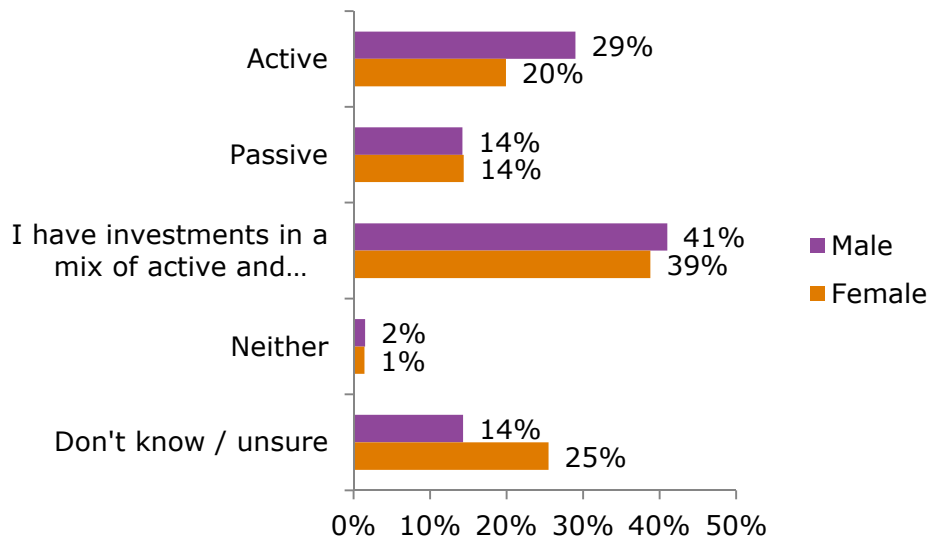
Sample base: All survey respondents (2500). Sample size by gender: Male (1704), Female (796)

Figure 49: Funds can be managed "actively" or "passively".... How familiar are you with the terms "active" and "passive"? (Split by gender)



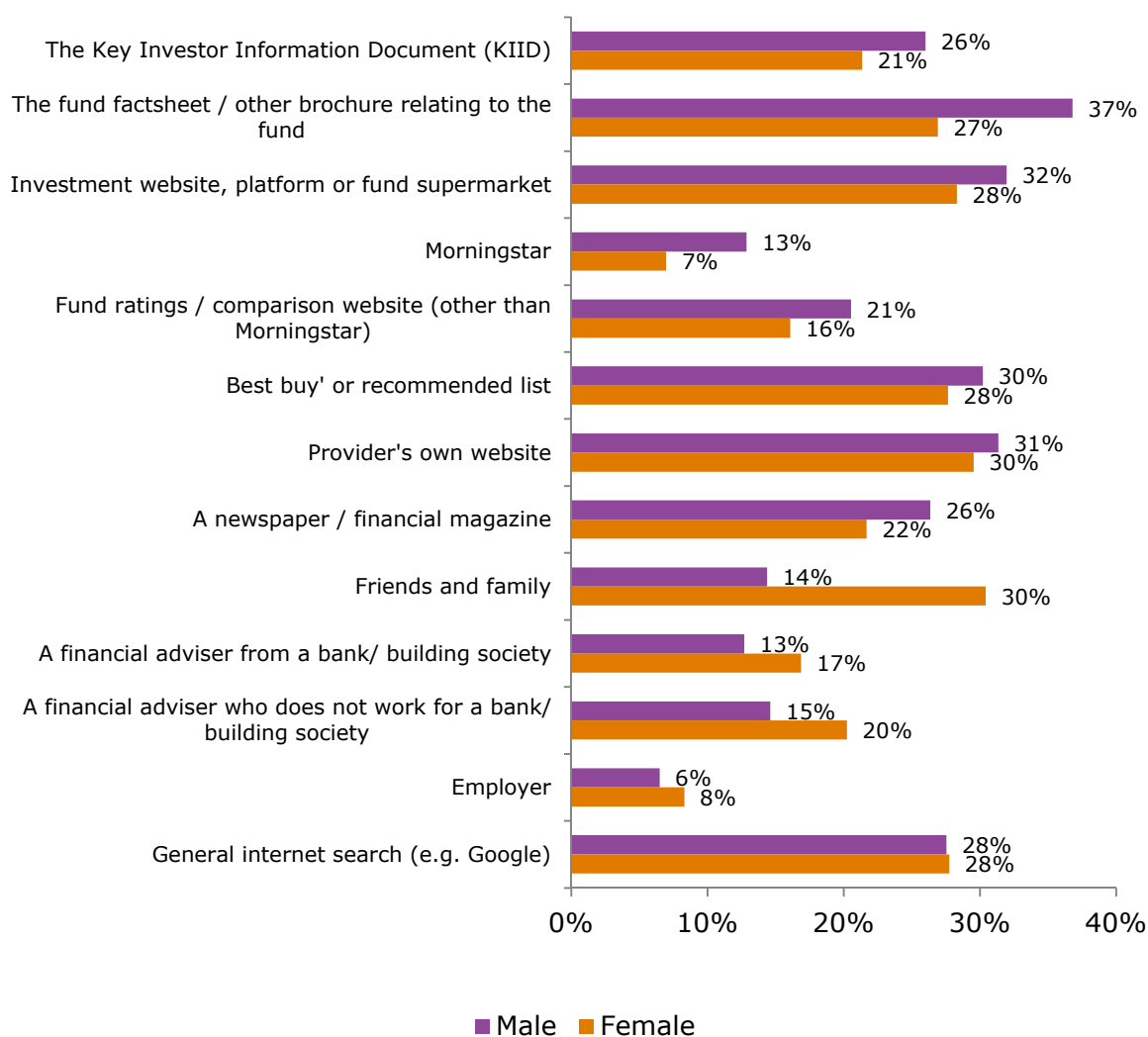
Sample base: All survey respondents (2500). Sample size by gender: Male (1,704), Female (796)

Figure 50: Do you know whether your investments are in active funds, passive funds or a combination of the two? (Split by gender)



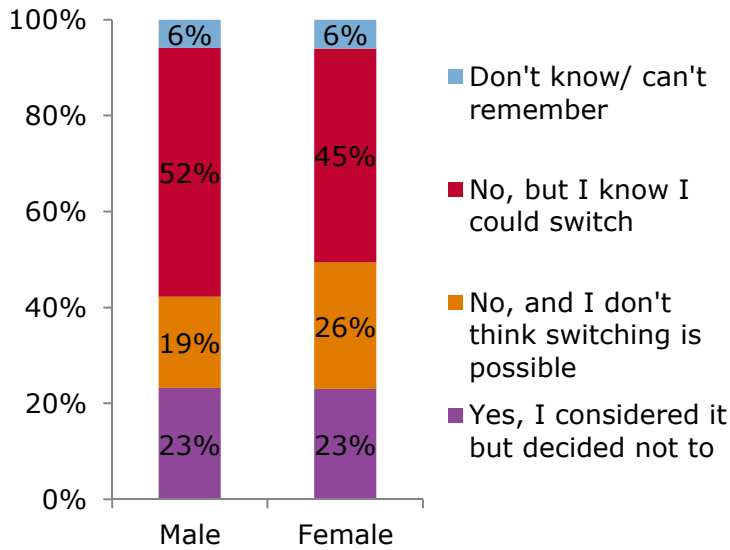
Sample base: All survey respondents (2500). Sample size by gender: Male (1704), Female (796)

Figure 51: Which of the following information sources, if any, did you consult when deciding which fund(s) to invest in? (Split by gender)



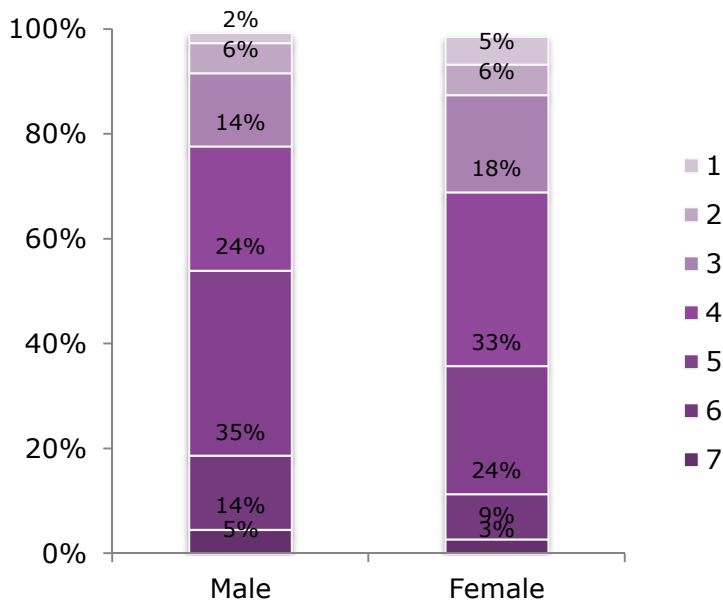
Sample base: Excludes investors that invested in a fund portfolio without looking at its constituent funds; excludes responses 'Other (please specify)', 'None', and 'Can't remember / don't know' (2049). Sample size by gender: Male (1416), Female (633)

Figure 52: Have you ever seriously considered switching your money from one fund to another and then decided not to? By considering we mean that you have seriously looked around for alternatives. (Split by gender)



Sample base: Respondents that have never switched money from one fund to another (1494). Sample size by gender: male (994), female (500)

Figure 53: Using the following scale, how would you rate your appetite for taking risk with your investments? [1 – Lower risk, typically lower rewards, 7 – higher risk, typically higher rewards] (Split by gender)



Sample base: All survey respondents (2500). Sample size by gender: Male (1,704), Female (796)

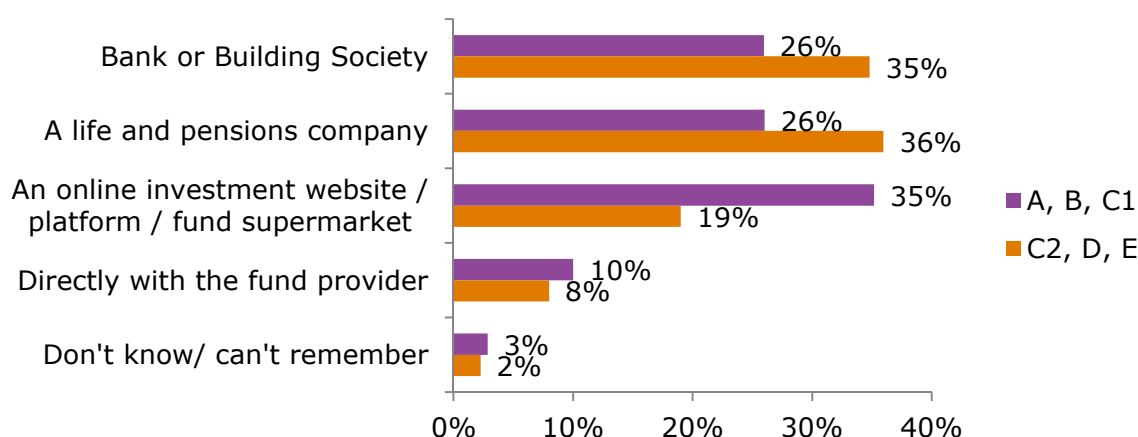
Social grade

114. Different investment channels are utilised by investors of different social grades: respondents of higher social grades tend to use online investment websites, platforms

and fund supermarkets, while respondents of lower social grades tend to use banks, building societies, and life and pensions companies (see Figure 54).

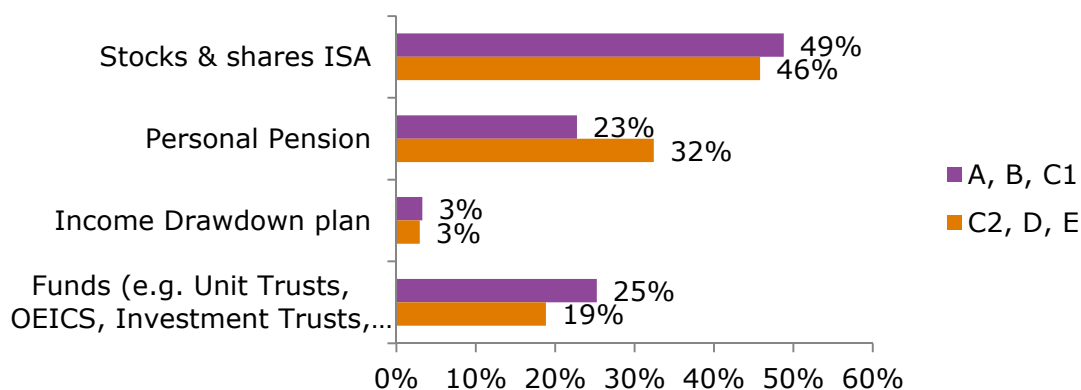
- 115. Figure 55 shows that respondents across all social grades have invested in stocks and shares ISA more recently than other forms of fund investments.
- 116. Respondents of higher social grades were more likely to report knowing whether they invested in portfolios or individual funds (and of which, more likely to report that they invested in individual funds) (see Figure 56) and were more likely to have looked at the underlying funds if they had invested in a portfolio. Relative to respondents of lower social grades, they were also more likely to consult information sources about the fund and less likely to consult other individuals (see Figure 59).
- 117. Respondents of higher social grades also reported more familiarity with 'active' and 'passive' fund management (see Figure 57), with respondents of all social grades being more likely to invest in active funds (see Figure 58).
- 118. Respondents of higher social grades were also more likely know that they pay fund charges, and to have identified the cheaper fee structure in our question about fund fees (see Figure 60), compared to respondents of lower social grades.
- 119. On switching, respondents of higher social grades were more likely to have switched, and if they have never switched, were more likely to have seriously considered switching (see Figure 61). Of respondents that have not considered switching nor have ever switched, respondents of higher social grades were also more aware that the option of switching is available to them compared to respondents of lower social grades. (see Figure 61).
- 120. On risk appetite, respondents of higher social grade typically reported higher risk appetites (see Figure 62).

Figure 54: Thinking about when you took out your [MOST RECENT PRODUCT], which of the following best describes the type of company or channel you invested with or invested through originally? (Split by social grade)



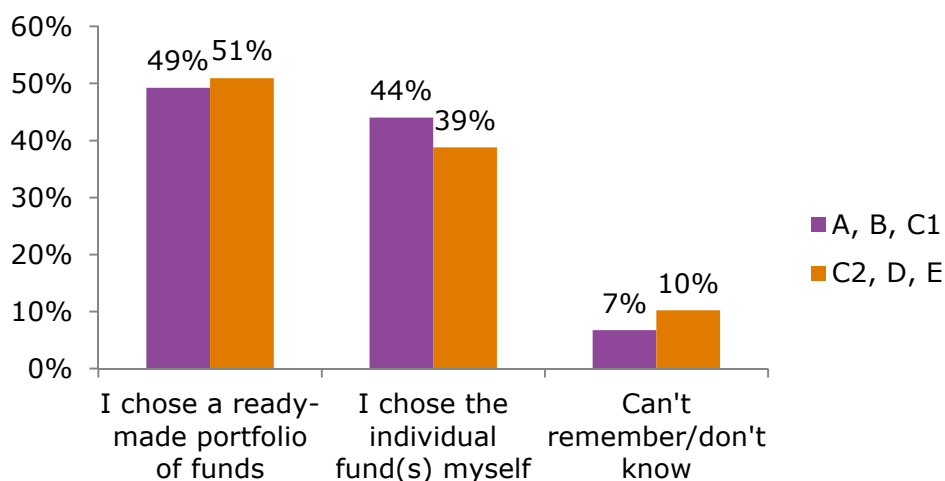
Sample base: All survey respondents (2500). Sample size by social grade: A, B, C1 (2066); C2, D, E (434)

Figure 55: Which of these products that invest in funds and that you arranged yourself did you take out most recently? (Split by social grade)



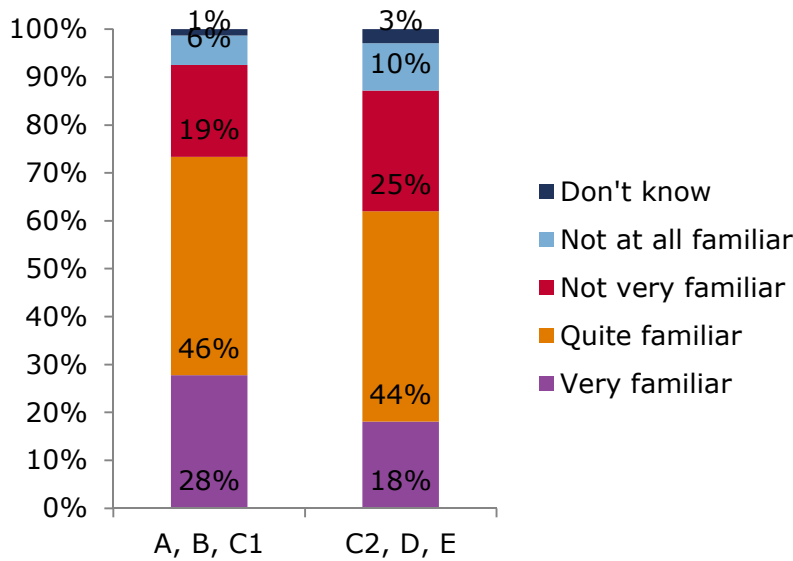
Sample base: All survey respondents (2500). Sample size by social grade: A, B, C1 (2066); C2, D, E (434)

Figure 56: When you chose to invest in your [MOST RECENT PRODUCT], did you select the ready-made portfolio of funds offered by your provider or did you choose the individual fund(s) yourself? (Split by social grade)



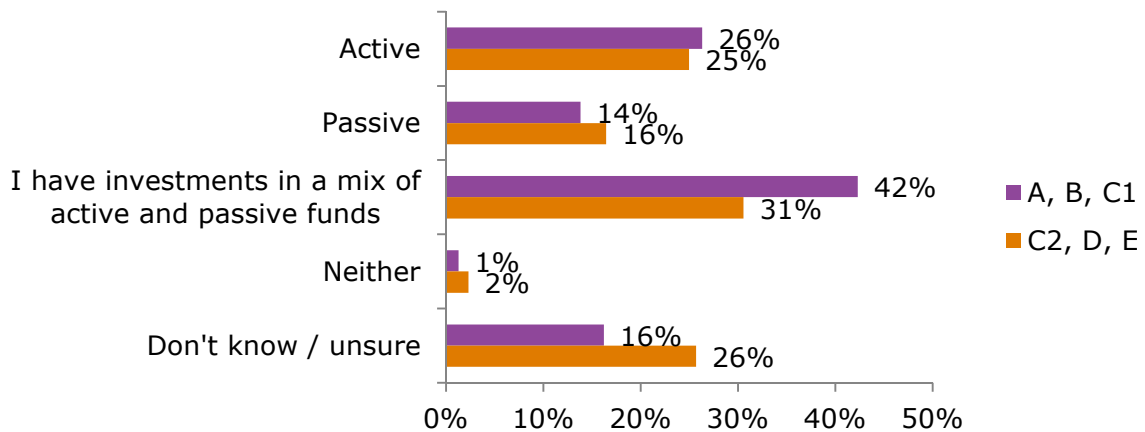
Sample base: Investors that have invested through a Stock & Share ISA, a personal pension, or an Income Drawdown plan (1897). Sample size by social grade: A, B, C1 (1545); C2, D, E (352)

Figure 57: Funds can be managed “actively” or “passively”.... How familiar are you with the terms “active” and “passive”? (Split by social grade)



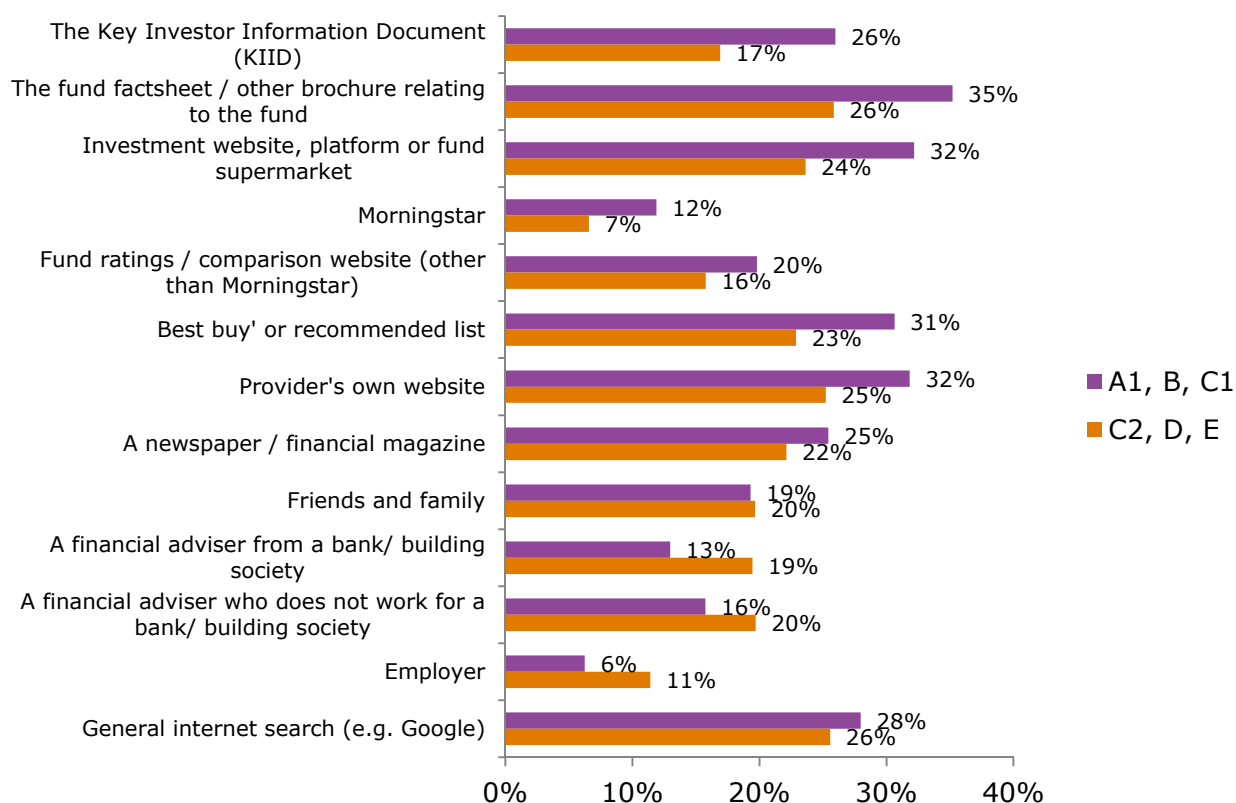
Sample base: All survey respondents (2500). Sample size by social grade: A, B, C1 (2066); C2, D, E (434)

Figure 58: Do you know whether your investments are in active funds, passive funds or a combination of the two? (Split by social grade)



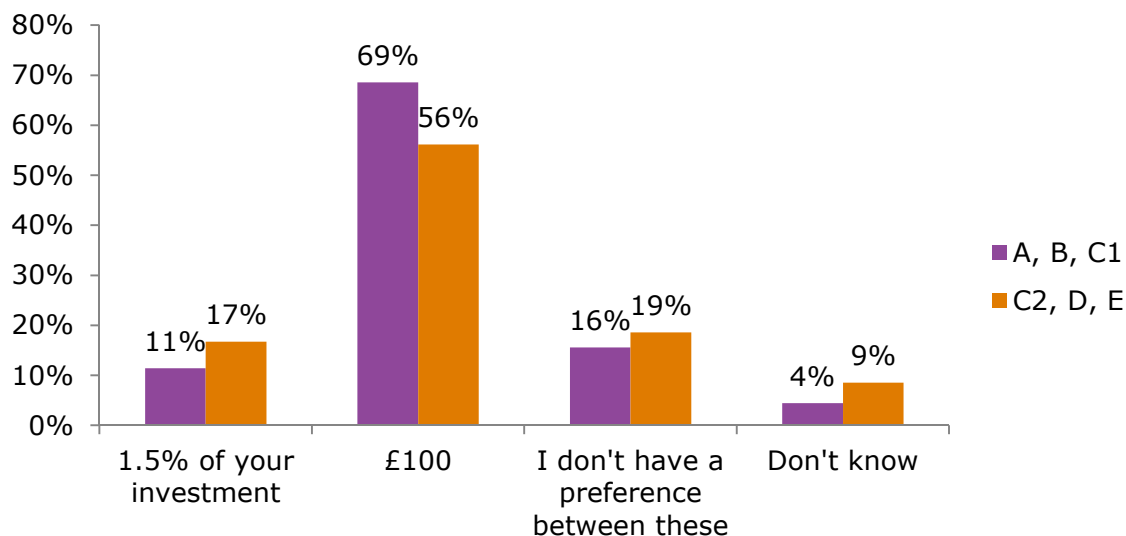
Sample base: All survey respondents (2500). Sample size by social grade: A, B, C1 (2066); C2, D, E (434)

Figure 59: Which of the following information sources, if any, did you consult when deciding which fund(s) to invest in? (Split by social grade)



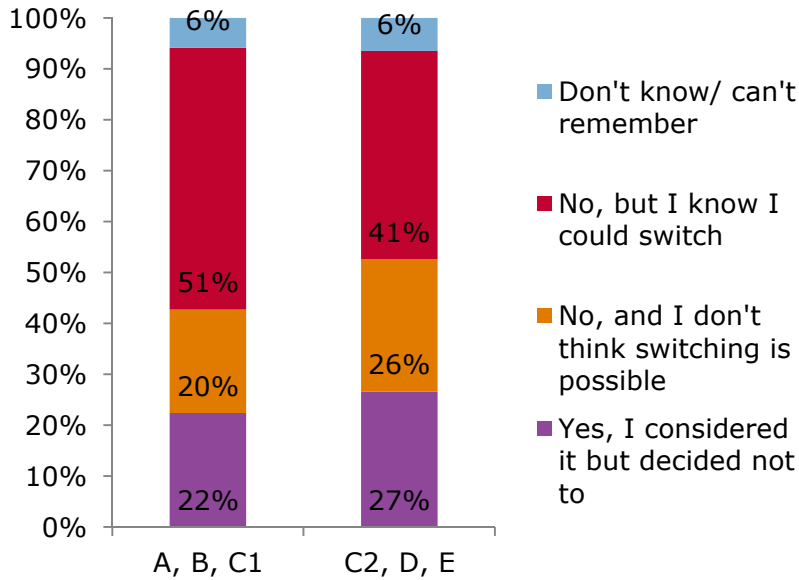
Sample base: Excludes investors that invested in a fund portfolio without looking at its constituent funds; excludes responses 'Other (please specify)', 'None', and 'Can't remember / don't know' (2049). Sample size by social grade: A, B, C1 (1729); C2, D, E (320)

Figure 60: Please imagine a scenario where you have £10,000 to invest, and the fund you are looking to invest in has two fee structures which you can choose from. Would you prefer to be charged an annual fee of: (Split by social grade)



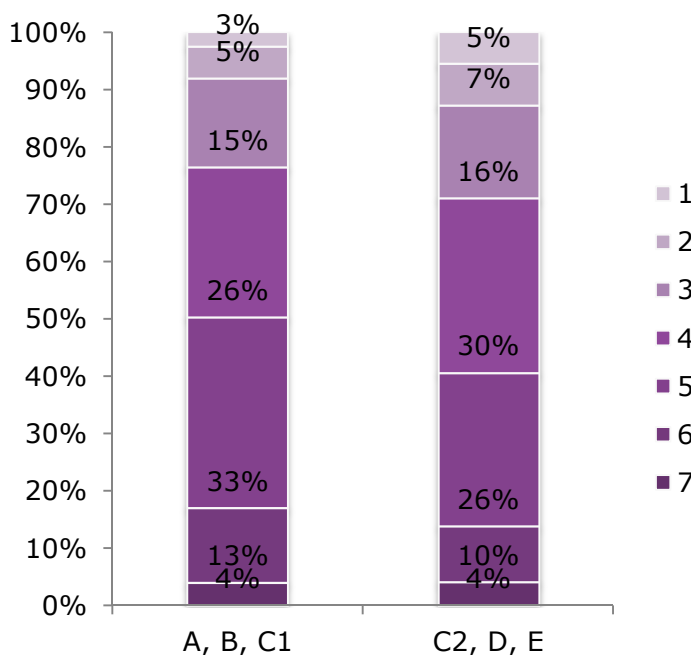
Sample base: All survey respondents (2500). Sample size by social grade: A, B, C1 (2066); C2, D, E (434)

Figure 61: Have you ever seriously considered switching your money from one fund to another and then decided not to? By considering we mean that you have seriously looked around for alternatives. (Split by social grade)



Sample base: Respondents that have never switched money from one fund to another (1494). Sample size by social grade: A, B, C1 (1212); C2, D, E (282)

Figure 62: Using the following scale, how would you rate your appetite for taking risk with your investments? [1 – Lower risk, typically lower rewards, 7 – higher risk, typically higher rewards] (Split by social grade)

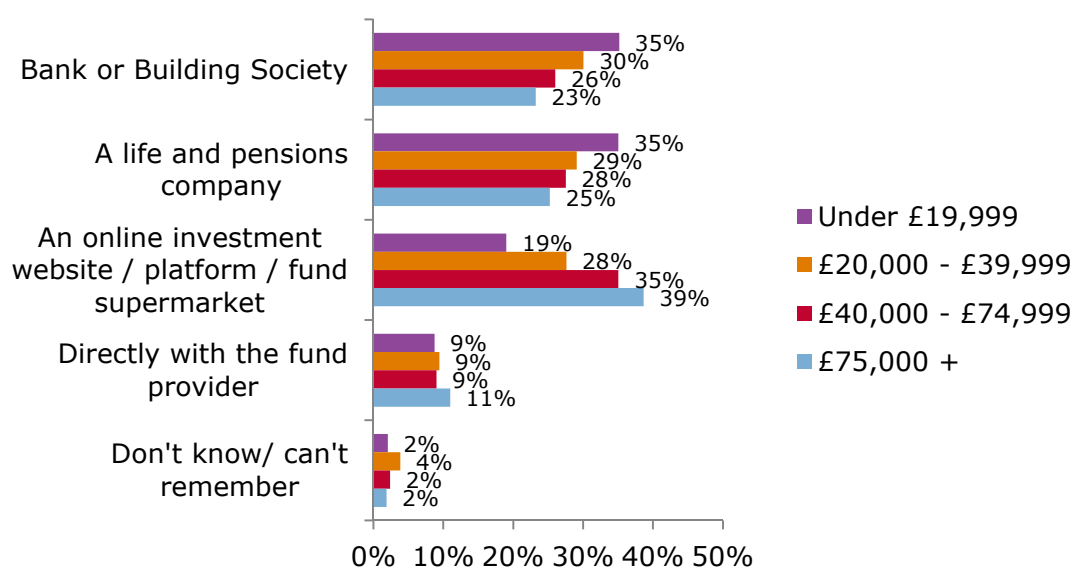


Sample base: All survey respondents (2500). Sample size by social grade: A, B, C1 (2066); C2, D, E (434)

Income level

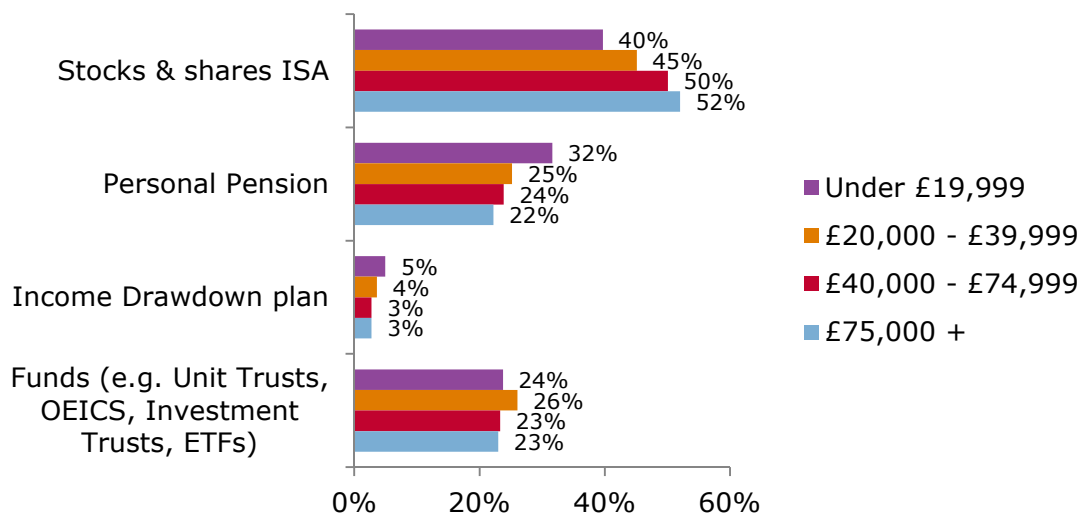
121. Different investment channels are utilised by investors of different income levels: respondents of higher income levels tend to use online investment websites, platforms and fund supermarkets, while respondents of lower income levels tend to use banks, building societies, and life and pensions companies (see Figure 63).
122. Figure 64 shows that all respondents, regardless of their income level, have invested through stocks and shares ISA more recently than other types of funds.
123. Respondents with an income level less than £75,000 were more likely to choose a ready-made portfolio of funds (see Figure 65). Respondents with higher levels of income are also more likely to have looked at the underlying funds if they had invested in a portfolio (see Figure 66) and more likely to consult information sources about the fund rather than other individuals (see Figure 67), compared to respondents of lower income levels.
124. Respondents of higher income levels reported more familiarity with 'active' and 'passive' fund management, especially those with household income above £75,000 per annum (see Figure 68). All respondents are also more likely to have invested more in active funds (see Figure 69).
125. Respondents of higher income levels were also more likely know that they pay fund charges (see Figure 70), and to have identified the cheaper fee structure in our question about fund fees (see Figure 71), compared to respondents of lower income levels.
126. On switching, respondents of higher income levels were more likely to have switched (see Figure 72). Of respondents that have not considered switching nor have ever switched, respondents of higher income levels were also more aware that the option of switching is available to them compared to respondents of lower income levels (see Figure 73).
127. On risk appetite, respondents of higher income levels typically reported higher risk appetites (see Figure 74).

Figure 63: Thinking about when you took out your [MOST RECENT PRODUCT], which of the following best describes the type of company or channel you invested with or invested through originally? (Split by income level)



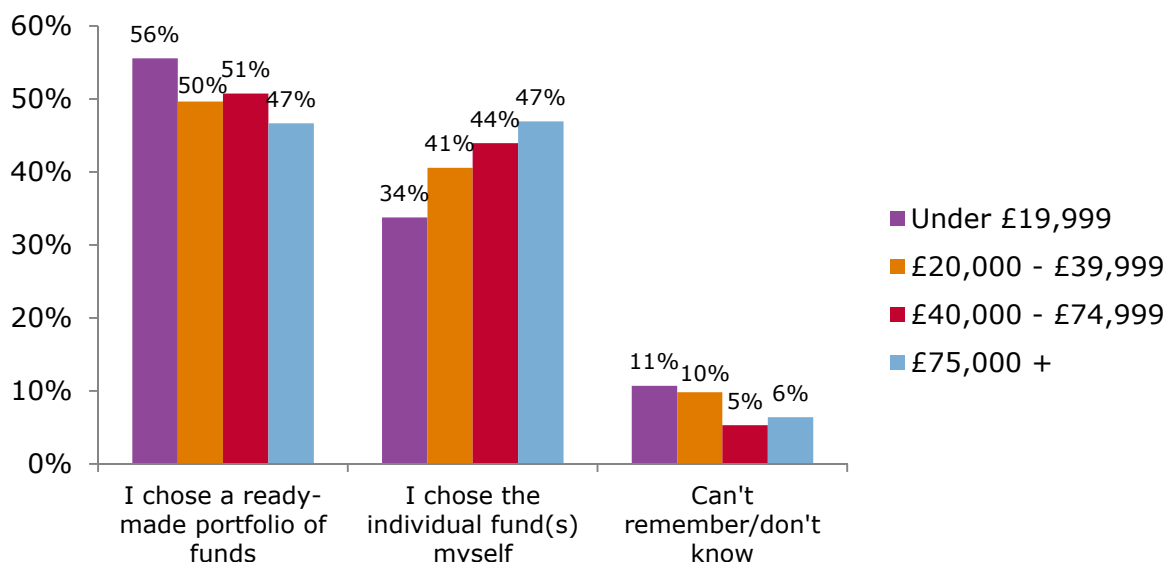
Sample base: Excludes respondents that chose not to disclose their household income (2426). Sample size by income band: under 20k (245), £20k-£40k (701), £40k-£75k (841), £75k+ (640).

Figure 64: Which of these products that invest in funds and that you arranged yourself did you take out most recently? (Split by income level)



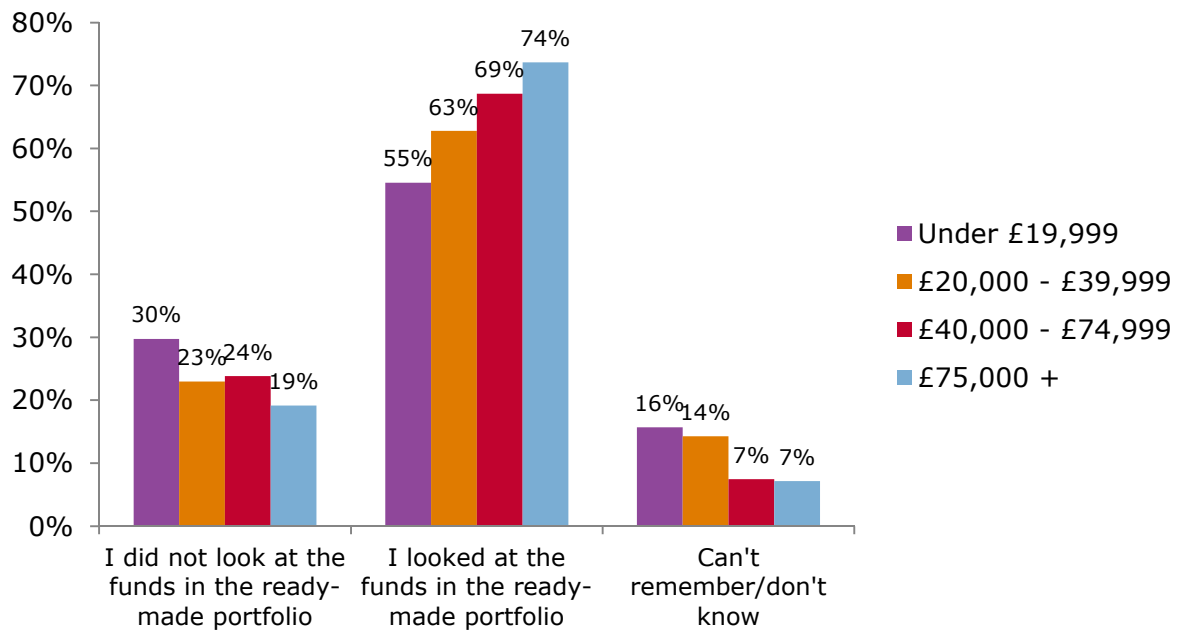
Sample base: Excludes respondents that chose not to disclose their household income (2426). Sample size by income band: under 20k (245), £20k-£40k (701), £40k-£75k (841), £75k+ (640)

Figure 65: When you chose to invest in your [MOST RECENT PRODUCT], did you select the ready-made portfolio of funds offered by your provider or did you choose the individual fund(s) yourself? (Split by income level)



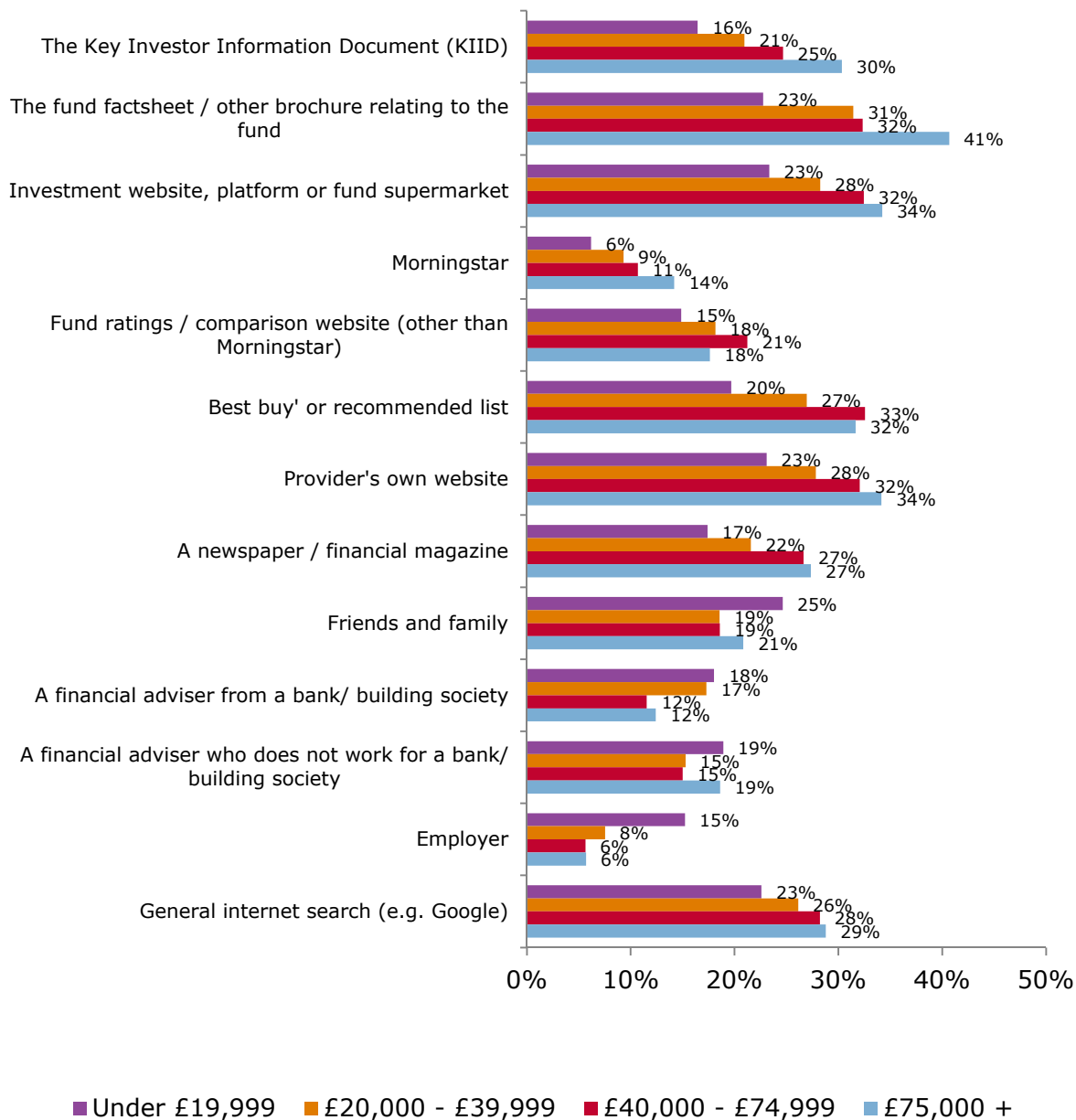
Sample base: Investors that have invested through a Stock & Share ISA, a personal pension, or an Income Drawdown plan; excludes respondents that chose not to disclose their household income (1843). Sample size by income band: under 20k (187), £20k-£40k (518), £40k-£75k (645), £75k+ (493)

Figure 66: Did you look at the range of funds available to you? (Split by income level)



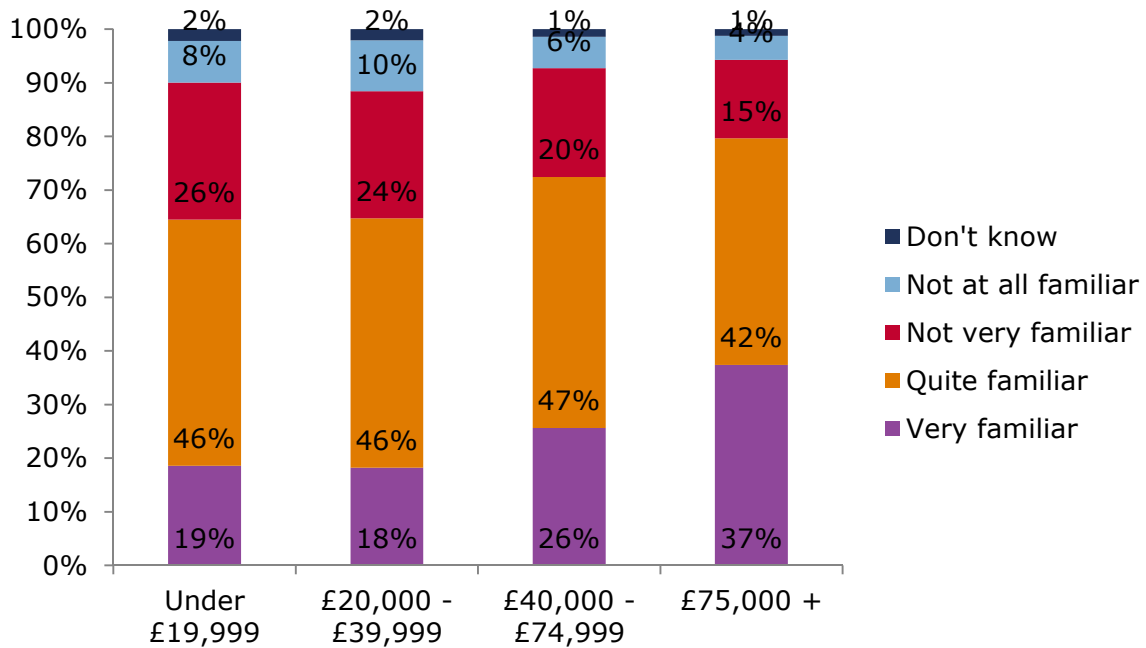
Sample base: Investors that have invested through a Stock & Share ISA, a personal pension, or an Income Drawdown plan, and chose a ready-made fund portfolio; excludes respondents that chose not to disclose their household income (918). Sample size by income band: under 20k (104), £20k-£40k (257), £40k-£75k (327), £75k+ (230)

Figure 67: Which of the following information sources, if any, did you consult when deciding which fund(s) to invest in? (Split by income level)



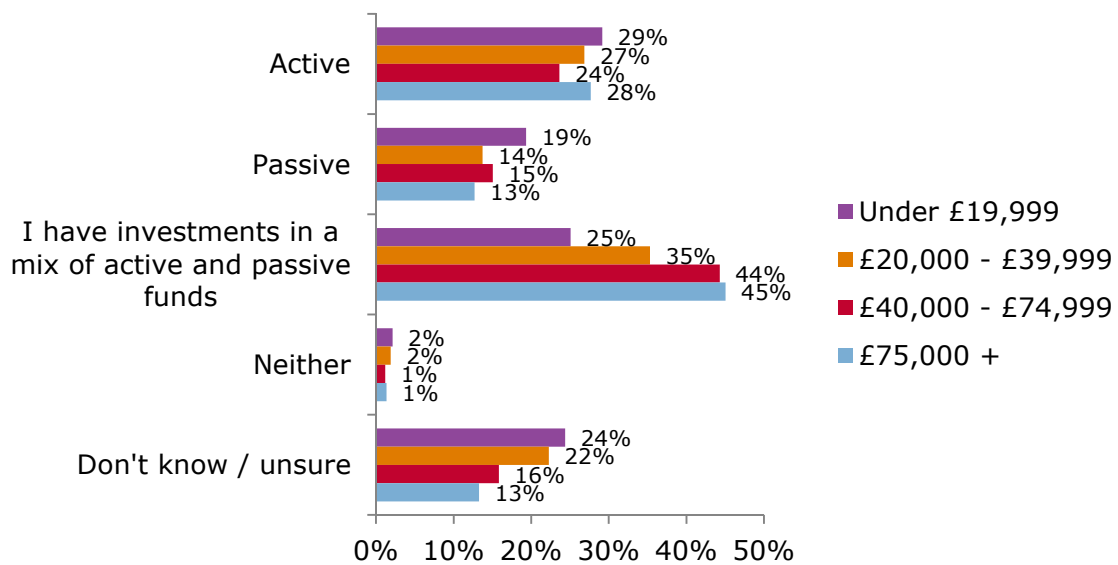
Sample base: Respondents who have looked at the funds purchased; excludes respondents that chose not to disclose their household income (1984). Sample size by income band: under 20k (178), £20k-£40k (554), £40k-£75k (704), £75k+ (548).

Figure 68: Funds can be managed “actively” or “passively”.... How familiar are you with the terms “active” and “passive”? (Split by income level)



Sample base: Excludes respondents that chose not to disclose their household income (2426). Sample size by income band: under 20k (245), £20k-£40k (701), £40k-£75k (841), £75k+ (640)

Figure 69: Do you know whether your investments are in active funds, passive funds or a combination of the two? (Split by income level)



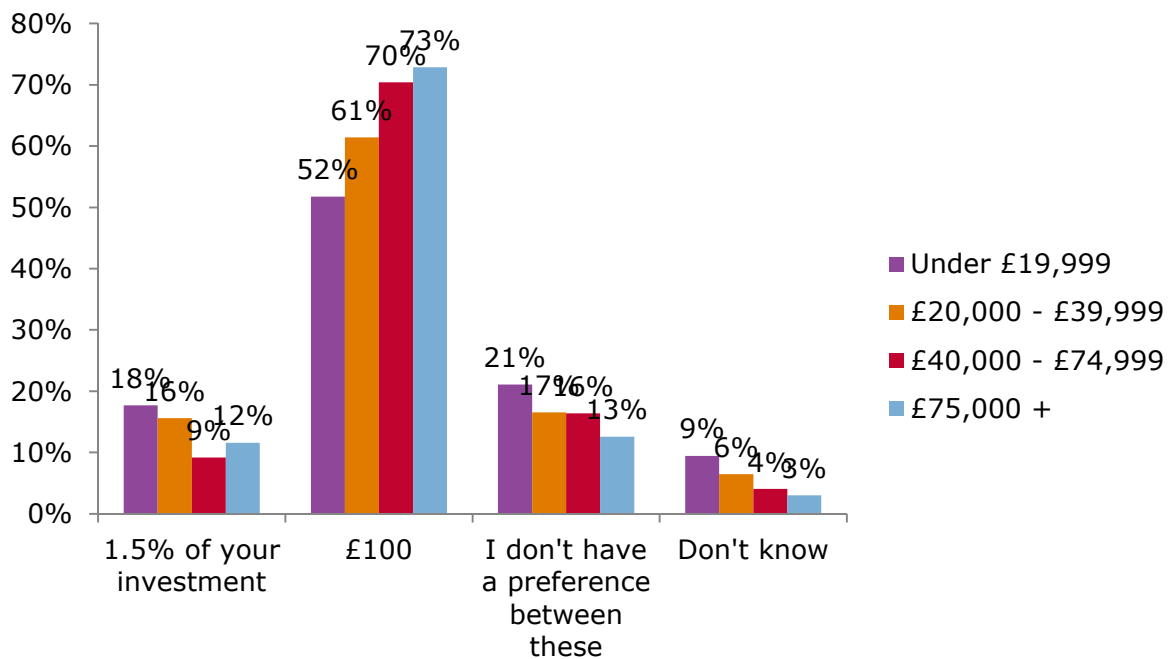
Sample base: Excludes respondents that chose not to disclose their household income (2426). Sample size by income band: under 20k (245), £20k-£40k (701), £40k-£75k (841), £75k+ (640)

Figure 70: Do you pay fund charges on your [MOST RECENT PRODUCT]? (Split by income level)



Sample base: Excludes respondents that chose not to disclose their household income (2426). Sample size by income band: under 20k (245), £20k-£40k (701), £40k-£75k (841), £75k+ (640).

Figure 71: Please imagine a scenario where you have £10,000 to invest, and the fund you are looking to invest in has two fee structures which you can choose from. Would you prefer to be charged an annual fee of: (Split by income level)



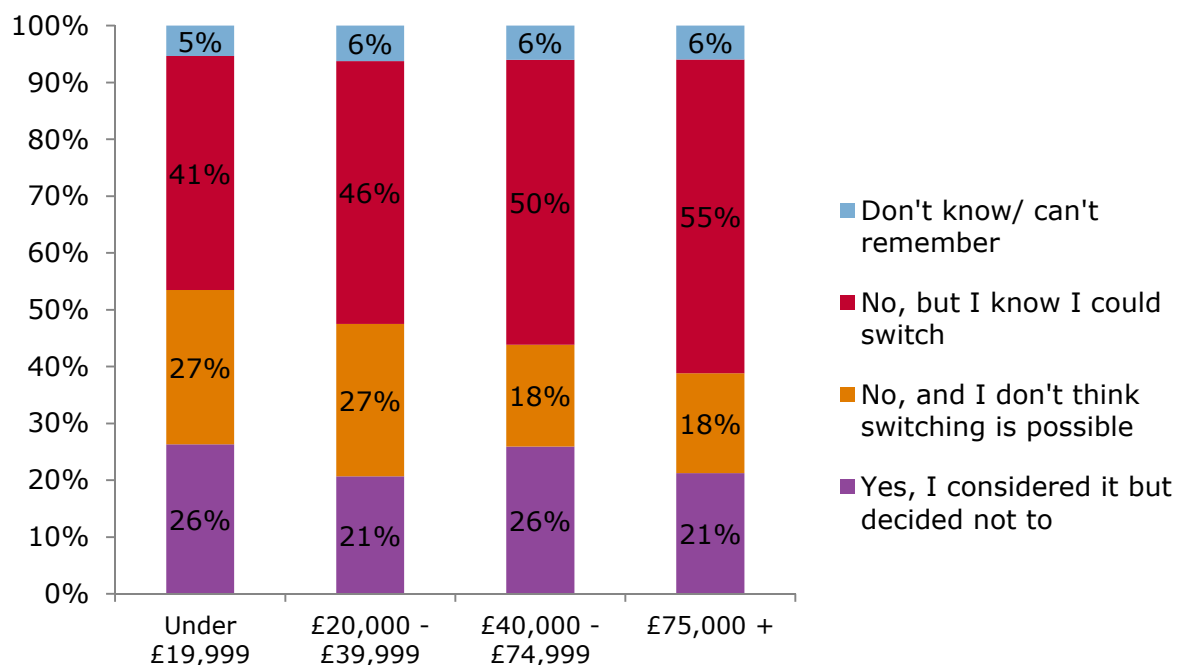
Sample base: Excludes respondents that chose not to disclose their household income (2426). Sample size by income band: under 20k (245), £20k-£40k (701), £40k-£75k (841), £75k+ (640).

Figure 72: Have you ever switched your money from one fund to another fund? (Split by income level)



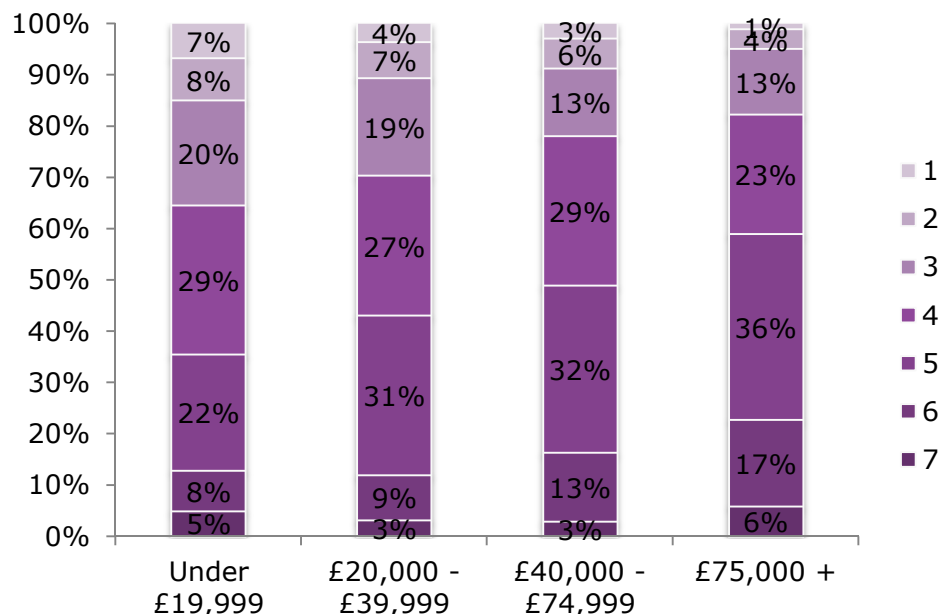
Sample base: Excludes respondents that chose not to disclose their household income (2426). Sample size by income band: under 20k (245), £20k-£40k (701), £40k-£75k (841), £75k+ (640).

Figure 73: Have you ever seriously considered switching your money from one fund to another and then decided not to? By considering we mean that you have seriously looked around for alternatives. (Split by income level)



Sample base: Respondents that have never switched money from one fund to another, and excludes respondents that chose not to disclose their household income (1454). Sample size by income band: under 20k (166), £20k-£40k (437), £40k-£75k (513), £75k+ (337).

Figure 74: Using the following scale, how would you rate your appetite for taking risk with your investments? [1 – Lower risk, typically lower rewards, 7 – higher risk, typically higher rewards] (Split by income level)



Sample base: Excludes respondents that chose not to disclose their household income (2426). Sample size by income band: under 20k (245), £20k-£40k (701), £40k-£75k (841), £75k+ (640).

Quantitative Survey Results - Data Table

This section displays the survey results, aggregated at the level of each survey question. Both weighted and un-weighted results are displayed.

		Total (weighted)		Total (unweighted)	
Q1 What is your age? [mean shown]		49.4		50.9	
Age_coded	18-24	70	3%	64	3%
	25-29	174	7%	163	7%
	30-34	331	13%	311	12%
	35-39	246	10%	206	8%
	40-44	232	9%	195	8%
	45-49	205	8%	204	8%
	50-54	207	8%	207	8%
	55-59	242	10%	258	10%
	60-64	248	10%	259	10%
	65-69	289	12%	330	13%
	70+	256	10%	303	12%
	Total	2500	100%	2500	100%
	Unweighted total	2500		2500	
Age_groups_quota	18 - 34	575	23%	538	22%
	35 - 44	478	19%	401	16%
	45 - 54	411	16%	411	16%
	55 - 64	490	20%	517	21%
	65+	545	22%	633	25%
	Total	2500	100%	2500	100%
	Unweighted total	2500		2500	
Q2 What region do you live in?	North East	104	4%	103	4%
	North West	305	12%	271	11%
	Yorkshire and Humberside	183	7%	187	7%
	East Midlands	163	7%	177	7%
	West Midlands	187	7%	192	8%
	East of England	184	7%	191	8%
	London	489	20%	474	19%
	South East	411	16%	432	17%
	South West	171	7%	188	8%
	Wales	96	4%	78	3%
	Scotland	150	6%	167	7%
	Northern Ireland	58	2%	40	2%
	Channel Islands	0	0%	0	0%
	Non UK (please specify)	0	0%	0	0%
	Total	2500	100%	2500	100%
Unweighted total	2500		2500		

Region groups	North / Yorks & Humberside / North West	592	24%	561	22%
	Midlands / East / Wales	630	25%	638	26%
	London	489	20%	474	19%
	South East / South West	582	23%	620	25%
	Scotland	150	6%	167	7%
	Northern Ireland	58	2%	40	2%
	Total	2500	100%	2500	100%
	Unweighted total	2500		2500	
Region groups 2	London/ SE	900	36%	906	36%
	Non London / SE	1600	64%	1594	64%
	Total	2500	100%	2500	100%
	Unweighted total	2500		2500	
Q3 Are you responsible for making financial decisions in your household, either solely or jointly with a spouse / partner?	Yes, solely	1527	61%	1517	61%
	Yes, jointly	973	39%	983	39%
	No	0	0%	0	0%
	Total	2500	100%	2500	100%
	Unweighted total	2500		2500	
Q3a Please indicate to which occupational group the Chief Income Earner in your household belongs, or which group fits best.	Semi or unskilled manual work(e.g. Manual workers, all apprentices to be skilled trades, Caretaker, Park keeper, non-HGV driver, shop assistant)	91	4%	57	2%
	Skilled manual worker(e.g. Skilled Bricklayer, Carpenter, Plumber, Painter, Bus/ Ambulance Driver, HGV driver, AA patrolman, pub/bar worker, etc.)	192	8%	211	8%
	Supervisory or clerical/ junior managerial/ professional/ administrative(e.g. Office worker, Student Doctor, Foreman with 25+ employees, salesperson, etc.)	523	21%	537	21%
	Intermediate managerial/ professional/ administrative(e.g. Newly qualified (under 3 years) doctor, Solicitor, Board director small organisation, middle manager in large organisation, principle officer in civil service/local government)	988	40%	1010	40%
	Higher managerial/ professional/ administrative(e.g. Established doctor, Solicitor, Board Director in a large organisation (200+ employees, top level civil servant/public service employee))	542	22%	554	22%
	Student	14	1%	13	1%
	Casual worker – not in permanent employment	9	0%	7	0%
	Housewife/ Homemaker	17	1%	11	0%
	Retired and living on state pension	104	4%	85	3%
	Unemployed or not working due to long-term sickness	10	0%	7	0%
	Full-time carer of other household member	7	0%	5	0%
	Not working due to disability	4	0%	3	0%

	Total	2500	100%	2500	100%
	Unweighted total	2500		2500	
Social Grade	A	542	22%	554	22%
	B	988	40%	1010	40%
	C1	536	21%	550	22%
	C2	192	8%	211	8%
	D	91	4%	57	2%
	E	150	6%	118	5%
	Total	2500	100%	2500	100%
	Unweighted total	2500		2500	
Q4 Are you...?	Male	1704	68%	1754	70%
	Female	796	32%	746	30%
	Total	2500	100%	2500	100%
	Unweighted total	2500		2500	
Q5 Which of the following investment products, if any, do you hold?	Stocks & Shares ISA. This is not a cash ISA	1734	69%	1762	70%
	Junior Stocks & Shares ISA on behalf of a child. This is not a Junior cash ISA	342	14%	315	13%
	Occupational workplace pension scheme. This is a pension arranged via your employer, including a Defined Contribution pension	1548	62%	1558	62%
	Self-Invested Personal Pension. This is also called a SIPP	719	29%	714	29%
	An Individual Personal Pension. This is not a pension scheme connected with your employer	946	38%	939	38%
	An income drawdown plan. This is a policy through which your pension money is invested in a range of funds	290	12%	293	12%
	Investment funds (e.g. Unit Trusts, OEICS, Investment Trusts, exchanged traded funds - ETFs) which are not in an ISA or pension and where the investments are managed by a fund manager, rather than you picking assets such as shares and bonds.	1116	45%	1143	46%
	Cash based investments. This could include a Cash ISA or an NS&I account	1670	67%	1700	68%
	Stocks and shares not within an ISA	1169	47%	1207	48%
	None of these	0	0%	0	0%
	Total	2500	100%	2500	100%
Q6 Which of the following bands do your total investable assets fall into?	Under £10,000	0	0%	0	0%
	£10,000 - £29,999	606	24%	512	20%
	£30,000 - £49,999	372	15%	380	15%
	£50,000 - £74,999	313	13%	318	13%
	£75,000 - £99,999	237	9%	245	10%
	£100,000 - £149,999	190	8%	208	8%
	£150,000 - £199,999	118	5%	130	5%
	£200,000 - £249,999	120	5%	129	5%

	£250,000 - £349,999	157	6%	170	7%
	£350,000 - £499,999	139	6%	146	6%
	£500,000 - £999,999	175	7%	186	7%
	£1 million or more	72	3%	76	3%
	Would rather not state	0	0%	0	0%
	Total	2500	100%	2500	100%
	Unweighted total	2500		2500	
	AVG	193736.3		204430.5	
Asset segments for quota	£10,000 - £29,999	606	24%	512	20%
	£30,000 - £99,999	922	37%	943	38%
	£100,000 - £249,999	429	17%	467	19%
	£250,000+	543	22%	578	23%
	Total	2500	100%	2500	100%
	Unweighted total	2500		2500	
Q7 Within your Stocks & Shares ISA(s) do you ...	Make your own direct investments. This involves picking your own stocks and shares such as Royal Mail, or picking your own government bonds	297	16%	300	16%
	Invest in Funds (e.g. Unit Trusts, OEICs, ETFs, Investment Trusts). This involves a fund manager picking, monitoring and/or managing the underlying investments (e.g. company shares) for you so you don't choose them directly	847	46%	848	46%
	Both of the above	686	37%	701	38%
	Don't know	11	1%	10	1%
	Total	1842	100%	1859	100%
	Unweighted total	1859		1859	
	Q8 Within your Personal Pension(s) do you ...	Make your own direct investments. This involves picking your own stocks and shares such as Royal Mail, or picking your own government bonds	162	11%	159
Invest in Funds (e.g. Unit Trusts, OEICs, ETFs, Investment Trusts). This involves a fund manager picking, monitoring and/or managing the underlying investments (e.g. company shares) for you so you don't choose them directly		850	59%	846	59%
Both of the above		402	28%	398	28%
Don't know		31	2%	36	3%
Total		1445	100%	1439	100%
Unweighted total		1439		1439	
Q9 Within your income drawdown plan do you ...	Make your own direct investments. This involves picking your own stocks and shares such as Royal Mail, or picking your own government bonds	61	21%	56	19%
	Invest in Funds (e.g. Unit Trusts, OEICs, ETFs, Investment Trusts). This involves a fund manager picking, monitoring and/or managing the underlying investments (e.g. company shares) for you so you don't choose them directly	151	52%	158	54%
	Both of the above	75	26%	76	26%

	Don't know	3	1%	3	1%	
	Total	290	100%	293	100%	
	Unweighted total	293		293		
Fund products held	Stocks & shares ISA (including Junior ISAs) (MUST BE INVESTING IN FUNDS OR BOTH at Q7)	1533	61%	1549	62%	
	Personal Pension (MUST BE INVESTING IN FUNDS OR BOTH at Q8)	1252	50%	1244	50%	
	Income Drawdown plan (MUST BE INVESTING IN FUNDS OR BOTH at Q9)	226	9%	234	9%	
	Investment Funds (e.g. Unit Trusts, OEICS, Investment Trusts, ETFs) (Q5)	1116	45%	1143	46%	
	Total	2500	100%	2500	100%	
Q10 Thinking about when you last took out each of these investments, to what extent was a professional financial adviser involved in the final purchase/set up of your investment?	Stocks & Shares ISA	I arranged the investment myself without any input from a professional financial adviser at any stage	1023	67%	1046	68%
		I spoke to a professional financial adviser but then decided to arrange the investment myself	467	30%	454	29%
		A professional financial adviser arranged this investment for me	131	9%	135	9%
		Can't remember	3	0%	3	0%
		Total	1533	100%	1549	100%
	Personal Pension	I arranged the investment myself without any input from a professional financial adviser at any stage	561	45%	569	46%
		I spoke to a professional financial adviser but then decided to arrange the investment myself	517	41%	493	40%
		A professional financial adviser arranged this investment for me	225	18%	232	19%
		Can't remember	11	1%	12	1%
		Total	1252	100%	1244	100%

	Income Drawdown plan	I arranged the investment myself without any input from a professional financial adviser at any stage	95	42%	97	41%
		I spoke to a professional financial adviser but then decided to arrange the investment myself	94	41%	95	41%
		A professional financial adviser arranged this investment for me	67	30%	71	30%
		Can't remember	3	1%	3	1%
		Total	226	100%	234	100%
	Funds (e.g. Unit Trusts, OEICS, Investment Trusts, ETFs)	I arranged the investment myself without any input from a professional financial adviser at any stage	673	60%	702	61%
		I spoke to a professional financial adviser but then decided to arrange the investment myself	360	32%	356	31%
		A professional financial adviser arranged this investment for me	161	14%	165	14%
		Can't remember	10	1%	9	1%
		Total	1116	100%	1143	100%
Direct fund products held	Stocks & shares ISA	1455	58%	1466	59%	
	Personal Pension	1055	42%	1038	42%	
	Income Drawdown plan	171	7%	175	7%	
	Funds (e.g. Unit Trusts, OEICS, Investment Trusts, ETFs)	986	39%	1011	40%	
	Total	2500	100%	2500	100%	
Q11 Thinking about the investments you have which invest into funds (rather than cash or direct stocks and shares) and that you arranged yourself, please estimate the total value across all of these.	Less than £5,000	156	6%	141	6%	
	£5,000 - £9,999	328	13%	301	12%	
	£10,000 - £29,999	594	24%	577	23%	
	£30,000 - £49,999	346	14%	357	14%	
	£50,000 - £74,999	282	11%	292	12%	
	£75,000 - £99,999	178	7%	189	8%	
	£100,000 - £149,999	164	7%	173	7%	
	£150,000 - £199,999	92	4%	94	4%	

	£200,000 - £249,999	89	4%	93	4%
	£250,000 - £349,999	72	3%	75	3%
	£350,000 - £499,999	69	3%	74	3%
	£500,000 - £999,999	48	2%	50	2%
	£1 million or more	22	1%	23	1%
	Don't know	38	2%	39	2%
	Would rather not state	21	1%	22	1%
	Total	2500	100%	2500	100%
	Unweighted total	2500		2500	
	AVG	97938.2		101749.2	
Q12 Funds can be managed “actively” or “passively”.... How familiar are you with the terms “active” and “passive”?	Very familiar	652	26%	670	27%
	Quite familiar	1132	45%	1136	45%
	Not very familiar	507	20%	492	20%
	Not at all familiar	169	7%	163	7%
	Don't know	40	2%	39	2%
	Total	2500	100%	2500	100%
	Unweighted total	2500		2500	
AVG	2.9		2.9		
Q13 Do you know whether your investments are in active funds, passive funds or a combination of the two?	Active	652	26%	667	27%
	Passive	357	14%	347	14%
	I have investments in a mix of active and passive funds	1007	40%	1017	41%
	Neither	37	1%	38	2%
	Don't know / unsure	447	18%	431	17%
	Total	2500	100%	2500	100%
Unweighted total	2500		2500		
Q14 Which of these products that invest in funds and that you arranged yourself did you take out most recently?	Stocks & shares ISA	1207	48%	1211	48%
	Personal Pension	610	24%	588	24%
	Income Drawdown plan	80	3%	84	3%
	Funds (e.g. Unit Trusts, OEICS, Investment Trusts, ETFs)	603	24%	617	25%
	Total	2500	100%	2500	100%
Unweighted total	2500		2500		
Q15 When did you take out the [MOST RECENT PRODUCT] which you set up yourself?	Within the last 12 months	395	16%	399	16%
	1-2 years ago	420	17%	406	16%
	2-3 years ago	401	16%	390	16%
	3-5 years ago	347	14%	341	14%
	More than 5 years ago	905	36%	933	37%
	Don't know/ can't remember	32	1%	31	1%
	Total	2500	100%	2500	100%
Unweighted total	2500		2500		
Q16 You mentioned that when you took out your [MOST RECENT PRODUCT] you spoke to a professional	A bank or building society (e.g. HSBC, Halifax, Nationwide)	262	28%	248	27%
	A life and pensions company (e.g. Legal & General, Prudential, Aviva)	244	26%	230	25%
	A financial advice company	329	35%	322	35%

financial adviser. What type of firm did this adviser work in?	A wealth management company	90	9%	91	10%	
	Other (please specify)	12	1%	10	1%	
	Don't know/ can't remember	15	2%	14	2%	
	Total	952	100%	915	100%	
	Unweighted total	915		915		
Q17 Thinking about when you took out your [MOST RECENT PRODUCT], which of the following best describes the type of company or channel you invested with or invested through originally?	Bank or Building Society (e.g. HSBC, Halifax, Nationwide) offering funds from one or more providers	687	27%	661	26%	
	A life and pensions company (e.g. Legal & General, Prudential, Aviva)	694	28%	677	27%	
	An online investment website / platform / fund supermarket (e.g. Hargreaves Lansdown, Fidelity) offering funds from a range of different providers	809	32%	842	34%	
	Directly with the fund provider over the phone or via their website offering their own funds only (e.g. Blackrock, Artemis)	241	10%	252	10%	
	Don't know/ can't remember	69	3%	68	3%	
	Total	2500	100%	2500	100%	
	Unweighted total	2500		2500		
Q18 Which of the following factors, if any, had any influence on your choice of investment channel?	Existing relationship with the provider (e.g. if you bank with them or have other investments with them)	716	29%	723	29%	
	Reputation of the provider (e.g. the size of the company, their track record)	956	38%	978	39%	
	Convenience (e.g. of branch/ website access)	643	26%	645	26%	
	The range of products and services they offered (e.g. range of different ISAs or pension options)	625	25%	634	25%	
	Their charges	832	33%	855	34%	
	How easy their website was to use	567	23%	578	23%	
	Recommendation from a friend/family/colleague	422	17%	404	16%	
	Recommendation by a professional financial adviser	448	18%	440	18%	
	Advertising by the investment provider/ website	237	9%	237	9%	
	General internet search (e.g. Google)	347	14%	341	14%	
	A newspaper / financial magazine article or website	408	16%	418	17%	
	They were the provider of the fund range I was interested in	358	14%	363	15%	
	They were the provider of the specific fund I was interested in	256	10%	255	10%	
	Quality/availability of support	506	20%	508	20%	
	Other (please specify)	52	2%	54	2%	
	None	26	1%	25	1%	
	Can't remember/ don't know	84	3%	86	3%	
Total	2500	100%	2500	100%		
Q19 Please rate these factors in terms of how influential they were to	Existing relationship with the provider (e.g. if you bank with them)	Extremely influential	176	25%	175	24%
		Very influential	284	40%	290	40%

your choice of investment channel at the time.	or have other investments with them)	Quite influential	209	29%	209	29%
		Only a little influential	44	6%	45	6%
		Can't remember/ don't know	4	0%	4	1%
		Total	716	100%	723	100%
		Unweighted total	723		723	
		AVG	2.8		2.8	
	Reputation of the provider (e.g. the size of the company, their track record)	Extremely influential	244	26%	250	26%
		Very influential	475	50%	484	49%
		Quite influential	216	23%	223	23%
		Only a little influential	19	2%	19	2%
		Can't remember/ don't know	2	0%	2	0%
		Total	956	100%	978	100%
		Unweighted total	978		978	
		AVG	3.0		3.0	
	Convenience (e.g. of branch/ website access)	Extremely influential	121	19%	119	18%
		Very influential	277	43%	279	43%
		Quite influential	199	31%	201	31%
		Only a little influential	45	7%	45	7%
		Can't remember/ don't know	1	0%	1	0%
		Total	643	100%	645	100%
		Unweighted total	645		645	
		AVG	2.7		2.7	
	The range of products and services they offered (e.g. range of different ISAs or pension options)	Extremely influential	144	23%	145	23%
		Very influential	313	50%	322	51%
		Quite influential	145	23%	144	23%
		Only a little influential	20	3%	20	3%
		Can't remember/ don't know	3	0%	3	0%
Total		625	100%	634	100%	
Unweighted total		634		634		
AVG		2.9		2.9		
Their charges	Extremely influential	271	33%	270	32%	
	Very influential	334	40%	350	41%	
	Quite influential	192	23%	200	23%	
	Only a little influential	29	3%	30	4%	
	Can't remember/ don't know	5	1%	5	1%	
	Total	832	100%	855	100%	
	Unweighted total	855		855		

	AVG	3.0		3.0	
How easy their website was to use	Extremely influential	119	21%	120	21%
	Very influential	252	44%	258	45%
	Quite influential	163	29%	168	29%
	Only a little influential	31	5%	30	5%
	Can't remember/ don't know	2	0%	2	0%
	Total	567	100%	578	100%
	Unweighted total	578		578	
	AVG	2.8		2.8	
Recommendation from a friend/family/colleague	Extremely influential	93	22%	86	21%
	Very influential	176	42%	168	42%
	Quite influential	135	32%	131	32%
	Only a little influential	18	4%	18	4%
	Can't remember/ don't know	1	0%	1	0%
	Total	422	100%	404	100%
	Unweighted total	404		404	
	AVG	2.8		2.8	
Recommendation by a professional financial adviser	Extremely influential	78	17%	79	18%
	Very influential	207	46%	202	46%
	Quite influential	137	31%	133	30%
	Only a little influential	24	5%	24	5%
	Can't remember/ don't know	2	0%	2	0%
	Total	448	100%	440	100%
	Unweighted total	440		440	
	AVG	2.8		2.8	
Advertising by the investment provider/ website	Extremely influential	19	8%	18	8%
	Very influential	70	29%	67	28%
	Quite influential	103	43%	102	43%
	Only a little influential	46	19%	50	21%
	Can't remember/ don't know	0	0%	0	0%
	Total	237	100%	237	100%
	Unweighted total	237		237	
	AVG	2.3		2.2	
General internet search (e.g. Google)	Extremely influential	36	10%	35	10%
	Very influential	114	33%	112	33%
	Quite influential	144	42%	141	41%
	Only a little influential	51	15%	51	15%

		Can't remember/ don't know	2	1%	2	1%
		Total	347	100%	341	100%
		Unweighted total	341		341	
		AVG	2.4		2.4	
	A newspaper / financial magazine article or website	Extremely influential	49	12%	47	11%
		Very influential	133	33%	136	33%
		Quite influential	163	40%	169	40%
		Only a little influential	59	14%	62	15%
		Can't remember/ don't know	4	1%	4	1%
		Total	408	100%	418	100%
		Unweighted total	418		418	
		AVG	2.4		2.4	
	They were the provider of the fund range I was interested in	Extremely influential	65	18%	65	18%
		Very influential	148	41%	150	41%
		Quite influential	125	35%	126	35%
		Only a little influential	20	5%	20	6%
		Can't remember/ don't know	2	1%	2	1%
		Total	358	100%	363	100%
		Unweighted total	363		363	
		AVG	2.7		2.7	
	They were the provider of the specific fund I was interested in	Extremely influential	72	28%	69	27%
		Very influential	116	45%	115	45%
		Quite influential	57	22%	57	22%
		Only a little influential	11	4%	13	5%
		Can't remember/ don't know	1	0%	1	0%
		Total	256	100%	255	100%
		Unweighted total	255		255	
		AVG	3.0		2.9	
	Quality/availability of support	Extremely influential	106	21%	103	20%
		Very influential	226	45%	229	45%
		Quite influential	150	30%	151	30%
		Only a little influential	21	4%	22	4%
		Can't remember/ don't know	3	1%	3	1%
		Total	506	100%	508	100%
		Unweighted total	508		508	
		AVG	2.8		2.8	
	^f('s3q18_97_other')^	Extremely influential	24	46%	25	46%

		Very influential	19	37%	21	39%
		Quite influential	7	14%	7	13%
		Only a little influential	2	3%	1	2%
		Can't remember/don't know	0	0%	0	0%
		Total	52	100%	54	100%
		Unweighted total	54		54	
		AVG	3.3		3.3	
Q19a When you chose to invest in your [MOST RECENT PRODUCT], did you select the ready-made portfolio of funds offered by your provider or did you choose the individual fund(s) yourself?	I chose a ready-made portfolio of funds		940	50%	931	49%
	I chose the individual fund(s) myself		817	43%	818	43%
	Can't remember/don't know		141	7%	134	7%
	Total		1897	100%	1883	100%
	Unweighted total		1883		1883	
Q20 Did you look at the range of funds available to you?	I did not look at the funds in the ready-made portfolio		215	23%	213	23%
	I looked at the funds in the ready-made portfolio		629	67%	625	67%
	Can't remember/don't know		96	10%	93	10%
	Total		940	100%	931	100%
	Unweighted total		931		931	
Q20b How many funds did you compare before making your most recent investment?	None, I invested in the first fund I found		137	7%	136	7%
	2-5		1008	49%	1004	49%
	6-10		491	24%	497	24%
	11-20		142	7%	140	7%
	More than 20		104	5%	106	5%
	Can't remember/don't know		167	8%	177	9%
	Total		2049	100%	2060	100%
	Unweighted total		2060		2060	
Q20c Still thinking about your [MOST RECENT PRODUCT], please select the phrase which best describes how you compared funds:	I only looked at the fund(s) available through the ^f('S2D17a')^ that I used when I took out my most recent product		744	43%	737	42%
	I looked at different funds on different investment channels/websites		946	54%	952	54%
	Can't remember/don't know		55	3%	58	3%
	Total		1745	100%	1747	100%
	Unweighted total		1747		1747	
Q21 Which of the following information sources, if any, did you consult when deciding which fund(s) to invest in?	The Key Investor Information Document (KIID). This is a two page document that provides key information about the fund		503	25%	514	25%
	The fund factsheet / other brochure relating to the fund. These are longer documents which explain the fund's objective and risks in more detail		691	34%	710	34%
	Investment website, platform or fund supermarket. These websites offer funds from a range of different providers		632	31%	645	31%

	Morningstar	226	11%	230	11%	
	Fund ratings / comparison website (other than Morningstar)	393	19%	396	19%	
	'Best buy' or recommended list. This is a list of the top funds to invest in, usually provided on an investment website (e.g. The 'Wealth 150' by Hargreaves Lansdown, or Morningstar ratings)	603	29%	616	30%	
	Provider's own website	631	31%	635	31%	
	A newspaper / financial magazine	510	25%	525	25%	
	Friends and family	396	19%	376	18%	
	A financial adviser from a bank/ building society	287	14%	277	13%	
	A financial adviser who does not work for a bank/ building society	335	16%	329	16%	
	Employer	144	7%	133	6%	
	General internet search (e.g. Google)	565	28%	560	27%	
	Other (please specify)	19	1%	20	1%	
	None	55	3%	57	3%	
	Can't remember/ don't know	51	2%	53	3%	
	Total	2049	100%	2060	100%	
Q22 How useful did you find each of these information sources?	The Key Investor Information Document (KIID). This is a two page document that provides key information about the fund	Very useful	146	29%	147	29%
		Quite useful	295	59%	304	59%
		Not particularly useful	58	12%	59	11%
		Not at all useful	2	0%	2	0%
		Can't remember/ don't know	2	0%	2	0%
		Total	503	100%	514	100%
		Unweighted total	514		514	
	AVG	3.2		3.2		
	The fund factsheet / other brochure relating to the fund. These are longer documents which explain the fund's objective and risks in more detail	Very useful	250	36%	263	37%
		Quite useful	397	57%	401	56%
		Not particularly useful	40	6%	41	6%
		Not at all useful	1	0%	1	0%
		Can't remember/ don't know	3	0%	4	1%
		Total	691	100%	710	100%
		Unweighted total	710		710	
	AVG	3.3		3.3		
	Investment website, platform or fund supermarket. These websites offer funds from a range of different providers	Very useful	209	33%	214	33%
		Quite useful	369	58%	378	59%
		Not particularly useful	47	7%	46	7%
		Not at all useful	4	1%	4	1%
		Can't remember/ don't know	3	1%	3	0%
Total		632	100%	645	100%	
Unweighted total		645		645		

	AVG	3.2		3.2	
Morningstar	Very useful	87	39%	87	38%
	Quite useful	113	50%	117	51%
	Not particularly useful	24	10%	23	10%
	Not at all useful	3	1%	3	1%
	Can't remember/ don't know	0	0%	0	0%
	Total	226	100%	230	100%
	Unweighted total	230		230	
	AVG	3.3		3.3	
Fund ratings / comparison website (other than Morningstar)	Very useful	108	27%	107	27%
	Quite useful	235	60%	240	61%
	Not particularly useful	40	10%	39	10%
	Not at all useful	2	1%	2	1%
	Can't remember/ don't know	8	2%	8	2%
	Total	393	100%	396	100%
	Unweighted total	396		396	
	AVG	3.2		3.2	
'Best buy' or recommended list. This is a list of the top funds to invest in, usually provided on an investment website (e.g. The 'Wealth 150' by Hargreaves Lansdown, or Morningstar ratings)	Very useful	184	31%	191	31%
	Quite useful	367	61%	373	61%
	Not particularly useful	45	8%	45	7%
	Not at all useful	2	0%	2	0%
	Can't remember/ don't know	5	1%	5	1%
	Total	603	100%	616	100%
	Unweighted total	616		616	
	AVG	3.2		3.2	
Provider's own website	Very useful	152	24%	154	24%
	Quite useful	390	62%	394	62%
	Not particularly useful	74	12%	72	11%
	Not at all useful	10	2%	10	2%
	Can't remember/ don't know	5	1%	5	1%
	Total	631	100%	635	100%
	Unweighted total	635		635	
	AVG	3.1		3.1	
A newspaper / financial magazine	Very useful	99	19%	102	19%
	Quite useful	339	67%	350	67%
	Not particularly useful	64	12%	64	12%
	Not at all useful	6	1%	6	1%
	Can't remember/ don't know	2	0%	3	1%

	Total	510	100%	525	100%
	Unweighted total	525		525	
	AVG	3.0		3.0	
Friends and family	Very useful	123	31%	116	31%
	Quite useful	222	56%	210	56%
	Not particularly useful	45	11%	43	11%
	Not at all useful	6	2%	6	2%
	Can't remember/ don't know	1	0%	1	0%
	Total	396	100%	376	100%
	Unweighted total	376		376	
	AVG	3.2		3.2	
	A financial adviser from a bank/ building society	Very useful	104	36%	100
Quite useful		147	51%	143	52%
Not particularly useful		28	10%	28	10%
Not at all useful		3	1%	3	1%
Can't remember/ don't know		4	1%	3	1%
Total		287	100%	277	100%
Unweighted total		277		277	
AVG		3.2		3.2	
A financial adviser who does not work for a bank/ building society	Very useful	141	42%	140	43%
	Quite useful	169	51%	165	50%
	Not particularly useful	19	6%	18	5%
	Not at all useful	5	2%	5	2%
	Can't remember/ don't know	1	0%	1	0%
	Total	335	100%	329	100%
	Unweighted total	329		329	
	AVG	3.3		3.3	
Employer	Very useful	41	28%	38	29%
	Quite useful	63	43%	58	44%
	Not particularly useful	29	20%	26	20%
	Not at all useful	6	4%	6	5%
	Can't remember/ don't know	5	3%	5	4%
	Total	144	100%	133	100%
	Unweighted total	133		133	
	AVG	3.0		3.0	
General internet search (e.g. Google)	Very useful	133	24%	132	24%
	Quite useful	320	57%	317	57%
	Not particularly useful	98	17%	96	17%
	Not at all useful	10	2%	11	2%

	Can't remember/ don't know	4	1%	4	1%	
	Total	565	100%	560	100%	
	Unweighted total	560		560		
	AVG	3.0		3.0		
	^f('s3q21_97_other')^	Very useful	15	81%	16	80%
		Quite useful	4	19%	4	20%
		Not particularly useful	0	0%	0	0%
		Not at all useful	0	0%	0	0%
		Can't remember/ don't know	0	0%	0	0%
		Total	19	100%	20	100%
Unweighted total		20		20		
AVG	3.8		3.8			
Q24a Did you look at any of the charges when you made your investment?	Yes	1923	77%	1932	77%	
	No	372	15%	363	15%	
	Don't know/ can't remember	205	8%	205	8%	
	Total	2500	100%	2500	100%	
	Unweighted total	2500		2500		
Q25 Which charges did you look at when you made your investment?	Your ISA provider's product charges	494	26%	503	26%	
	Your pension provider's product charges	268	14%	266	14%	
	Your platform provider's charges	438	23%	459	24%	
	Your ongoing fund charges	1385	72%	1401	73%	
	Your investment fund's entry charges	1033	54%	1049	54%	
	Your investment fund's exit charges	785	41%	786	41%	
	Other charges (please specify)	15	1%	16	1%	
	Can't remember the detail	103	5%	106	5%	
	Total	1923	100%	1932	100%	
Q26a You mentioned you looked at your ongoing fund charges. Which of the following did you look at?	The Annual Management Charge (AMC)	1007	73%	1021	73%	
	The Ongoing Charges Figure (OCF)	579	42%	590	42%	
	Your investment fund's total expense ratio	161	12%	169	12%	
	Can't remember the detail	200	14%	199	14%	
	Total	1385	100%	1401	100%	
Q26a - additional info	AMC and OCF selected	446	100%	456	100%	
Q28 Which of the following factors, if any, were influential to any extent in your choice of the funds in your investment?	What the fund would be investing in (e.g. the assets, sectors, geography, size of company)	608	30%	629	31%	
	The charges	919	45%	938	46%	
	The reputation of the individual in charge of the fund	531	26%	544	26%	
	The reputation of the firm managing the fund	815	40%	837	41%	
	How quickly you can withdraw/redeem the money from your investment	423	21%	417	20%	
	Ability to monitor and access your investment online	621	30%	628	30%	
	Past performance of the fund	908	44%	933	45%	

	Inclusion in a platform's top funds list / best buy list (e.g. The 'Wealth 150' by Hargreaves Lansdown, or Morningstar ratings)	328	16%	338	16%	
	Rating by a third party such as Morningstar	289	14%	293	14%	
	The fund's risk rating (a score from 1-7 indicating the level of risk)	527	26%	534	26%	
	Any other risks associated with the fund (e.g. currency risk - where the fund value may vary according to the local currency value)	253	12%	253	12%	
	The fund's objective (for example, to beat a market benchmark)	509	25%	518	25%	
	The fund's name	213	10%	215	10%	
	The terms and conditions associated with the fund	371	18%	371	18%	
	The fund's benchmark (this is a measure against which the performance of a fund is compared)	385	19%	399	19%	
	The likely return of the fund	885	43%	905	44%	
	The popularity or size of the fund	333	16%	333	16%	
	Opportunity to invest in a new fund during the initial offer period	266	13%	265	13%	
	Funds invested ethically (e.g. not investing in tobacco, defence)	225	11%	214	10%	
	Other (please specify)	18	1%	21	1%	
	None	19	1%	18	1%	
	Can't remember/ don't know	50	2%	51	2%	
	Total	2049	100%	2060	100%	
Q29 Please rate these factors in terms of how influential they were to your choice of funds at the time.	What the fund would be investing in (e.g. the assets, sectors, geography, size of company)	Extremely influential	196	32%	202	32%
		Very influential	262	43%	270	43%
		Quite influential	131	22%	138	22%
		Only a little influential	17	3%	18	3%
		Can't remember/ don't know	1	0%	1	0%
		Total	608	100%	629	100%
		Unweighted total	629	629		
	AVG	3.0	3.0			
	The charges	Extremely influential	257	28%	258	28%
		Very influential	426	46%	435	46%
		Quite influential	216	24%	225	24%
		Only a little influential	18	2%	17	2%
		Can't remember/ don't know	3	0%	3	0%
		Total	919	100%	938	100%
		Unweighted total	938	938		
	AVG	3.0	3.0			
	The reputation of the	Extremely	169	32%	174	32%

	individual in charge of the fund	influential				
		Very influential	220	41%	223	41%
		Quite influential	125	23%	129	24%
		Only a little influential	15	3%	15	3%
		Can't remember/ don't know	3	0%	3	1%
		Total	531	100%	544	100%
		Unweighted total	544		544	
		AVG	3.0		3.0	
	The reputation of the firm managing the fund	Extremely influential	221	27%	229	27%
		Very influential	381	47%	389	46%
		Quite influential	195	24%	200	24%
		Only a little influential	16	2%	17	2%
		Can't remember/ don't know	2	0%	2	0%
		Total	815	100%	837	100%
		Unweighted total	837		837	
		AVG	3.0		3.0	
	How quickly you can withdraw/redeem the money from your investment	Extremely influential	115	27%	113	27%
		Very influential	180	42%	174	42%
		Quite influential	113	27%	116	28%
		Only a little influential	16	4%	14	3%
		Can't remember/ don't know	0	0%	0	0%
		Total	423	100%	417	100%
		Unweighted total	417		417	
		AVG	2.9		2.9	
	Ability to monitor and access your investment online	Extremely influential	186	30%	191	30%
		Very influential	281	45%	279	44%
		Quite influential	140	23%	143	23%
		Only a little influential	13	2%	14	2%
Can't remember/ don't know		1	0%	1	0%	
Total		621	100%	628	100%	
Unweighted total		628		628		
AVG		3.0		3.0		
Past performance of the fund	Extremely influential	243	27%	245	26%	
	Very influential	418	46%	429	46%	
	Quite influential	225	25%	235	25%	
	Only a little influential	20	2%	22	2%	
	Can't remember/ don't know	2	0%	2	0%	

	Total	908	100%	933	100%
	Unweighted total	933		933	
	AVG	3.0		3.0	
Inclusion in a platform's top funds list / best buy list (e.g. The 'Wealth 150' by Hargreaves Lansdown, or Morningstar ratings)	Extremely influential	71	22%	73	22%
	Very influential	147	45%	149	44%
	Quite influential	96	29%	102	30%
	Only a little influential	11	3%	11	3%
	Can't remember/ don't know	3	1%	3	1%
	Total	328	100%	338	100%
	Unweighted total	338		338	
	AVG	2.9		2.8	
	Rating by a third party such as Morningstar	Extremely influential	57	20%	57
Very influential		130	45%	133	45%
Quite influential		89	31%	90	31%
Only a little influential		12	4%	12	4%
Can't remember/ don't know		1	0%	1	0%
Total		289	100%	293	100%
Unweighted total		293		293	
AVG		2.8		2.8	
The fund's risk rating (a score from 1-7 indicating the level of risk)		Extremely influential	116	22%	116
	Very influential	259	49%	261	49%
	Quite influential	133	25%	138	26%
	Only a little influential	18	3%	18	3%
	Can't remember/ don't know	1	0%	1	0%
	Total	527	100%	534	100%
	Unweighted total	534		534	
	AVG	2.9		2.9	
	Any other risks associated with the fund (e.g. currency risk - where the fund value may vary according to the local currency value)	Extremely influential	50	20%	49
Very influential		111	44%	110	43%
Quite influential		78	31%	79	31%
Only a little influential		15	6%	15	6%
Can't remember/ don't know		0	0%	0	0%
Total		253	100%	253	100%
Unweighted total		253		253	
AVG		2.8		2.8	
The fund's objective (for example, to beat a market benchmark)		Extremely influential	91	18%	92
	Very influential	239	47%	237	46%

		Quite influential	156	31%	163	31%
		Only a little influential	19	4%	21	4%
		Can't remember/ don't know	5	1%	5	1%
		Total	509	100%	518	100%
		Unweighted total	518		518	
		AVG	2.8		2.8	
	The fund's name	Extremely influential	30	14%	29	13%
		Very influential	90	42%	88	41%
		Quite influential	66	31%	69	32%
		Only a little influential	26	12%	28	13%
		Can't remember/ don't know	1	0%	1	0%
		Total	213	100%	215	100%
		Unweighted total	215		215	
		AVG	2.6		2.6	
	The terms and conditions associated with the fund	Extremely influential	89	24%	89	24%
		Very influential	161	43%	157	42%
		Quite influential	104	28%	108	29%
		Only a little influential	15	4%	16	4%
		Can't remember/ don't know	1	0%	1	0%
		Total	371	100%	371	100%
		Unweighted total	371		371	
		AVG	2.9		2.9	
	The fund's benchmark (this is a measure against which the performance of a fund is compared)	Extremely influential	70	18%	71	18%
		Very influential	188	49%	198	50%
		Quite influential	103	27%	106	27%
		Only a little influential	21	5%	22	6%
		Can't remember/ don't know	2	1%	2	1%
Total		385	100%	399	100%	
Unweighted total		399		399		
AVG		2.8		2.8		
The likely return of the fund	Extremely influential	295	33%	299	33%	
	Very influential	415	47%	429	47%	
	Quite influential	162	18%	164	18%	
	Only a little influential	11	1%	11	1%	
	Can't remember/ don't know	2	0%	2	0%	
	Total	885	100%	905	100%	
	Unweighted total	905		905		

		AVG	3.1		3.1	
	The popularity or size of the fund	Extremely influential	57	17%	56	17%
		Very influential	150	45%	151	45%
		Quite influential	103	31%	102	31%
		Only a little influential	23	7%	24	7%
		Can't remember/ don't know	0	0%	0	0%
		Total	333	100%	333	100%
		Unweighted total	333		333	
		AVG	2.7		2.7	
	Opportunity to invest in a new fund during the initial offer period	Extremely influential	62	23%	62	23%
		Very influential	94	35%	95	36%
		Quite influential	87	33%	84	32%
		Only a little influential	21	8%	22	8%
		Can't remember/ don't know	2	1%	2	1%
		Total	266	100%	265	100%
		Unweighted total	265		265	
		AVG	2.7		2.7	
	Funds invested ethically (e.g. not investing in tobacco, defence)	Extremely influential	68	30%	64	30%
		Very influential	89	40%	84	39%
		Quite influential	56	25%	54	25%
		Only a little influential	11	5%	11	5%
		Can't remember/ don't know	1	0%	1	0%
		Total	225	100%	214	100%
		Unweighted total	214		214	
		AVG	3.0		2.9	
	^f('s3q28_97_Other')^	Extremely influential	10	53%	11	52%
		Very influential	7	37%	8	38%
		Quite influential	2	10%	2	10%
		Only a little influential	0	0%	0	0%
		Can't remember/ don't know	0	0%	0	0%
		Total	18	100%	21	100%
		Unweighted total	21		21	
AVG		3.4		3.4		
Q30 Do you pay fund charges on your [MOST RECENT PRODUCT]?	Yes	1234	49%	1241	50%	
	No	728	29%	722	29%	
	Not sure	538	22%	537	21%	
	Total	2500	100%	2500	100%	
	Unweighted total	2500		2500		

Q31 Which of the following fund charges do you pay for investing your money in your [MOST RECENT PRODUCT]?	Ongoing charges (Annual Management Charge – AMC / Ongoing Charges Figure - OCF)	845	68%	852	69%
	Other fund costs and charges not included in the ongoing charge	251	20%	246	20%
	Platform charges	182	15%	193	16%
	I know I pay charges, but I don't know the detail	173	14%	176	14%
	Total	1234	100%	1241	100%
Q31a How long do you expect to keep your money invested in your [MOST RECENT PRODUCT]?	About to redeem my investments or switch them to another fund manager	70	3%	71	3%
	1 year	152	6%	144	6%
	2-4 years	551	22%	541	22%
	5-10 years	768	31%	786	31%
	More than 10 years	685	27%	677	27%
	Don't know	274	11%	281	11%
	Total	2500	100%	2500	100%
Unweighted total	2500		2500		
Q31b Please imagine a scenario where you have £10,000 to invest, and the fund you are looking to invest in has two fee structures which you can choose from. Would you prefer to be charged an annual fee of:	1.5% of your investment	309	12%	294	12%
	£100	1661	66%	1677	67%
	I don't have a preference between these	402	16%	402	16%
	Don't know	128	5%	127	5%
	Total	2500	100%	2500	100%
	Unweighted total	2500		2500	
Q33 How often, if at all, do you look at the value of any of your investments?	At least once a week	618	25%	637	25%
	Once a month	648	26%	652	26%
	Once a quarter	515	21%	506	20%
	Once every six months	337	13%	338	14%
	Once a year	255	10%	248	10%
	Less than once a year	71	3%	67	3%
	Following a significant lifestyle change / event	33	1%	30	1%
	Never	23	1%	22	1%
	Total	2500	100%	2500	100%
	Unweighted total	2500		2500	
Q32 And apart from looking at the value of your investments, how often, if at all, do you review your investments?	At least once a week	269	11%	268	11%
	Once a month	497	20%	493	20%
	Once a quarter	600	24%	599	24%
	Once every six months	427	17%	434	17%
	Once a year	402	16%	404	16%
	Less than once a year	159	6%	158	6%
	Following a significant lifestyle change / event	73	3%	72	3%
	Never	73	3%	72	3%
	Total	2500	100%	2500	100%
	Unweighted total	2500		2500	

Q34 Which sources of information, if any, do you recall having reviewed in relation to your existing fund investments? Please exclude any which you looked at only when you were setting up/choosing the investment initially.	Key investor information document (KIID). This is a two page document which provides key information about the fund	647	27%	639	26%	
	The fund factsheet / other brochure relating to the fund. These are longer documents which explain the fund's objective and risks in more detail	870	36%	874	36%	
	Annual report / Annual statement	1358	56%	1359	56%	
	News related to your fund or fund manager in the press	871	36%	891	37%	
	Information on web-based fund monitoring tools	792	33%	798	33%	
	Other (please specify)	73	3%	79	3%	
	None	68	3%	68	3%	
	Can't remember/ don't know	130	5%	128	5%	
	Total	2427	100%	2428	100%	
Q35 Please rate each of these in terms of how important they are in helping you review your existing fund investments.	Key investor information document (KIID). This is a two page document which provides key information about the fund	Very important	186	29%	182	28%
		Important	363	56%	362	57%
		Slightly important	92	14%	89	14%
		Not important	3	0%	3	0%
		Don't know	4	1%	3	0%
		Total	647	100%	639	100%
		Unweighted total	639	639		
		AVG	3.1	3.1		
	The fund factsheet / other brochure relating to the fund. These are longer documents which explain the fund's objective and risks in more detail	Very important	248	29%	246	28%
		Important	500	58%	505	58%
		Slightly important	116	13%	118	14%
		Not important	3	0%	3	0%
		Don't know	2	0%	2	0%
		Total	870	100%	874	100%
		Unweighted total	874	874		
		AVG	3.1	3.1		
	Annual report / Annual statement	Very important	430	32%	424	31%
		Important	700	52%	707	52%
		Slightly important	214	16%	215	16%
		Not important	12	1%	12	1%
		Don't know	1	0%	1	0%
		Total	1358	100%	1359	100%
		Unweighted total	1359	1359		
		AVG	3.1	3.1		
	News related to your fund or fund manager in the press	Very important	213	24%	213	24%
		Important	463	53%	474	53%
		Slightly important	184	21%	193	22%
		Not important	10	1%	9	1%
Don't know		2	0%	2	0%	

		Total	871	100%	891	100%
		Unweighted total	891		891	
		AVG	3.0		3.0	
	Information on web-based fund monitoring tools	Very important	244	31%	245	31%
		Important	412	52%	415	52%
		Slightly important	127	16%	129	16%
		Not important	9	1%	9	1%
		Don't know	0	0%	0	0%
		Total	792	100%	798	100%
		Unweighted total	798		798	
		AVG	3.1		3.1	
	^f('s4q34_97_Other')^	Very important	46	64%	51	65%
		Important	22	31%	24	30%
		Slightly important	4	6%	4	5%
		Not important	0	0%	0	0%
		Don't know	0	0%	0	0%
		Total	73	100%	79	100%
		Unweighted total	79		79	
		AVG	3.6		3.6	
Q36 What factors, if any, do you consider when assessing your fund(s)?	Return on your investment		1421	59%	1444	59%
	Quality of support staff that work for the fund management company		312	13%	306	13%
	Quality of website / online services provided		424	17%	419	17%
	Overall charges and fees		1103	45%	1121	46%
	How stable the fund performance has been (i.e. avoiding large ups and downs)		883	36%	892	37%
	Managing the fund / product according to its objective		438	18%	437	18%
	Knowledge and skills of the fund manager		582	24%	602	25%
	Performance of the fund over the last year		938	39%	954	39%
	Performance of the fund over the last 3 years or longer		1206	50%	1245	51%
	Ongoing fees charged by the fund manager		883	36%	898	37%
	Other charges paid for out of the fund (other than ongoing charges)		455	19%	466	19%
	Platform charges		199	8%	209	9%
	Fund value		1029	42%	1035	43%
	Other (please specify)		12	0%	12	0%
	None of these, as my product provider assesses funds on my behalf		37	2%	36	1%
	None, I don't consider any factors		30	1%	27	1%
	Can't remember/ don't know		52	2%	50	2%
Total		2427	100%	2428	100%	
Q37 Please rate each of these in terms of how	Return on your investment	Extremely important	734	52%	750	52%

important the factor is when you make an assessment of your fund.		Very important	573	40%	578	40%
		Quite important	108	8%	111	8%
		Only a little important	5	0%	4	0%
		Don't know	1	0%	1	0%
		Total	1421	100%	1444	100%
		Unweighted total	1444		1444	
		AVG	3.4		3.4	
	Quality of support staff that work for the fund management company	Extremely important	112	36%	108	35%
		Very important	144	46%	141	46%
		Quite important	54	17%	55	18%
		Only a little important	2	1%	2	1%
		Don't know	0	0%	0	0%
		Total	312	100%	306	100%
		Unweighted total	306		306	
	AVG	3.2		3.2		
	Quality of website / online services provided	Extremely important	101	24%	96	23%
		Very important	191	45%	189	45%
		Quite important	120	28%	122	29%
		Only a little important	12	3%	12	3%
		Don't know	0	0%	0	0%
		Total	424	100%	419	100%
		Unweighted total	419		419	
	AVG	2.9		2.9		
	Overall charges and fees	Extremely important	335	30%	337	30%
		Very important	503	46%	510	45%
		Quite important	250	23%	260	23%
		Only a little important	15	1%	14	1%
		Don't know	0	0%	0	0%
Total		1103	100%	1121	100%	
Unweighted total		1121		1121		
AVG	3.0		3.0			
How stable the fund performance has been (i.e. avoiding large ups and downs)	Extremely important	243	27%	241	27%	
	Very important	425	48%	426	48%	
	Quite important	201	23%	211	24%	
	Only a little important	13	1%	13	1%	
	Don't know	1	0%	1	0%	
	Total	883	100%	892	100%	
	Unweighted total	892		892		
AVG	3.0		3.0			

	Managing the fund / product according to its objective	Extremely important	125	29%	121	28%
		Very important	230	52%	232	53%
		Quite important	73	17%	74	17%
		Only a little important	10	2%	10	2%
		Don't know	0	0%	0	0%
		Total	438	100%	437	100%
		Unweighted total	437		437	
		AVG	3.1		3.1	
	Knowledge and skills of the fund manager	Extremely important	232	40%	241	40%
		Very important	272	47%	281	47%
		Quite important	72	12%	75	12%
		Only a little important	5	1%	5	1%
		Don't know	0	0%	0	0%
		Total	582	100%	602	100%
		Unweighted total	602		602	
		AVG	3.3		3.3	
	Performance of the fund over the last year	Extremely important	257	27%	254	27%
		Very important	431	46%	438	46%
		Quite important	233	25%	244	26%
		Only a little important	17	2%	17	2%
		Don't know	1	0%	1	0%
		Total	938	100%	954	100%
		Unweighted total	954		954	
		AVG	3.0		3.0	
	Performance of the fund over the last 3 years or longer	Extremely important	383	32%	390	31%
		Very important	591	49%	613	49%
		Quite important	214	18%	222	18%
		Only a little important	19	2%	19	2%
Don't know		1	0%	1	0%	
Total		1206	100%	1245	100%	
Unweighted total		1245		1245		
AVG		3.1		3.1		
Ongoing fees charged by the fund manager	Extremely important	278	31%	276	31%	
	Very important	401	45%	406	45%	
	Quite important	185	21%	196	22%	
	Only a little important	18	2%	18	2%	
	Don't know	2	0%	2	0%	
	Total	883	100%	898	100%	
	Unweighted total	898		898		

		AVG	3.1		3.0	
Other charges paid for out of the fund (other than ongoing charges)	Extremely important	149	33%	151	32%	
	Very important	203	45%	208	45%	
	Quite important	88	19%	91	20%	
	Only a little important	15	3%	16	3%	
	Don't know	0	0%	0	0%	
	Total	455	100%	466	100%	
	Unweighted total	466		466		
	AVG	3.1		3.1		
Platform charges	Extremely important	40	20%	42	20%	
	Very important	83	42%	88	42%	
	Quite important	63	32%	66	32%	
	Only a little important	11	6%	12	6%	
	Don't know	1	1%	1	0%	
	Total	199	100%	209	100%	
	Unweighted total	209		209		
	AVG	2.8		2.8		
Fund value	Extremely important	393	38%	392	38%	
	Very important	440	43%	444	43%	
	Quite important	177	17%	180	17%	
	Only a little important	17	2%	17	2%	
	Don't know	2	0%	2	0%	
	Total	1029	100%	1035	100%	
	Unweighted total	1035		1035		
	AVG	3.2		3.2		
^f('s4q36_97_Other')^	Extremely important	8	67%	8	67%	
	Very important	3	24%	3	25%	
	Quite important	1	9%	1	8%	
	Only a little important	0	0%	0	0%	
	Don't know	0	0%	0	0%	
	Total	12	100%	12	100%	
	Unweighted total	12		12		
	AVG	3.6		3.6		
Q39 Have you ever switched your money from one fund to another fund?	Yes	928	37%	948	38%	
	No	1494	60%	1473	59%	
	Don't know/ can't remember	78	3%	79	3%	
	Total	2500	100%	2500	100%	
	Unweighted total	2500		2500		
Q40 When you switched your money	Yes	726	78%	743	78%	
	No	187	20%	191	20%	

from one fund to another, did you make the switch yourself (i.e. without going through a financial adviser)?	Don't know/ can't remember		15	2%	14	1%
	Total		928	100%	948	100%
	Unweighted total		948		948	
Q41 When was the last time that you switched your money from one fund to another?	Within the last 12 months		256	35%	270	36%
	1-2 years ago		223	31%	224	30%
	2-3 years ago		146	20%	146	20%
	3-5 years ago		68	9%	68	9%
	More than 5 years ago		30	4%	31	4%
	Don't know/ can't remember		4	1%	4	1%
	Total		726	100%	743	100%
	Unweighted total		743		743	
Q42 What prompted you to switch from one fund to another?	Poor investment performance		288	40%	300	40%
	Poor service of the company managing the fund		66	9%	67	9%
	Advice from your adviser		63	9%	61	8%
	Recommendation by a friend		61	8%	59	8%
	Fund was removed from a 'best buy' or recommended list (e.g. removed from 'Wealth 150' by Hargreaves Lansdown, or Morningstar rating changed)		99	14%	97	13%
	Tip from a magazine / newspaper / website		64	9%	65	9%
	Moved in order to follow a particular fund manager		75	10%	76	10%
	Found a similar fund that was cheaper		101	14%	98	13%
	Found a fund which was performing better		269	37%	276	37%
	A new fund came on to the market		111	15%	110	15%
	Needed to diversify (e.g. realised too heavily invested in a single sector/asset class)		180	25%	186	25%
	Needed to change investment strategy		149	21%	152	20%
	Other (please specify)		39	5%	43	6%
	Don't know/ can't remember		5	1%	5	1%
Total		726	100%	743	100%	
Q43 Please rate these factors in terms of how influential they were to your choice to switch at the time.	Poor investment performance	Extremely influential	151	53%	162	54%
		Very influential	104	36%	106	35%
		Quite influential	29	10%	28	9%
		Only a little influential	5	2%	4	1%
		Can't remember/ don't know	0	0%	0	0%
		Total	288	100%	300	100%
		Unweighted total	300		300	
	AVG	3.4		3.4		
	Poor service of the company managing the fund	Extremely influential	31	47%	31	46%
		Very influential	25	38%	26	39%
		Quite influential	10	15%	10	15%
		Only a little	0	0%	0	0%

		influential				
		Can't remember/ don't know	0	0%	0	0%
		Total	66	100%	67	100%
		Unweighted total	67		67	
		AVG	3.3		3.3	
	Advice from your adviser	Extremely influential	17	27%	17	28%
		Very influential	36	57%	35	57%
		Quite influential	6	10%	6	10%
		Only a little influential	4	6%	3	5%
		Can't remember/ don't know	0	0%	0	0%
		Total	63	100%	61	100%
		Unweighted total	61		61	
		AVG	3.0		3.1	
	Recommendation by a friend	Extremely influential	16	27%	15	25%
		Very influential	29	47%	28	47%
		Quite influential	16	26%	16	27%
		Only a little influential	0	0%	0	0%
		Can't remember/ don't know	0	0%	0	0%
		Total	61	100%	59	100%
		Unweighted total	59		59	
AVG		3.0		3.0		
Fund was removed from a 'best buy' or recommended list (e.g. removed from 'Wealth 150' by Hargreaves Lansdown, or Morningstar rating changed)	Extremely influential	33	33%	30	31%	
	Very influential	42	42%	42	43%	
	Quite influential	21	21%	22	23%	
	Only a little influential	3	3%	3	3%	
	Can't remember/ don't know	0	0%	0	0%	
	Total	99	100%	97	100%	
	Unweighted total	97		97		
	AVG	3.1		3.0		
Tip from a magazine / newspaper / website	Extremely influential	16	24%	15	23%	
	Very influential	26	40%	25	38%	
	Quite influential	21	33%	23	35%	
	Only a little influential	1	2%	1	2%	
	Can't remember/ don't know	1	2%	1	2%	
	Total	64	100%	65	100%	
	Unweighted total	65		65		
	AVG	2.9		2.8		

	Moved in order to follow a particular fund manager	Extremely influential	27	36%	27	36%
		Very influential	30	40%	29	38%
		Quite influential	16	21%	17	22%
		Only a little influential	3	4%	3	4%
		Can't remember/ don't know	0	0%	0	0%
		Total	75	100%	76	100%
		Unweighted total	76		76	
		AVG	3.1		3.1	
	Found a similar fund that was cheaper	Extremely influential	41	41%	40	41%
		Very influential	46	46%	45	46%
		Quite influential	13	13%	13	13%
		Only a little influential	0	0%	0	0%
		Can't remember/ don't know	0	0%	0	0%
		Total	101	100%	98	100%
		Unweighted total	98		98	
		AVG	3.3		3.3	
	Found a fund which was performing better	Extremely influential	110	41%	114	41%
		Very influential	123	46%	125	45%
		Quite influential	34	13%	35	13%
		Only a little influential	2	1%	2	1%
		Can't remember/ don't know	0	0%	0	0%
		Total	269	100%	276	100%
		Unweighted total	276		276	
		AVG	3.3		3.3	
	A new fund came on to the market	Extremely influential	27	24%	24	22%
		Very influential	55	49%	55	50%
		Quite influential	24	22%	26	24%
		Only a little influential	5	5%	5	5%
Can't remember/ don't know		0	0%	0	0%	
Total		111	100%	110	100%	
Unweighted total		110		110		
AVG		2.9		2.9		
Needed to diversify (e.g. realised too heavily invested in a single sector/asset class)	Extremely influential	62	35%	64	34%	
	Very influential	72	40%	75	40%	
	Quite influential	41	23%	43	23%	
	Only a little influential	3	2%	3	2%	
	Can't remember/	1	1%	1	1%	

		don't know				
		Total	180	100%	186	100%
		Unweighted total	186		186	
		AVG	3.1		3.1	
	Needed to change investment strategy	Extremely influential	72	48%	73	48%
		Very influential	53	35%	54	36%
		Quite influential	23	15%	23	15%
		Only a little influential	2	1%	2	1%
		Can't remember/ don't know	0	0%	0	0%
		Total	149	100%	152	100%
		Unweighted total	152		152	
	AVG	3.3		3.3		
	^f('s5q42_97_Other')^	Extremely influential	29	73%	31	72%
Very influential		8	20%	9	21%	
Quite influential		3	7%	3	7%	
Only a little influential		0	0%	0	0%	
Can't remember/ don't know		0	0%	0	0%	
Total		39	100%	43	100%	
Unweighted total		43		43		
AVG	3.7		3.7			
Q44 Have you ever seriously considered switching your money from one fund to another and then decided not to? By considering we mean that you have seriously looked around for alternatives.	Yes, I considered it but decided not to	346	23%	343	23%	
	No, and I don't think switching is possible	320	21%	299	20%	
	No, but I know I could switch	739	49%	744	51%	
	Don't know/ can't remember	89	6%	87	6%	
	Total	1494	100%	1473	100%	
	Unweighted total	1473		1473		
Q45 Why did you not switch your money from one fund to another?	Performance of my fund improved	87	25%	90	26%	
	The fund manager changed its strategy and I was satisfied with this change	19	5%	19	6%	
	Alternative funds were not available on my preferred investment platform	17	5%	17	5%	
	It was too expensive to switch	60	17%	57	17%	
	I'd incur a tax charge	40	12%	37	11%	
	I couldn't find the time	34	10%	32	9%	
	I couldn't find a good alternative	117	34%	118	34%	
	I realised I was investing for the long term	99	29%	98	29%	
	I didn't want to withdraw the funds after a loss	53	15%	54	16%	
	The process seemed too hard	53	15%	51	15%	
	I simply didn't get round to it	51	15%	49	14%	

	Other (please specify)		7	2%	8	2%
	Don't know/ can't remember		6	2%	6	2%
	Total		346	100%	343	100%
Q46 Please rate these factors in terms of how influential they were to your choice not to switch at the time.	Performance of my fund improved	Extremely influential	36	42%	36	40%
		Very influential	43	49%	46	51%
		Quite influential	8	9%	8	9%
		Only a little influential	0	0%	0	0%
		Can't remember/ don't know	0	0%	0	0%
		Total	87	100%	90	100%
		Unweighted total	90		90	
		AVG	3.3		3.3	
	The fund manager changed its strategy and I was satisfied with this change	Extremely influential	7	37%	8	42%
		Very influential	8	41%	7	37%
		Quite influential	4	22%	4	21%
		Only a little influential	0	0%	0	0%
		Can't remember/ don't know	0	0%	0	0%
		Total	19	100%	19	100%
		Unweighted total	19		19	
		AVG	3.2		3.2	
	Alternative funds were not available on my preferred investment platform	Extremely influential	4	26%	4	24%
		Very influential	10	61%	11	65%
		Quite influential	2	13%	2	12%
		Only a little influential	0	0%	0	0%
		Can't remember/ don't know	0	0%	0	0%
		Total	17	100%	17	100%
		Unweighted total	17		17	
		AVG	3.1		3.1	
	It was too expensive to switch	Extremely influential	24	40%	22	39%
		Very influential	28	46%	28	49%
		Quite influential	8	14%	7	12%
		Only a little influential	0	0%	0	0%
Can't remember/ don't know		0	0%	0	0%	
Total		60	100%	57	100%	
Unweighted total		57		57		
AVG		3.3		3.3		
I'd incur a tax charge	Extremely influential	10	26%	10	27%	
	Very influential	17	43%	15	41%	

		Quite influential	12	31%	12	32%
		Only a little influential	0	0%	0	0%
		Can't remember/ don't know	0	0%	0	0%
		Total	40	100%	37	100%
		Unweighted total	37		37	
		AVG	3.0		2.9	
	I couldn't find the time	Extremely influential	9	27%	8	25%
		Very influential	14	42%	14	44%
		Quite influential	10	28%	9	28%
		Only a little influential	1	3%	1	3%
		Can't remember/ don't know	0	0%	0	0%
		Total	34	100%	32	100%
		Unweighted total	32		32	
		AVG	2.9		2.9	
	I couldn't find a good alternative	Extremely influential	31	27%	32	27%
		Very influential	54	46%	53	45%
		Quite influential	28	24%	29	25%
		Only a little influential	4	3%	4	3%
		Can't remember/ don't know	0	0%	0	0%
		Total	117	100%	118	100%
		Unweighted total	118		118	
		AVG	3.0		3.0	
	I realised I was investing for the long term	Extremely influential	32	32%	31	32%
		Very influential	47	47%	46	47%
		Quite influential	21	21%	21	21%
		Only a little influential	0	0%	0	0%
		Can't remember/ don't know	0	0%	0	0%
Total		99	100%	98	100%	
Unweighted total		98		98		
AVG		3.1		3.1		
I didn't want to withdraw the funds after a loss	Extremely influential	19	36%	20	37%	
	Very influential	23	44%	23	43%	
	Quite influential	6	11%	6	11%	
	Only a little influential	4	7%	4	7%	
	Can't remember/ don't know	1	2%	1	2%	
	Total	53	100%	54	100%	
	Unweighted total	54		54		

		AVG	3.1		3.1	
	The process seemed too hard	Extremely influential	16	30%	15	29%
		Very influential	19	35%	18	35%
		Quite influential	16	31%	16	31%
		Only a little influential	2	4%	2	4%
		Can't remember/ don't know	0	0%	0	0%
		Total	53	100%	51	100%
		Unweighted total	51		51	
		AVG	2.9		2.9	
	I simply didn't get round to it	Extremely influential	6	12%	6	12%
		Very influential	21	42%	20	41%
		Quite influential	15	30%	15	31%
		Only a little influential	7	14%	7	14%
		Can't remember/ don't know	1	2%	1	2%
		Total	51	100%	49	100%
		Unweighted total	49		49	
		AVG	2.5		2.5	
	^f('s5q45_97_Other')^	Extremely influential	6	74%	6	75%
		Very influential	0	0%	0	0%
		Quite influential	2	26%	2	25%
		Only a little influential	0	0%	0	0%
		Can't remember/ don't know	0	0%	0	0%
		Total	7	100%	8	100%
		Unweighted total	8		8	
		AVG	3.5		3.5	
Q47 If you decided to redeem shares from your fund based investments to access cash, how soon would you expect to be able to redeem those units? Redeeming units/shares means the fund manager repurchases them from you, sometimes with a charge.	The next day	392	16%	401	16%	
	The next week	856	34%	875	35%	
	Within a fortnight	432	17%	427	17%	
	Within a month	360	14%	359	14%	
	Within 3 months	125	5%	119	5%	
	More than 3 months' time	90	4%	84	3%	
	Don't know	245	10%	235	9%	
	Total	2500	100%	2500	100%	
	Unweighted total	2500		2500		
Q48 Which one of the funds would you prefer to invest in? [NB speeders have been removed from this question]	1.5% exit fee, 1 day notice	313	14%	306	14%	
	1.3% exit fee, 1 week notice	624	28%	625	28%	
	1% exit fee, 1 month notice	1147	52%	1164	52%	
	Don't know	137	6%	141	6%	
	Total	2220	100%	2236	100%	

	Unweighted total	2236		2236	
Q49 Thinking about your own investments into funds, are you aware of any circumstances when it might not be possible for you to be able to redeem your fund investments and access your money (e.g. your manager prevents you from doing so)?	Yes	628	25%	617	25%
	No	1441	58%	1464	59%
	Don't know	431	17%	419	17%
	Total	2500	100%	2500	100%
	Unweighted total	2500		2500	
Q50 Which of the following actions might fund managers be permitted to take to deter or prevent you from withdrawing your money within your expected timeframe? [NB those selecting every answer have been removed from this question]	Apply redemption fees	276	46%	273	46%
	Stop redemptions for a certain period of time	210	35%	214	36%
	Suspend the fund (i.e. investing in and redeeming from the fund is stopped for a period of time).	242	40%	239	40%
	Only offer you 75% of the value of your holdings	144	24%	135	23%
	Other (please specify)	15	2%	16	3%
	None of these	27	4%	27	5%
	Don't know	39	7%	38	6%
	Total	603	100%	594	100%
Q51 Which of the following circumstances might affect your ability to withdraw your money from the fund? [NB those selecting every answer have been removed from this question]	If the stock market is unexpectedly closed or dealing is suspended or restricted	265	43%	269	44%
	During a political, economic, military or other emergency	234	38%	237	39%
	If the technology involved in valuing the fund fails	168	27%	171	28%
	If an unusually large number of other redemption requests has been received	215	35%	219	36%
	If market conditions make the timely sale of your assets difficult	199	32%	201	33%
	If the market drops by 5%	164	27%	156	26%
	If the fund manager changes	94	15%	88	14%
	If the fund management firm merges	124	20%	119	20%
	Other (please specify)	3	0%	3	0%
	None of these	23	4%	21	3%
	Don't know	25	4%	25	4%
	Total	618	100%	608	100%
Q53a (Scenario A) Based on the past performance information below, which fund would you choose to invest in? [NB speeders have been removed from this question]	Fund X	49	7%	50	7%
	Fund Y	556	84%	571	84%
	Don't know	54	8%	57	8%
	Total	659	100%	678	100%
	Unweighted total	678		678	
Q53b (ScenarioB) Based on the past performance	Fund X	77	12%	78	12%
	Fund Y	479	76%	490	76%

information below, which fund would you choose to invest in? [NB speeders have been removed from this question]	Don't know	75	12%	76	12%	
	Total	630	100%	644	100%	
	Unweighted total	644		644		
Q53c (Scenario A) Based on the past performance information below, which fund would you choose to invest in? [NB speeders have been removed from this question]	Fund X	171	27%	172	27%	
	Fund Y	380	60%	386	60%	
	Don't know	86	13%	86	13%	
	Total	636	100%	644	100%	
	Unweighted total	644		644		
Q54 Please select how strongly you agree or disagree with each of these statements about your attitudes to investing.	It is a good time to be investing	Agree strongly	369	15%	361	14%
		Agree slightly	890	36%	906	36%
		Neither	793	32%	785	31%
		Disagree slightly	344	14%	344	14%
		Disagree strongly	105	4%	104	4%
		Total	2500	100%	2500	100%
		Unweighted total	2500		2500	
		AVG	3.4		3.4	
	I am pleased with the performance of my investments over the last 12 months	Agree strongly	414	17%	410	16%
		Agree slightly	1044	42%	1050	42%
		Neither	557	22%	551	22%
		Disagree slightly	365	15%	368	15%
		Disagree strongly	120	5%	121	5%
		Total	2500	100%	2500	100%
		Unweighted total	2500		2500	
		AVG	3.5		3.5	
	I am just as able as any adviser to complete the relevant research and make the most appropriate investment decisions	Agree strongly	395	16%	399	16%
		Agree slightly	843	34%	840	34%
		Neither	611	24%	605	24%
		Disagree slightly	471	19%	479	19%
		Disagree strongly	180	7%	177	7%
		Total	2500	100%	2500	100%
		Unweighted total	2500		2500	
		AVG	3.3		3.3	
	I feel out of my comfort zone when making investment decisions	Agree strongly	202	8%	193	8%
		Agree slightly	536	21%	514	21%
		Neither	576	23%	570	23%
		Disagree slightly	699	28%	709	28%
Disagree strongly		487	19%	514	21%	
Total		2500	100%	2500	100%	
Unweighted total		2500		2500		
AVG		2.7		2.7		
Q55 Using the following scale, how would you	1 – Lower risk, typically lower rewards	76	3%	74	3%	
	2	144	6%	147	6%	

rate your appetite for taking risk with your investments?	3	384	15%	381	15%
	4	667	27%	670	27%
	5	797	32%	800	32%
	6	309	12%	308	12%
	7 – Higher risk, typically higher rewards	99	4%	98	4%
	Don't know	25	1%	22	1%
	Total	2500	100%	2500	100%
	Unweighted total	2500		2500	
	AVG	4.3		4.3	
	Q57 What is your working status?	Self employed	180	7%	185
Working full time (30+ hours per week)		1312	52%	1241	50%
Working part time (8-29 hours per week)		185	7%	184	7%
Working part time (under 8 hours per week)		40	2%	37	1%
Unemployed and seeking work		17	1%	15	1%
Semi-retired (i.e. you are drawing some income from money you have accumulated during your working life but also working part time in some earning capacity)		94	4%	100	4%
Retired (i.e. you are drawing an income from the money you have accumulated during your working life and not carrying out paid work)		618	25%	690	28%
Not in paid work due to other reason		53	2%	48	2%
Total		2500	100%	2500	100%
Unweighted total		2500		2500	
Q58 In which of the following income bands, would you place your total, gross annual household income?	Under £10,000	26	1%	22	1%
	£10,000 - £14,999	81	3%	73	3%
	£15,000 - £19,999	138	6%	129	5%
	£20,000 - £29,999	331	13%	320	13%
	£30,000 - £39,999	370	15%	379	15%
	£40,000 - £49,999	353	14%	367	15%
	£50,000 - £74,999	488	20%	499	20%
	£75,000 - £99,999	338	14%	339	14%
	£100,000 - £149,999	207	8%	204	8%
	£150,000 or more	95	4%	94	4%
	Would rather not state	74	3%	74	3%
	Total	2500	100%	2500	100%
Unweighted total	2500		2500		