



# **Advice Guidance Boundary Review: Retail Investments Consumer Research**



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## Table of Contents

1. Executive summary .....	2
2. Context: the retail investing landscape.....	15
3. Advice and guidance landscape .....	19
4. Retail investment harms and better outcomes.....	26
5. Barriers to investing .....	38
6. Appetite for targeted support .....	44
7. Final reflections.....	56
8. Technical appendix .....	57

## **1. Executive summary**

### **1.1. The broader context to commissioning this research**

#### **The importance of the retail investor market**

Retail investments have an important role in making money 'work harder' for individual consumers and their financial futures and building a stronger economy, via capital raising, job growth, and expanding the 'real economy'.<sup>1</sup> Societal shifts over the past few decades have seen consumers take on more responsibility for their long-term financial lives, which in turn, reinforces the importance of consumers being adequately equipped to make decisions about investing.<sup>2</sup>

Despite the many potential benefits of investing, consumers may face barriers to investing or invest in ways that don't enable them to meet their financial goals. Potential challenges include: consumers not investing when they could be; investing when they perhaps shouldn't be; or investing in products that are more or less risky than is suitable for their circumstances and tolerance.

As part of its Consumer Investment Strategy (CIS), the FCA has outlined goals for a clear ecosystem that makes a well-functioning consumer investment market, reducing some of the potential problems mentioned. A key part of this is ensuring consumers have: 'accessible support', 'useful information' and a 'realistic approach to risk'. The FCA's Strategy 2025-30 sets out how it will help consumers navigate their financial lives by ensuring the right information and support is available.<sup>3</sup>

#### **The advice gap**

The advice gap is a longstanding issue. At one end of the spectrum, there is regulated advice, where firms make recommendations to people on how to make the most of their money, taking into account their individual circumstances. The FCA's Financial Lives Survey showed that 9% of UK consumers took up regulated financial advice in the 12 months to May 2024.<sup>4</sup> At the other end, there are sources of support – 'guidance' – such as factual information from firms or other sources, which is general, rather than personalised to consumers' circumstances. However, these sources of support do not provide a direct recommendation, which can leave people feeling unsupported when making important financial decisions.

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<sup>1</sup> [FCA, Preparing for the future of Consumer Investments, 2023](#)

<sup>2</sup> [FCA, Consumer Investment Strategy, 2021](#)

<sup>3</sup> [FCA, Our Strategy: 2025-30, 2025](#)

<sup>4</sup> [FCA, Financial Lives Survey, 2024](#)

## **The aims of the Advice Guidance Boundary Review (AGBR)**

The FCA wants consumers to feel confident when making financial decisions, understanding the risks they are taking and the protections offered.

In December 2022, the Government launched the Advice Guidance Boundary review (AGBR) as part of the 'Edinburgh Reforms'.<sup>5</sup> The purpose of the review is to examine the regulatory boundary between financial advice and other forms of support and develop a new regime that enables consumers to access more support with their finances – specifically retail investments and pensions.

The aim of the AGBR is to “help consumers access the guidance and support that they need, when they need it, at a cost they can afford, to help make informed financial decisions.”<sup>6</sup> In practical terms, the Review aims to consider alternatives to guidance-based services and full advice, designed to help a broader range of consumers to manage their finances effectively.

## **The introduction of targeted support**

Targeted support is one possible solution being explored as a result of the Review. This would see people receive suggestions developed for a group of similar consumers, rather than based on the individual's detailed circumstances, as would be the case with full advice.

The financial services industry will develop propositions for targeted support. Its success could depend on how it is delivered by firms to consumers including: the user experience; how targeted support sits amongst other help and support offerings; the extent consumers trust the information they are receiving; consumer demand for this information; and the extent it impacts consumer behaviour.

### **1.2. Overview of methodology and key audiences referred to in this research**

The FCA commissioned us (Thinks Insight and Strategy) to carry out research with consumers to understand the broader consumer investing landscape, harms experienced by consumers, and the role that targeted support could play in this context. To address this brief, we conducted large-scale quantitative research alongside qualitative research.

The quantitative research, with 5,321 consumers via an online panel, was designed to be representative of the UK population, aged 18+, by age, gender, region, employment status and ethnicity. The research was delivered through an online panel, so did not include any participants who are completely digitally excluded. In recent years, digital access in the UK has reached a high proportion

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<sup>5</sup> [HM Treasury, Financial Services: The Edinburgh Reforms, 2022](#)

<sup>6</sup> [FCA, Consultation Paper CP24/27\\*\\*\\*: Advice Guidance Boundary Review – proposed targeted support reforms for pensions, 2024](#)

of the population, with only 2% of adults digitally excluded in the UK.<sup>7</sup> However, it should be noted that a panel-sampling methodology does have some limitations, as detailed further in the technical appendix.

Alongside the quantitative research, we conducted qualitative research through 8 focus groups and 22 depth interviews. The qualitative sample was made up of people who had excess cash but didn't invest, people investing in traditional investments, and those investing in higher-risk products.

Full detail on the methodology, sample and specific research objectives for both phases can be found in the technical appendix.

## Traditional and higher-risk investors

In this report, we refer to traditional and higher-risk investments to distinguish between product types that consumers hold. The below table shows which product types are included in each definition. These groups are not mutually exclusive; it is possible for a consumer to be both a traditional and a higher-risk investor if holding products from both definitions.

Investment funds (including index-linked and exchange-traded funds)	<b>Traditional investments</b>
Government or corporate bonds	
Direct shares – listed	
Stocks and Shares ISA (including Stocks and Shares Lifetime ISA – LISA)	
Crypto assets	<b>Higher-risk investments</b>
Investment-based crowdfunding	
Peer-to-peer lending investments	
Any of commodities, contracts for difference (CFDs), options, futures or Venture Capital Trusts (VCTs), mini bonds, or unlisted direct shares	
Innovative Finance ISA (IFISA)	

## Investing harms or potential better outcomes

The FCA identified a series of harms or potential better outcomes to measure as part of this research. These are outlined in Figure 1.

<sup>7</sup> [FCA, Financial Lives Survey, 2024](#)

Figure 1: Potential harms and better outcomes

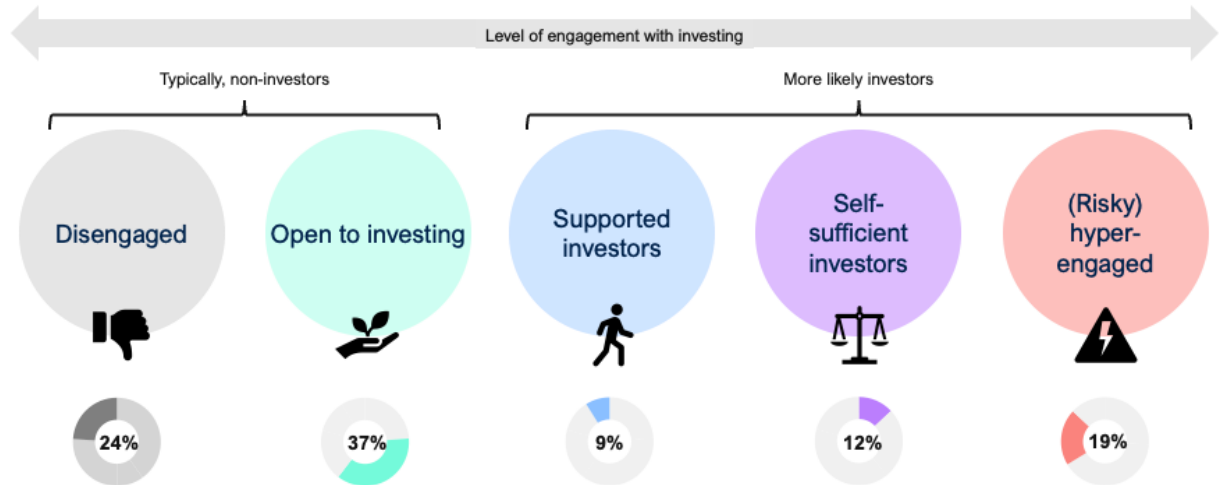
Under-investing	Misaligned investing	Inappropriate investing
<ul style="list-style-type: none"> <li>• Consumers who <b>do not</b> invest, when they have the means to and could benefit from doing so</li> <li>• Risk of both <b>individual consumer harms</b>, due to reduced spending power of savings vs. inflationary effects, and <b>economic harms</b>, as investing more of this cash could promote greater economic growth</li> </ul>	<ul style="list-style-type: none"> <li>• Consumers who <b>do</b> invest, but their investments are misaligned to their needs or preferences</li> <li>• Risk of consumers experiencing <b>greater movements in the value of their portfolio than they are willing or able to tolerate</b>, or their cash being invested in enterprises that <b>don't align with their ESG values</b></li> </ul>	<ul style="list-style-type: none"> <li>• Consumers who <b>do</b> invest, but potentially <b>should not</b>, as investing may not suit their financial needs</li> <li>• Risk of consumers <b>not having easy access to liquid cash</b> when they need it, or being <b>forced to withdraw investments</b> when the value is lower than what they had invested</li> </ul>

Misaligned investing and inappropriate investing are harms that would be experienced by investors, whilst under-investing harms are largely experienced by those who do not invest. Information on the scale of these harms, and the consumers who experience them, is detailed in chapter 4.

### Attitudinal segments uncovered in this research

This research identified that there are a range of factors that influence consumers' willingness to engage with investing, and influence how they interpret different sources of advice and support.

It is critical to understand the different attitudes that exist amongst consumers to ensure any new sources of help and support are able to cut through and impact consumers as intended. Here, we introduce the different attitudinal segments and will refer back to them in the report as follows: **disengaged**, **open to investing**, **supported investors**, **self-sufficient investors**, and **(risky) hyper-engaged**.



These attitudinal segments are based on quantitative analysis (segmentation) and supporting qualitative analysis.

- **Disengaged:** Generally disengaged in finances altogether, including those with strong risk aversion who reject the idea of investing altogether.
- **Open to investing:** Typically made up of those who are either a) not investing, but interested in it, or b) are investing, but a small amount, and would like to feel more confident.
- **Supported investors:** Tend to be investing, but feel they need more support managing products and are open to additional advice and support in their financial decisions.
- **Self-sufficient investors:** Usually those already with investments, who report feeling confident managing products, and are accessing the help and support they need.
- **(Risky) hyper-engaged:** Likely to be engaging in the most risky behaviours, as the name suggests. They seek out lots of information about finances, including from unregulated sources. As a result, can feel overconfident in their own abilities to invest. This means they often hold higher-risk products, that are not always aligned with their risk profile.

### 1.3. Key findings

This research uncovered important insights in the consumer investing landscape, critical to understanding the role of advice, guidance, help and support, and how different consumers may be impacted by new offerings.

We found that there are three gaps in consumer information and behaviour when it comes to investing: **the advice gap, the knowledge gap and the investment gap**. The evidence of these gaps, and potential opportunities to address them, are explored in the key findings below.

The findings below are based on our interpretation of the qualitative and quantitative evidence.

#### **Key finding 1: This research finds evidence of an investment gap, with those who could be investing, not currently doing so.**

- At the moment, 8 in 10 consumers have a savings account, but just 4 in 10 have a form of investment product. There are significant barriers to investing, including low knowledge about the benefits and concerns about putting money at risk. These are explored extensively in chapter 5.<sup>8</sup>
- Of those who do invest, we found:
  - Men are more likely than women to hold investments with 50% of men holding investments vs 29% of women.<sup>9</sup>
  - Most investors hold 'traditional products' (37%), whilst higher-risk products are held by 12% of consumers.<sup>10</sup> Younger men are most likely to hold higher-risk investments, with product ownership rising to 30% for this group.<sup>11</sup>
  - Investors typically know other investors, showing the role and impact of peer behaviour.<sup>12</sup> Of those investing in traditional investment products, 40% know several others who also hold these products (vs. 13% of non-investors). The trend is similar for those holding higher-risk investments, with 32% of higher-risk investors knowing several others who hold them too vs 4% of non-investors.
- When considering the proportions not investing, combined with the assets held by these consumers, this research finds that 36% of consumers are exhibiting under-investing behaviours, such as holding excess cash.<sup>13</sup> As a result, these consumers could be missing out on long-term financial gains that they could access by investing.

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<sup>8</sup> Q | PO1. Base | All respondents (n=5321); 18-34 (n=1475); 35-54 (n=1831); 55+ (n=2015); Male (n=2597); Female (n=2714)

<sup>9</sup> ibid

<sup>10</sup> ibid

<sup>11</sup> Q | PO1. Base | All respondents (n=5321); 18-34 males (n=643), 35-54 males (n=960); 55+ males (n=994); 18-34 females (n=828); 35-54 females (n=865); 55+ females (n=1021)

<sup>12</sup> Q | A6 Traditional investors (n=1991), High risk investors (n=624)

<sup>13</sup> Full information on syntax for definitions for this harm group can be found in the technical appendix



- This investment gap is set to continue if not addressed, with over half of non-investors in the sample claiming they are unlikely to be investing in the future.<sup>14</sup> However, younger generations are more likely than older people to say they expect to invest in the next few years, with 52% of 18-34 year olds claiming they are likely to invest in the future, showing appetite amongst this cohort, which may indicate a growing consumer appetite, especially for those who may have more time to allow investments to grow without needing to access their money.<sup>15</sup> It will be essential to equip this potential new generation of investors with the knowledge to begin their investing journeys on the right path.

**Key finding 2: There is an advice gap, with consumers not always receiving sufficient regulated support, including for their investments.**

- The data in this research points to a clear advice gap. Just 27% of those who hold investible assets (meaning £500 or more of cash or investments or a pension) have accessed any regulated or statutory information, advice or support in the last 3 years.<sup>16</sup>
- Those with lower levels of financial knowledge are even less likely to seek support than those with more knowledge, which could leave some at even greater risk from non-optimal decision making.<sup>17</sup>
- When it comes to investments specifically, typically, investors are open to more help and support: 62% of investors would welcome more help and support when it comes to managing investments, and 68% of investors would welcome more help and support when reviewing investments to make sure they are right for them.<sup>18</sup>

**Key finding 3: Those consumers who *are* accessing information, are leaning on a broad range of regulated and unregulated sources for help and support with investing.**

- When help and support is being accessed for investments, consumers use a broad range of regulated and unregulated products, which can vary by product type.

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<sup>14</sup> Q | B2. Base | All respondents who do not have investments (n=2022)

<sup>15</sup> Q | B2. Base | All respondents who do not have investments (n=2022) 18-34 (n=528), 35-54 (n=644), 55+ (n=850)

<sup>16</sup> AGBR2a-e. Stacked data across all assets, filtered on sources used in past 3 years at AGBR3. Base | Total sample with at least £500 in assets, or has investments or pension (n=4645). 'Investible assets' refers to all declared savings held in cash products, savings products and investment products, excluding pensions. Regulated and statutory information, advice and support includes information from the following sources: a bank, building society or credit union; financial adviser, IFA or wealth manager; investment platform or pension provider; government website or charity.

<sup>17</sup> Q | A8. Base | Reported low knowledge (n=1167); Reported high knowledge (n=1145).

<sup>18</sup> Q | AGBR1. Base | Those with investments (n=2127), showing percentage who say 'a lot' or 'a little' support is needed.

- Those seeking support for traditional investments tend to use more traditional sources e.g. Martin Lewis and Money Saving Expert (28%), investment platforms (26%) and then financial advisors (24%).<sup>19</sup>
- However, when seeking support for higher-risk investments, consumers are using much more informal sources e.g. friends and family (31%) and social media (28%).<sup>20</sup>
- Qualitative evidence suggests social media is an increasingly valued source of support amongst a broader range of consumers, being trusted for financial help. This is driven by several factors:
  - For some, especially the (risky) hyper-engaged group, it offers an alternative to mainstream support, which can be perceived as more 'unbiased', precisely because it is not part of the mainstream.
  - Additionally, we hypothesise that social media influencers can feel more 'personal' than other sources of help and support, meeting consumer demands for information to feel more specific to them.

**Key finding 4: Consumers do not always feel they have the information they need to make decisions about investing, which points to a knowledge gap.**

- This research finds multiple entrenched barriers to investing, including low knowledge, low confidence, attitudes towards risk and stereotypes about who invests.
- Knowledge (or lack of) is a particularly strong barrier, with 40% of non-investors claiming that not knowing enough about investments is a core reason for not investing.<sup>21</sup>
- Qualitatively, knowledge also underpins other barriers, for example, low perceived knowledge means consumers can feel less confident making the decision to invest, or they may perceive risk to be higher than it is.
- Both qualitative and quantitative evidence shows that consumers (investors and non-investors) do not always fully understand the potential benefits of investing, and how these products can deliver better returns than savings in the longer term. Indeed, when asked a straightforward question about the impact of inflation on savings returns, two fifths of non-investors (41%) were unable to answer or answered incorrectly.<sup>22</sup>

**Key finding 5: Closing the advice gap *could* impact the knowledge and investment gap.**

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<sup>19</sup> Q | AGBR2. Sources ever used, stacked data across all sources. Base | Traditional investors (n=1991), Higher risk investors (n=624)

<sup>20</sup> Ibid.

<sup>21</sup> Q | B1. Base | All respondents who do not have investments (n=2022)

<sup>22</sup> Q | SK3. Base | All respondents (n= 5,231)

- There is a strong correlation between the amount of help and support accessed and people's engagement in investing, suggesting that greater engagement with help and information also supports investing behaviours.
- For example, in the last 12 months, investors are more likely than non-investors to have accessed any help and support with financial products. 70% of investors have accessed any help and support compared with just 44% of non-investors having done so.<sup>23</sup>
- This relationship between help and support, and decisions to invest, is explored in full in chapter 4.

**Key finding 6: Consumer attitudes and behaviours towards investing are very varied. They impact how help and support is interpreted and used.**

- At one end of the attitudinal spectrum explored in our segmentation, consumers are very disengaged (24%). Qualitatively, some of this audience are actively against the idea of investing, fearing it would put their money at risk.
- At the other end of the spectrum are the most engaged audience, who are, to a degree, (risky) hyper-engaged (19%), which can encourage risky behaviour including investing in higher-risk products like cryptocurrencies.<sup>24</sup>
- These attitudinal and behavioural differences impact how consumers interpret help and support and, in turn, the impact of help and support on decisions. For example:
  - Those who are accessing a large range of sources of help and support can also feel they 'know best' and may be trying to 'play the market', which also means they can exhibit high-risk investment behaviours.
  - As a result, the way these audiences interpret the help and support they access has a strong role in how it affects the action they take. This means that messaging needs to be carefully targeted to support consumers to make optimal decisions.

**Key finding 7: Examples of targeted support tested in qualitative research are welcomed, beginning to overcome entrenched barriers to investment.**

- Specifically, consumers in the qualitative research view targeted support positively for being more personalised and tailored than existing forms of help and support available to them, and for helping them cut through the large volumes of information that is available about finances but may not be relevant to them.

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<sup>23</sup> Q | DV1AGBR2-3.12M. Sources used in last 12 months, stacked data across all sources. Base | All respondents who have investments (n=2127), All respondents who do not have investments (n=2518)

<sup>24</sup> Full definitions of the segmentation can be found in the technical appendix

- That said, high expectations about how personalised information can be (driven by personalisation in other sectors) lead some consumers to query whether targeted support offers anything 'new', with some assuming they have seen something similar offered to them before.
- In the format tested, those most open to help and support can see how a proposition like targeted support can help them to overcome core barriers to investment, like knowledge, confidence and time.
- The audiences more open to help and support can see themselves using targeted support (as tested) given they can see a role in it overcoming barriers to taking our investment or managing products. This includes those who are in the cohorts of: **open to investing**, **supported investors** and **self-sufficient investors**.
- However, some attitudinal and behavioural cohorts are less immediately convinced of the value targeted support can offer them (in its current form). This includes the **(risky) hyper-engaged** group, who feel they know a lot about investments already and may be overconfident, and those who are **disengaged**, who are more nervous about the potential to lose money and, therefore, experience more entrenched barriers to investing.

#### 1.4. Considerations for advice and guidance

These findings require careful reflection about the advice, guidance, help and support on offer to consumers, and how it will be used. Specifically, this research identifies the following implications for advice and guidance. These findings are data driven, based on quantitative and qualitative evidence, and our own analysis and interpretation of the challenge.

**Consideration 1: Peer behaviour, i.e. knowing other people with investments, has a significant influence over investment decisions. Therefore, social proof could have a role in increasing investing behaviour where appropriate.**

- Consumers trust friends and family for help and support when it comes to finance, with 35% claiming they are a source of information, guidance or advice when making decisions about savings, investments or pensions.<sup>25</sup>
- Indeed, this research, specifically the qualitative interviews, finds that recommendations and referrals from friends and family act as a catalyst to investing.
- As a result, social proof, meaning the psychological effect whereby people are influenced in their decision-making by seeing the actions of others, could be a hugely impactful avenue for messaging when it comes to investments. This could be explored to help increase investment behaviours amongst

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<sup>25</sup> Q | AGBR2. Base | Respondents with at least one product (n=4,645). Question was asked by individual product type (savings, traditional investments, higher-risk investments, and pensions): this figure represents the NET total across all asset types.

appropriate audiences. Examples of social proof within advice and guidance could include 'people in your circumstances' statements.

**Consideration 2: Social media is becoming a mainstream source of help and support. There is a clear need to explore and address the risks associated with unregulated information being shared and accessed via social media.**

- In 2020/21, when we conducted research on investment harms on behalf of the FCA, we identified the rise in money influencers (or 'finfluencers'), especially on those consumers taking out high-risk investment products.<sup>26</sup>
- We have continued to see this trend in this research, with 28% of those holding higher-risk investments saying they use social media as a source of information, guidance or advice when making decisions about these investments, compared with 14% of those who hold traditional investments.<sup>27</sup> Additionally, the trend also seems to be evolving amongst a broader range of audiences (not just those with high-risk investments).
- Therefore, in our view, there is a clear need to explore and address the risks associated with unregulated information being shared and accessed via social media.

**Consideration 3: Early intervention to promote positive investment behaviours amongst new investors is critical.**

- There is opportunity to instill best practice investing behaviours amongst newer investors from the start.
- Providing access to relevant information early on in investment journeys is critical to set appropriate expectations and build a strong foundation for new investors in the future.
- On the other hand, driving good customer outcomes for those who are already investing in higher-risk products may meet additional challenges, including influencing consumers who already feel they 'know best' about how to make the most from the market.

**Consideration 4: For help and support to be impactful, it is essential to ensure that it is appealing to consumer attitudes.**

- The **(risky) hyper-engaged group** are already accessing a large amount of information, yet this doesn't necessarily mean they are learning and following best practice behaviours.
- This shows just how much attitudes matter, and how they impact the degree to which advice and guidance is acted upon. As a result, simply promoting advice and guidance is not enough to achieve good consumer outcomes: it needs to be targeted.

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<sup>26</sup> [Understanding self-directed investors, BritainThinks, 2021](#)

<sup>27</sup> Q | AGBR2. Base | Higher risk investors (n=624); Traditional investors (n=1,991).

### 1.5. Key considerations for targeted support specifically

We tested examples of targeted support in qualitative research, to understand how it would be received, and the appetite to use it. For fuller detail on the consumer feedback on targeted support, and what this might mean for the implementation of targeted support, see chapter 6.

The qualitative findings demonstrate that the following should be key considerations when operationalising targeted support. These implications are based on qualitative evidence, and our own analysis and interpretation of this evidence.

Where these considerations discuss targeted support, they are specifically referencing example propositions tested in the qualitative research, as shown in the technical report.

**Consideration 1: Targeted support has an important role to play in encouraging best practice investment behaviours and reducing harm in the market. However, it needs to be part of a broader consumer investment strategy designed to foster a societal behaviour shift towards investing.**

- Targeted support can help to increase consumer understanding about investments, but this research finds there are deeply entrenched barriers to investing, often related to low financial knowledge.
- Therefore, intervention is likely to be more effective where it is accompanied by other interventions which aim to increase financial literacy in the round.

**Consideration 2: The solution will likely work best where it appeals to attitudes and not just demographics.**

- Consumers respond positively to targeted support when it feels specific to their needs, noting this aspect of targeted support is slightly different to other help and support already available to them.
- To effectively target consumers and deliver impact, targeted support needs to appeal to the different types of investing attitudes (e.g. **disengaged**, **open to investing**, **supported investors**) as the research/evidence has demonstrated the strong correlation between the type of attitudes that a consumer has and their interpretation of advice.

**Consideration 3: There is fertile opportunity for targeted support to reach audiences most open to help and support and, in doing so, reduce barriers to a) investing and b) managing investments.**

- These audiences include those who are in the cohorts of: **open to investing**, **supported investors** and **self-sufficient investors**. These audiences can see how targeted support could fit into their lives and help them take investment decisions.

- Specifically, targeted support, as tested, is regarded as a useful starting point for wider research. There is an opportunity for firms to support consumers to build their financial literacy and increase trust in and engagement with the investment market.

**Consideration 4: Targeted support (in the format tested) will likely be a less appealing solution to other groups, and so, will need to work harder to appeal to certain attitudes:**

- **Those who are (risky) hyper-engaged**, who are at risk of being overconfident in their investment behaviours. This audience often feel they know enough already and are less open to hearing from traditional providers. Alternative solutions may also need to be explored for this audience. Potential solutions for this audience include encouraging savings behaviours or working in partnership with trusted sources of help and support for this audience, including social media
- **The most disengaged audiences**, who are sometimes quite firm in their position against investing. This audience may not be as responsive to targeted support as others. They might require other interventions and services to encourage investing behaviours, especially if they are in older cohorts. Therefore, focussing on healthy savings habits, may be more appropriate and effective for this group.

**Consideration 5: Consumers have high expectations on the extent information can be personalised, and in turn, targeted support may not always be viewed as 'new' or 'advanced'.**

- The wider context of increasing personalisation across services (shopping, media and entertainment, health etc.) means consumers have high expectations about how personalised the offering can be.
- As a result, there are some expectations that targeted support would be even more tailored than current proposals, or that the offering already exists.



## 2. Context: the retail investing landscape

*Methodological note: Before we look in detail at the role of advice and guidance in consumer decision-making, this chapter provides an overview of the savings and investments products consumers hold. We use the dataset generated from this research throughout the report. Due to differences in methodology, figures from other sources on the topic of consumers' financial products and assets, such as the FCA Financial Lives Survey, may differ from the data here. For more detail on the methodology for this study, please see the technical appendix.*

### Overview of key findings for this chapter

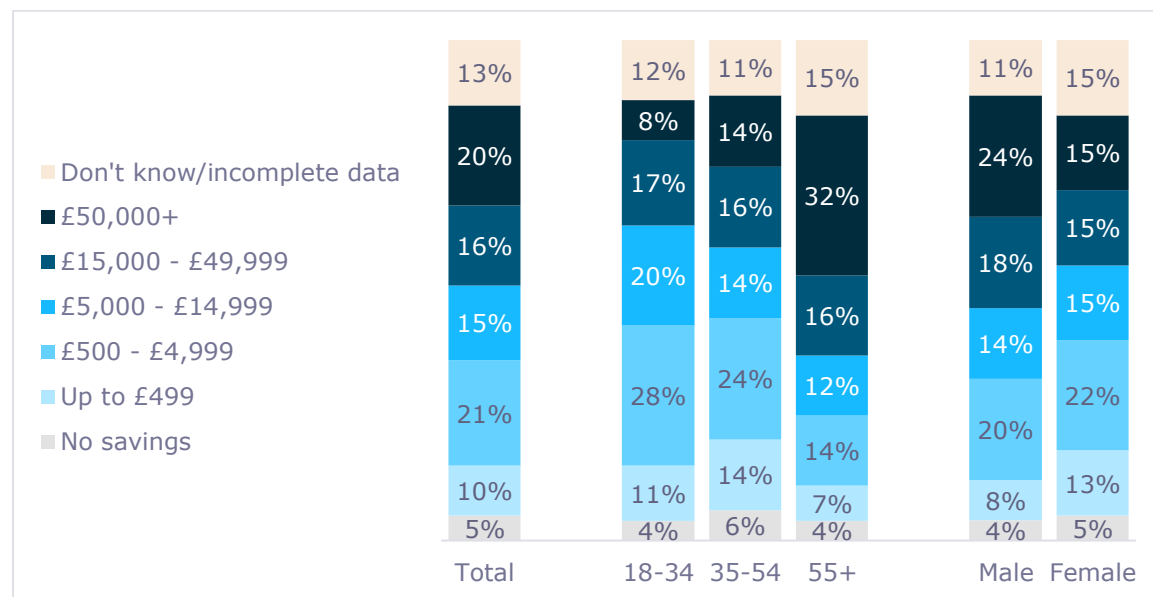
- **There is a clear investment gap:** 8 in 10 consumers have a savings account, but only 4 in 10 have any form of investment product. This gap is explored further in the harm 'excess cash' in chapter 4.
- **Most who hold investments hold 'traditional' types of products (37%),** led by Stocks and Shares ISA/LISA products. 'Higher-risk' investments are held by 12% of consumers, with crypto assets the most common.
- **Men are more likely to hold investments than women, with 50% of men holding investments vs. 29% of women.** Younger men aged 18-34 are the most likely group to hold higher-risk investments: 30% of this group hold these products, compared with 12% of total.

### 2.1 Most consumers hold some savings, but a much smaller proportion have investments.

Most consumers in our sample hold some savings – this refers to any money that consumers consider 'set aside' rather than to be used for day-to-day living. Around three-quarters (72%) say they hold at least £500 in investible assets across all their financial products, excluding any pensions. There is a broad distribution of the value of these savings, with 21% holding less than £5,000 whilst 20% hold over £50,000. The proportion holding higher values in savings and investments (over £15,000) tends to increase with age, as well as being greater for men than women – see Figure 2.



Figure 2: Investible assets (excluding pensions) | Total sample<sup>28</sup>



Although most consumers have savings, a much smaller proportion are holding any of their money in investment products, reflecting the wider context of under-investing that the FCA has previously identified. Whilst 100% of this sample have a savings account or current account, and 67% a pension product, only 40% hold any type of investment product.

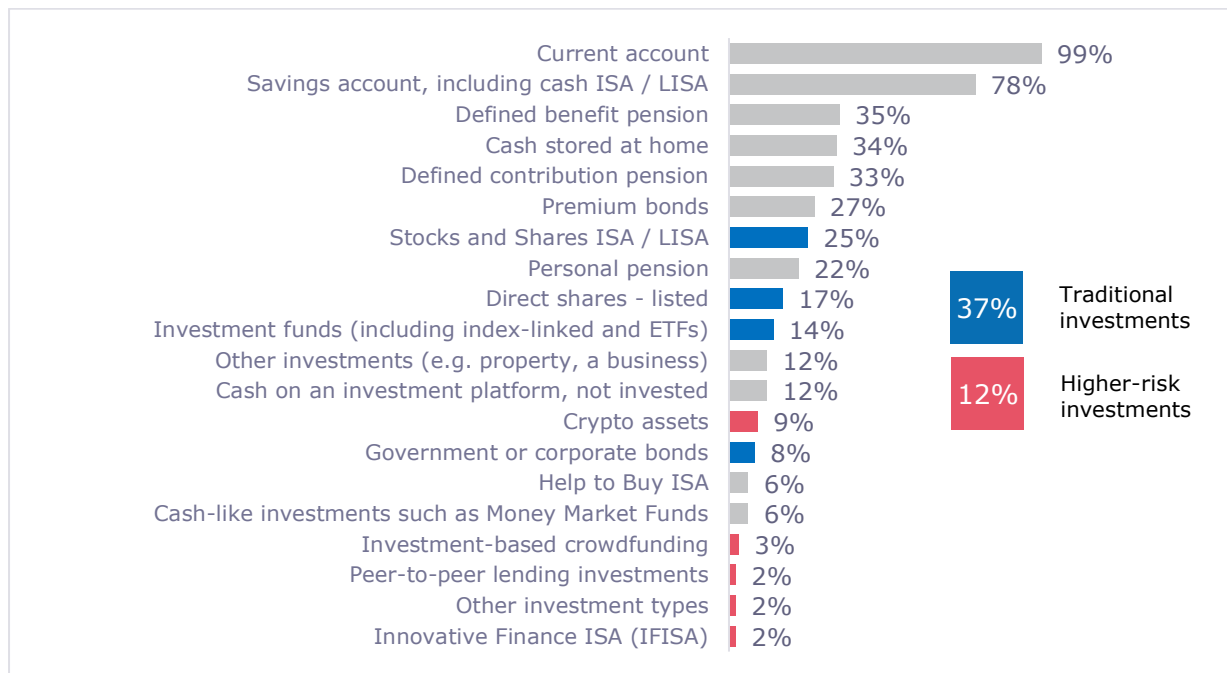
## 2.2 Those who hold investments are likely to hold traditional products; a small group hold higher-risk products including crypto assets.

Mostly, the types of products held can be categorised as 'traditional' investments – 37% of consumers hold one of these products, shown in blue in Figure 3. Stocks and Shares ISA / LISA products are the most widely held type of traditional investment product, held by 25% of consumers. A further 12% hold a higher-risk investment product; as shown in red in Figure 3. By far the most commonly held higher-risk product is crypto assets, held by 9% of consumers; this reflects wider FCA research, which has noted continued growth in their prevalence over the last few years.<sup>29</sup>

<sup>28</sup> Q | DV\_SavingsAssets. Derived variable from amounts declared at PO6 and PO7, excluding pension. Don't know/incomplete includes all those who did not provide a band or a value for all assets asked about. The presence of 'don't know' answers in this data may be slightly suppressing the % with some savings. Base | All respondents (n=5321); 18-34 (n=1475); 35-54 (n=1831); 55+ (n=2015); Male (n=2597); Female (n=2714)

<sup>29</sup> Cryptoassets consumer research 2024 (wave 5), YouGov on behalf of the FCA, pp.3  
<https://www.fca.org.uk/publication/research-notes/cryptoasset-consumer-research-2024-wave-5.pdf>

Figure 3: Types of products held | Total sample<sup>30</sup>



Consumers who hold higher-risk investments are also likely to hold traditional investments, suggesting that higher-risk investments may be held as part of a broader portfolio rather than in isolation. Amongst all investors, 70% hold only traditional investments; 7% hold only higher-risk investments, and 24% hold both.<sup>31</sup>

### 2.3 Men are more likely to invest than women; and investing behaviours generally increase with levels of investible assets.

Men are more likely to hold investments (of any type) than women: half of men (50%) have investments, compared to only 29% of women. Younger men aged 18-34 are particularly likely to be invested in higher-risk products, with 30% of 18-34-year-old men invested in one of these products, significantly higher than 12% of all consumers.<sup>32</sup>

The more investible assets consumers have, the more likely they are to hold at least one investment product.<sup>33</sup> Of those holding £5,000 - £9,999 in investible assets, 36% have investments; whilst the majority of those with £10,000 or more have investments (61%).<sup>34</sup> This reflects the fact that many consumers who do not invest, say this is because they do not feel they have enough money to do so (see chapter 5 for more detail on barriers to investing). Ensuring that

<sup>30</sup> Q | PO1. See technical appendix for products included in NETs. Base | All investors (n=2127)

<sup>31</sup> Ibid.

<sup>32</sup> Q | PO1. Base | Men (n=2597), women (n=2714), 18-34 y.o. men (n=643)

<sup>33</sup> Definition of 'investible assets': the value of money consumers hold across any savings, cash or investment products – excluding any held in a pension

<sup>34</sup> Q | PO1. Base | Those with £5,000 - £9,999 in investible assets excl. pension (calculating declared values only) (n=503); those with £10,000+ (n=2378)

consumers have suitable access to information about a) how much they should look to hold in cash products before investing; and b) what proportion of their money it may be advisable to invest, may help support those with lower levels of assets to feel comfortable to try investing.

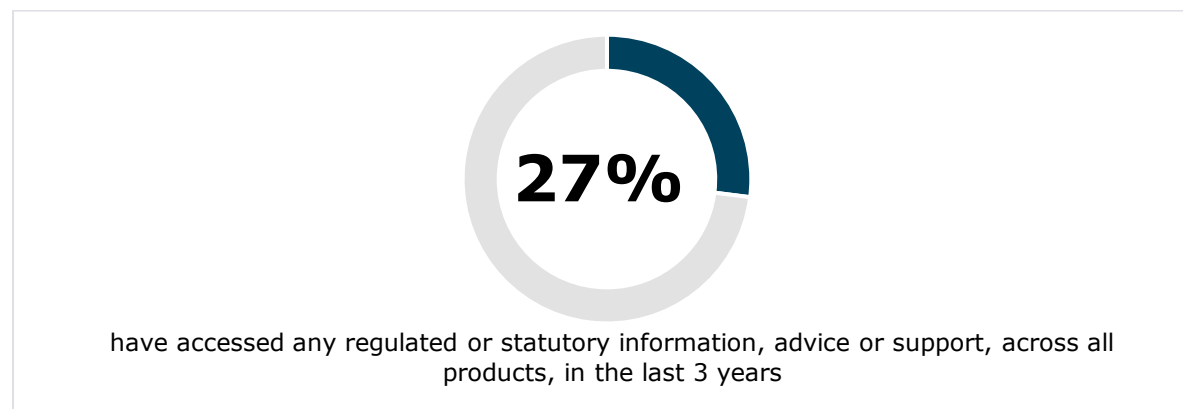
### 3. Advice and guidance landscape

#### Overview of key findings for this chapter

- **There is an advice gap:** only a minority (27%) of those who hold investible assets (meaning £500 or more of cash, or investments or a pension) have accessed any regulated or statutory information, advice or support in the last 3 years.
- **Consumers who have lower financial knowledge are less likely to seek support than more knowledgeable consumers**, which could leave some at greater risk from non-optimal decision making.
- **Social media is commonly used by those with higher-risk investments**, offering consumers information that can be perceived by consumers as more specific to their individual circumstances.

There is an evident advice gap for consumers, which can lead to consumer harm. Our research demonstrates that only a minority of those with investible assets (27%) have accessed any regulated or statutory information, advice or support for any of their products in the last 3 years.

Figure 4: Information, advice or support sought across all financial products | Total with investible assets <sup>35</sup>



#### 3.1 Consumers do not always want to seek support, because they feel they can make decisions themselves.

Consumers hold strong beliefs about their ability to make decisions independently, which acts as a barrier to accessing information, advice or support which could benefit them.

<sup>35</sup> AGBR2a-e. Stacked data across all assets, filtered on sources used in past 3 years at AGBR3. Base | Total sample with at least £500 in assets, or has investments or pension (n=4645). 'Investible assets' refers to all declared savings held in cash products, savings products and investment products, excluding pensions. Regulated and statutory information, advice and support includes information from the following sources: a bank, building society or credit union; financial adviser, IFA or wealth manager; investment platform or pension provider; government website or charity.

We used the COM-B behavioural framework<sup>36</sup> to examine consumers' barriers to accessing support from banks, pensions or investment providers; government websites or charities; and financial advisors or wealth managers. The key barriers to accessing support from all three sources are linked to *reflective motivation*, meaning people's core beliefs, values or goals. Primarily, this is the feeling that they can make decisions on their own; there is enough free information available; and in the case of using financial advisors, that they do not want to pay for support.<sup>37</sup>

These barriers mean that when consumers need to make a decision around their savings and investments, less than half (46%) say that they always or usually seek information or support.<sup>38</sup> Importantly, consumers who have lower claimed financial knowledge are *less* likely to be seeking support than those who report good financial knowledge, with 40% vs. 50% always or usually seeking support at these moments respectively.<sup>39</sup> This means that the disengaged group may require more direct 'nudging' to engage in information, advice or support, to ensure they are equipped to make the best financial decisions for their circumstances; as they are less likely to look for this support themselves.

### 3.2 Which sources are consumers using when they do access help?

Across all products, Martin Lewis or the website he founded, Money Saving Expert (MSE), is the most widely used source of support, followed by banks and then friends and family – see Figure 5.

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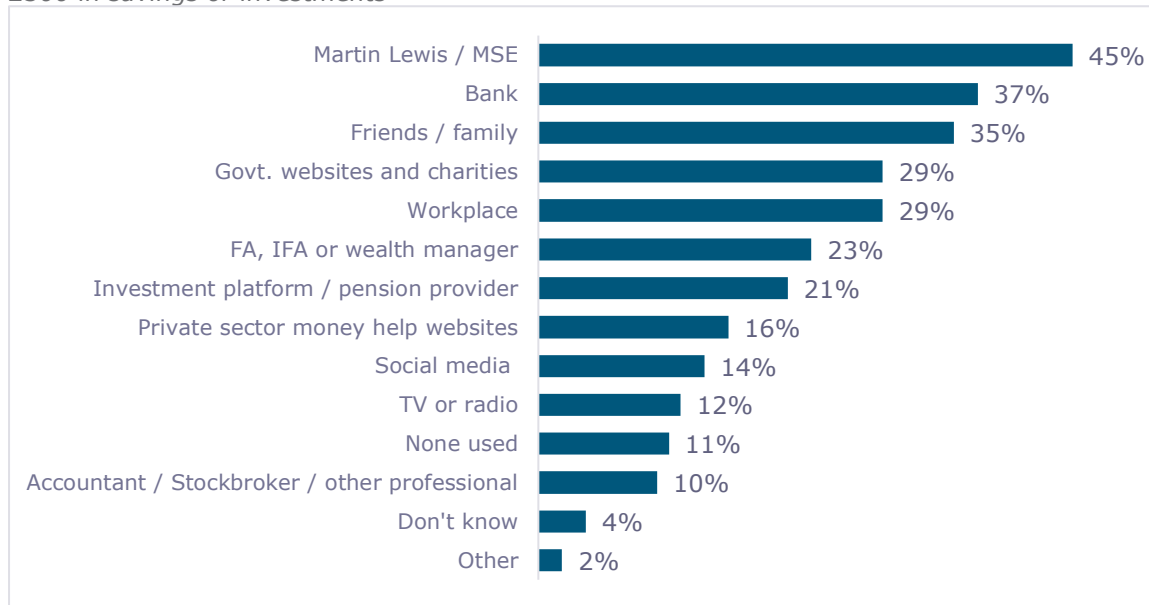
<sup>36</sup> The COM-B model is a widely used framework for understanding behavioural change. It proposes that there are three factors necessary for behaviour to occur: capability (C): whether the behaviour can be achieved in principle; opportunity (O): whether there are the right social and physical conditions for the behaviour, and motivation (M): whether there is sufficient motivation from the individual for the behaviour.

<sup>37</sup> Q | B3/B4/B5. Base | Those who have not used a financial advisor (n=3,566); not used support from bank, pension or investment provider (n=2,478); not used support from a government website or charity(n=3,289).

<sup>38</sup> Q | A8. Base | Total sample (n=4149).

<sup>39</sup> Q | A8. Base | Reported low knowledge (n=1,167); Reported high knowledge (n=1,145).

Figure 5: Sources of information, guidance or advice used across all products | All with at least £500 in savings or investments <sup>40</sup>



Themes from the qualitative focus groups show that consumers valued information from Money Saving Expert, banks and friends and family for being free, accessible, and typically seen as trustworthy<sup>41</sup>. Our research demonstrates that consumers are more likely to report using these types of information sources at the early stages of a financial decision; for example, when taking out a new product.

*"I just find everything online [for finances]. I feel like it's quick and convenient... like Martin Lewis, Money Saving Expert." – higher-risk investor*

Martin Lewis and Money Saving Expert are seen to offer clear, neutral and impartial advice, free of jargon or complex terminology, with an added perception of consumers feeling like these sources are 'on their side'. On the other hand, friends and family are valued as a source of suggestions because of the perception that their financial position is relatively similar, and therefore their product choices are seen as relatable to consumers' own lives.

*"I got that information [about a savings account] from a friend; he's in a similar position to me, he does my job." – excess cash*

### 3.3 When seeking information for higher-risk investments specifically, consumers tend to use more informal sources including friends, family and social media.

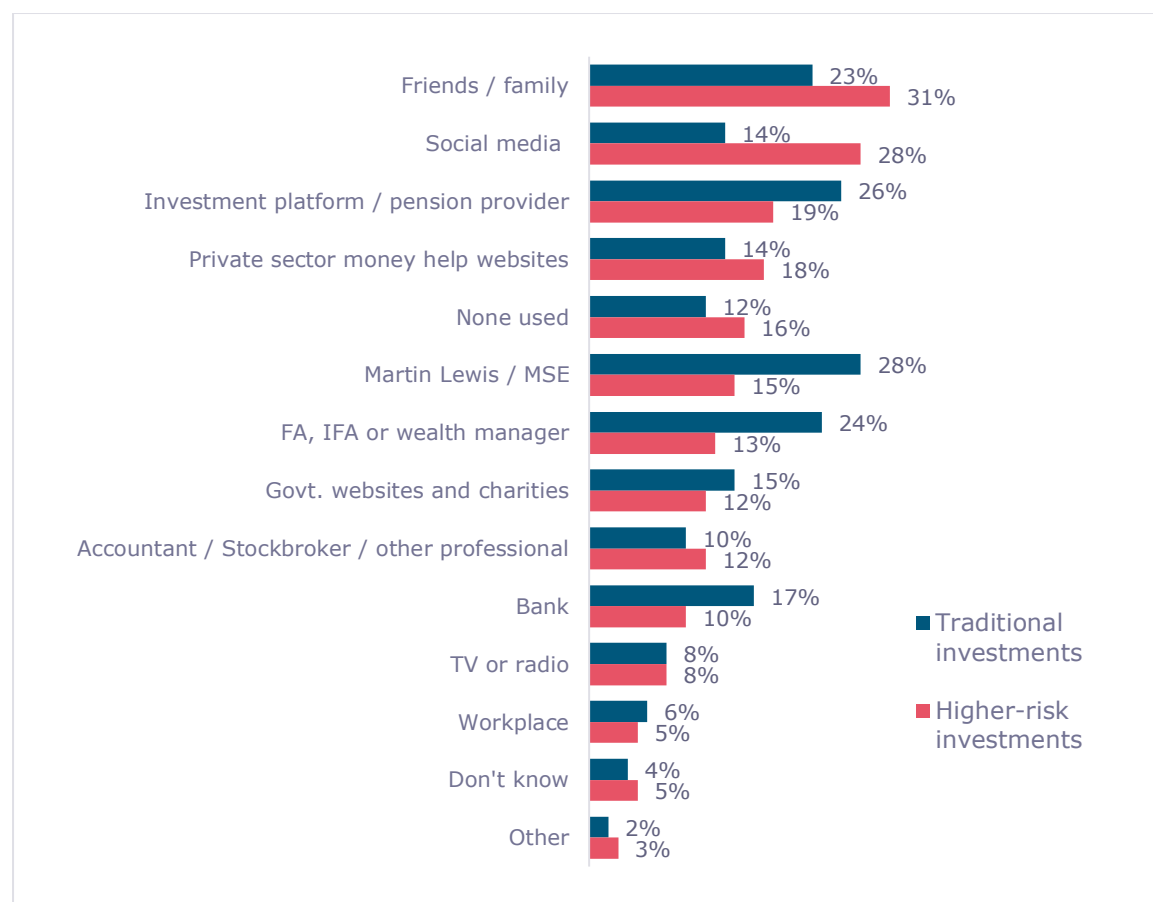
<sup>40</sup> Q | AGBR2. Sources ever used, stacked data across all sources. Base | All with at least £500 in savings or investments (n=4,645).

<sup>41</sup> 'Qualitative' research refers to methodologies that gather descriptive (rather than numerical) data. Here, it refers to the focus groups and depth interviews conducted as part of this research.

There are important differences in the sources of information, guidance and advice that consumers use for their investments, with key differences according to the types of product. When seeking support for traditional investments, Martin Lewis and Money Saving Expert remain the number one source (28%), followed by investment platforms (26%) and then financial advisors (24%).

However, when seeking support for non-traditional and higher-risk investments, consumers are using much more informal sources – see Figure 6. Friends and family are the most used source (31% have ever used), followed by social media (28%), and then a smaller proportion report seeking information or guidance from investment platforms (19%).<sup>42,43</sup>

Figure 6: Sources of information, guidance or advice used across all products | Those with traditional investments or higher-risk investments



The qualitative research also provided evidence of this trend. Those with higher-risk investments, including those demonstrating (risky) hyper-engaged attitudes, tend to be heavy users of social media, feeling that they are able to 'research' new offerings in dedicated social media groups. When describing these sites, some consumers feel that the information shared is more 'unbiased',

<sup>42</sup> 'Non-traditional' / 'higher-risk' investments refer to products including crypto assets, investment-based crowd funding and peer-to-peer lending. See Figure 3 for the complete list.

<sup>43</sup> Q | AGBR2. Base | Respondents with higher-risk investments (n=624); Respondents with traditional investments (n=1,991).

reflecting an inherent distrust in anything that feels too 'mainstream' and therefore may be trying to sell them something.<sup>44</sup>

*"I prefer things like Twitter, Reddit, where it's just people's unfiltered opinions, rather than some websites which I tend to distrust because I feel like they might have a bias." – higher-risk investor*

Trust in social media content is linked to the commonalities it shares with other trusted sources as explored above, including that it is free, easily accessible, jargon-free and often perceived as impartial. Yet it also enjoys the additional benefit that it can feel very specific, as people tend to follow or engage with accounts that reflect their own lifestyles, building a perception of advice that is more tailored, relevant and specific to them.

Consumers claim to do their own due diligence, saying that they approach information they see on social media with caution. They claim to check against other sources and only follow 'reputable' accounts.

*"I kind of read [forums] with a pinch of salt. If someone says, put all your money into Bitcoin, I'm not going to properly take that fully on board, but it's good to hear positive and negative reviews." – higher-risk investor*

*"I wouldn't use Facebook and TikTok, or Instagram, or any of those sorts of social media as my go to, but I would use it [social media] together with other things." – traditional investor*

However, some make judgement calls about reliability using unreliable factors, like the number of followers the account has, and how much content they produce, leading to a potential overclaim for how much they scrutinise the legitimacy of these sources beyond the platforms themselves.

*"I feel like the amount of followers they have and the more content they put out [are signals they can be trusted]... You get a better sense of those who are just sharing referral links because they benefit from them." – traditional investor*

Evidence from the qualitative research demonstrates that social media and money influencers – or 'influencers' – are reaching wide audiences. Some participants who did not demonstrate high levels of financial engagement in general still mentioned financial social media accounts they follow, showing their broad reach beyond the hyper-engaged.

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<sup>44</sup> 'Finfluencers' charged for promoting unauthorised trading scheme (May 2024): <https://www.fca.org.uk/news/press-releases/finfluencers-charged-promoting-unauthorised-trading-scheme>



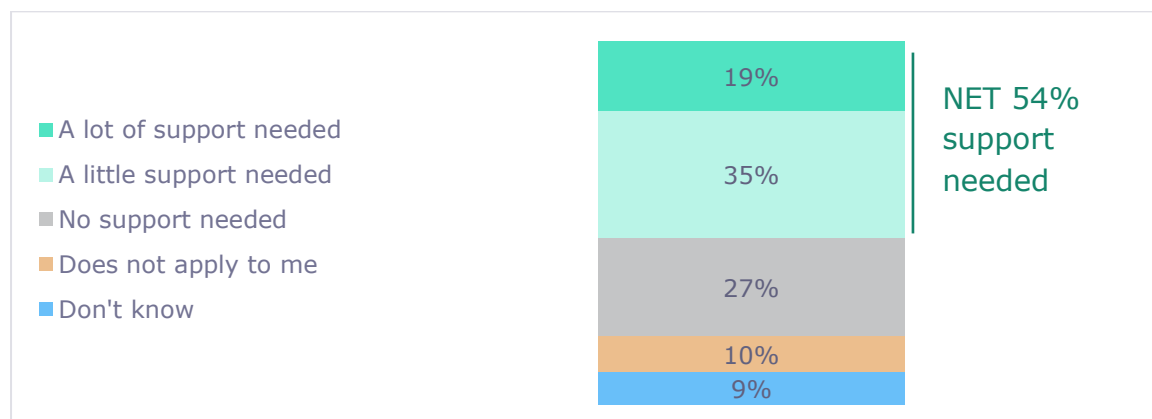
*"I follow one or two money accounts. The person [who runs one of the accounts] does crypto. I follow some established accounts too." – excess cash*

There is a risk that social media may lead to poor consumer outcomes, suggesting a need to support greater access to regulated advice, including solutions such as targeted support.

### 3.4 There is significant appetite for more help and support, especially where this is free, easy to access, and trustworthy.

More than half of savers (54%) would welcome a lot or a little help and support when they need to decide whether to invest excess savings – see Figure 7.

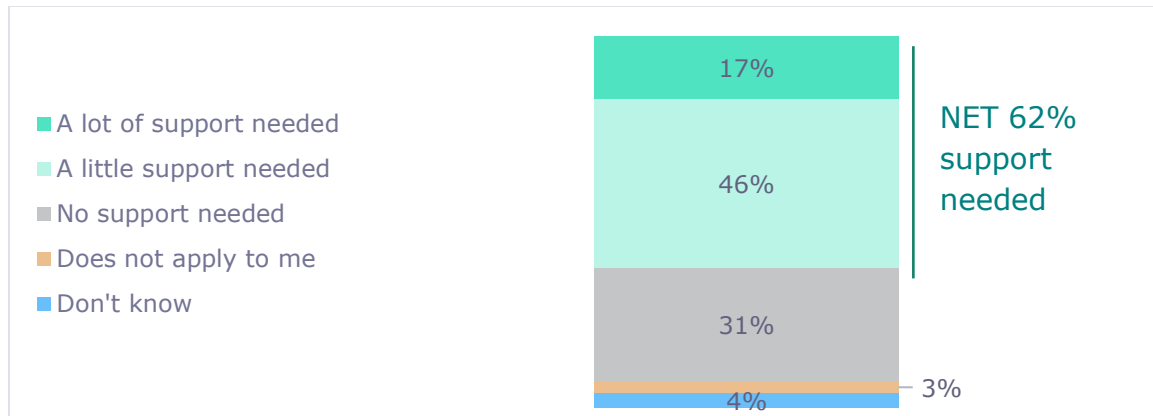
Figure 7: Information, guidance or advice required to make a decision about whether to invest excess savings | All with at least £500 in savings or investments <sup>45</sup>



When consumers do invest – they would welcome support with how to manage their investments to an even greater degree, with 62% feeling they would like either a lot or a little help with this – see Figure 8. This may reflect the fact that those with investments generally may have more engaged attitudes towards their finances, and therefore have more appetite for additional information and support with decisions. Indeed, demand for support varies according to the attitudinal segments, with **self-sufficient investors** largely feeling they do not need support, whilst the **(risky) hyper-engaged** do feel they need at least 'a little' support. This reflects the fact that the hyper-engaged audience do seek lots of information, reflecting their desire to make optimal choices to maximise their money – meaning there is opportunity to target them with advice.

<sup>45</sup> Q | AGBR1. Base | All with at least £500 in savings or investments (n=4,019).

Figure 8: Information, guidance or advice required to make a decision about how to manage existing investments | All investors <sup>46</sup>



This presents a context in which greater access to advice and guidance through the AGBR is likely to be welcomed by consumers. The qualitative research demonstrates that there is a demand from consumers for more help and support that reflects their specific circumstances, reflecting the finding that this was a key perceived benefit of information from social media sources. Currently, consumers feel there is lot of information available, but the volume of content can make it difficult to find the right, relevant information for their own circumstances.

Consumers also have high expectations that targeted support would maintain the positive aspects of their current favoured sources: free, easy to access, jargon-free and trustworthy. These findings show the gap in the market that targeted support could address, which will be explored further in chapter 6.

<sup>46</sup> Q | AGBR1. Base | Those with investments (n=2,127).

## 4. Retail investment harms and better outcomes

As set out in the introduction to this report, we aimed to measure the prevalence of three main ‘types’ of harms and better outcomes.

In total, more than half of consumers (55%) are experiencing at least one of these retail investing harms or potential better outcomes. Within each category, we developed a range of definitions to test, outlined in Table 1 with their individual prevalence in the population, and the NET for each group.<sup>47</sup>

Table 1: Retail investment harms and better outcomes

<b>Under-investing (36% NET)</b>		
Name	Definition	%
<b>Excess cash</b>	Able to cover outgoings for 6+ months if income lost, but has no investments	15%
<b>Excess income</b>	Able to cover outgoings for 6+ months if income lost, and saving regularly, but has no investments (N.B. this is a subgroup of excess cash)	7%
<b>Account reaching maturity</b>	Able to cover outgoings for 6+ months if income lost, has a savings product that matured in the past 3 years, but took <u>no action</u> upon maturity	5%
<b>Potential investor in the future</b>	Has £500 in savings, has no investments, and is interested in investing in the future	12%
<b>Irregular investor</b>	Able to cover outgoings for 6+ months if income lost, has investments, only puts money into investments on an ad hoc basis	12%
<b>Misaligned investing (20% NET)</b>		
Name	Definition	%
<b>Misaligned: high-risk products but low appetite</b>	Holds higher-risk investment products but has a low-risk appetite	3%
<b>Misaligned: low-risk products but high appetite</b>	Holds no higher-risk investment products but has a high-risk appetite and doesn’t need to access assets for 3+ years	8%
<b>Misaligned ESG</b>	Has investments, and ESG performance is important to them, but has not reviewed / been able to access information on the ESG performance of their investments	12%
<b>Inappropriate investing (11% NET)</b>		
Name	Definition	%

<sup>47</sup> ‘NET’ refers to the aggregate count of all consumers who demonstrate any of the harms within this group. The NET may be slightly lower than the total sum of the individual harms, because some consumers may demonstrate more than one.

<b>Holding investments but insufficient savings</b>	Has investments, but only £5k or less in savings, or could only cover outgoings for less than one month if income lost	11%
<b>Invested in wrong product for objectives</b>	Has investments, but house deposit is their main priority, and they expect to pay for it from investments	> 1% <sup>48</sup>

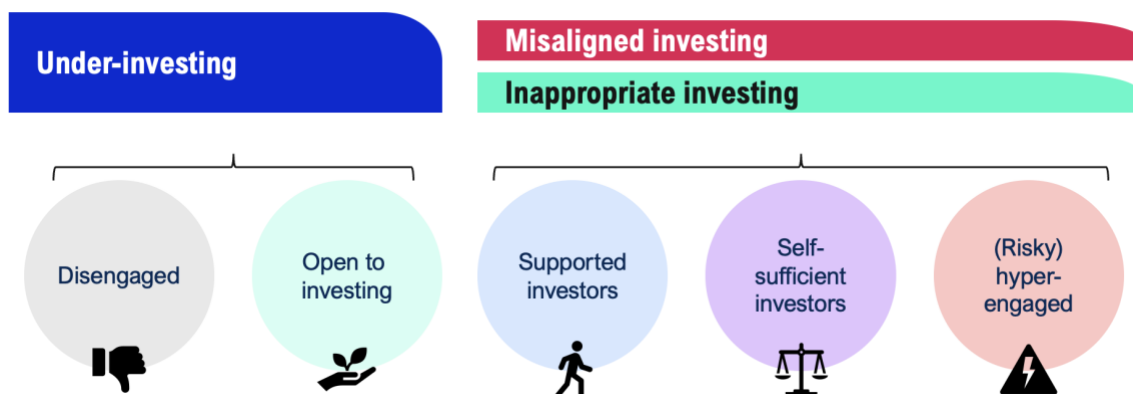
Under-investing is a particular challenge to overcome – reflecting the context of low investment behaviours outlined earlier – with a third of consumers meeting at least one of these criteria (36%).

#### 4.1 Attitudinal segments are strongly correlated with the harms explored.

In terms of demographics, older groups and women are more at risk of under-investing, whilst younger men are more likely to be investing inappropriately or in a way that is misaligned to their risk appetite.

Attitudes also have a strong link to these behaviours. Under-investors are much more likely to say that they ‘like to save and prioritise setting aside money for the future’, which likely influences a more cautious approach to investing. The harms can therefore be mapped onto the investing attitudinal segments as shown in Figure 9. Not everyone in each group demonstrates these behaviours, but this mapping describes the most prevalent harm types that are likely to be experienced by those in each group.

Figure 9: Retail investing harms and attitudinal segments



We also note that across all definitions of harms and potential better outcomes, consumers demonstrate imperfect financial literacy. In particular, 31% of potential investors in the future, and 30% of those holding investments but with

<sup>48</sup> Due to the small incidence of this defined group, the low base size means they have been excluded from further analysis. However, we acknowledge there are a potential myriad of scenarios where people may be invested in the wrong product for their financial goals, but it was not possible to define them all from this dataset.

insufficient savings, demonstrated poor financial literacy, compared to 20% of all those with investments.<sup>49</sup>

In the remainder of this chapter, we will focus on four selected harms in order to better understand what impacts the likelihood of experiencing each. These are:

- **Excess cash**
- **Irregular investing**
- **Misaligned: high-risk products but low appetite**
- **Holding investments but insufficient savings**

Further detail on the remaining harms can be found in the appendix.

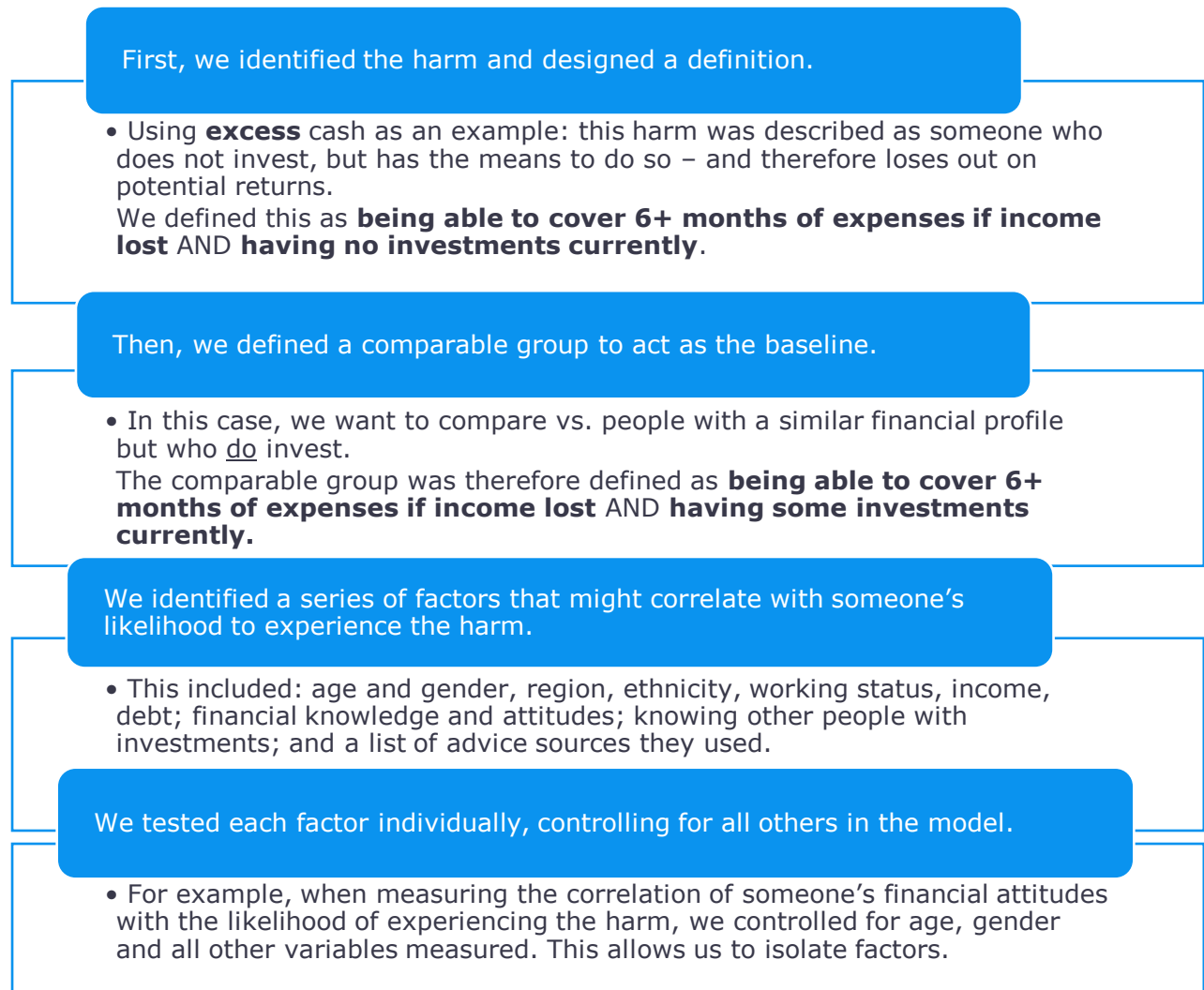
## 4.2 Factors driving harms

To measure the factors that impact the likelihood of consumers experiencing each harm, we applied a statistical technique, regression analysis, as explained in Figure 10.

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<sup>49</sup> Q | Derived variable SK1-3 measuring answers to financial literacy questions. Low 0-1/3; mid 2/3; high 3/3. Base | All investors (n=2127); Potential investor in the future (n=641); Holding investments, but insufficient savings (n=583).

Figure 10: How we carried out regression analysis<sup>50</sup>



#### 4.3.1 Excess cash

*A reminder of the definition of this group: Able to cover outgoings for 6+ months if income lost, but has no investments (15% of consumers)*

Fundamental to the group who hold excess cash is that they are typically more risk-averse: 76% say their risk appetite is low, vs. 51% of the total sample.<sup>51</sup>

<sup>50</sup> See technical appendix for full detail. Variables measured and controlled for were: age and gender, region, ethnicity, disability, working status, income, debt, home ownership, children in household, experiencing a significant life event, advice and guidance sources used, friends and family investment habits, self-perceived financial knowledge, tested financial knowledge, attitudes to spending vs. saving, perceived locus of control over returns, and personality traits.

<sup>51</sup> Q | A3. 'Low' risk defined as 0-3/10. Base | All respondents (n=5321); Excess cash (n=798)

However, within this group, there are variable levels of interest in investing in the future – some reflect the more **disengaged** attitude and are actively against investing due to the perceived risk, whilst others are open to trying but haven't got round to it. To size these audiences, 31% feel they probably or definitely will invest in the future, whilst the remaining 69% say they probably or definitely won't (55%), or don't know (14%).<sup>52</sup>

"I think, having done all this in my savings this year, that I've done a really good thing. But then you think...well, there's other avenues you go down too, maybe make the money work better for you, which I've not been aware of before." – excess cash

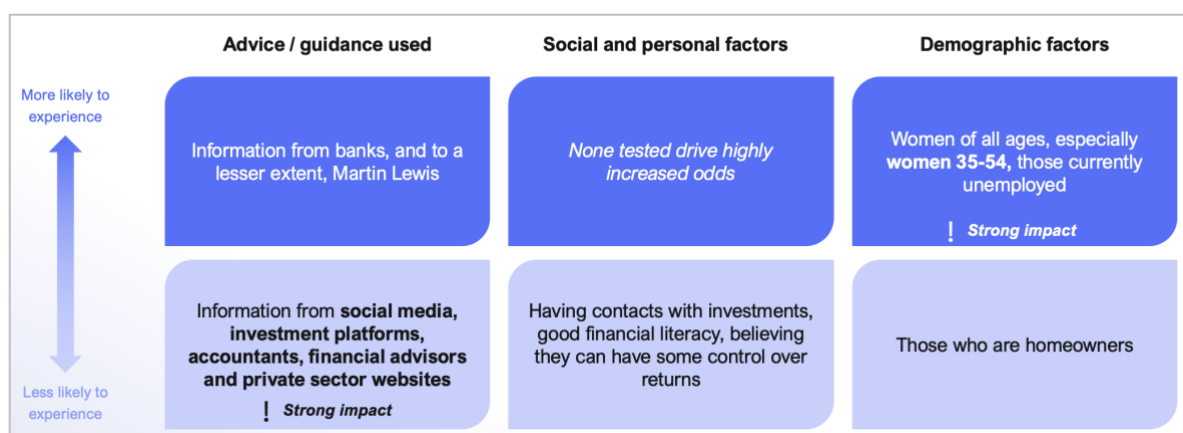
The subgroup of the excess cash group who are most willing to consider investing are younger and demonstrate more openness to taking on risk. They are also more likely to be in full-time employment, which may also lead to greater willingness to invest due to the consistent income from their salary.

The regression modelling for this group is shown in Figure 11. Accessing information or support from banks is correlated with holding excess cash. This demonstrates the potential for targeted support from firms to provide information to those in this group who would consider investing.

In addition, social factors including knowing other people with investments, having good financial literacy, and believing that they can have at least some influence over the returns their investments make, are all correlated with lower levels of excess cash, as these people are more likely to invest. This reflects many of the barriers that will be explored in chapter 5, including knowledge about investing, belief about who invests, and risk aversion, showing that when these barriers are removed or reduced, consumers are more likely to invest.

Reflecting the overall demographics of who invests, women of all ages are more likely to remain uninvested (harm: excess cash), especially those aged 35-54.

Figure 11: Effect of factors on likelihood of experiencing excess cash (regression modelling)



<sup>52</sup> B2. Base | Excess cash (n=775)

## Potential considerations for supporting those with excess cash

1. There is an opportunity for sources of information that this group already use, including financial institutions like banks and other savings platforms, to highlight the benefits of investing. This could be via targeted support as well as more broadly; in particular, specific guidance on types of products that are lower risk for long term investing, or potentially using factors such as social proof about who invests.
2. Broader education around the benefits of investing and the potential for better returns vs. savings over a long period may also help to drive greater financial literacy and more investing.
3. Given consumers' varied attitudes to risk, there is an opportunity to highlight the ability to choose the risk level that consumers are comfortable with, as well as the fact that they do not have to choose all their own investments in a managed fund. In addition, encouraging people to try investing with a small portion of their cash may help address the risk aversion barrier.
4. There remains a group who do not invest, and for whom investing may not be appropriate as it may not suit their attitude to risk. These audiences might respond to the suggestions above, however it should be noted that they may prefer the perceived security of savings in spite of the risks posed by inflation. For this group, providers may instead wish to focus on encouraging 'savvy' saving behaviours, especially when accounts reach maturity.

### 4.3.2 Irregular investing

*A reminder of the definition of this group: Able to cover outgoings for 6+ months if income lost, has investments, only puts money into investments on an ad hoc basis (12% of consumers)*

Irregular investors are an older group, with an average age of 58 vs. total 49; and have a focus on saving their money for long-term retirement goals (41% say this is the main purpose of their savings and investments, vs. 23% of total).

<sup>53,54</sup>

*"[When planning finances] I'll be looking at, you know, where will I want to live now I'm getting older." – traditional investor*

With almost half (43%) already retired, a lack of regular income from employment is likely contributing to their choice not to invest regularly. Of all

<sup>53</sup> Q | Age. Base | All respondents (n=5321); Irregular investors (n=638)

<sup>54</sup> A11. Base | All respondents (n=5321); Irregular investors (n=638)



the harm groups identified, they hold the highest asset values, with 55% having £50,000+ in investible assets excluding their pensions.

Their decision to invest irregularly is in some cases related to their personal circumstances. Regression modelling shows that experience of a significant life event in the last 3 years, such as retiring recently or the death of a close family member, is correlated with irregular investing. This suggests that some may have received a larger sum of unexpected capital, and chosen to invest this at the time, but now they may not expect or want to regularly add to or engage with their investments.

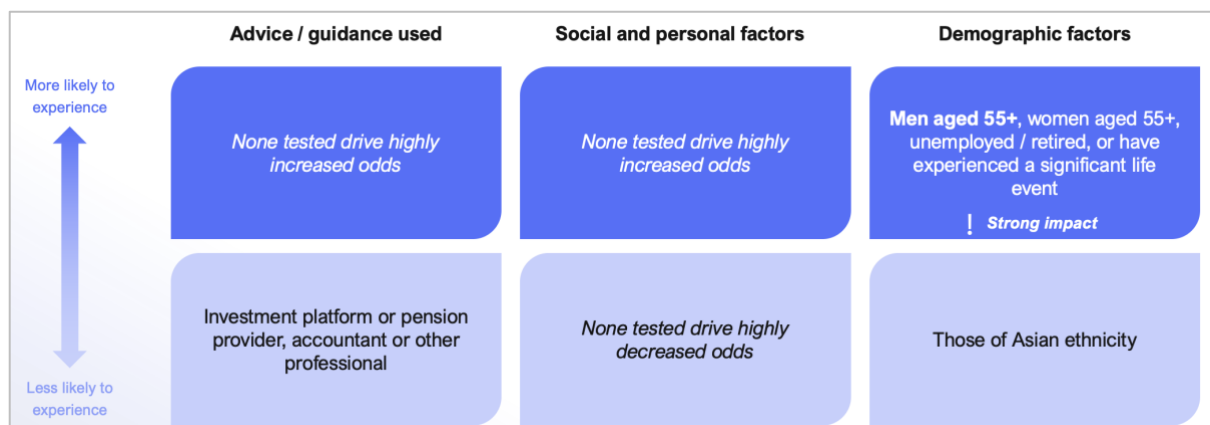
*"Now I'm not working, my income is lower (though my outgoings are low) – so if I look at a new product, I like to know if I need to, I can get at money quickly. Some is stuff of course where you can't get it quickly." – traditional investor*

The qualitative research provides evidence that this group are doing little to actively manage their investments day-to-day. Some started investing due to situational factors, such as being recommended a product by a friend, rather than because they had carried out significant research or thought deeply about whether investing was right for them. This group therefore lack deep understanding of investing, and do not always feel confident in managing products beyond checking the value of their investments. This may mean they are not invested in the optimal products or portfolio for their circumstances.

*"I get statements for my main investments – other than looking and thinking 'yay' they have gone up or 'no' they have gone down, I don't do an awful lot, it's all just ticking over." – irregular investor*

In the regression modelling for this group, shown in Figure 12, seeking information, advice or guidance from investment platforms, pension providers, accountants or other professionals are all correlated with lower levels of experience of this harm, i.e. higher levels of regular investing. This again establishes the role advice and guidance can play in good investment decisions.

Figure 12: Effect of factors on likelihood of experiencing irregular investing (regression modelling)



## Potential considerations for supporting irregular investors

1. There is a role for firms to educate on the potential benefits of people 'drip feeding' their cash into investments over time.
2. Consumers who invest a large ad-hoc sum may benefit from targeted messaging which supports them to understand the potential benefits of regular investing.
3. Consumers may benefit from messaging which helps them to understand features that allow for easy one-time setup of regular investing.
4. To encourage more active management of existing products, firms could consider more nudges to engage consumers after an initial investment, ensuring that they clearly explain options including the benefits that regular investing can bring to consumers (for example, the possibility of higher returns in the longer-term vs. savings accounts).

### 4.3.3 Misaligned: high-risk products but low appetite

*A reminder of the definition of this group: Holds higher-risk investment products but has a low-risk appetite (3% of consumers)*

The high-risk products held by this group (who have a low-risk appetite) are most likely to be crypto assets, with 69% holding this type of investment, despite the fact that these products are very volatile, and by their definition, this group does not have a high appetite for risk.<sup>55</sup>

*"I'd like to have a sinking fund. I follow so many influencers and most of my Instagram are like money and savings orientated. I'd like to have an emergency pot, what everyone calls three months or whatever, for bills if my husband lost his job." – higher-risk investor*

Members of this group want to generate high levels of returns from their investments, but some may not have the appropriate level of financial literacy to make the right risk assessments; only 56% of this group demonstrate strong financial literacy, meaning 44% have imperfect financial literacy.<sup>56</sup> In the qualitative research, many demonstrate a misunderstanding of the products they are invested in. There is therefore a likelihood that they may experience losses that they are unable to tolerate.

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<sup>55</sup> PO1. Base | Misaligned high-risk (n=139)

<sup>56</sup> Derived variable SK1-3 measuring answers to financial literacy questions. Low 0-1/3; mid 2/3; high 3/3. Base | Misaligned high-risk (n=139)

*"I don't have any savings products, no, I'd want a guarantee of a good return. You can lock in a currency on some cryptos which is a bit like a savings account." – higher-risk investor*

This group has a strong appetite for seeking lots of information, in the hope that this will allow them to make the best decisions to generate the high levels of returns they are seeking. The regression analysis as shown in Figure 13 finds that access to a wide range of advice sources is correlated with experiencing this harm. This includes those who seek their information from investment platforms, social media [forums and pages], accountants or other professionals.

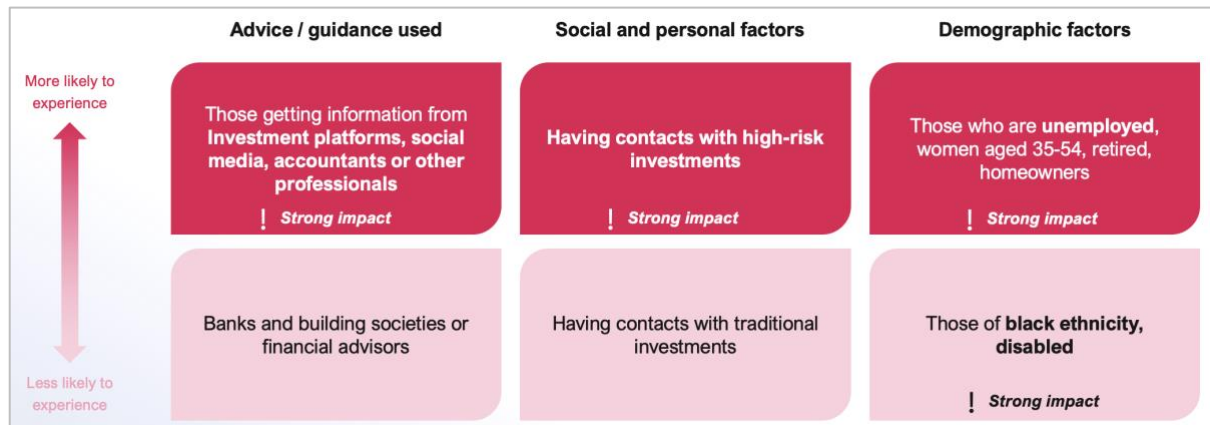
*"I like investing as a group, but not where we all put into a pot, but where are investing live. We'll be on telegram groups and [a crypto influencer] will be live streaming at the same time, and everybody in the chat will have a role." – higher-risk investor*

Whilst this may seem counter-intuitive, particularly for those obtaining information from professional sources, this likely reflects the high levels of self-confidence this group have in making their own decisions and therefore how they interpret the information they access. There are therefore several potential risks to consider for this audience, which may be prevalent when they access information:

1. Misinterpreting evidence-based financial advice, either due to a lack of understanding or confirmation bias leading to a selective approach.
2. Misinterpreting someone's credentials, which may extend to believing that influencers on social media are 'professionals' when they may not be accredited.
3. Seeking information on unregulated sources, including influencer accounts on social media as shown in the regression analysis and outlined in chapter 4.

In addition to advice and guidance factors, social factors including having contacts with high-risk investments are also correlated with experiencing this harm; reflecting the role of friends and family can play in people's experiences of seeking information on higher-risk investments, also explored in chapter 4.

Figure 13: Effect of factors on likelihood of experiencing misaligned investing: high-risk products but low appetite (regression modelling)



### Potential considerations for supporting those with misaligned high-risk products to their low-risk appetite

6. This audience may benefit from increased access to regulated advice sources, and accessing information that is as tailored as possible to educate around the risk level of different investments.
7. There may also be an opportunity to reach this group with information about developing a more balanced portfolio, to support them to limit their overall risk.
8. There is also the potential to share more information about the benefits of long-term investing, to highlight that investments cannot always deliver 'quick wins'.
9. Social media channels could offer opportunities for firms to reach this group in innovative ways, as they are already spending time researching potential investments via these channels.

#### 4.3.4 Holding investments but insufficient savings

*A reminder of the definition of this group: Has investments, but only £5k or less in savings, or could only cover outgoings for less than one month if income lost (11% of consumers)*

This group is the youngest of all the identified harm groups, with 44% aged 18-34, vs. 27% of total respondents.<sup>57</sup> They have a greater 'spending' rather than savings approach, and 48% say that their risk appetite is high (vs. 25% of UK adults).<sup>58</sup> This can be understood as the key difference between this group and the 'misaligned high-risk' group outlined above; whilst the above group are investing beyond their declared risk level, this group actively seek out risk. They therefore have a wide portfolio of investments, with the most commonly held including Stocks & Shares ISA / LISA (60%) as well as crypto assets (32%),

<sup>57</sup> Q | Age. Base | All respondents (n=5321); Holding investments, but insufficient savings (n=583)

<sup>58</sup> Q | PO1. Base | All respondents (n=5312), all holding investments but insufficient savings (n=583)

listed direct shares (31%) and investment funds including index-linked and ETFs (29%).<sup>59</sup>

*"Bitcoin prompted me to get involved really. I liked the philosophy, the decentralisation...I can really see the future in it."*  
– higher-risk investor

The qualitative evidence shows that this group are often willing to 'gamble', wanting to see a quick return on their money.

*"Sometimes, it's like when you get a tip on a racehorse... I don't remember the coin but I got a tip [...] they said this is going to rocket, 'you need to get onto this thing'."* – higher-risk investor

They demonstrate (risky) hyper-engaged attitudes, spending lots of time reading about investment opportunities and making quick decisions to try to get the best returns on their money.

*"It's all happening extremely fast [coin launch]."* – higher-risk investor

*"I bought £30 of this new currency, recommended by other people...then I was told to withdraw on it now and I had £300 on it – it makes 10 times itself."* – higher-risk investor

Similarly to the misaligned high-risk group, this group is also seeking and accessing a very wide range of information and advice types. Again, the regression modelling shows that the information they access is correlated with their investing behaviours – see Figure 14. Like the group with misaligned high-risk products to their low-risk appetite, this group may be misinterpreting unregulated sources as regulated advice – such as perceiving social media influencers to be 'financial advisors' rather than interpreting this term in the professional, regulated sense it was intended. They can be placing high levels of trust in others who exhibit the same behaviours as them who they meet and engage with online.

*"I've got loads of friends actually, not met them in real life but people who I trust, and we all share things with one another."* – higher-risk investor

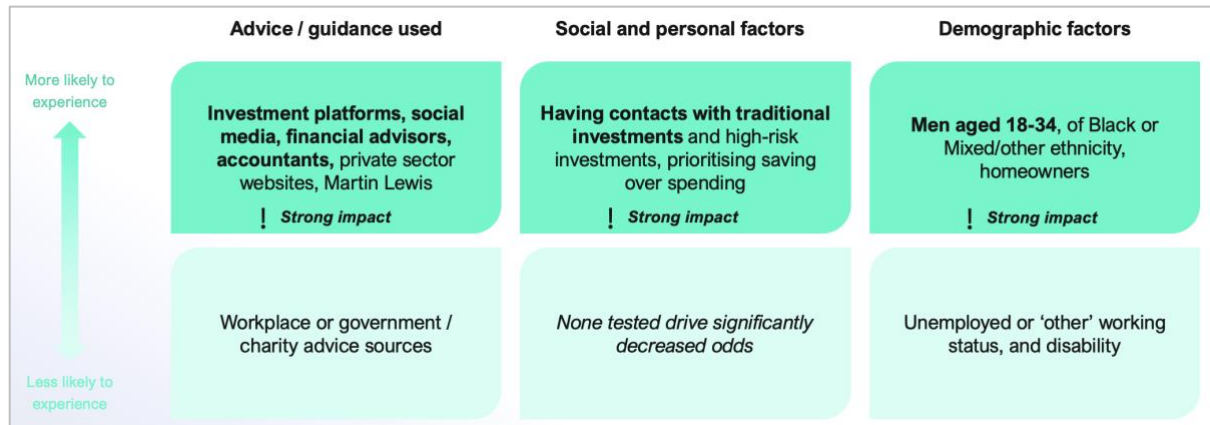
Instead, guidance from workplace and government or charity sources is correlated with reduced risk of this harm.

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<sup>59</sup> Ibid.

Demographic factors also play a notable role, with men aged 18-34, and those of Black or mixed/other ethnicity more likely to experience this harm.

Figure 14: Effect of factors on likelihood of holding investments but insufficient savings (regression modelling)



### Potential considerations for supporting those holding investments, but with insufficient savings

1. There is an opportunity to educate around the need for consumers to hold an emergency fund before they start investing; this group will likely still want to invest, but holding an emergency fund could increase their financial resilience.
2. Partnerships and presence on social media sites might be considered to provide a live counterpoint to unregulated information, such as information on how consumers can assess a potential investment to understand if it is right for them.

## 5. Barriers to investing

In this chapter, we explore the barriers consumers face to investing, both in terms of taking out products, and actively managing products once investing.

### Overview of key findings for this chapter:

- Half of non-investors (51%) claim they are unlikely to invest in the future. Younger cohorts of non-investors are more open to investing than other age groups.
- There are multiple entrenched barriers to investing, including low knowledge, low confidence, risk aversion and stereotypes about who does and doesn't invest.
- Once investing, these same barriers play a role in preventing consumers from engaging and actively managing their investment portfolio.
- There is scope for potential interventions to overcome these barriers to both taking out investment products and managing products.

### 5.1 Half of non-investors say they are unlikely to invest in the future.

Transferring investible assets (currently not invested) into personal investments could have multiple positive impacts: firstly, to consumers' personal finances, as investments often 'work harder' than savings in the longer term; secondly, to the UK economy as a whole, as investments offer increased benefits by boosting growth.

Despite these benefits, only 32% of non-investors in our sample are expecting to invest in the next few years and half of non-investors say they are unlikely to invest (see Figure 15).

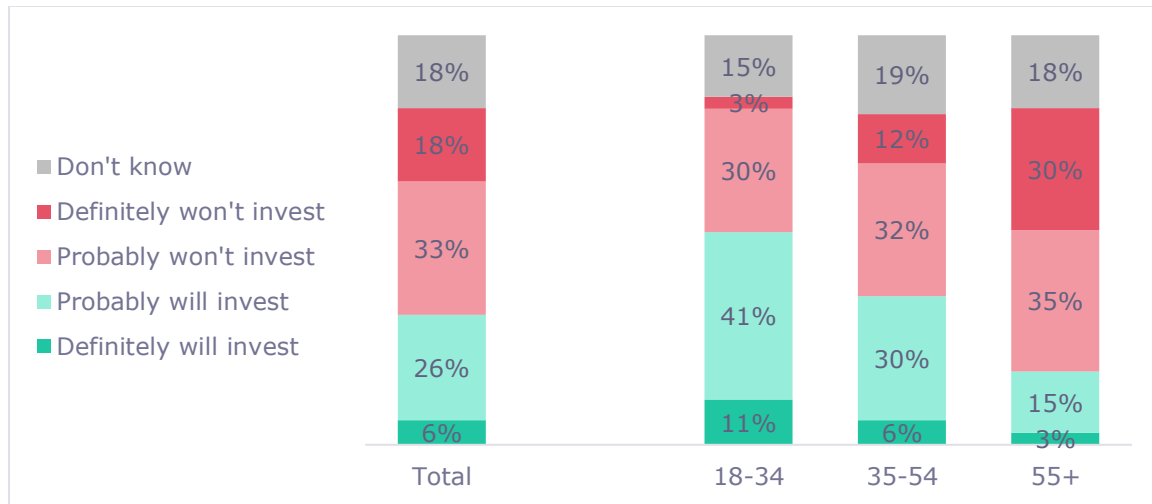
This suggests strong barriers to engaging with retail investments, and speaks to the need for possible interventions to encourage and prompt investing behaviours.

### 5.2 Younger cohorts of non-investors are more open to investing than other age groups.

Younger generations are more likely than older people to say they expect to invest in the next few years – see Figure 15. This is a positive sign, indicating the potential for regulation and interventions to pre-empt harm by preventing these consumers from building up 'excess cash', and encourage good investment habits early on in consumer investment journeys.



Figure 15: Perceived likelihood to invest in future | Amongst those who do not currently have investments<sup>60</sup>



### 5.3 Consumers face barriers to investing according to the qualitative and quantitative evidence.

Evidence from our qualitative and quantitative data points to barriers that consumers face to taking out investments. This data goes some way to explaining why over half of non-investors are not expecting to invest.

We identify the following barriers consumers face to taking out investments:

- **Knowledge:** Non-investors can have limited knowledge about investments. Non-investors are often unsure about what products exist, often equating savings products and investment products (e.g. Stocks and Shares ISAs and cash ISAs), illuminating this knowledge gap.

*"I tried reading up on it [investments] but I'm not feeling 100% clear on it and informed on it to go ahead." – excess cash*

1. **Attitudes to risk:** Fear about losing money in investments is high, and many don't feel comfortable taking risks with their money by investing. The quantitative evidence from this research shows 86% of non-investors say they are not willing to take risks to get high returns, compared with just 12% claiming they are willing to take risks.<sup>61</sup> When probed in qualitative discussions, non-investors often assume that investments are always very high risk. They are likely to be exposed to messages about investments which suggest investing is risky, including disclosures such as 'the value of your investments can go down as well as up'. We hypothesise that this message could concern this audience, because they start from a position of being risk-averse already, and have low

<sup>60</sup> Q | B2. Base | All respondents who do not have investments (n=2022) 18-34 (n=528), 35-54 (n=644), 55+ (n=850)

<sup>61</sup> Q | A3. Base | Non-investors (n=3194)



knowledge about the broad range of investment products on offer (including their varying risk profiles).

*"I wouldn't do it [investing], I just feel investing is too risky and I can't afford to lose...one of my son's friends was doing a lot of money market and he did make a few here and there but he did also lose a bit... for me it's too risky." – excess cash*

- **Unseen possibilities from investment:** The quantitative evidence shows that many consumers feel content with the interest rates they receive from their savings accounts, citing this as a reason not to invest. Qualitatively, few consumers mention investment as an opportunity to receive greater returns than saving in the longer run. This lack of understanding of the long-term benefits of investment, and the long-term risks of savings accounts when interest rates are weaker than inflation, therefore reduces the perceived incentive and overall motivation to invest. Those who do invest are more likely to know others who invest, and therefore, more likely to be aware of the potential benefits.

*"My husband is more savvy with stocks and shares so he already had one and he was growing it nicely, but I was always too scared to delve into it because I didn't really understand it, but over the last 2 years I've started paying into it." – traditional investor*

- **Belief about who invests:** Non-investors in this sample can claim that investing is not for them, because they perceive it as an activity suited to 'others'. 'Other people' in this case tend to be described as those who are perceived to be wealthy, very confident in managing money, and sometimes older and male.

*"Richer people than me are the ones that are investing. They're the ones that are making all the money, it's not what I call normal, working-class people." – excess cash*

- **Time:** Those who claim to want to invest are especially likely to say time has been a key barrier to investment. However, this barrier is also intrinsically linked to motivation and the challenge of prioritising spending time on making financial decisions vs. other priorities.

*"I've been wanting to invest in financial markets, especially S&P500 but I've not got around to it... Maybe it's down to a bit of laziness." – excess cash*

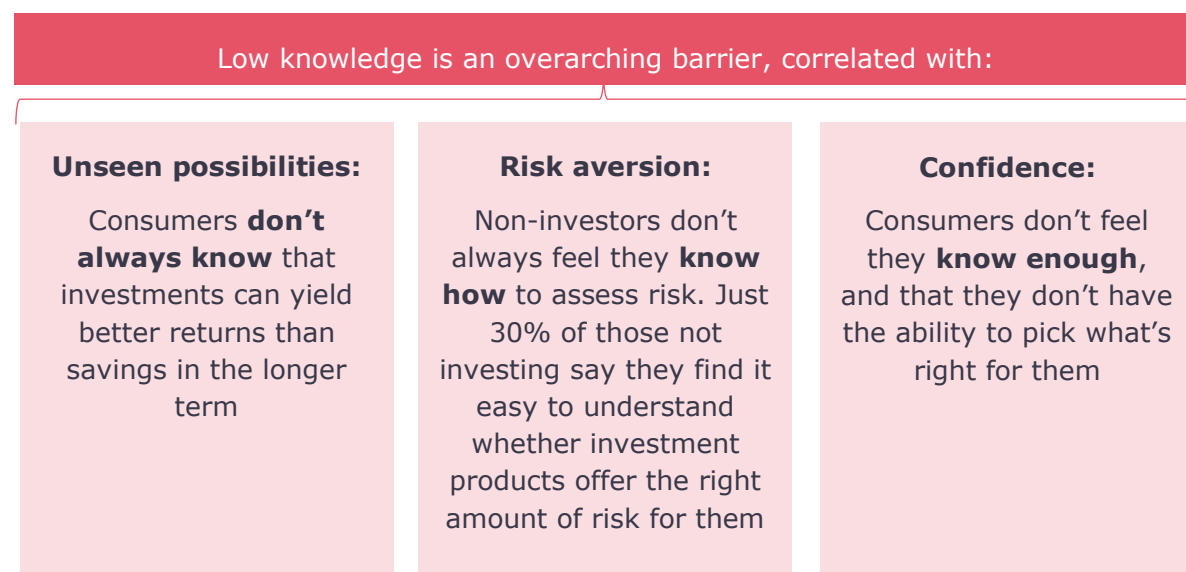
- **Confidence:** When probed in qualitative discussions, confidence to make investment decisions is often linked to low knowledge about investments. However, some may be less confident than they ought to be. Indeed, 29% of

non-investors reported that they had low financial knowledge, but were able to successfully answer financial literacy questions that indicate good levels of financial knowledge, suggesting inappropriately-low confidence.

*"I just always had in the back of my mind that I didn't understand enough about the ins and outs [of investments], you know, the fine print. It just seemed a bit risky for me. I remember looking at the information that came with the company, and it was very...long. I know it's got to be very long, drawn out, very technical. I thought 'actually, I just don't understand enough about this', so that's probably why I didn't go for it." – excess cash*

Low knowledge should be highlighted as an important barrier to address. This is because it is one of the most prevalent barriers (40% say it is a barrier to investing)<sup>62</sup> and because evidence from the qualitative research shows it can correlate with other barriers, as shown in Figure 16.

Figure 16: Knowledge and other barriers (interpretation of qualitative evidence)



The quantitative evidence shows that low knowledge as a barrier to investment is most acute for younger audiences (18-34) and risk aversion is strongest for older audiences (55+). Addressing knowledge barriers is therefore critical to improve the consumer investment landscape in the longer term.<sup>63</sup>

Targeted support could play a role in overcoming these barriers to investment; this will be explored in detail in chapter 6.

<sup>62</sup> Q | B1. Base | All respondents who do not have investments (n=2,022)

<sup>63</sup> Q | B1. Base | All respondents who do not have investments (n=2,022)

Q | A7. Base: All respondents (n= 5,231)

## 5.4 Investors in the qualitative sample report beginning their investment journeys as a result of 'situational' factors

As part of the qualitative research, we heard from investors about the factors that prompted their decision to begin investing, to understand whether we could learn anything from these prompts to encourage investment amongst non-investors.

Interestingly, many of the investors we heard from first began investing because they experienced factors that can be defined as 'situational'. By 'situational', we mean a relatively unplanned or impulsive decision, as opposed to the result of a longer period of considering investments as part of a range of options for their investible assets. Specifically, many describe having been prompted to take out investments as a result of recommendations from friends and family or through direct referral codes and offers.

*"I remember Monzo had an advert, I've had a bank account with Monzo for ages and they had an advert about accounts and the pots they had." – higher-risk investor*

The pandemic is also frequently cited as an event that generated first-time investing activity. Some consumers report having more free time because of the lockdown, meaning they had more time to engage with their finances than usual. Additionally, some consumers report having more cash during this period (as they were unable to go out and spend their money as usual whilst many shops and businesses were closed).

Conversely, some consumers report investing at this time in a bid to increase their income quickly, having seen a reduction in their income (e.g. being put on furlough or reduced hours, or losing their job altogether). This audience claim they wanted to use any returns made on their investments to support them during this time of reduced income.

Very few in the qualitative sample mention that they started investing to make their money 'work harder' than savings, or because of specific financial goals. Those who claim they invest for this reason have usually learnt about this concept from friends and family originally.

*"My dad gave me lots of advice. He was a schoolteacher, but he managed to make a little bit of money at the end of his life. So he got me going with ISAs." – higher-risk investor*

This pattern of few consumers proactively choosing investments as part of their financial goals and planning reflects the knowledge gap we observe amongst consumers on this topic. Few understand that investments have the potential to give them greater returns on their finances compared to savings in the longer term. Therefore, there are many unseen benefits to investing that consumers are not aware of. This could be leading to untapped and unrealised potential in the market.

## **5.5 Once investing, consumers face similar barriers to managing their products as they did to beginning their investment journey.**

In the same qualitative research phase, we probed investors on the actions they take to manage products. Few investors report taking consistent, regular actions to manage products, with most of the investor cohort saying they do little more than check the value of their investments.

Indeed, many of the same barriers to investing emerge again as barriers to engaging with products; for example, knowledge, time, confidence, belief about who invests, and the unseen possibilities and gains from different portfolios.

*"[When reviewing] I don't always know where to start and what I'm looking at." – higher-risk investor*

*"It's very daunting (investing), at the end of the day you really worked hard for your money. So, for me I'd say it's confidence in making those decisions." – higher-risk investor*

These barriers to managing products may not be so surprising given investors have often begun their journeys to investment through situational factors as described in section 5.4. A referral code or recommendation from a friend or family member can move consumers from being non-investors to investors, however this does not necessarily address the barriers outlined in section 5.3, including lack of knowledge, risk aversion and unseen possibilities from investing.

As a result, there is a real opportunity for interventions, like targeted support, to educate and support investors to engage with their investments in the longer term, beyond the moment when they take out a new product.

## 6. Appetite for targeted support

*Methodological note: This chapter is based on qualitative research conducted with consumers (none received financial advice in the last 12 months, or had an ongoing relationship with a financial advisor).*

*Consumers were presented with examples of targeted support propositions and asked to feedback. Therefore, where we refer to consumer views about targeted support in this chapter, we're referring to their views about the specific propositions, not finalised versions of targeted support (given the guidance is still be developed for this solution).*

*Findings in this section of the report are based on qualitative, rather than quantitative evidence. As a result, we are unable to refer to specific statistics, or quantify findings. However, the sample size is a robust qualitative sample, and findings should be treated indicatively of the wider population.*

### Overview of key findings for this chapter:

- **Consumers regard example propositions of targeted support positively, claiming they are more personalised and tailored than existing forms of help and support available to them.** Additional benefits associated with targeted support include supporting consumers to manage, not just take out investment products, and the potential for targeted support to 'cut through' lots of information about investing, providing the most relevant detail.
- **Consumers also identify some challenges in response to targeted support example propositions,** including a perception that targeted support is more beneficial to providers than it is to consumers (because some see it as a 'sales tactic'), concerns about data privacy, and concerns about security.
- **On balance, those more open to increased help and support with investments believe they would engage with targeted support (in response to example propositions).** These consumers claim targeted support overcomes some of their barriers to investment; for example, knowledge, confidence, and time barriers.
- **Consumers who are most disengaged with investments, and those most engaged with investments, do not see the example propositions as relevant to them.** As a result, consumers with these two attitudinal segments claim to be less likely to adopt it in its current format.

### 6.1 Overview of how we tested targeted support

During the qualitative phase of research, we tested mock examples of targeted support propositions, which are shown in the technical appendix of this research

report (chapter 8). The examples shown focused on multiple different scenarios in which targeted support could help in an investment context, such as information about new products to non-investors, prompts to manage investments for those already investing, and information about savings for investors who don't have an emergency fund.

## **6.2 The wider consumer context influences how targeted support propositions are interpreted.**

Consumers have very high expectations about the level of personalisation that providers could offer. To contextualise this, it is important to consider consumers' broader experiences in terms of information they receive. Consumers have become increasingly accustomed to receiving tailored information from companies they engage with, including everything from shopping to consuming entertainment and media, and therefore the baseline expectation for what constitutes personalised information is high.

As a result, initial reactions to examples propositions of targeted support in a testing environment do not generate a strong reaction from consumers. Some consumers believe they have seen similar propositions and even used it before to make financial decisions. Others expect a 'new offering' should be even more advanced and personalised, given this wider context.<sup>64</sup>

*"I've used it [targeted support] before, yeah it's a good thing." – higher-risk investor*

*"I'm trying to think if I've seen this before. I don't think I have, but I have probably seen the information it gives on Martin Lewis or whatever." – traditional investor*

## **6.3 Consumers can readily identify benefits to targeted support example propositions, noting how they could address gaps in current help and support offerings.**

### **6.3.1 Targeted support propositions are seen to addresses some key gaps in existing help and support.**

When introduced to examples of targeted support, consumers are quickly able to identify a series of benefits. Indeed, targeted support propositions are perceived to directly address some of the gaps in advice and support that consumers had mentioned earlier in the research. Specifically, consumers claim that current offerings of advice and support can be lacking because they:

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<sup>64</sup> Note: Targeted support was presented as a 'new' offering that is not current available from providers.

- Are not perceived to be personalised and tailored enough, and therefore, it can be hard to understand whether advice and support is relevant to their circumstances.
- Can be overwhelming due to the volume of potential sources and content, meaning finding the most relevant information is challenging.

Targeted support propositions shared with consumers are felt to overcome these gaps and challenges, and viewed positively for:

- Being more personalised than current offerings.

*"It is good [targeted support example]. It said [in the description] that it wasn't personalised, but it sounds quite personalised." – excess cash*

*"It [targeted support] sounds quite good, actually. They are targeting you for with your information and it's tailored to your individual circumstances." – excess cash*

- Reaching them directly with relevant information, rather than requiring significant time and effort for consumers to find the information that is right for them.

*"For me [targeted support] would be good because it does the research for me, and I don't have to know anything." – excess cash*

Additionally, current advice and support may not be helping consumers to manage their financial products once they have taken them out.

During interviews, we observed consumers accessing help and support in 'real time'. We asked them when they might access help and support. Consumers share that they are often inclined to seek advice and support at the start of a financial journey, e.g. when taking out investments. However, they claim they are not always actively managing their products once they have taken them out, and not seeking help and support to do so, often because there is no obvious 'trigger' to engage. This is another area reason why propositions of targeted support that prompt engagement are viewed positively.

*"It [targeted support] is giving you an option you might not know about [...] Asking about the customer's situation [responding to example] so the advice is based on what her goals are [and] taking all the factors into consideration." – traditional investor*

**6.3.2 Targeted support propositions are felt to share some benefits that consumers associate with existing sources of help and support that they value.**



In addition to addressing some of the issues with existing sources of support as outlined in section 6.3.1, targeted support example propositions are said to share some of the benefits that consumers say they already value in other sources of help and support. These factors include:

- **Cost-saving**, especially in examples where propositions make consumers aware of alternative similar funds at lower costs.
- **Jargon-free**, which is viewed as essential to consumers who feel they have very low knowledge of investments.
- **Easily accessible**, especially when targeted support propositions reach consumers through provider apps, which are positively viewed as being secure.
- **Trustworthy**, to those who have high levels of trust in firms.

*"I'm at the beginning of my investment journey and I really appreciate the accessible language being used." – traditional investor*

*"I feel like if your bank is contacting you and telling you this is something you should look into your money for, they wouldn't really be giving you bad advice." – excess cash*

#### **6.4 Consumers also identify challenges with example propositions of targeted support, related to scepticism about 'sales tactics', privacy and delivery.**

The challenges associated with the example propositions of targeted support are related to wider attitudes towards firms, data and privacy, and tone of messaging. Specifically, the challenges included:

- **Concerns that targeted support propositions can be a 'sales tactic'.** Consumers can feel sceptical that some propositions are a sales tool. This feeling of being 'sold to' is exacerbated by low knowledge about the benefits of investing. Consumers who know very little about investing find it hard to see how it could benefit them, furthering the feeling that providers benefit, and not necessarily consumers.

*"It [targeted support] is just very biased information that you're getting." – higher-risk investor*

- **As part of this concern about 'sales tactics', consumers are concerned that they would not be able to access the best 'deals' for them through targeted support propositions.** Consumers are aware that providers would likely only show them their own products (e.g. stocks and shares ISAs from the specific provider). Therefore, consumers in this sample can feel sceptical, believing that the products mentioned in targeted support may not always be the best value on the market. A small number of consumers even expect providers to share products from



across the market, further demonstrating the high expectations some consumers have of what providers can do for them.

*"They're [the bank] are just selling what they want you to. If they would have given me 5 options, I might have thought I could do independent research on those, but this feels like a marketing gimmick." – excess cash*

- **Security and risk of fraud:** Concerns regarding fraud are most prevalent in instances where propositions are being administered by any other channel except in provider apps. Specifically, suggestions that targeted support could be delivered by email or phone were met with scepticism and concern due to the high awareness of fraud and scams amongst the respondents and more generally across society.

*"It [targeted support] could feel like a scam, with a pop up I wouldn't really trust it." – higher-risk investor*

- **Privacy and control:** Privacy is raised as a concern by consumers who worry that providers are potentially 'overreaching'. For example, some consumers are worried that targeted support is a method providers could use to analyse their finances and 'tell them what to do'.

*"It (targeted support) is quite intrusive, I don't want someone watching me." – higher-risk investor*

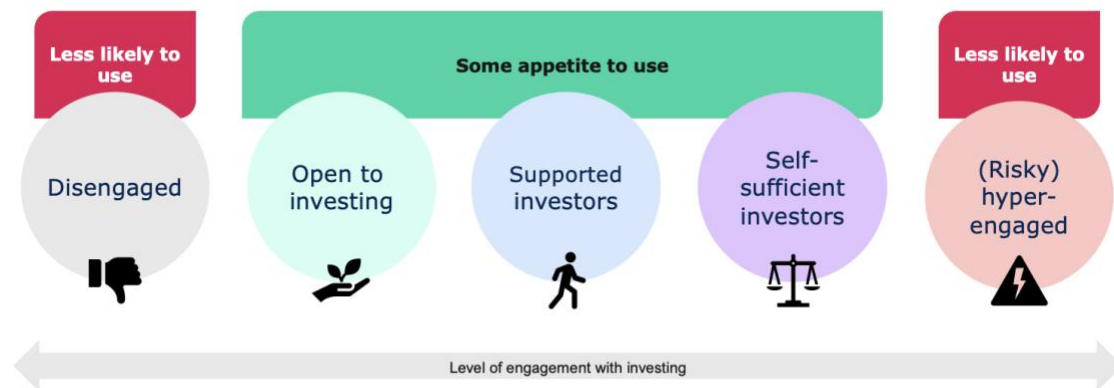
- **Being patronised:** Consumers who are most engaged with finances, especially those with '(risky) hyper-engaged' attitudes, can feel that targeted support propositions are not pitched at an appropriate level for them. This is because they perceive themselves to be quasi-experts when it comes to managing money and investments specifically.

*"It (targeted support) is not rocket science, is it? If you're low risk, your return is going to be lower than high risk." – traditional investor*

## 6.5 Consumer attitudes play an important role in determining claimed likelihood to engage with the propositions.

As part of this research, we asked consumers about their likelihood to use and / or act on a targeted support suggestion. The qualitative evidence suggests that the consumer attitudinal segments outlined in section 1.2 play a key role in determining whether consumers would use targeted support propositions presented. This is because their attitudes can influence how they perceive the potential benefits and challenges with targeted support explored in sections 6.3 and 6.4, and therefore their appetite to use targeted support. A summary of the appetite across the different attitudinal segments is shown in Figure 17:

Figure 17: Appetite to use targeted support, by attitudinal segment (qualitative analysis)



### 6.5.1 Consumers who are already open to help and support are most likely to say they would use the example propositions.

The three 'middle' attitudinal segments (**open to investing**, **supported investors** and **self-sufficient investors**) are more open to help and support when investing. Targeted support (as presented in the example propositions) could assist them to overcome some of the barriers to taking out investments and managing products that they already hold. These include:

- **Knowledge:** because targeted support examples tell consumers about different products that could be available to them.

*"It [targeted support] would help with knowledge - to help you perform better than the level you're performing at." – traditional investor*

*"[Would you use targeted support?] Definitely, because they [the bank] are sending you details of a product you maybe have overlooked in the past. Just for example, I didn't even know that I could do this kind of investment on such a low amount." – excess cash*

- **Risk aversion:** to some degree, because targeted support examples a) may ask specific questions about risk appetite, showing it can be tailored to an individual consumer's risk appetite; b) shows consumers that investments can be of varying risk, something not all consumers know; and c) shows consumers they can begin investing with a small amount of money whilst still keeping a healthy buffer or emergency fund in accessible savings products.

*"They've shown [in targeted support] that they'll tailor to your level of risk so that takes away risk." – excess cash*

- **Beliefs about who invests:** by directly contacting the consumer and showing explicitly that investments can be 'for them', despite firmly held stereotypes about who invests.

*"It [targeted support] is just telling you, 'you can do this'." – excess cash*

- **Confidence:** by addressing knowledge gaps, so consumers feel more confident in taking decisions about investments. This is especially the case for those who have high trust in providers.

*"This [targeted support] would make me feel a little more confident, because for me confidence comes with knowledge." – higher-risk investor*

- **Time barriers through reminders:** by acting as a helpful prompt to engage with investments, which is a reminder consumers may need if they don't feel they have the time or the inclination to engage with their finances regularly.

*"It's good [targeted support] especially if, like me, she's [person in the example] put her money in an account and almost forgotten about it and just assumes that things will jog on...it's a service or an outside organisation saying, 'you could do better with your savings'." – excess cash*

### 6.5.2 The most engaged and least engaged audiences are less likely to adopt the version of targeted support presented in the propositions.

Audiences least likely to engage with and have appetite for the example propositions are those who are the least engaged and most engaged with investing, because these audiences already have their own strong views about their own investing identity.

Specifically, those who are **disengaged** do not see themselves as investors and have very low appetite to invest. Therefore, they assume targeted support propositions are for 'someone else'. Indeed, targeted support propositions may not be sufficient on their own to disrupt this very firm attitude and encourage investing.

*"I still just don't want to invest." – excess cash*

*"I wouldn't use it [targeted support]. Not unless you're going to offer me an account that's going to guarantee me not to lose more than about 5% of my investment or something like that." – excess cash*

Additionally, the **(risky) hyper-engaged** audience view targeted support propositions as being too simplistic for them, due to their beliefs in their ability to make optimal investment decisions and even choose the right individual shares. This audience are more likely to reject 'mainstream' information about investing in general, and by extension, targeted support if administered in the mainstream.

Whilst both of these audiences may not engage with targeted support directly (given responses to propositions), they still see the value of the examples shared to other people. Specifically, those who are **disengaged** can imagine it being useful for friends and family who are open to investment, and those who are more engaged, or even **(risky) hyper-engaged**, see it as useful for those who they perceive to know less than themselves.

*"It could be really helpful for a beginner. Someone that keeps their money in a current account and is not doing much with it. But if you're someone who has different investments, it's not helpful for you." – higher-risk investor*

*"I've got two young children, and they have no idea what's going on, and I don't want them to go through what I went through. They should target younger people to get them set up." – higher-risk investor*

## **6.6 Consumers assume that targeted support propositions will be delivered at no cost to them.**

Irrespective of appetite to use targeted support, interest in using targeted support is usually contingent on it being free at the point of use.

*"I would absolutely use this [targeted support], probably not if I had to pay for it." – traditional investor*

Almost all consumers engaged in the qualitative research make assumptions about targeted support propositions being provided at no cost and are surprised by the possibility of providers charging for it in its current form. There are some factors that underpin this assumption:

- **Perceptions that targeted support is consistent with existing offerings.** Consumers are not familiar with the advice / guidance boundary, and are not always aware targeted support is a new type of offering. Therefore, they do not see targeted support as new or revolutionary, and assume targeted support is just one offering of many from providers aiming to deliver good customer service.

*"I already feel I get this type of support. Today I got an email from my bank saying, 'you've got a lot of money in your current account, have you considered our investment products.' It's a*

*useful email. Do I need another service on top of what I'm reading already? Probably not.” – higher-risk investor*

- **Beliefs that targeted support mainly benefits providers.** As explored, consumers have lower knowledge about the benefits of investing, and so do not necessarily see the benefits for them when providers make suggestions about investments. Instead, they may assume that targeted support is a method providers could use to ‘sell’ them an investment or savings product, and therefore is akin to a marketing tool that benefits providers, not consumers.

*“I just feel like they’re [the bank] targeting you [with targeted support] because they want to meet their targets and get their incentives.” – excess cash*

## **6.7 Consumers claim to understand they are responsible for investment outcomes, even when using targeted support (in the examples shared).**

This research sought to identify consumer understanding of risk and liability and the associated responsibilities that firms and consumers have at a high level.<sup>65</sup>

During qualitative engagement, consumers in our sample claim to understand that they would be ultimately responsible for their investment outcomes when using targeted support. This is most strongly asserted by those who already held investments, who may be more accustomed to seeing and engaging with disclosures and risk warnings that are associated with investment products.

*“[If things go wrong], she [the individual] would be responsible. The individual might think it's on the establishments, but every person is responsible for their investments.” – traditional investor*

Those with lower knowledge of investments are less likely to feel they are totally responsible for investment returns being unexpected.

*“I think it's a 50/50 [responsibility] thing, isn't it? Between the consumer and who you buy from or who you deal with. I'd like to think the risk would be 50/50.” – excess cash*

Nevertheless, evidence from this research also points to very high expectations on what providers can offer to consumers (for example, expectations on information being free, and the solution being highly personalised).

*“I think it would be better [targeted support] if it was more like specialised to that one individual just because everyone is different in that sense and people have different viewpoints on*

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<sup>65</sup> Point to note: Types of disclosure messaging that could be shown as part of a targeted support journey were not tested during the course of this research.

*their investments, how much risk they're willing to take and that information.” – higher-risk investor*

The findings clearly suggest that to be more successful, targeted support should sit alongside other interventions, including financial education offerings that specifically address the low knowledge around investing. Supporting consumers to become more familiar with the concept of investing and the associated benefits and potential risks could also promote greater engagement and genuine understanding with any disclosure messaging shown as part of a targeted support journey.

**6.8 Whilst targeted support (in the example propositions) is said to help consumers understand the different products available to them, we hypothesise that more is needed to support consumers in understanding ‘why’ investment products may benefit them**

The evidence from this research shows that targeted support (in the specific examples) may begin to overcome barriers to investing and managing investments, as outlined in section 6.5. However, the qualitative evidence suggests that targeted support does not completely address all the barriers, especially entrenched knowledge, understanding and risk-related barriers.

On the one hand, targeted support examples do start to address knowledge barriers related to the types of investment products that are available to consumers, and that there are a broad range of risk levels. This is critical given that non-investors currently display very limited knowledge about the products available, and which might be suitable for them.

However, there is very little qualitative evidence to indicate that targeted support examples tested increase consumer knowledge about *why* investing can be good for them, including the fact that returns from investing have the potential to outperform interest earned on savings in the longer term.

Without addressing this knowledge gap, targeted support can be perceived to benefit providers more than consumers. Consumers assume that the only incentive providers have to deliver targeted support and encourage investment is to sell more products (section 6.4).

We hypothesise this is because consumers (especially non-investors) do not know how investments necessarily benefit them more than other types of financial products, like savings products. Indeed, the quantitative data supports this hypothesis to a degree. In the quantitative survey, when asked a straightforward question about the impact of inflation on savings returns, two fifths of non-investors (41%) were unable to answer, or answered incorrectly.<sup>66</sup> This suggests low understanding of the relationship between savings and inflation, which is likely to extend to low understanding about the role of

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<sup>66</sup> Q| SK3. Base | All respondents (n= 5,231)



investments products can play in securing returns on excess cash in the longer term.

*"[in response to additional information about investing] I never knew that part where you said 'savings held in cash will tend to lose value to inflation...' – excess cash*

Therefore, our analysis indicates that additional interventions, or tweaks to targeted support example propositions may be required to address deeply entrenched knowledge gaps related to the benefits of investments. We hypothesise that this type of education could increase motivation to invest and could make consumers less sceptical about targeted support as a 'sales tactic'.

## **6.9 Conclusions and reflections regarding targeted support**

Targeted support has a real opportunity to address some of the barriers to taking out and managing investments, supporting consumers to make informed decisions about the products they hold.

It is very positive that the intervention aligns with consumer demands for help and support that is more tailored to them, whilst cutting through the sometimes overwhelming level of content about financial products, as well as supporting consumers in managing (not just taking out) new products.

However, our analysis suggests that targeted support alone is unlikely to fully address the complex challenges central to this research. The complexity of the investor landscape means it is unlikely that any 'one' new idea could offer a comprehensive solution given the complexity of the problem, and the range of attitudes held by consumers. Targeted support can be seen as be one element of a wider retail investment strategy which encourages engagement and optimal investing behaviour.

*"I think it's a useful tool [targeted support]. I'd say it's got its place equally amongst the other tools, obviously much cheaper than an independent financial advisor and it might be much quicker than doing your own research. So, it's got its place." – higher-risk investor*

It may be harder for targeted support to reach those who are not open to help and support when taking out and managing products, specifically those who are disengaged with investments completely, and those who feel they are already experts. Indeed, it may not reach those at these edges of investing attitudes.

In the immediate term, targeted support has a chance to reach and impact those who are already open to more help and support when managing products. To do this well, targeted support will need to be match up to the high expectations that consumers have from firms. It will need to be delivered in a way that feels more tailored to what is already available, whilst avoiding

'overselling' itself as a completely new offering, which risks feeling more like a sales ploy than a tool to help consumers.



## 7. Final reflections

This research has shown that consumers' financial attitudes impact how much information and advice they access, and the decisions they make with it.

There is a clear case for more targeted forms of support, both:

1. To reach those who are not seeking advice proactively, but who could benefit from it in order to start investing, or manage their existing products more effectively. For this group, the current concept of targeted support is a strong starting point, as long as it is free, easy to understand, and accessible.
2. To reach those who are highly engaged and seeking information, but sometimes in unregulated spaces, to ensure that they have access to high-quality information. Targeted support (as it was tested) may not yet readily appeal for this group. However, there remains a need to nudge their strong interest in finance towards quality information, to support them to make better decisions.

A long-term cultural shift, alongside interventions like targeted support, may still be required to encourage investing behaviours.

Ultimately, this means that a series of strategies should be developed to reach and engage people, according to their attitudes:

- **Disengaged**: helping them to become more engaged in their finances generally. Through nudging with advice about their finances more regularly, they may become more open to the idea of investing, piquing initial interest in investing and the potential benefits
- **Open to investing**: using targeted support to encourage them to start investing with an appropriate, small amount, in low-risk products, and aim to keep them engaged in the process after the initial investment through targeted communications
- **Supported investors**: building their confidence in their own understanding of investments, so they can make confident decisions about their products
- **Self-sufficient investors**: nudging them to be more engaged in managing their existing investments, highlighting options they could take to optimise their investments according to their needs and goals
- **(Risky) hyper-engaged**: reaching them with relevant advice to try to limit the most high-risk investing behaviours; find ways to appeal to their preference for doing their own research by delivering detailed information that feels personal

These strategies may help develop a broader, more well-supported retail investing market, delivering benefits for both consumers and the economy.

## 8. Technical appendix

### 8.1. Quantitative methodology

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#### 8.1.1. Introduction

This overview details the approach to the quantitative element of this research, describing how the survey design, sampling plan, data weighting and processing were carried out. The quantitative element consisted of a single survey of n=5,321 consumers in the UK in November – December 2024.

The approach was designed by Thinks Insight & Strategy (Thinks) on behalf of the FCA. The fieldwork and data processing was carried out by Yonder Data Solutions.

#### 8.1.2. Overview of methodology and sampling design

##### Design and sample size

The data for this study was collected as part of a bespoke survey, which took place in November – December 2024. This is the first time this survey has been fielded.

The survey fieldwork was carried out online, recruiting online panellists from the Yonder Data Services proprietary panel, known as Y Live.

This study used a non-probability quota sampling technique, with quotas designed to be nationally representative of the UK using data from the Census 2021 for England, Wales and Northern Ireland, and Census 2022 for Scotland.

The main target sample size was achieving a minimum number of n=4,000 interviews among those who have at least £500 in savings or investments.

Based on the estimate of an incidence rate (IR) of people who have at least £500 in savings or investments among the general UK population (estimates based on the Financial Lives 2022 survey data showed 80%)<sup>67</sup>, we expected that we would need to conduct approximately n=5,000 interviews based on the nationally representative socio-demographic profile in order to achieve the main target sample size.

In fact, the incidence rate was slightly lower than this at 76%, therefore we continued to recruit beyond the first n=5,000 respondents, maintaining the same nationally representative quota proportions, until this n=4,000 minimum of the main target sample size was achieved.

This resulted in a total sample size of n=5,321, of which n=4,022 had at least £500 in savings or investments.

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<sup>67</sup> N.B. Data from the Financial Lives 2024 survey was not yet available at the time of estimating this incidence, hence data from the 2022 survey was used.

## **Panel sampling and the digitally excluded population**

The survey was carried out via an online panel, with invitations targeted to people meeting selected demographics according to the quotas set. Unbanked populations will not appear on online panels, though these represent less than 2% of the UK population (FLS 2024). Additionally, some research has suggested that those who choose to join online panels exhibit slightly different profiles to the broader population, therefore it is important to be mindful of self-selection bias.<sup>68</sup>

In recent years, online penetration in the UK has reached a very high proportion of the population. However, there are still UK residents who are digitally excluded and not present online, and as such, will not be included in the survey results. This should be considered when reviewing the findings.

Differences in methodology, fieldwork timings and question design between this and other surveys may be responsible for differences in estimated incidences of certain products or behaviours. For example, this survey found the incidence of crypto asset ownership to be around 9%, whereas the Financial Lives 2024 survey estimates this figure to be 4%. Similar differences in data have been observed between the Financial Lives 2024 survey and other surveys delivered via an online panel methodology.

### **8.1.3. Questionnaire design**

#### **Design and cognitive testing**

The initial questionnaire was designed by the FCA, with the project team at Thinks conducting a full review and making recommendations for changes. Once the survey had been initially signed off by the FCA, a series of cognitive interviews were conducted.

The initial cognitive interview phase comprised of six x 60-minute online depth interviews. We recruited a spread of ages, gender, ethnicity and socio-economic grade. To ensure we were able to test comprehension amongst people with various financial products, we recruited two respondents with traditional investments, two with higher-risk investments, and two with no investments at all. The interviews took place in late October 2024.

Each cognitive interview consisted of respondents viewing draft versions of selected key questions and asked to 'think aloud' as they considered how they would answer the question. The 'think aloud' technique was developed by Ericsson and Simon (1980), and is well-established as a research method to encourage participants to share their thought processes as they answer each question, giving insight into how questions and response options are being

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<sup>68</sup> Bosch O.J., Maslovskaya O (2023), National Centre for Social Research. *GenPopWeb2: The utility of probability based online surveys – literature review*, p.11

interpreted. Interviewers also observed the participants as they read each question, and probed for their views on how easy or difficult they found it to answer; if the answer option they wanted to select was available; and if any wording or terminology was unclear.

After the initial cognitive testing phase, the survey was refined and finalised based on the feedback. We then re-tested it with a further four cognitive interviews, across the same spread of demographics and product ownership as the first six interviews detailed above. This gave confidence in the interpretation of the survey questions and answers. The survey was then sent to programming.

## Routing

Many questions were asked to all respondents. However, to ensure we only asked people about relevant financial products, a significant proportion of questions were only asked to those who reported holding specific financial products (for example, questions about investments were only asked to those who said they had investments). We considered whether we could ask these questions about all their different product types. We had a detailed list of 20 types of products, and it was therefore decided that to ask follow-up questions about them all individually risked being too onerous for respondents, and would have created a risk of drop-out or poor-quality data collection. We therefore grouped together the products that respondents declared they held at PO1 and PO2 using a hidden variable, not shown to respondents in the survey, as shown in the table below.

PO1 (products they hold)		HPO1 (hidden variable)
1	Current account	<b>Savings account including cash ISAs / current account</b>
2	Savings account, including cash ISA or cash Lifetime ISA (LISA)	
3	Help to Buy ISA	
4	Investment funds (including index-linked and exchange-traded funds)	<b>Traditional investments</b>
5	Government or corporate bonds	
6	Direct shares – listed	
7	Stocks and Shares ISA (including Stocks and Shares Lifetime ISA – LISA)	
8	Workplace pension that is a final salary or career average pension (i.e. defined benefit pension)	<b>Pension</b>
9	Workplace pension that is <b>not</b> a final salary/career average pension (i.e. defined contribution pension)	
10	Personal pension – i.e. a pension that you set up yourself/with an adviser, e.g. a SiPP	
11	Crypto assets	<b>Higher-risk investments</b>
12	Investment-based crowdfunding	
13	Peer-to-peer lending investments	

14	Any of commodities, contracts for difference (CFDs), options, futures or Venture Capital Trusts (VCTs), mini bonds, or unlisted direct shares	
15	Innovative Finance ISA (IFISA)	
16	Other investments (e.g. property, a business, antiques etc.)	
<b>PO2 (cash products where they have at least £100 of cash)</b>		
1	Cash stored at home	<b>Cash held elsewhere</b>
2	Premium bonds	
3	Cash on an investment platform, but not invested	
4	Cash-like investments such as Money Market Funds	

Follow-up questions used the text shown at HPO1 to refer to respondents' products, whilst piping the names of the actual products they told us they held to maximise clarity of interpretation of the terms we used to group products. As an example:

- A respondent who selected '*Government or corporate bonds and Direct shares – listed*', would be coded as owning *Traditional investments* at the hidden variable HPO1.
- When the survey later displayed a question about their *Traditional investments*, such as at '*PO6. Approximately how much do you hold across your []?*', the survey would responsively show the following, including text piping their actual product names: '*Approximately how much do you hold across your traditional investments (government or corporate bonds, direct shares – listed)?*'

#### 8.1.4. Quotas

Quotas were designed to be nationally representative according to the latest census figures (Census 2021 for England, Wales and Northern Ireland, and Census 2022 for Scotland). Quotas were set on the following characteristics: gender, age, employment status, ethnicity and region. The exact quota limits used are listed below.

Quota	Quota %	Quota #
<b>TOTAL</b>	100%	5,350
<b>A. Gender</b>		
Male	49%	2,622
Female	51%	2,729
<b>B. Age</b>		
18-24	11%	589
25-34	17%	910
35-44	16%	856
45-54	17%	910
55-64	15%	803

65+	23%	1,231
<b>C. Employment status</b>		
Employed or self-employed	57%	3,050
Unemployed or not working (including students, looking after home/family, long-term sick, other)	22%	1,177
Retired / semi-retired	21%	1,124
<b>D. Ethnicity</b>		
White	87%	4,655
Ethnic minority	13%	696
<b>E. Region</b>		
South East	14%	744
London	13%	601
North West	11%	594
East England	10%	508
West Midlands	9%	476
South West	9%	455
Yorkshire and the Humber	8%	439
Scotland	8%	439
East Midlands	7%	391
Wales	5%	246
North East	4%	209
Northern Ireland	3%	150

### 8.1.5. Fieldwork

Survey invitations were sent to panellists between 26<sup>th</sup> November and 20<sup>th</sup> December 2025. A total of 27,771 invitations were sent across the fieldwork period. All panellists received two reminders to complete the survey, except 18-24 year olds, who received three reminders, to help counteract a lower response rate amongst this group. This response rate, of approximately 18%, is typical for this panel which tends to see a response rate of 15-20% across all surveys.

The survey was 'soft launched' to 444 initial respondents, and then paused for Thinks to review the raw data and confirm the survey and data collection was functioning correctly. This also provided an early opportunity to compare key product ownership proportions with the Financial Lives survey, and determine if any samples would require a 'boost' in fieldwork to ensure a readable sample. Thinks were content with the data and recommended that no changes were made at this phase.

The average length of interview was 17 minutes and 42 seconds.

### 8.1.6. Data validation and data cleaning

A number of quality assurance checks were applied to the survey to identify and remove illegitimate or poor-quality responses. We removed 402 responses for quality concerns.

259 were removed within the survey, due to failing an attention check question or question designed to identify a bot respondent. These questions include:

- Asking respondents to select a specific option in a grid
- Asking respondents to select a word which has a certain number of letters
- Asking respondents a question in the beginning of the survey and validating it again at the end (age and gender)

143 were manually removed in post-survey checks (please note, the reasons below are not mutually exclusive and respondents could have been flagged for more than one).

- 19 as they gave 'straight-line' answers to one or more grids (i.e., selecting the same answer for all statements such as 'strongly agree')
- 49 as their answers across questions were inconsistent (e.g., they entered that they had no savings at S1 but then entered large sums in PO6)
- 28 for 'speeding' through the survey at below 7 minutes, suggesting they were paying insufficient attention
- 16 as they typed nonsensical answers to quality check open ended questions, including where they were asked to input the day of the week or the word quality/attention, or if they would prefer an increase in household income or a holiday
- 39 as they entered 0 or repeated random numbers throughout (like 2)

### 8.1.7. Weighting

As the sample was designed to be nationally representative of the UK, we weighted the data to ensure that the sample resembles the socio-demographic profile of the UK population by age x gender, employment x region, ethnicity and tenure.

The weighting was carried out by Random Iterative Method (RIM) weighting. This ensures that the resulting weights for each weighting factor are the same as shown in the tables included below.

The total weighting efficiency was 86.5%. This is considered to be a highly acceptable efficiency, with 80% a widely used benchmark. This means that the effective base for the total sample was reduced slightly from n=5,321 to n=4,604.

### Reference statistics

The source for weighting for all variables is Census 2021 for England, Wales and Northern Ireland, and Census 2022 for Scotland.



## Employment by region

We decided to use employment status by region for weighting. We also prepared the reference statistics for weighting of *tenure* by region, but ultimately decided to use employment by region, with the assumption that employment may be more likely to impact on the key survey variables because employment was correlated with savings and investment behaviours in the survey data. For example, unemployed respondents were much less likely to hold savings accounts and/or investment products.

Employment categories asked in each individual Census and in the questionnaire differed to an extent. We therefore grouped the employment categories into broader groups for weighting purposes, as follows:

- The Census had multiple categories for students, including those in employment (full time and part time), in unemployment, and just students (not economically active), whereas the questionnaire only contained one category for students. We categorised all student categories as students, with the assumption that this would be the primary response respondents would pick if they are students, even if they were employed, unemployed or economically inactive.
- The Census also includes a category of long-term sick or disabled. While the questionnaire contains a separate question on disability and long-term sickness, it is not a part of single-code question on employment status with mutually exclusive categories. As such, it is not possible to combine the Census information with the questionnaire category on disability. We therefore decided to add this category to the group of not in employment, with unemployed (looking for work), unemployed (not looking for work).
- The 'Other' category was not selected by many respondents and was empty in several regions. We decided to group it with another category with a small number of responses: looking after the home or family / carer.

The table below illustrates how these groups were matched to create the weighting groups.

Weighting group	Census England and Wales	Census Northern Ireland	Census Scotland	Questionnaire
<b>Employment (full time, part time, self-employed)</b>	Economically active (excluding full-time students): In employment	Economically active: Employee: Full-time	Employed part time	Full-time employment (30+ hours per week)
		Economically active: Employee: Part-time	Full time	Self-employed or freelance full-time (30+ per week)



Weighting group	Census England and Wales	Census Northern Ireland	Census Scotland	Questionnaire
		Economically active: Self-employed with employees: Part-time	Self-employed with employees - Part-time	Part-time employment (less than 30 hours per week)
		Economically active: Self-employed with employees: Full-time	Self-employed with employees - Full-time	Self-employed or freelance part-time (less than 30 hours per week)
		Economically active: Self-employed without employees: Part-time	Self-employed without employees - Part-time	
		Economically active: Self-employed without employees: Full-time	Self-employed without employees - Full-time	
<b>Not in employment: unemployed, looking for work and not looking for work; long-term sick or disabled</b>	Economically active (excluding full-time students): Unemployed: Seeking work or waiting to start a job already obtained: Available to start working within 2 weeks	Economically active: Unemployed	Unemployed - Available for work	Unemployed - looking and available for work
	Economically inactive: Long-term sick or disabled	Economically inactive: Long-term sick or disabled	Long term sick or disabled	Unemployed - not looking for work
<b>Student (not working, working and unemployed)</b>	Economically inactive: Student	Economically active: Full-time student	Full-time student - Employee - Total	Student
	Economically active and a full-time student: In employment	Economically inactive: Student (including full-time students)	Full-time student - Self-employed with employees - Total	

Weighting group	Census England and Wales	Census Northern Ireland	Census Scotland	Questionnaire
	Economically active and a full-time student: Unemployed: Seeking work or waiting to start a job already obtained: Available to start working within 2 weeks		Economically Active full-time student - Self-employed without employees - Total	
			Full-time student - Unemployed	
			Student	
<b>Retired + semi-retired</b>	Economically inactive: Retired	Economically inactive: Retired	Retired	Retired
				Semi-retired (drawing a pension or other income but still working)
<b>Looking after the home or family / carer and other</b>	Economically inactive: Looking after home or family	Economically inactive: Looking after home or family	Looking after home/ family	Looking after the home or family / carer
	Economically inactive: Other	Economically inactive: Other	Other	Other

The table below shows how these weighting groups were then combined with region, to provide employment x region proportions to weight to.

	Employment (full time, part time, self-employed)	Not in employment <sup>69</sup>	Student (not working, working and unemployed)	Looking after the home or family / carer, other	Retired or semi-retired	Total
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<sup>69</sup> Unemployed and looking for work; and not looking for work, long-term sick or disabled

<b>North East</b>	2.1%	0.4%	0.2%	0.3%	1.0%	<b>4.0%</b>
<b>North West</b>	6.1%	0.9%	0.6%	0.9%	2.5%	<b>11.0%</b>
<b>Yorkshire and The Humber</b>	4.5%	0.6%	0.5%	0.7%	1.9%	<b>8.2%</b>
<b>East Midlands</b>	4.1%	0.5%	0.4%	0.5%	1.7%	<b>7.3%</b>
<b>West Midlands</b>	4.8%	0.7%	0.5%	0.8%	2.0%	<b>8.8%</b>
<b>East of England</b>	5.5%	0.6%	0.4%	0.7%	2.2%	<b>9.4%</b>
<b>London</b>	7.9%	1.0%	1.0%	1.3%	1.7%	<b>13.0%</b>
<b>South East</b>	8.2%	0.8%	0.6%	1.0%	3.2%	<b>13.8%</b>
<b>South West</b>	4.9%	0.5%	0.4%	0.5%	2.3%	<b>8.7%</b>
<b>Wales</b>	2.5%	0.4%	0.3%	0.3%	1.2%	<b>4.7%</b>
<b>Scotland</b>	4.7%	0.6%	0.6%	0.5%	2.0%	<b>8.3%</b>
<b>Northern Ireland</b>	1.5%	0.3%	0.2%	0.2%	0.6%	<b>2.8%</b>
<b>Total</b>	<b>56.8%</b>	<b>7.2%</b>	<b>5.7%</b>	<b>7.9%</b>	<b>22.4%</b>	<b>100%</b>

## Tenure

The information on tenure is taken from the Census 2021 for England, Wales and Northern Ireland, and Census 2022 for Scotland.

Census 2021 England and Wales collected information on the following categories of tenure:

1. Owned: owns outright
2. Owned: Owns with a mortgage or loan
3. Shared ownership
4. Social rented: Rents from council or Local Authority
5. Social rented: Other social rented
6. Private rented: Private landlord or letting agency
7. Private rented: Other private rented
8. Lives rent free

This was matched to the following categories asked in the questionnaire.

Q7. Which of the following best describes your housing situation:

1. I own my home outright
2. I pay a mortgage on the home I own
3. I rent my home through the council or other social housing provider
4. I rent my home privately (e.g. through a landlord, or paying family or friends)

- 5. I live rent free (e.g. with family or friends, or in accommodation provided by work)
- 6. I do not have a fixed address
- 98. Other (please specify)

Q7a. (asked if Q7=4 or 5)

Does the owner of your home also live there with you?

- 1. Yes
- 2. No

Again, there is a certain degree of mismatch between the categories collected in the Census and the categories asked in the questionnaire. The Census collects information about shared ownership, which is not asked in the questionnaire. A little less than one percent of households in England and Wales (0.9%) are categorised as such in Census 2021. We decided to merge the shared ownership category with the category of owned with mortgage. The questionnaire contains a category of "I do not have a fixed address", which does not exist in the Census. We decided to merge this category with the Other category, which includes social renting, and rent-free.

It is worth noting that the statistical information in the Census is published as a number and percentage of *households*, not individuals. This information is based on information provided by the 'householder' (described as the person who owns/rents the accommodation, and/or is responsible for paying household bills and expenses). This differs from this survey in that the question is asked at a household level, rather than an individual level.

Thus, in this survey, respondents selecting response options 4 (rent privately) or 5 (rent free), may still be living in a home owned by someone else in the household. For this reason, we included Q7a to identify whether these respondents live in an owner-occupied home (when they are not themselves the owner). However, it is not possible to distinguish whether the respondent lives in a property that is owned outright or owned with mortgage. We therefore merged these two categories (owned with mortgage and owned outright) and placed the respondents who responded Yes to Q7a in this category, with the assumption that those who live with the owner, are living in a property that is owned with a mortgage or outright.

We therefore grouped the tenure categories into four broad groups:

Weighting group	Census England and Wales	Census Northern Ireland	Census Scotland	Questionnaire
<b>Owned outright or Owned with a mortgage or loan</b>	Owned outright	Owner occupied: Owns outright	Owned: Owns outright	I own my home outright
	Owned: Owns with a mortgage or loan	Owner occupied: Owns with a mortgage or loan	Owned: Owns with a mortgage or loan	I pay a mortgage on the home I own

Weighting group	Census England and Wales	Census Northern Ireland	Census Scotland	Questionnaire
	Shared ownership	Shared ownership: Part-owns and part-rents	Shared ownership	Yes in Q7a (lives with the homeowner)
<b>Private rent</b>	Private rented: Private landlord or letting agency	Private rented: Private landlord	Private rented: Private landlord or letting agency	I rent my home privately (e.g. through a landlord, or paying family or friends)
	Private rented: Other private rented	Private rented: Letting agency	Private rented: Other private rented	
		Private rented: Employer of a household member		
		Private rented: Relative or friend of household member		
		Private rented: Other		
<b>Other: Social rent, rent-free, no fixed address</b>	Social rented: Rents from council or Local Authority	Social rented: Northern Ireland Housing Executive	Social rented: Rents from council or Local Authority	I rent my home through the council or other social housing provider
	Social rented: Other social rented	Social rented: Housing association or charitable trust	Social rented: Other social rented	I live rent free (e.g. with family or friends, or in accommodation provided by work)
	Lives rent free	Lives rent free	Lives rent free	I do not have a fixed address

We decided to use general UK-wide statistics for weighting by tenure, without separating by region, as region was already included in the employment x region weighting. These were as follows:

	Owned with a mortgage or outright	Private rent	Social rent, rent free, no fixed address	Total
<b>North East</b>	2.55%	0.72%	0.92%	<b>4.19%</b>
<b>North West</b>	7.09%	2.16%	2.00%	<b>11.25%</b>
<b>Yorkshire and The Humber</b>	5.25%	1.61%	1.45%	<b>8.31%</b>
<b>East Midlands</b>	4.82%	1.36%	1.09%	<b>7.27%</b>
<b>West Midlands</b>	5.51%	1.55%	1.60%	<b>8.66%</b>
<b>East</b>	6.21%	1.71%	1.46%	<b>9.38%</b>

	Owned with a mortgage or outright	Private rent	Social rent, rent free, no fixed address	Total
<b>London</b>	5.71%	3.66%	2.84%	<b>12.21%</b>
<b>South East</b>	9.11%	2.61%	1.86%	<b>13.58%</b>
<b>South West</b>	5.85%	1.72%	1.17%	<b>8.73%</b>
<b>Wales</b>	3.19%	0.82%	0.80%	<b>4.80%</b>
<b>Northern Ireland</b>	1.79%	0.47%	0.48%	<b>2.74%</b>
<b>Scotland</b>	5.58%	1.28%	2.01%	<b>8.87%</b>
<b>Total</b>	<b>62.64%</b>	<b>19.67%</b>	<b>17.69%</b>	<b>100.00%</b>

## Age by gender

Age and gender were used in combination, with 6 age categories and 3 gender categories.

The questionnaire contained three categories for gender: male, female and other. The 2021 and 2022 Censuses contained a question on gender identity: "Is the gender you identify with the same as your sex registered at birth?", with the options of Yes and No, and a follow up option to answer "Trans man", "Trans woman", "Non-binary", and "Other". However, we found that we could not fully synchronise the responses in the survey with the information collected in the Census on this matter. For the 10 respondents who selected the "other" category, we assigned a mean weight for their age category.

	Female	Male	Other	Total
<b>18-24</b>	5.14%	5.26%	0.06%	<b>10.45%</b>
<b>25-34</b>	8.67%	8.26%	0.02%	<b>16.95%</b>
<b>35-44</b>	8.37%	7.96%	0.09%	<b>16.43%</b>
<b>45-54</b>	8.45%	8.17%	0.02%	<b>16.64%</b>
<b>55-64</b>	8.16%	7.85%	0.00%	<b>16.01%</b>
<b>65+</b>	12.76%	10.77%	0.00%	<b>23.53%</b>
<b>Total</b>	<b>51.55%</b>	<b>48.27%</b>	<b>0.19%</b>	<b>100.00%</b>

## Ethnicity

We used five groups for weighting by ethnicity. For missing responses where respondents selected 'prefer not to say' (47 respondents), we used a mean weight for this category.

Ethnicity	Total
<b>White</b>	81.20%
<b>Asian</b>	8.41%
<b>Black</b>	3.63%
<b>Mixed</b>	2.62%
<b>Any Other Ethnic Background</b>	3.26%

Missing	0.88%
Total	100%

## Trimming

Conventionally, very large weights are usually trimmed, to limit the impact of the variance on the effective sample size, at the expense of small increase in the bias of estimates. Usually, weights larger than five times the average weight are trimmed.

Weights of 2 respondents are larger than 5. The largest weight is 7.57. Weights of 10 respondents are larger than 4. The smallest weight is 0.24.

- The design effect from weighting with untrimmed weights is 1.170, taking the effective sample size to 4,549.
- The design effect from weighting with weights trimmed to 5 is 1.162, taking the effective sample size to 4,579.
- The design effect from weighting with weights trimmed to 4 is 1.156, with the effective sample size of 4,604.

Based on the above calculations, we trimmed the weights to **the maximum of 4 times the average weight**, in one iteration (i.e. given that trimming brings the average weight below 1, meaning that the maximum weight of 4 is slightly above the 5 times the average trimmed weight).

This set of weights is used for all analysis involving the general adult population of the UK.

### 8.1.8. Back-coding

Wherever a question had 4% or more respondents selecting an 'other, please specify' code and entering a verbatim response, we manually reviewed the responses to confirm if it was possible to re-code them into any of the existing codes due to close similarity or thematic consistency. Where a verbatim comment was markedly distinct from the existing code list, this was kept as 'other'. This process was applied to the following questions.

Questions where 'other' response was back-coded
A10. Excluding your pension, what are your savings and/or investments for?
B1. Why have you not invested any of your savings, for example into funds in a stocks and shares ISA?
B4. You suggested you haven't accessed support from your bank, pension or investment provider. Why is this?
B5. You suggested you haven't accessed support from a government website or charity such as the Money and Pensions Service, Citizen's Advice or Gov.UK. Why is this?

D5b. We would like to understand more about the type of condition that you have in order to better understand customers' needs and how they can be supported. There is no requirement to answer, but if you do answer the information will be kept confidential and anonymised.

Do any of these conditions or illnesses affect you in any of the following areas?  
Please select all that apply

D6. Which of the following best describes your current working status?

### **8.1.9. Significance testing**

Significance testing was used in this research to confidently assess the difference in scores between different sub-groups. The tables created to support analysis used a T-test on column proportions means with a p-value of 0.05, also known as a confidence level of 95%. This means that if the research were to be repeated 100 times, in 95 of those times, the difference observed in the data would continue to occur. This is a widely accepted convention for determining statistical significance.

### **8.1.10. Derived variables and mid-point calculations**

#### **Assigning values to numeric band responses**

Question PO6 asks respondents to enter the approximate amount held in their asset types (savings account(s) / current account(s); cash held in other places; traditional investments; higher-risk investments; and pension(s)). Similarly, questions CD5a, CD6a and CD7a ask respondents to enter the approximate amount they owe across their motor finance, mortgage, and all other unsecured debts.

We know that sometimes, respondents prefer not to share this information – which can lead to a high proportion selecting 'prefer not to say'. In addition, some people may simply not know the amount held in their asset types or that they owe lenders, which can similarly lead to a high proportion selecting 'don't know'. Combined, the proportion selecting these 'non-response' answers risks leading to a less complete dataset.

We therefore collected amounts via a two-stage approach. First, respondents had the opportunity to enter the approximate amount held or owed as a numeric response. If they chose not to provide a numeric response, either by saying they 'don't know' or 'prefer not to say', they were invited to give their best estimate from a series of bands (shown in the table below). At this second question, they again had the option to select 'don't know' or 'prefer not to say' if they still did not want to provide an answer. This two-stage approach had two benefits:



- Reducing the proportion of 'don't know' and 'prefer not to say' responses, as respondents had the opportunity to provide an estimate via the band questions.
- Allowing the opportunity to collect detailed numeric data from those who were willing to provide it, both to use in analysis directly, and to ascertain more accurate estimated values to use as proxy numeric figures for those that selected a band.

<b>Assets (PO7)</b>	<b>Motor finance (monthly repayments) (CD5b)</b>	<b>Mortgage (total amount owed on main property) (CD6b)</b>	<b>Amount owed on all other debts (CD7b)</b>
£0	Less than £100	Less than £25,000	Less than £500
£1 - £499	£100 - £199	£25,000 - £49,999	£500 - £999
£500 - £999	£200 - £299	£50,000 - £74,999	£1,000 - £1,999
£1,000 - £1,999	£300 - £399	£75,000 - £99,999	£2,000 - £4,999
£2,000 - £4,999	£400 - £499	£100,000 - £149,999	£5,000 - £9,999
£5,000 - £9,999	£500 - £599	£150,000 - £199,999	£10,000 - £14,999
£10,000 - £14,999	£600 - £699	£200,000 - £249,999	£15,000 - £19,999
£15,000 - £19,999	£700 - £799	£250,000 - £299,999	£20,000 - £24,999
£20,000 - £29,999	£800 - £899	£300,000 - £399,999	£25,000 - £29,999
£30,000 - £39,999	£900 - £999	£400,000 - £499,999	£30,000 - £34,999
£40,000 - £49,999	£1,000 or more	£500,000 or more	£35,000 - £39,999
£50,000 - £59,999			£40,000 - £49,999
£60,000 - £79,999			£50,000 or more
£80,000 - £99,999			
£100,000 - £149,999			
£150,000 - £249,999			
£250,000 - £999,999			
£1,000,000 or more			

This approach significantly reduced the total proportion selecting 'prefer not to say' or 'don't know' across all assets, therefore strengthening the completeness of the dataset, as shown in the table below.

	Savings account(s) / current account(s)	Cash held in other places	Traditional investments	Higher-risk investments	Pension(s)
Entered numeric at PO6	75%	78%	73%	83%	48%
Selected band at PO7	14%	13%	16%	17%	24%
Selected don't know at PO7	3%	2%	5%	*	24%
Selected prefer not to say at PO7	8%	6%	8%	8%	4%

For analysis purposes, it was necessary to combine the answers of those who gave a numeric answer and those who chose to select a band. To do so, we needed either to assign a band to those who gave a numeric answer; or a numeric proxy to those who selected a band. To enable more flexibility in data analysis reporting (i.e., the ability to add together asset amounts or redesign bands), and capitalise on the granularity of the numeric answers we collected, it was decided to apply a numeric proxy to those who selected a band.

The numeric proxies were developed by reviewing the data for those who did enter numeric answers for each asset and debt type. This allowed us to use the actual data gathered as a guide, using the mean of the numeric answers provided that fell within each band, rather than relying solely on mid-points. We assessed the data and developed the following rules:

#### **Assets:**

- For asset types where there were n=10 or more numeric responses inputted by respondents within the band, we applied the mean of these responses to those who selected a band. An alternative would have been to simply use the mid-point of the band, however, analysis of the data showed that this would have inflated overall averages.
  - o As an example, there were n=456 respondents who provided a numeric response between £5,000 - £9,999 for the amount held in their savings and current accounts. The mean of these responses was £6,301. The midpoint of this band, had we used this simpler approach, would have been £7,500 and would therefore have inflated the average.

- For asset types where there were less than n=10 numeric responses shared within the band, we applied the mean of responses within this band for all other asset types excluding pensions.
- For those selecting the maximum band '£1,000,000 or more', there were no asset types with n=10 or more responses. We therefore applied £1,000,000 to those who selected the band '£1,000,000 or more'.

#### Debts:

- For debt types where there were n=10 or more numeric responses shared within the band, we applied the mean of these responses to those who selected a band.
- For asset types where there were less than n=10 numeric responses shared within the band, we applied the actual mid-point, as other debts could not provide a guide due to differences in banding.
- For those selecting the maximum band '£1,000 or more' for motor finance repayments, we applied £1,000. For mortgage debt and total other debts, there were more than n=10 responses, therefore we were able to take the same approach as above and apply the mean of responses.

Ultimately this approach resulted in the below numeric values assigned to those who selected the bands shown, at each asset and debt type.

#### Assets:

	Numeric applied by asset type:				
Band selected	Savings / current accounts	Cash	Traditional investments	Higher-risk investments	Pension/s
£0	£0	£0	£0	£0	£0
£1 - £499	£186	£179	£183	£163	£158
£500 - £999	£612	£553	£575	£603	£612
£1,000 - £1,999	£1,194	£1,126	£1,162	£1,146	£1,227
£2,000 - £4,999	£2,885	£2,723	£2,773	£2,749	£2,967
£5,000 - £9,999	£6,301	£5,861	£6,066	£5,849	£6,444
£10,000 - £14,999	£10,926	£10,615	£10,748	£10,771	£11,126
£15,000 - £19,999	£15,936	£16,132	£16,104	£15,529	£16,266
£20,000 - £29,999	£22,196	£22,121	£22,108	£21,200	£23,060
£30,000 - £39,999	£32,354	£32,186	£32,020	£32,186	£31,742

£40,000 - £49,999	£41,946	£41,336	£42,547	£41,943	£42,735
£50,000 - £59,999	£50,902	£50,502	£50,462	£50,636	£51,488
£60,000 - £79,999	£66,953	£66,450	£67,250	£66,884	£66,933
£80,000 - £99,999	£85,982	£83,579	£86,068	£85,210	£85,170
£100,000 - £149,999	£108,904	£106,870	£109,906	£108,560	£111,511
£150,000 - £249,999	£178,990	£175,833	£179,089	£177,971	£181,286
£250,000 - £999,999	£371,101	£460,417	£427,074	£419,530	£404,189
£1,000,000 or more	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000

### Debts:

Motor finance repayments		Mortgage debt		Other debts	
Band selected	Numeric applied	Band selected	Numeric applied	Band selected	Numeric applied
£0	£0	£0	£0	£0	£0
£1 - £99	£65	£1 - £24,999	£9,979	£1 - £499	£202
£100 - £199	£158	£25,000 - £49,999	£34,748	£500 - £999	£641
£200 - £299	£240	£50,000 - £74,999	£61,481	£1,000 - £1,999	£1,302
£300 - £399	£334	£75,000 - £99,999	£85,839	£2,000 - £4,999	£2,929
£400 - £499	£426	£100,000 - £149,999	£122,121	£5,000 - £9,999	£6,559
£500 - £599	£518	£150,000 - £199,999	£169,758	£10,000 - £14,999	£11,247
£600 - £699	£650	£200,000 - £249,999	£214,500	£15,000 - £19,999	£16,006
£700 - £799	£750	£250,000 - £299,999	£271,728	£20,000 - £24,999	£21,078

£800 - £899	£850	£300,000 - £399,999	£322,467	£25,000 - £29,999	£27,500
£900 - £999	£950	£400,000 - £499,999	£450,000	£30,000 - £34,999	£32,500
£1,000 or more	£1,000	£500,000 or more	£1,409,090	£35,000 - £39,999	£37,500
				£40,000 - £49,999	£45,000
				£50,000 or more	£78,307

### 8.1.11. Harms / better outcomes definitions

The starting point for the research was that consumers need support to make more complex investment decisions and that there is an 'advice gap', meaning consumers cannot access the support they need. The FCA identified a number of potential consumer harms that could be addressed by the AGBR and a targeted support offering. Financial Lives survey (FLS) data was initially used to help identify and scale these harm groups.

The aim of this (Thinks Insight & Strategy) research was to gather bespoke quantitative data to better scale the range of harms facing consumers, what could be driving these harms and to understand the consumer groups affected. The FCA also wanted to understand how they might identify consumers in different harm groups.

To define the definitions for each of the harms, we tested a number of options. Our goal was to identify each harm with as simple a definition as possible to accurately define the group, without adding further characteristics beyond the core defining principles that could mean eligible respondents are not included. The definition and survey syntax for each harm are set out in the table below.

Harm / better outcome	Definition	Syntax
<b>Harm group (1): Under-investing</b>		
<b>Excess cash</b>	Able to cover outgoings for 6 months+ Has no investments	CD3=4-6 AND HPO1= NOT 3 OR 4
<b>Excess income</b>	Able to cover outgoings for 6 months+ Has no investments Saves regularly	CD3=4-6 AND HPO1= NOT 3 OR 4 AND A9_A=1

<b>Account reaching maturity</b>	Able to cover outgoings for 6 months+ Has a savings product that matured in P3Y Didn't take action on maturing product (let it mature / moved to current account)	CD3=4-6 AND PO4=1 AND PO5=3 OR 6
<b>Potential investor in the future</b>	Has £500 in savings Has no investments Interested in investing in the future	S1=1 AND HPO1= NOT 3 OR 4 AND B2=3-4
<b>Irregular investor</b>	Able to cover outgoings for 6 months+ Has investments Only puts money into investments ad hoc	CD3=4-6 AND HPO1= 3 OR 4 AND A9_B=2
<b>Harm group (2): Misaligned investing</b>		
<b>Misaligned risk appetite to investments: high risk products but low appetite</b>	Has higher-risk investments Risk appetite of 0-4 or doesn't know (codes 1-5,97)	HPO1=4 AND A3=1-5,97
<b>Misaligned risk appetite to investments: low risk products but high appetite</b>	Has traditional but no higher-risk investments Risk appetite of 5-10 (codes 6-11) Wants to access assets in 3+ years	HPO1=3 AND HPO1= NOT 4 AND A3=6-10 AND A12=2,3,4 FOR ANY CODE AT A12
<b>Misaligned ESG preferences to investments</b>	Has investments ESG performance is important to them Has not reviewed OR been able to access information on ESG performance of their investments	HPO1=3 OR 4 AND SK6_1=3 OR 4 AND AGBR6= NOT 10, OR (AGBR6=10 AND AGBR7_10=A,B OR E)
<b>Harm group (3): Inappropriate investing</b>		
<b>Holding investments, but insufficient savings</b>	Has investments Has £5k or less in savings OR could not cover expenses for 1+ month if lost main source of income	HPO1= 3 OR 4 AND (VALUE AT H_CASHASSETS=1-5), OR CD3=1
<b>Invested in wrong product for objectives</b>	Has investments House deposit main priority Expects to pay for house deposit from investments	HPO1=3 OR 4 AND (A13_d=5 AND A11=8)

## 8.1.12. Advanced analytics

### Regression analysis

Our analytical approach involved three sets of multivariable regression analyses designed to examine factors influencing financial harms and to explore differences in driver variables across population subgroups. In simple terms, regression models help us understand how various factors (predictors) are associated with an outcome while taking into account other factors that might also affect that outcome. For all outcomes that are binary (yes/no, such as whether a respondent experienced a financial harm or exhibits a certain driver), we report the results as odds ratios (ORs). For outcomes measured on a continuous scale (like a driver score), we use linear regression and report the results as mean differences. All models are weighted to ensure that the results are representative of the target population (weight described above). Models were conducted in the statistical computing software R version 4.4.

#### 8.1.12.1. Effect of drivers on harms

For each financial harm — defined as a binary outcome (i.e. the respondent either experiences the harm or does not) — we conducted a multivariable logistic regression model among those who were eligible for that harm. Logistic regression is a method that estimates the likelihood (or odds) that an event will occur given a set of predictors. In our models, we included:

- **Driver variables:** factors such as financial knowledge, prioritising the future, belief in control, contacts with traditional investments, contacts with high-risk investments, financial skills, sources of financial advice/guidance, and personality traits.
- **Subgroup variables:** demographic and financial factors such as combined gender–age, region, ethnicity, disability status, working status, income, debt status, homeownership, child dependents, and recent life events.

Please see 8.1.12.3 for fuller information on these variables.

By including all these predictors simultaneously, we control for (or “adjust for”) the influence of all other factors. This means that the odds ratio (OR) for each driver reflects its independent association with the odds of experiencing the harm. For example, an OR greater than 1 indicates that, holding all other factors constant, a higher value of the driver is associated with increased odds of the harm. Conversely, an OR less than 1 indicates lower odds.

In ranking the influence of the different drivers, it is the magnitude of the effect size – that is, how far the OR is from 1 (i.e. no effect) – that is most important. For example:

For binary and categorical drivers, a larger effect size (an OR further from 1) indicates a stronger association between the specified category (relative to the reference category) and the odds of experiencing the harm.

For continuous drivers, a larger effect size (i.e. an OR further from 1, whether greater than 1 or much less than 1) indicates that the driver has a greater influence on the odds of experiencing the specific harm. These drivers are measured on a continuous, often standardised scale, so the effect size reflects the change in odds associated with a one standard deviation increase in the driver score.

It is important to note that the effect sizes for continuous drivers and binary drivers are based on different measurement scales and should be interpreted within their respective contexts.

#### **8.1.12.2. Differences in harms across subgroups**

We also examined how the likelihood of experiencing each financial harm among those who are eligible differs across various subgroups of the population. To do this, we ran separate logistic regression models for each harm, again using a binary outcome (experienced harm vs. did not experience harm). In these models, we included all driver variables and all subgroup variables as predictors. This comprehensive adjustment ensures that the odds ratios we report for each subgroup represent the independent effect of that subgroup factor on the odds of experiencing a harm, after taking into account the influence of all other factors.

For example, if we report an OR of 1.5 for a particular age–gender subgroup, it means that members of that subgroup have 50% higher odds of experiencing the harm compared with the reference group, assuming all other factors are held constant.

#### **8.1.12.3. Differences in drivers across subgroups**

Finally, we explored how the driver variables themselves differ across subgroups. For this purpose, we conducted separate regression models with each driver as the outcome:

- **For binary and categorical drivers:** we used logistic regression models. In these models, the reported odds ratios indicate how the odds of exhibiting a specific driver (yes/no) differ between subgroups. The models adjust for all subgroup variables, meaning that the OR for each subgroup reflects its independent association with the presence of the driver.
- **For continuous drivers:** We employed linear regression models, with the results reported as mean differences. Here, the mean difference tells us the average change in the driver score between a subgroup and the reference group. A positive mean difference means that, on average, the subgroup has a higher driver score than the reference group, while a negative mean difference means a lower score.



**Definitions used:**

Drivers	Variable (question reference)	Variable type
<p><b>Financial Knowledge</b></p> <ul style="list-style-type: none"> <li><b>Self-reported financial knowledge</b> was assessed with the question: "How knowledgeable would you say you are about financial matters?". Participants could report a number from "0 – Not at all knowledgeable" to "10 – Very knowledgeable". Responses were converted to z-scores (subtracting the mean then dividing by the standard deviation). People who responded "don't know" were imputed as having the mean level of financial knowledge.</li> </ul>	A1	Continuous
<p><b>Prioritising the Future</b></p> <ul style="list-style-type: none"> <li><b>Prioritise the future</b> was assessed with the question: "To what extent are you a spender who 'lives for today' versus a saver who prioritises setting money aside for the future?". Participants could report a number from "0 – I like to spend and prioritise living for today" to "10 – I like to save and prioritise setting aside money for the future". Responses were converted to z-scores (subtracting the mean then dividing by the standard deviation). People who responded "don't know" were imputed as having the mean level of financial knowledge.</li> </ul>	A2	Continuous
<p><b>Belief in Control</b></p> <ul style="list-style-type: none"> <li><b>Belief in financial control</b> was assessed with the question: "How far do you believe people can have control over returns on investments they may make?". Participants could report a number from "0 – I believe that returns on investments are the result of the market, not something an individual</li> </ul>	A4	Continuous

investor could control” to “10 – I believe people can have significant control over returns on investments, ensuring a strong performance even if the market is not strong”. Responses were converted to z-scores (subtracting the mean then dividing by the standard deviation). People who responded “don’t know” were imputed as having the mean level of financial knowledge.		
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<p><b>Contacts with Traditional Investments</b></p> <ul style="list-style-type: none"> <li>• <b>Social contacts with traditional investments</b> was assessed with the question: "Investing money into traditional investments (e.g. Stocks and Shares ISA) - Thinking about your friends, family and colleagues, which of the following apply?". People who reported "I know several people who do this" or "I know one or two people who do this" were considered to have social contacts with traditional investments.</li> </ul>	A6_1	Binary
<p><b>Contacts with High-Risk Investments</b></p> <ul style="list-style-type: none"> <li>• <b>Social contacts with high-risk investments</b> was assessed with the question: "Investing money into higher-risk investments (e.g. crypto assets) - Thinking about your friends, family and colleagues, which of the following apply?". People who reported "I know several people who do this" or "I know one or two people who do this" were considered to have social contacts with high-risk investments.</li> </ul>	A6_2	Binary
<p><b>Financial Skills</b></p> <ul style="list-style-type: none"> <li>• <b>Financial skills</b> were assessed with four multiple choice questions, each which had a single correct answer. Participants were given a score from 0 to 4 based on the number of these questions that they answered correctly. Raw scores were converted to z-scores (subtracting the mean score then dividing by the standard deviation).</li> </ul>	SK1-4	Continuous

<p><b>Financial Advice and Guidance</b></p> <ul style="list-style-type: none"> <li>• <b>Financial advice and guidance</b> was assessed by asking participants whether they had received several sources of advice or guidance regarding each of the following financial instruments: "Savings account incl. cash ISAs / current account", "Traditional investments", "Higher-risk investments", or "Pension". If participants received advice or guidance about any one of the four financial instruments from a given source, they were classified as receiving advice or guidance from this source. The sources of advice or guidance were grouped into four categories:             <ol style="list-style-type: none"> <li>1. <b>Regulated advice:</b> If they received advice from a financial adviser, IFA or wealth manager.</li> <li>2. <b>Formal guidance, no advice:</b> If they did not receive regulated advice, but received guidance from any of (i) a bank, building society or credit union; (ii) an advice platform; (iii) government websites and charities; (iv) private sector money help websites; (v) Martin Lewis or MoneySavingExpert.com; (vi) an accountant or stockbroker; (vii) workplace (HR/finance).</li> <li>3. <b>Informal guidance only:</b> If they did not receive regulated advice or formal guidance, but received guidance from any of (i) TV or radio, (ii) social media, (iii) friends, family or colleagues.</li> <li>4. <b>No advice or guidance:</b> Participants who reported not receiving advice or guidance from any of the above sources.</li> </ol> </li> </ul> <p>Additional supplementary analyses were conducted using each individual source of advice or guidance separately.</p>	<p>AGBR2a-e</p>	<p>Categorical, with "4. No advice or guidance" as reference</p>
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<b>Personality Traits</b> <ul style="list-style-type: none"> <li>Each of the “Big-five” personality traits were assessed with a single item. Participants could respond from “1 – Strongly disagree” to “7 – Strongly agree” to the items listed below. Responses were converted to z-scores.               <ol style="list-style-type: none"> <li><b>Extroversion</b> was assessed with the phrase “I am extraverted, enthusiastic”.</li> <li><b>Conscientiousness</b> was assessed with “I am dependable, self-disciplined”.</li> <li><b>Openness</b> to experience was assessed with “I am open to new experiences”.</li> <li><b>Agreeableness</b> was assessed with “I am sympathetic, warm”.</li> <li><b>Neuroticism</b> was assessed with “I am calm, emotionally stable”. Scores for this item were reverse coded, such that those who selected “strongly agree” were given a score of 1, while those who selected “strongly disagree” were given a score of 7.</li> </ol> </li> </ul>	D11	Continuous
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## Subgroups measures

### Gender and age (D3 and D1, categorical with “Male” as reference)

**Gender and age** were grouped into six categories: male aged 18-34, male aged 35-54, male aged 55+, female aged 18-34, female aged 35-54, female aged 55+.

### Region (D2, categorical with “Rest of England” as reference)

**Region** was split into five categories: Rest of England, London, Wales, Scotland, Northern Ireland.

### Ethnicity (D4, categorical with “White” as reference)

**Ethnicity** was split into four categories: White, Asian, Black, and Mixed/Other.

### Disability (D5, binary)

Participants were asked to select from several options about their **disability** status. Those who reported either “Yes - I consider myself to be disabled and my day-to-day activities are limited a lot” or “Yes - I consider myself to be disabled and my day-to-day activities are limited a little” were considered to be living with a disability.

### Working status (D6, categorical with “Working” as reference)

**Working status** was split into four categories: working (including full- and part-time), retired (including semi-retired), unemployed, and other (including students and “other” working statuses).

### Income (D13, continuous)

**Income** was treated continuously. Participants were first asked to report their exact yearly income in pounds. Those that did not respond to this were asked to select from which of a set of income bands theirs falls. For those respondents who selected a band, we followed an approach to assign them a proxy numeric figure as outlined in section 10 (Derived variables). For individuals who only selected from their income band not their exact income, exact income was imputed as the mean of the exact income in those individuals in that income band. For example, the mean exact income for those in the “£10,000 - £14,999 per year” band was £12,033, so someone who only selected this income band but did not provide their exact income would have the latter imputed as £12,033. Income was divided by 10,000 such that a one unit increase in income reflected a £10,000 increase.

### Debt (CD4b, binary)

People were considered to have unsecured **debt** if they reported having outstanding debt of any of the following: (i) rent, (ii) credit or store card, (iii) bank overdraft, or (iv) personal loan.

### Homeowner (D7, binary)

**Homeowners** were classified as those who reported “I own my home outright” or “I pay a mortgage on the home I own”.

### Child dependents (D9, binary)

Participants were asked if they have financial dependents under the age of 18. Those who reported “Yes” were considered to have **child dependents**.

### Life events (D16, binary)

Participants were asked if they experienced any of the following **life events** in the past 3 years: got married/civil partnership; received an inheritance or large sum of money; moved house; had a child (including adopting a child) or pregnancy; loss of income; large loss in income; relationship breakdown/separation from your partner; divorce; serious accident or illness (yourself); serious accident or illness of a close family member; death of a close family member; became the main carer for a close family member; retired; being forced to sell your home, being evicted, or being made homeless. People who reported any of the above events were considered to have recently experienced a major life event.

## Segmentation

A segmentation was conducted using Latent Class Analysis. This is a type of statistical model that allows for clustering of multivariate discrete data.

This means that individuals, or respondents in the survey, could be classified into mutually exclusive and exhaustive typologies, or segments, based on their answering pattern to a series of selected questions. In practice, this technique identifies groups of respondents whose answer patterns across multiple questions are similar to each other, whilst being different to other groups. This was used to allow us to understand patterns of attitudes towards finances and the extent to which the public require support.

The following variables were used to conduct the Latent Class Analysis:

- A1: How knowledgeable would you say you are about financial matters?
- A2: To what extent are you a spender who 'lives for today' versus a saver who prioritises setting money aside for the future?
- A3: How willing are you to take risks with investing your money?
- A4: How far do you believe people can have control over returns on investments they may make?
- A7\_a-d: Which of the following best describes your attitude when thinking about investing?
- SK5\_a-i: Below are some different terms associated with investing. For each, please say whether you have heard of the term, and if you understand what it is?
- AGBR1\_a-f: Now thinking about different savings and investment decisions people need to make, to what extent would you require information, guidance or advice if you needed to make these decisions?

A 5-segment solution was selected as providing the clearest coherence within segments, and distinction between them. Alternative solutions were also explored, including different numbers of segments, and including or excluding different variables; however upon review, these solutions were less easily interpretable and therefore the 5-segment solution using the variables shown above was chosen.

### 8.1.13. Glossary: definitions of financial terms

During the survey, respondents were able to click certain technical terms to view a definition. The following text was shown at the introduction to the main part of the survey:

*Throughout the survey, you will be able to access definitions of financial terms to help you provide accurate answers and contribute to improved financial services for everyone. These will be shown in pink underlined text: please click to view the definition.*

The definitions shown to respondents are included below. These were available for respondents to click and read at any point where these terms were used in the question text or answer text.

Term used in survey	Definition shown to respondent if clicked
Savings or investments	Putting money aside (e.g. in savings accounts or investments) rather than savings you make buying something.
Financial decision-making responsibility	Responsibility for making decisions about budgeting, spending, saving and investing money, with or for those in your household.
Cash ISA	Cash saving accounts that pay interest that is free of income tax. There are limits set by the Government on the amount of money that can be deposited in an ISA each year.
LISA	This product enables people between 18 and 39 to save money for the future. They cannot access it immediately and can use it for their retirement or to buy a home.
Help to buy ISA	This product is a government-backed savings account in the UK that offers bonuses to first-time buyers. It allows tax-free savings to help with purchasing a home.
Investment funds	An investment fund provides a broader selection of investment opportunities, greater management expertise, and lower investment fees than investors might be able to obtain on their own. It includes index-linked, exchange traded funds, active and passively managed trackers.
Government or corporate bonds	These are fixed interest securities offered as a way for companies or the UK government to raise money by borrowing from investors.
Direct shares - listed	Shares listed on a stock exchange that you hold directly, i.e. <b>NOT</b> in an investment fund or a stocks and shares ISA.
Unlisted direct shares	Shares you hold directly in a firm that is <b>NOT</b> listed on a stock exchange.
Stocks and Shares ISA	Also known as an investment ISA, it allows investing in a tax-efficient way, e.g. in shares in companies, investment funds or corporate and government bond.
LISA	This product enables people between 18 and 39 to save money for the future. They cannot access it immediately and can use it for their retirement or to buy a home.
Workplace pension	A pension set up by your employer.



Final salary pension (also known as a defined benefit pension)	Provides a guaranteed income for life (based on the number of years that you have worked for an employer and your salary at retirement).
Career average pension	The amount you receive at retirement is calculated as an average of your salary throughout your career.
Defined benefit pension (also known as a final salary pension)	A pension that gives you a guaranteed return. You might have one if you've worked for a large employer or in the public sector, although they are less commonly issued nowadays.
Defined Contribution Pension	A pension where the amount you get when you retire depends on how much has been put in by yourself and/or your employer. The value of this pension is based on the amount you have put in though contributions and your employer's contributions (if applicable) plus investment returns and tax relief.
Personal pension	A pension that you set up yourself or with the help of an adviser, this is typically known as a self-invested private pension (SiPP). The value of these pensions are typically based on earnings at retirement stage.
Crypto assets	Crypto assets are a digital form of money that work without a central authority like a bank. They use technology called blockchain to record transactions securely. Crypto assets like Bitcoin and Ethereum can be sent and received online, and they rely on computer codes to keep them safe and private. The value can change very quickly.
Investment-based crowdfunding	This is a way for people, businesses and charities to raise money. Individuals or organisations invest in crowdfunding projects in return for potential profit. It does not include donations or giving money in return for a reward, service or product.
Peer-to-peer lending	An investment where you lend money to individuals or companies in return for a set interest rate. Also known as peer-to-business lending.
Any of commodities, contracts for difference (CFDs), options, futures or VCTs	Products such as spread bets and rolling spot foreign exchange products. These are complex financial instruments offered by investment firms, often through online platforms. They can be used to speculate on the rise and fall in price of a wide range of assets.
Mini bonds	An investment where you pay a company money in exchange for a fixed rate of interest over a set period. Usually issued by small companies, start-ups

	and companies that are not listed on an exchange, such as the London Stock Exchange. Does <b>not</b> include loans made through a peer-to-peer or crowdfunding platform.
Innovative Finance ISA (IFISA)	A type of savings account that allows you to earn tax-free interest on peer-to-peer lending or investment-based crowdfunding. Usually offers higher returns and higher risk.
Cash stored at home	Physical money that you set aside and keep safe at home.
Premium bonds	Issued by National Savings and Investment (NS&I). Rather than earning interest, you are entered into monthly draws for cash prizes.
Investment platform	Investment platforms arrange, safeguard and administer investments on behalf of consumers and offer them access to retail investment products from a number of different providers.
Money market funds (MMF)	These are funds that pay a fixed rate of interest and can invest in short-term debt from government and banks, for example.
Returns on investment	The money you make or lose from an investment compared to the amount you first invested.
Traditional investments	Including investment funds (including index-linked and exchange-traded funds), government or corporate bonds, listed and unlisted direct shares, and Stocks and Shares ISAs (including Stocks and Shares Lifetime ISA – LISA).
Higher-risk investments	Including crypto assets, investment-based crowdfunding, peer-to-peer lending, any of commodities, contracts for difference (CFDs), options, futures or Venture Capital Trusts (VCTs), mini bonds, Innovative Finance ISAs (IFISA).
Gains	Profits from investments e.g. when the value of them rises above the price paid for them.
Support	This could include information, guidance or full regulated financial advice.
Excess savings	Excess savings are when your savings increase more than you expected. This might be due to an external event e.g. the COVID-19 pandemic.
Lump sum	A single payment made at a particular time, as opposed to a number of smaller payments or instalments.
Matures	'Maturing' refers to when the interest rate that you have been given on a fixed term savings account is

	going to end, and you'll need to decide what you'd like to do with your savings next.
Credit union	Credit unions are financial co-operatives owned and run by their members. They encourage saving, lend at competitive rates and provide other financial services to their members.
Financial Adviser	Financial advisers are regulated to provide advice on savings, investments or pensions / retirement planning. They can be fully independent (IFAs) or tied to certain providers and can also be known as 'wealth managers'.
Fund information	A summary of details about an investment fund.
Balance my investment portfolio	When you have sold some investments in your portfolio and bought others to help maintain the level of investing risk you were comfortable with.
Interest rate	An interest rate is the percentage earned on savings usually paid to you once a year. You may have seen this written as the Annual Equivalent Rate (AER).
Consolidated pensions	Pension consolidation is the process of combining multiple pension pots into one account. It's also known as merging or transferring pensions.
Credit	Credit is the ability to borrow money or get goods/services with a promise to repay later.
Debt	Debt is money borrowed that must be repaid, usually with interest. It may come from loans or credit cards and shows what a borrower owes to a lender.
Disposable income	This is the money you typically have left over each month, once you have paid all essential costs – such as food, rent, bills, and any travel to work and childcare costs.
Balloon payments	The final amount due at the end of the loan in order to own the asset.
Fixed term savings account	A savings account with a fixed interest rate that lasts for a certain length of time, e.g. 1 year, and then the interest rate may change.

## 8.2. Qualitative methodology

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### 8.2.1 Introduction

The qualitative research spoke to three audiences identified as a focus for this research: those with 'excess cash' of at least £15,000 in savings who do not hold any investments; those who hold traditional investments, and those who hold higher-risk investments. Full audience definitions are included in 'Sampling design' below.

The research comprised of two key stages:

- 1. Stage 1:** 8 x 90-minute focus groups (3 in-person, 5 online) and 14 x online depth interviews with 3 x audiences of investors and potential investors to understand current investment behaviours and drivers, access to support and response to the concept of targeted support.
- 2. Stage 2:** a follow-up of 8 x online depth interviews with 2 x audiences (those with excess cash and those with higher-risk investments but insufficient cash savings). The purpose was to focus on the most prevalent harms emerging from the quantitative study and understand how these consumers make investment decisions.

### 8.2.2. Recruitment and sampling design

#### Recruitment

We recruited these 3 audiences through one of our trusted fieldwork partners, iThoughts Research ('iThoughts'). iThoughts is a recruitment agency, who specialise in finding participants to take part in research. To do this, they use a combination of methods:

- A panel approach, where they contact potential participants who have previously expressed an interest in taking part in research.
- Through contact with a network of individual free-find recruiters located across the country. Specifically, this includes individuals who are often well connected in their local communities, and can find participants through engaging with different community groups.
- Snowballing, where partners and individual free-find recruiters connect with potential participants via panel members or other contacts who may know other people who qualify for the research.

To ensure iThoughts were able to engage qualifying participants for research, we designed a recruitment questionnaire, also known as a 'screener'. A recruitment questionnaire is a set of questions that screens people who may be interested in the research to check they are eligible to take part and meet the criteria (set out in the sampling design below).

It is important that we are confident our participants are 'authentic', i.e. that they are who they say they are, and have not falsified details in order to qualify

for the research and associated incentive. We also take care not to recruit so-called 'professional' research participants, who take part very regularly in research and may therefore represent a biased sample. To reduce these risks, we work with our partners to:

1. Re-screen participants at different stages of the process to ensure their answers are the same and consistent.
2. Collate contact details to ensure email addresses and participant names match.
3. Screen out those who have taken part in research in the past 6 months.

## Sampling design

Audience	Groups	Depth interviews
<b>Audience 1: Excess cash</b> <ul style="list-style-type: none"> <li>• All to take their own decisions and have responsibility for their financial products.</li> <li>• Do not hold any financial investment products (i.e. no stock and shares, crypto etc).</li> <li>• Have over £15,000 in cash savings (held in a cash savings account or a cash ISA etc) but not held in investment products.</li> <li>• None to have paid for financial advice for investment products, pension products or saving products in last 12 months nor have an ongoing relationship with a financial advisor.</li> </ul>	2 groups x 5 participants	4 interviews x 1 participant
<b>Audience 2: Traditional investor</b> <ul style="list-style-type: none"> <li>• All to take their own decisions and have responsibility for their financial products.</li> <li>• All to hold at least 1 traditional investment product e.g. stocks and shares ISA, government bond etc.</li> <li>• None to have paid for financial advice for investment products, pension products or saving products in last 12 months.</li> </ul>	3 groups x 5 participants	5 interviews x 1 participant

<ul style="list-style-type: none"> <li>If paid for advice before 12 months ago, none to have an ongoing relationship with a financial advisor.</li> </ul>		
<p><b>Audience 3: Higher-risk investor</b></p> <ul style="list-style-type: none"> <li>All to take their own decisions and have responsibility for their financial products.</li> <li>All to hold at least 1 higher-risk investment product e.g. crypto assets, contracts for difference (CFDs).</li> <li>None to have paid for financial advice for investment products, pension products or saving products in last 12 months.</li> <li>If paid for advice before 12 months ago, none to have an ongoing relationship with a financial advisor.</li> </ul>	3 groups x 5 participants	5 interviews x 1 participant

During stage 2, participants were recruited from two audiences. These were very similar to the first phase, however with specific characteristics that had been identified in the quantitative phase as correlating with financial harms:

Audience	Number of depth interviews
<p><b>Audience 4: Excess cash, with <i>additional characteristics correlating with harms including demographics and barriers to investing.</i></b></p> <ul style="list-style-type: none"> <li>All to take their own decisions and have responsibility for their financial products.</li> <li>Do not hold any financial investment products (i.e. no stock and shares, crypto etc).</li> <li>Have over £15,000 in cash savings (held in a cash savings account or a cash ISA etc) but not held in investment products.</li> <li><i>None to have considered investment before.</i></li> <li><i>All to be low 'risk' appetite.</i></li> <li><i>Skew female and older.</i></li> <li>None to have paid for financial advice for investment products, pension products or saving products in last 12</li> </ul>	4 x 1 participant

months nor have an ongoing relationship with a financial advisor.	
<p><b>Audience 5: Higher-risk investors, with <i>additional characteristics correlating with harms including demographics and use of social media for information.</i></b></p> <ul style="list-style-type: none"> <li>• All to take their own decisions and have responsibility for their financial products.</li> <li>• All to hold at least 1 higher-risk investment product e.g. crypto assets, contracts for difference (CFDs).</li> <li>• Have less than £15,000 in CASH savings (held in a cash savings account or a CASH ISA etc).</li> <li>• <i>To skew male and younger.</i></li> <li>• <i>All to use social media / influencers for 'help and support'.</i></li> <li>• None to have paid for financial advice for investment products, pension products or saving products in last 12 months, nor have an ongoing relationship with a financial advisor.</li> </ul>	4 x 1 participant

### 8.2.3. Research material design

Discussion guides were designed collaboratively with the FCA to ensure they reflect the core project objectives. They were then iterated for each research stage and tailored to the audiences were needed.

We developed bespoke focus group and depth interview discussion guides to ensure the flow and probes were appropriate to each audience. The depth interviews were semi-ethnographic as they included the activity of consumers digesting help and support 'live', by sharing their screens during a video call whilst looking for information about investments online. This activity did not take place in the focus groups.

#### Discussion guide structure

Section	Aim
<i>[Depth interviews only]</i> Pre-task	
<b>Part 1:</b> Introduction	Warm-up and build rapport
<b>Part 2:</b> Understanding financial lives	Exploring consumers' current financial lives, including financial goals, the products they hold and the role investments plays (if any)

<b>Part 3a:</b> <i>[audience 1 and 4 ONLY]</i> Barriers to taking investment products	Understanding current experiences of investment and the context targeted support lands in: <ul style="list-style-type: none"> <li>• Decisions to not invest</li> <li>• Making product choices including the roles of risk appetite, ESG etc</li> <li>• Satisfaction with products and the extent they are felt to meet needs</li> </ul>
<b>Part 3b:</b> <i>[audience 2, 3 and 5 only]</i> Motivations for taking out investment products	Understanding current experiences of investment and the context targeted support lands in: <ul style="list-style-type: none"> <li>• Decisions to invest</li> <li>• Making product choices including the role of risk appetite, ESG etc</li> <li>• Satisfaction with products and the extent they are felt to meet needs</li> </ul>
<b>Part 4:</b> Help and support	<ul style="list-style-type: none"> <li>• Understanding the role of help and support in decision making and experience</li> <li>• Exploring whether a lack of support is a key driver of harm</li> </ul>
<b>Part 4a</b> <i>[depth interviews only]</i> Accessing help and support	Understanding the role of help and support in decision making and experience through live ethnographic exercise
<b>Part 5:</b> Targeted support	Understanding consumer demand for greater support with retail investment decisions
<b>Part 6:</b> Reflecting on targeted support	
<b>Part 7:</b> Close	Wrap-up and final reflections

To develop the stimulus, we worked closely with the FCA to design scenarios showing examples where targeted support could be provided to consumers experiencing a certain harm (see section 5 for this stimulus). We developed these examples into case studies to bring them to life for participants. We tailored the case studies to the particular audience to ensure that each audience were engaging with the harms most relevant to them.

#### 8.2.4. Data organisation and analysis approach

We analysed the qualitative data to identify commonalities in behaviours, attitudes, experiences and expectations amongst consumers, and using grouping



techniques to create typologies or archetypes to help bring to life the ways in which different types of consumers might behave, and what they might need or expect from financial institutions.

Groups and interviews were recorded and the key themes were transferred into a spreadsheet for analysis. The method we used to do this was qualitative code framing, an approach that systematically categorises data and allows researchers to identify common themes. We then took the categorised data into multiple brainstorm sessions attended by the entire team (including those with greater responsibility for quantitative delivery) to further collectively interrogate the data and develop the story.

The whole team prepared for brainstorm sessions by conducting individual analysis, against the whole data set. This means that the team focused not only on interviews / focus groups they conducted themselves, but also on those conducted by others, reducing bias and the risk of individual researchers focusing on the data they have been most exposed to. The brainstorm sessions took place on a rolling basis so that we could identify any areas where we needed to strengthen insights against objectives.

## 8.2.5. Stimulus: targeted support examples shown

### Audience 1: Excess cash

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#### Targeted support

- **Targeted support is a new service that firms (banks, investment platforms etc.) will use to provide you with a suggestion on how you could save or invest your money.**
- **It will go further than simply suggesting you open an investment account, but will not go as far as giving you a personal recommendation tailored to your individual circumstances.**
- **Instead, the firm will use the data it has on you to put you into a group of similar consumers, and will suggest a product or action that might be appropriate for this group to take.**

1

Thinks  
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#### Meet Jane....

Jane has £20,000 in a savings account.

Her bank gets in touch with her via email to explain that Jane may be holding more cash than she needs in the immediate term in her savings account. They tell her that the value of these savings could be eroded over time due to inflation, because her interest rate is lower than the inflation level. She might get better returns from this money by investing some of her spare cash.

Jane opts to find out more about this and she clicks on a link which takes her to her bank's website.



2

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She answers some questions which allows the bank to check:

- That her savings consist of an emergency fund (6 months essential expenditure).
- That she has no significant debt to pay off
- That she is willing to accept some moderate risk from investing to get better returns from her cash.

She is asked about her savings goals and tells the bank that she needs:

- £10,000 for an emergency fund (6 months essential expenditure)
- £5,000 for a house renovation project
- And does not plan to spend the remaining £5,000 in the next 3-5 years.

Based on this information, her bank suggests that Jane could put the spare £5,000 of her savings into medium-risk ready-made investments in a stocks and shares ISA, in order to increase the chances of getting a higher return on this money.



3

Thinks  
— Insight & Strategy —

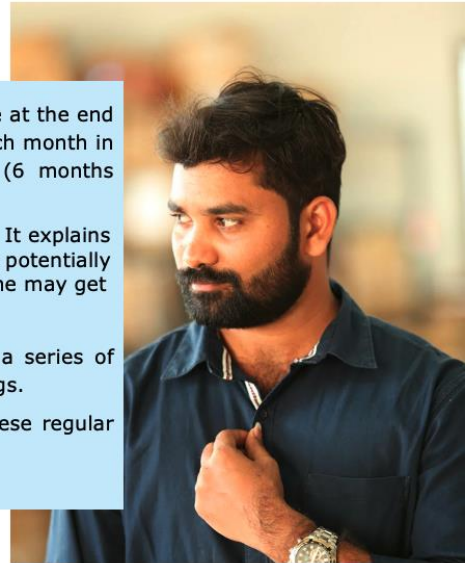
## Meet Raj....

Raj has a well-paid job and finds that he normally has £250 spare at the end of each month before payday. He regularly saves this amount each month in a cash ISA and has built up an emergency fund of savings (6 months essential expenditure).

His bank sends him a pop-up message in his digital banking app. It explains that if he has income left over at the end of each month, he could potentially benefit from regularly investing these excess savings instead, as he may get better returns from this money.

He selects a button to find out more about this, and answers a series of questions on the app about his savings goals and any debt holdings.

- He confirms to the bank that he has no specific goals for these regular savings within the next 5 years
- The only debt he has is student loan debt.

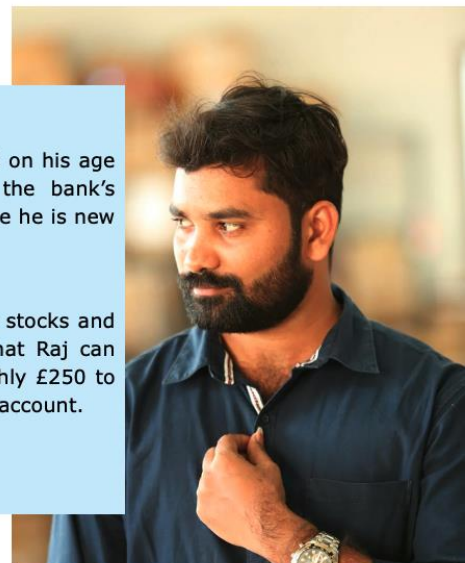


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The bank shows him an assessment of his attitude to risk, based on his age and amount of money he has in savings. He agrees with the bank's assessment that he has a low appetite to investment risk, because he is new to investing and concerned about the potential loss of money.

Based on this information, his bank suggests that he opens up a stocks and shares ISA account, and suggests a range of low-risk funds that Raj can invest in. Raj can then decide if he wants to use his spare monthly £250 to invest in these funds, rather than putting the money in a savings account.



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— Insight & Strategy —

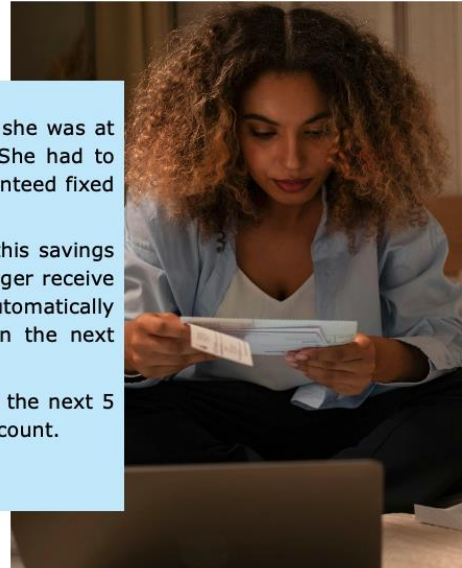


## Meet Olivia....

Olivia opened up a three-year fixed term savings account whilst she was at university to help her be able to save a little bit each month. She had to keep this money in the account for 3 years in return for a guaranteed fixed interest rate.

Her bank has sent her a letter in the post to let her know that this savings account is coming to an end as it's been 3 years. She will no longer receive the interest rate offered at the start. Instead, her cash will be automatically put into an everyday cash ISA with lower interest rates within the next month.

Olivia does not have any specific plans to use this money within the next 5 years and so does not want to keep it in a low-interest savings account.



Thinks

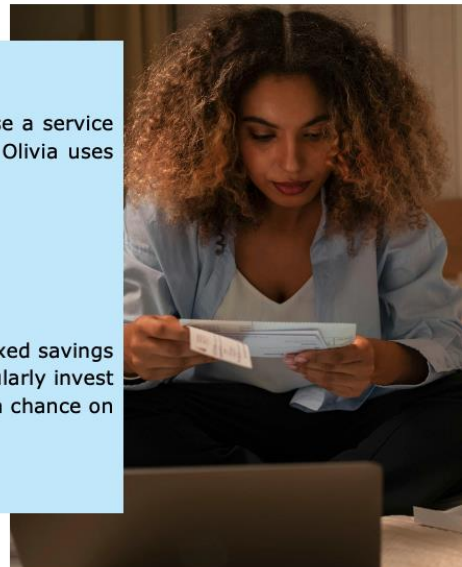
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The letter from her bank says that she can scan a QR code to use a service that can help her match her financial goals to an account type. Olivia uses this service to find out her options.

It asks her a few questions to confirm:

- Whether she has an emergency fund of savings
- Whether she might be interested in starting regular investing
- Her attitude to risk

Her bank uses data on how much she was able to save into her fixed savings account each month to suggest an amount she could start to regularly invest in low-risk funds in a stocks and shares ISA if she wants to take a chance on getting better returns from her savings.



Thinks

## Meet Zahra....

Zahra has been gifted £2,000 from her grandparents for her 21<sup>st</sup> birthday. She already has a significant amount of savings in her bank account so does not need to use this money to build up her emergency fund (6 months of essential expenditure).

She is unsure what to do with this money and her friend tells her that she might benefit from putting it into a stocks and shares ISA with an investment platform, so that the £2,000 may increase in value. Zahra decides she doesn't want to risk losing the whole amount, so she opens an account with an investment platform and puts £1,000 in there.

Zahra assumed that once she put £1,000 onto the investment platform, it would automatically be invested. But that isn't the case. On an investment platform, you have to select what you would like to invest in for your money to be invested.



Thinks

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11

The investment platform sends her an email to notify her that she currently has cash sitting in this account, and that she needs to purchase some investments in order for this money to be invested.

The investment platform ask Zahra some questions to understand her needs. She answers a series of questions to confirm:

- She is happy to invest her full £1,000
- What her attitude to risk is (based on the platform's assessment)
- That she has no short-term needs for this cash.

Based on this information, her platform suggests she purchases £1,000 worth of medium-risk investment funds in her stocks and shares ISA.



Thinks

12

## Audience 2 & 4: Traditional investors

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### Targeted support

- **Targeted support is a new service that firms (banks, investment platforms etc.) will use to provide you with a suggestion on how you could save or invest your money.**
- **It will go further than simply suggesting you open an investment account, but will not go as far as giving you a personal recommendation tailored to your individual circumstances.**
- **Instead, the firm will use the data it has on you to put you into a group of similar consumers, and will suggest a product or action that might be appropriate for this group to take.**

2

Thinks  
— Insight & Strategy —

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### Meet Simran....

Simran has £15,000 invested with an investment platform. She picked her funds 3 years ago by researching online to find out the safest products to invest in. As a result, her portfolio is made up of a majority of bonds (which are typically lower-risk investments) with only a few equities (which are higher-risk).

When checking her investment pot, she is disappointed that the value of her investments have not increased by as much as she would have hoped for in that time. She phones up her platform provider to ask why this is.



Thinks  
— Insight & Strategy —

3

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Her provider explains that her portfolio is made up of low-risk investments, which means the rate of return will be lower than higher-risk investments. She answers a few questions about her time horizons for investing and her attitude to risk.

She answers that:

- She intends to be invested for 5+ years
- She is prepared to take on more investment risk for the chance of better investment returns.

Her provider therefore suggests she invests in some medium-risk funds for potential higher returns. It says she could sell off 20% of her bonds to purchase the platform's medium-risk equities instead.



Thinks  
— Insight & Strategy —

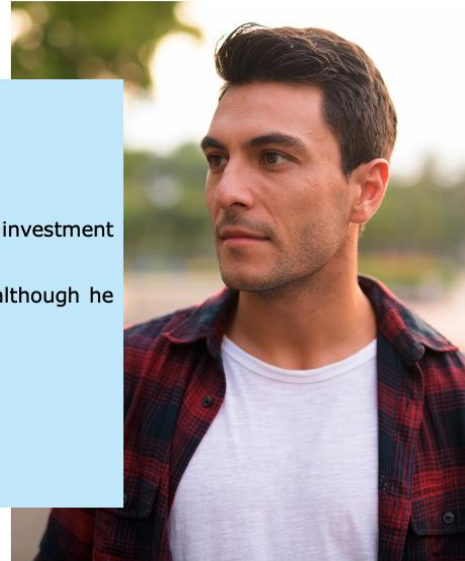
4



## Meet Ade....

Ade is a first-time investor who opened up an account with an investment platform.

He invested £8,000 and his funds seem to be performing well, although he rarely checks and only reviews his arrangements once a year.



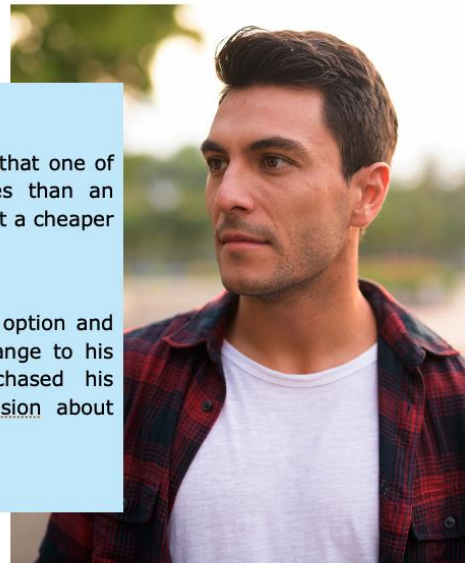
Thinks  
— Insight & Strategy —

6

Ade's platform provider gets in touch via email to let him know that one of his funds (which tracks the S&P 500<sup>1</sup>) has higher fund fees than an alternative fund, which is tracking the same index but is offered at a cheaper fee.

There is no cost to Ade if he wants to switch to this fund.

Ade clicks on the link in the email to find out more about this option and answers a series of questions to check there has been no change to his assessed risk appetite or preferences since he first purchased his investments. Ade then uses this information to make a decision about whether or not to switch tracker funds.



Thinks  
— Insight & Strategy —

7

## Meet Alex....

Alex is self-employed and his income fluctuates each month, which means he has found it difficult to be able to save up a regular amount every payday in order to have an emergency fund.

Alex does put different amounts of money into a stocks and shares ISA with his bank every month, as he heard you can make better returns from investing than keeping these savings in your cash ISA.



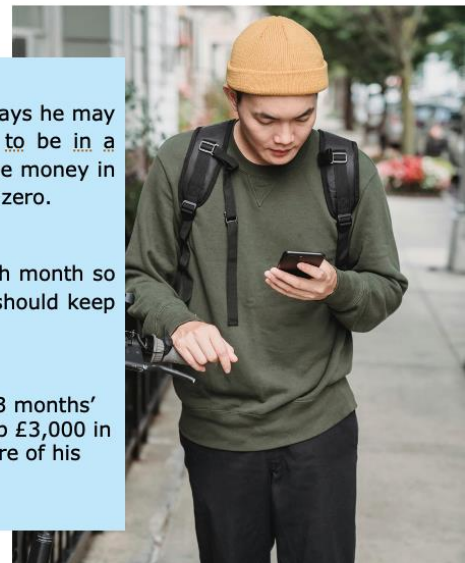
Thinks

Private & Confidential

His bank sends him a message in his mobile banking app which says he may not hold enough cash in his current savings account in order to be in a position to invest. This is because there is a risk he could lose the money in his stocks and shares ISA if the value of those investments fall to zero.

Alex answers some questions about his average expenditure each month so that the bank can suggest an amount of emergency savings he should keep in a cash ISA.

His bank suggests he needs a total of £3,000 in savings to cover 3 months' outgoings in an emergency. The bank suggests he aims to save up £3,000 in his cash ISA (not a stocks and shares ISA) before putting any more of his income into investments via his stocks and shares ISA.



Thinks



## Audience 3 and 5: Higher-risk investors

Private & Confidential

### Targeted support

- **Targeted support is a new service that firms (banks, investment platforms etc.) will use to provide you with a suggestion on how you could save or invest your money.**
- **It will go further than simply suggesting you open an investment account, but will not go as far as giving you a personal recommendation tailored to your individual circumstances.**
- **Instead, the firm will use the data it has on you to put you into a group of similar consumers, and will suggest a product or action that might be appropriate for this group to take.**

2

Thinks  
— Insight & Strategy —

Private & Confidential

### Meet Benji....

Benji saw his favourite TikTokker talking online about how he makes money from investing in cryptocurrencies on a trading platform. Benji is attracted by the potential to make high returns from his money and decides to start investing on a regular basis in crypto funds on the same trading platform. He is keen to make a quick return on his investment so he can build up enough money to start his own business. He decides to put £5,000 of his savings into crypto via the trading platform.

His retail bank sees this transfer to this trading platform and sends him a pop-up on his phone to notify him about the potential for significant losses due to unregulated high-risk investing.



3

Thinks  
— Insight & Strategy —

Private & Confidential

Benji is concerned that he has just converted his savings into unregulated high-risk investments and clicks on the option to find out more about the dangers of this.

His bank asks him some questions to understand his:

- Risk appetite
- The amount of emergency savings he has

Based on the information provided, the bank suggests he has a medium-risk appetite and sufficient cash savings to be investing, but could benefit from purchasing more traditional mainstream investments in future to better balance his portfolio risk. His bank gives him a suggestion for regulated medium-risk funds in a new stocks and shares ISA.

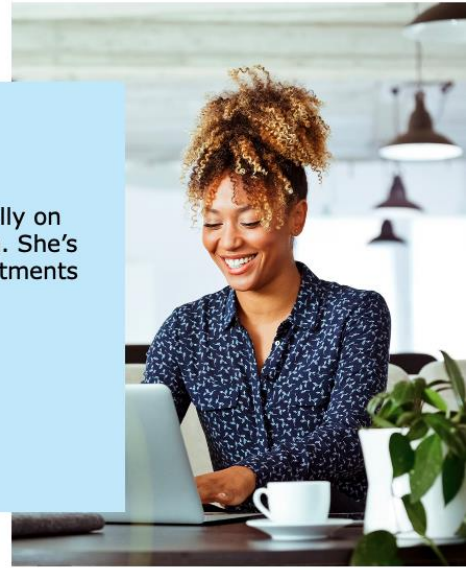


4

Thinks  
— Insight & Strategy —

## Meet Sascha....

Sascha has a single investment fund that focuses specifically on commercial property which she opened through a platform. She's very busy at work and therefore hasn't reviewed her investments for over a year.

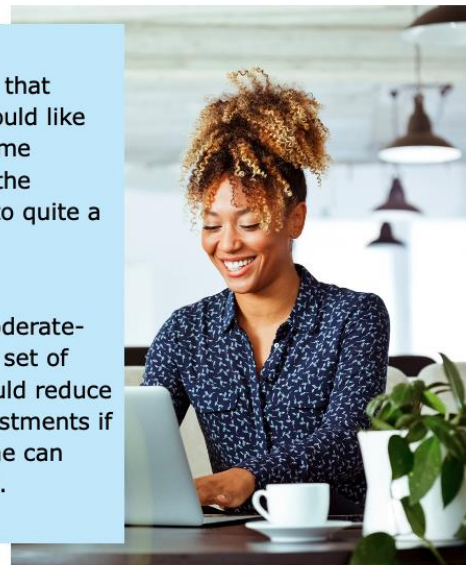


Thinks

Private & Confidential

Her provider sends her an in-app message to let her know that she's due to review her arrangements and asking if she would like some insights. Sascha clicks 'learn more' and is shown some information that her fund allocation is entirely focused on the commercial property market. This means she is exposed to quite a lot of risk.

The provider gives Sascha a suggestion of a diversified moderate-risk portfolio that will mean she invests in a much broader set of assets across different sectors – not just property. This could reduce the specific risk she is exposed to via the value of her investments if the commercial property market does not perform well. She can choose whether to accept the new fund suggestions or not.



Thinks

## Meet Shailene....

Shailene opened up a stocks and shares ISA with her bank a year ago. She invested £20,000 because she wants to make enough money for a house deposit for her first home. This is the only account she is using to save up for her first home.

Shailene's friend recently bought a home and she mentioned to Shailene that she used a Lifetime ISA (LISA) whilst saving for her deposit. Shailene is curious about if this sort of ISA would be useful for her, so she goes on her bank's website to find out more about LISAs.

9



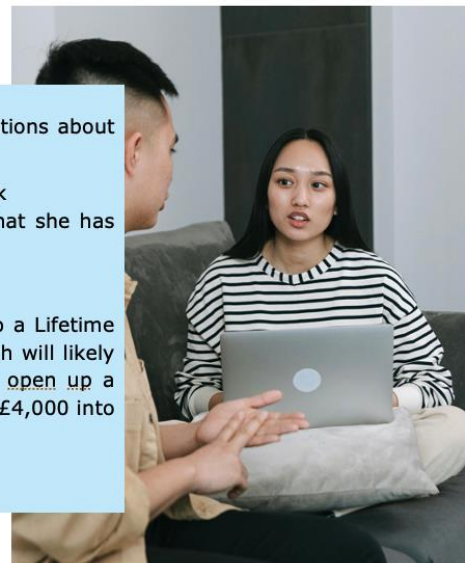
Thinks

Shailene clicks on a link to find out more and answer a few questions about her investment goals. She confirms that she:

- Has £20,000 invested in a stocks and shares ISA with the bank
- Expects to take out this money within the next 5 years so that she has hopefully made enough profit for a house deposit.

Her bank suggests that she could instead put £4,000 a year into a Lifetime ISA (LISA) to secure a government bonus of £1,000 a year, which will likely be higher than investment returns. She can choose whether to open up a LISA and sell some of her investments, in order to move the first £4,000 into a LISA from her stocks and shares ISA.

10



Thinks

## **8.3. Acknowledgements**

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### **Our participants**

Thank you to all those who took part in this research, either by responding to the quantitative survey, or taking part in the qualitative research. We are very appreciative of you taking the time to share your views.

### **Partner organisations**

Yonder Data Solutions conducted the quantitative fieldwork and supported Thinks with data processing and weighting.

Dr. Harry Tattan-Birch provided consultancy to develop the harms regression analysis.

Dr. Hayk Gyuzalyan provided consultancy on the sampling and weighting plans for the quantitative sample.

iThoughts Research provided recruitment services for the qualitative sample.

### **Authors of this report**

This report has been authored by the Thinks research team, led by Ellie Gould and Phoebe Ward. Thank you to Dr Carol McNaughton Nicholls, Elsie Lauchlan and Lucy Keartland.

Contributions have been made by Dr. Harry Tattan-Birch and Dr. Hayk Gyuzalyan. The report was reviewed by Vicky Whiting, Lucy Molloy and Niall McGregor at the FCA.



## 8.4. Appendix: Quantitative questionnaire

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The questionnaire is included in full below for reference. Programming instructions are shown in **ALL CAPS**.

### SHOW ALL

#### INTRO1

Welcome to the survey.

This is an important survey for the Financial Conduct Authority (FCA). Your feedback will play a crucial role in helping the FCA to understand the financial needs and behaviours of individuals across the UK. This information is vital in shaping regulations that protect consumers, ensure fair practices, and improve the quality of financial services for everyone.

This survey is being conducted by Thinks Insight & Strategy, an independent research agency. Participation in this research is entirely voluntary. All responses that you provide will be kept anonymous and confidential, and will not be shared beyond the purposes of this research. To find out more about how Thinks Insight & Strategy will collect and use your personal information, please see our privacy policy here: <https://www.thinksinsight.com/privacy>.

By taking the time to share your experience, you'll be directly contributing to positive change.

#### Demographics

### ASK ALL, OPEN NUMERIC

**D1.** Please enter your age in the box below.

[**MAX 99 RESPONSE**]

### DAGE – HIDDEN VARIABLE

#### CODE NUMERIC RESPONSE FROM D1 INTO BELOW CATEGORIES:

1. Under 18
2. 18-24
3. 25-34
4. 35-44
5. 45-54
6. 55-64
7. 65-74
8. 75+

### IF CODE 1 (UNDER 18), SCREEN OUT

### ASK ALL, SINGLE CODE, FIX ORDER

**D2.** Which of the following describes where you live?

1. Scotland

2. North East
3. North West
4. Yorkshire and the Humber
5. West Midlands
6. East Midlands
7. Wales
8. East of England
9. London
10. South East
11. South West
12. Northern Ireland

**ASK ALL, SINGLE CODE, FIX ORDER**

**D3.** Are you....?

1. Male
2. Female
98. Other, please specify **[OPEN]**
96. Prefer not to say

**ASK ALL, SINGLE CODE, FIX ORDER**

**D4.** Which best describes your ethnic group?

1. White/White British
2. Asian/Asian British
3. Black/African/Caribbean/Black British
4. Mixed/multiple ethnic groups
5. Arab
98. Other ethnic group
96. Prefer not to say

**ASK ALL, SINGLE CODE, FIX ORDER**

**D5.** Do you have any physical or mental health conditions lasting or expected to last for 12 months or more?

1. Yes – I consider myself to be disabled and my day-to-day activities are limited a lot
2. Yes – I consider myself to be disabled and my day-to-day activities are limited a little
3. I do not consider myself to be disabled but I have a long-term physical or mental health condition which does limit my day-to-day activities
4. No
96. Would rather not say

**ASK IF D5=1-3, MULTI CODE, RANDOMISE**

**D5b.** We would like to understand more about the type of condition that you have in order to better understand customers' needs and how they can be supported. There is no

requirement to answer, but if you do answer the information will be kept confidential and anonymised.

Do any of these conditions or illnesses affect you in any of the following areas? Please select all that apply.

1. Vision (for example blindness or partial sight)
2. Hearing (for example deafness or partial hearing)
3. Mobility (for example walking short distances or climbing stairs)
4. Dexterity (for example lifting and carrying objects, using a keyboard)
5. Learning or understanding or concentrating
6. Memory
7. Mental health
8. Stamina or breathing or fatigue
9. Socially or behaviourally (for example associated with autism spectrum disorder (ASD) which includes Asperger's, or attention deficit hyperactivity disorder (ADHD))
97. Other, please specify **[OPEN] ANCHOR**
96. Prefer not to say **ANCHOR,**
99. None of the above **ANCHOR, EXCLUSIVE**

#### **ASK ALL, SINGLE CODE, FIX ORDER**

**D6.** Which of the following best describes your current working status?

*If you are temporarily away from your work ill, on any form of career break including parental leave or on holiday, please count yourself as still working for an employer or self-employed*

1. Full-time employment (30+ hours per week)
2. Part-time employment (less than 30 hours per week)
3. Self-employed or freelance full-time (30+ per week)
4. Self-employed or freelance part-time (less than 30 hours per week)
5. Semi-retired (drawing a pension or other income but still working)
6. Retired
7. Looking after the home or family / carer
8. Unemployed – looking and available for work
9. Unemployed – not looking for work
10. Student
98. Other, please specify **[OPEN]**

#### **ASK ALL, SINGLE CODE, FIX ORDER**

**D7.** Which of the following best describes your housing situation?

1. I own my home outright
2. I pay a mortgage on the home I own
3. I rent my home through the council or other social housing provider
4. I rent my home privately (e.g. through a landlord, or paying family or friends)
5. I live rent free (e.g. with family or friends, or in accommodation provided by work)
6. I do not have a fixed address
98. Other, please specify **[OPEN]**

**ASK IF D7=4 OR 5 (rents home), SINGLE CODE, FIX ORDER**

**D7a.** Does the owner of your home also live there with you?

1. Yes
2. No

**ASK ALL, SINGLE CODE, FIX ORDER**

**D8.** Which of the following best describes how you pay for outgoings and expenses?

1. Single income – using just the money I earn or receive personally to pay for outgoings and expenses
2. Dual or multiple income – shared or combined finances with **someone else** to pay for outgoings and expenses
98. Other, please specify **[OPEN]**

**ASK ALL, MULTI CODE, FIX ORDER**

**D9.** Do you have children or adults who are financially dependent on you?

*Please select all that apply.*

1. Yes – child or children under the age of 18
2. Yes – children or other adult(s) over the age of 18
3. No **[EXCLUSIVE]**
98. Other, please specify **[OPEN]**

**ASK ALL, SINGLE CODE, FIX ORDER**

**D10.** When you need to make a decision related to your savings, investments or a pension, do you tend to make the decision yourself or with someone else, e.g. a partner?

1. I make decisions for myself
2. I make decisions jointly, shared with someone else
3. Someone else makes the decisions, but I have input
4. I don't make these decisions
98. Other, please specify **[OPEN]**



## **Product Ownership & Assets**

### **SHOW ALL**

### **INTRO2**

In this survey, we will be focused on the topic of **savings and investments**.

By **savings**, we mean: Money that you have set aside rather than what you have spent immediately on day-to-day living. For example, you might hold this in a savings account.

By **investments**, we mean: An asset you buy with the hope of generating an income, profit or a combination of the two. Common types of investments include shares, funds and bonds.

Throughout the survey, you will be able to access definitions of financial terms to help you provide accurate answers and contribute to improved financial services for everyone.

### **ASK ALL, SINGLE CODE, INVERSE ROTATION**

**S1.** Thinking about money that you have in savings or investments – which of the following best describes your situation?

**Do not include** any money you have in a pension or property.

1. I have more than £500 in savings or investments
2. I have less than £500 in savings or investments
3. No money in savings or investments

**ASK ALL, SINGLE CODE PER ROW, GRID, GROUP TOGETHER 1-3, 4-7, 8-10, 11-15, AND FIX ORDER OF GROUPS, RANDOMISE WITHIN GROUPS. FIX 16 AT END. IN BLOCK 1 (CODES 1-3) FIX 1 AT THE TOP. IN BLOCK 2, FIX CODE 7 (STOCKS AND SHARES) AT THE TOP. DO NOT SHOW HIGHLIGHT TO RESPONDENTS – FOR INTERNAL USE.**

**PO1.** We are going to show you a list of different types of financial products you may hold.

For each product, please tell us if you have this type of product or not. **If you aren't sure, we'd like you to select 'no'.**

Please think across all the different providers you have savings, pension or investment products with and include any products you own jointly e.g. a savings account.

		Yes, I have this	No, I don't have this
1	Current account		
2	Savings account, including cash ISA or cash Lifetime ISA (LISA)		
3	Help to Buy ISA		
4	Investment funds (including index-linked and exchange-traded funds)		
5	Government or corporate bonds		
6	Direct shares – listed		

7	Stocks and Shares ISA (including Stocks and Shares Lifetime ISA – LISA)		
8	Workplace pension that is a final salary or career average pension (i.e. defined benefit pension)		
9	Workplace pension that is <b>not</b> a final salary/career average pension (i.e. defined contribution pension)		
10	Personal pension – i.e. a pension that you set up yourself/with an adviser, e.g. a SiPP		
11	Crypto assets		
12	Investment-based crowdfunding		
13	Peer-to-peer lending investments		
14	Any of commodities, contracts for difference (CFDs), options, futures or Venture Capital Trusts (VCTs), mini bonds, or unlisted direct shares		
15	Innovative Finance ISA (IFISA)		
16	Other investments (e.g. property, a business, antiques etc.)		

**ASK ALL, SINGLE CODE PER ROW, GRID, RANDOMISE ROWS**

**PO2.** And do you have at least £100 of cash stored in any of these other places? **Again, if you aren't sure, we'd like you to select 'no'.**

		Yes, I have this	No, I don't have this
1	Cash stored at home		
2	Premium bonds		
3	Cash on an investment platform, but not invested		
4	Cash-like investments such as Money Market Funds		

**HPO1. HIDDEN VARIABLE to capture types of accounts held**

	Label	Definition
1	Savings account incl. cash ISAs / current account	If PO1= any of 1-3= YES
2	Cash held elsewhere	If PO2= any of 1-4= YES
3	Traditional investments	If PO1= any of 4-7= YES
4	Higher risk investments	If PO1= any of 11-15= YES
5	Pension	If PO1= any of 8-10= YES

99	None of these / don't know	If no codes selected YES at PO1 or PO2
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## HPO2. HIDDEN VARIABLE to capture counts of account types held

	Label	Definition
1	Savings account incl. cash ISAs / current account	Count number of codes at PO1_1-3 answered YES
2	Cash held elsewhere	Count number of codes at PO2 answered YES
3	Traditional investments	Count number of codes at PO1_4-7 answered YES
4	Higher risk investments	Count number of codes at PO1_11-15 answered YES
5	Pension	Count number of codes at PO1_8-10 answered YES
99	None of these / don't know	If no codes selected YES at PO1 or PO2

## ASK IF HPO1=3 or 4 (HAS INVESTMENTS), MULTI CODE, RANDOMISE

**PO3.** Thinking about the investments you currently hold:

**[SHOW RESPONSES SELECTED AT PO1 which fall into HPO1\_3 or 4 as prompt]**

Do you choose, buy and sell these investments yourself or does an adviser or wealth manager do this on your behalf?

*Please select all that apply.*

1. Do it myself through an online investment platform (e.g. Hargreaves Lansdown, Vanguard)
2. Do it myself on a trading app (e.g. Trading 212, Interactive Investor, Moneybox)
3. Do it myself through traditional means such as speaking to a stockbroker via the telephone before executing a trade myself
4. A professional buys and sells my investments, e.g. a financial adviser, bank manager or wealth manager
98. Other, please specify **[OPEN] ANCHOR**
97. Don't know **ANCHOR, EXCLUSIVE**

## ASK ALL, SINGLE CODE

**PO4.** Have you held a savings product that 'matured' in the last 3 years?

This means the product had a fixed interest rate for an agreed period of time, but the period of the fixed interest rate ended.

1. Yes
2. No
97. Don't know

## ASK IF PO4=1, MULTI CODE, RANDOMISE

**P05.** Thinking about the most recent time one of your savings products matured, which of the following did you do? You can select more than one option if you split the money and used it for different things.

1. I moved it to another fixed term savings product
2. I moved it to a variable interest savings product **ANCHOR WITH 1**
3. I didn't do anything, it automatically changed into another savings product
4. I invested it e.g. into a Stocks and Shares ISA, direct shares
5. Spent it
6. I moved it to my current account

97. Don't know / can't remember **ANCHOR, EXCLUSIVE**

## SHOW ALL

### AmountsIntro.

We will be asking you to provide some specific details about your savings and finances. This is so the Financial Conduct Authority can help ensure people get the right support to manage

their finances effectively. All of your responses will be kept completely anonymous and confidential. This will only be used for analysis purposes and combined with other people's responses to the survey.

## ASK ALL, REPEAT FOR EACH OF ASSETTYPE1 a-e, RANDOMISE ORDER OF ASSETTYPE1

**PO6.** Approximately, how much do you hold across [ASSETTYPE1]?. **[ONLY SHOW NEXT SENTENCE TO a AND b]:** Please give the amount you consider to be **savings** rather than living expenses.

Please give your best estimate, even if you haven't checked recently. This can be a rounded number.

		<b>ASSETTYPE1</b>
a	SHOW IF HPO1=1	Savings account(s) / current account(s) (i.e. your pipe codes selected which fall into HPO1_1 as list separated by commas)
b	SHOW IF HPO1=2	Cash held in other places (i.e. your pipe codes selected which fall into HPO1_2 as list separated by commas)
c	SHOW IF HPO1=3	Traditional investments (i.e. your pipe codes selected which fall into HPO1_3 as list separated by commas)
d	SHOW IF HPO1=4	Higher risk investments (i.e. your pipe codes selected which fall into HPO1_4 as list separated by commas)
e	SHOW IF PO1_9 or 10 = yes	Pension(s). <b>SHOW IF PO1_8=YES:</b> If you have a final salary or career average pension (i.e. defined benefit pension) – please exclude this.  (do not pipe codes selected for this)

1. **[OPEN NUMERIC, SHOW £ SINGLE BEFORE TEXT BOX]**

97. Don't know

96. Prefer not to say

If PO6=1, show pop up: "You just said you have £XXX across [Assettype1], is this correct? Yes [continue] No [see answer page again so they can edit]"

## ASK FOR EACH OF P06a-e=97/96, SINGLE CODE, FIX ORDER

**PO7.** Would you be able to select from the bands below the approximate amount you hold in [ASSETTYPE1]:

1. £0
2. £1 – £499
3. £500 – £999
4. £1,000 – £1,999
5. £2,000 – £4,999
6. £5,000 – £9,999
7. £10,000 – £14,999
8. £15,000 – £19,999
9. £20,000 – £29,999
10. £30,000 – £39,999
11. £40,000 – £49,999
12. £50,000 – £59,999
13. £60,000 – £79,999
14. £80,000 – £99,999
15. £100,000 – £149,999
16. £150,000 – £249,999
17. £250,000 – £999,999
18. £1,000,000 or more
97. Don't know
96. Prefer not to say

## **Attitudes and Mindset 1**

### **SHOW ALL**

#### **INTRO3.**

Now a few questions about your general perspective and financial situation.

### **ASK ALL, OPEN RESPONSE**

A0. Please tell us about your overall approach to managing your finances. How do you decide which accounts or savings/investments products to use for your money?

### **ASK ALL, SINGLE CODE, SLIDER, FIX ORDER**

**[PROGRAMMER: DO NOT SHOW NUMBERS TO RESPONDENT BUT USE FOR CODES]**

**A1.** How knowledgeable would you say you are about financial matters?

1. 0 - Not at all knowledgeable
2. 1
3. 2
4. 3
5. 4
6. 5
7. 6
8. 7
9. 8
10. 9
11. 10 - Very knowledgeable
97. Don't know

### **ASK ALL, SINGLE CODE, SLIDER, FIX ORDER**

**A2.** To what extent are you a spender who 'lives for today' versus a saver who prioritises setting money aside for the future?

Answer on the sliding scale below

**[PROGRAMMER: DO NOT SHOW NUMBERS TO RESPONDENT BUT USE FOR CODES]**

1. 0 – I like to spend and prioritise living for today
2. 1
3. 2
4. 3
5. 4

- 6. 5
- 7. 6
- 8. 7
- 9. 8
- 10. 9
- 11. 10 – I like to save and prioritise setting aside money for the future
- 97. Don't know

**ASK ALL, SINGLE CODE, SLIDER, FIX ORDER**

**A3.** How willing are you to take risks with investing your money?

Answer on the sliding scale below

**[PROGRAMMER: DO NOT SHOW NUMBERS TO RESPONDENT BUT USE FOR CODES]**

- 1. 0 – I am not willing to take any risks to get higher returns – it is more important that my money is secure
- 2. 1
- 3. 2
- 4. 3
- 5. 4
- 6. 5
- 7. 6
- 8. 7
- 9. 8
- 10. 9
- 11. 10 – I am very willing to take higher risks to get higher returns – I accept that there is the potential to lose all of my money
- 97. Don't know

**ASK ALL, SINGLE CODE, SLIDER, FIX ORDER**

**A4.** How far do you believe people can have control over returns on investments they may make?

- 1. 0 – I believe that returns on investments are the result of the market, not something an individual investor could control
- 2. 1
- 3. 2
- 4. 3
- 5. 4
- 6. 5
- 7. 6
- 8. 7
- 9. 8
- 10. 9



11. 10 – I believe people can have significant control over returns on investments, ensuring a strong performance even if the market is not strong

97. Don't know

**ASK ALL, SINGLE CODE PER ROW, GRID, RANDOMISE ROWS**

**A6.** And thinking about your **friends, family and colleagues**, which of the following apply?

		I know several people who do this	I know one or two people who do this	I don't think I know anyone who does this	I don't know
a	Investing money into traditional investments (e.g. Stocks and Shares ISA)				
b	Investing money into higher risk investments (e.g. crypto assets)				

**ASK ALL, SINGLE CODE PER ROW, GRID, RANDOMISE ROWS**

**A7.** Which of the following best describes your attitude when thinking about investing? Even if you don't invest currently, please think about how you might feel.

		Strongly disagree	Slightly disagree	Neither agree nor disagree	Slightly agree	Strongly agree	Don't know
a	I would prefer small certain gains to large uncertain ones						
b	I would enjoy exploring investment opportunities for my money						
c	I would go for the best possible returns on investment						

	even if there were risks involved						
d	I find it easy to understand whether investment products offer the right level of risk for me						

**Barrier to investing**

**ASK IF (HPO1=1 AND S1=1), AND HPO1 NOT 3 NOR 4 (HAS SAVINGS BUT NO INVESTMENTS), MULTI CODE, RANDOMISE ROWS**

**B1.** Why have you not invested any of your savings, for example into funds in a stocks and shares ISA?

*Please select all that apply*

1. I don't have enough money to invest
2. I don't trust investments / have concerns about losing money
3. I am happy with the interest rate on my savings
4. I don't know enough about investments
5. I would like to but need to access my money quite soon
6. I would like to but would need support
7. I would like to but haven't got around to it yet
8. I prefer to invest in other ways, e.g. my pension, property or in business
9. I don't have friends and/or family who have done this
10. I prefer not to invest because of the monetary costs e.g. management fees
11. It requires too much time and effort
98. Other, please specify **[OPEN] ANCHOR**

**ASK IF (HPO1=1 AND S1=1), AND HPO1 NOT 3 NOR 4 (HAS SAVINGS BUT NO INVESTMENTS), SINGLE CODE**

**B2.** Thinking ahead to the next few years, how likely are you to consider investing some of your savings in the future?

1. I definitely won't invest
2. I probably won't invest
3. I probably will invest
4. I definitely will invest
97. I don't know

## **Attitudes and mindset 2**

**ASK IF (HPO1= 1 AND S1=1), OR HPO1=3 OR 4 (HAS SAVINGS OR INVESTMENTS), SINGLE CODE PER ROW, RANDOMISE ROWS, CAROUSEL**

**A8.** How often do the following statements apply to you?

		Never	Rarely	Some- times	Usual ly	Always
a	I seek information or support before choosing where to save or invest my money					
b	I seek information or support when I need to make a decision about my savings or investments					
c	I seek information or support when I need to make a decision about my pension <b>SHOW IF HPO1=5</b>					
d	I keep track of how much money I have in savings and/or investments					

**ASK IF (HPO1= 1 AND S1=1), OR HPO1=3 OR 4 (HAS SAVINGS OR INVESTMENTS), SINGLE CODE PER ROW, RANDOMISE ROWS, CAROUSEL**

**A9.** When you put money aside into savings or investments, do you tend to do this on a regular basis such as a set amount each month, or ad hoc – as and when you have money available to save or invest?

		I do this on a regular basis	I do this on an ad hoc basis	It varies between regularly and ad hoc
a	<b>[ASK IF HPO1=1 AND S1=1]</b> Put money into savings			
b	<b>[ASK IF HPO1=3 OR 4]</b> Put money into investments			

**ASK (HPO1= 1 AND S1=1), OR HPO1=3 OR 4 (HAS SAVINGS OR INVESTMENTS), MULTICODE, RANDOMISE**

**A10. Excluding your pension, what** are your savings and/or investments for?

*Please select all that apply*

1. Rainy day money / emergency buffer
2. Day-to-day living
3. Car/bike/own transport
4. Holiday
5. My wedding
6. My education
7. Retirement income
8. Deposit to buy a home
9. For a family member or friend (e.g. towards a deposit on a home, their wedding or education)
10. Home improvements
11. To invest in a business
98. Other, please specify **[OPEN] ANCHOR**
99. No particular reason **EXCLUSIVE, ANCHOR**

**ASK IF A10>1 RESPONSE SELECTED FROM CODES 1-11, SINGLE CODE, MAINTAIN ORDER FROM A10**

**A11.** And which of these is your main purpose for your savings or investments?  
What is your number one priority?

**[SHOW ALL CODES 1-11 SELECTED AT A10]**

**ASK IF A10=3,5,6,8,9,10,11,98, SINGLE CODE PER ROW, MAINTAIN ORDER FROM A10, CAROUSEL**

**A12.** Realistically, when do you expect to want to access your savings or investments for the following?

			Less than 3 years	3-5 years	6-10 years	More than 10 years	Don't know
a	SHOW IF A10=3	Car/bike/own transport					
b	SHOW IF A10=5	My wedding					
c	SHOW IF A10=6	My education					
d	SHOW IF A10=8	Deposit for a home					
e	SHOW IF A10=9	Give money to family member or friend					

f	SHOW IF A10=10	Home improvements					
g	SHOW IF A10=11	To invest in a business					
h	SHOW IF A10=98	[INSERT RESPONSE AT A11=98]					
i	SHOW IF A10=7	Retirement income					

**ASK IF ANY OF A12a-h=1-2 (LESS THAN 5 YEARS) AND IF (HPO1= 1 AND S1=1) AND (HPO1=3 OR HPO1=4) (HAVE BOTH SAVINGS AND INVESTMENTS), SINGLE CODE PER ROW, MAINTAIN ORDER FROM A10, CAROUSEL**

**A13.** Do you expect the money for your savings goals to come mostly from money you have in savings, investments or both?

			All from savings	Mostly savings	Equal split of savings and invest ments	Mostly invest- ments	All from invest- ments	Do n't kno w
a	SHOW IF A12a=1-2	Car/bike/own transport						
b	SHOW IF A12b=1-2	My wedding						
c	SHOW IF A12c=1-2	My education						
d	SHOW IF A12d=1-2	Deposit for a home						
e	SHOW IF A12e=1-2	Give money to family member or friend						
f	SHOW IF A12f=1-2	Home improvements						
g	SHOW IF A12g=1-2	To invest in a business						
h	SHOW IF A12h=1-2	[INSERT RESPONSE AT A10=98]						
i	SHOW IF A10=7	Retirement income						

## Support

### ASK IF HPO1=1-5, SINGLE CODE PER ROW, RANDOMISE ROWS, GRID

**AGBR1.** Now thinking about different savings and investment decisions people need to make, to what extent would you require information, guidance or advice if you needed to make these decisions?

			No support needed	A little support needed	A lot of support needed	Does not apply to me	Don't know if I would need support or not
a	Whether to invest excess savings	<b>ONLY SHOW IF HPO1=1 AND S1=1</b>					
b	How to invest a lump sum						
c	What to do when a savings product 'matures'						
d	If my pension will be enough for retirement	<b>ONLY SHOW IF HPO1=5</b>					
g	How to access my pension at retirement						
e	How to manage my existing investments	<b>ONLY SHOW IF HPO1=3 OR 4</b>					
f	Reviewing my investments to make sure they are right for me						

**ASK AGBR2a – AGBR5a IF (HPO1=1 AND S1=1) OR HPO1=3,4 OR 5. DO NOT ASK ABOUT ASSETTYPE1=2 (CASH).**

**SHOW AS GRID WITH ASSETTYPE1\_a, c, d, e ACROSS TOP. MULTI CODE PER COLUMN, RANDOMISE ROWS AND COLUMNS. HAVE EACH ADDITIONAL COLUMN APPEAR AFTER COMPLETION OF PREVIOUS COLUMN**

**AGBR2a-e.** Please select which, if any, of the following **sources of information, guidance or advice** you have ever used to help you reach a decision or learn more about your ...

This could include taking out a product for the first time, changing product or understanding which product is best for you.

1. A bank, building society or credit union (e.g. your savings account provider)
2. Financial adviser, IFA or wealth manager
3. An investment platform or pension provider (e.g. Aviva, Hargreaves Lansdown)
4. Government websites and charities (eg. Money and Pensions Service, Pension Wise, Citizens Advice, GOV.UK)
5. Private sector money help websites and tools (e.g. Google calculators)
6. Martin Lewis / his website Moneysavingexpert.com

7. Accountant, Stockbroker or other professional
8. TV or radio (e.g. BBC Radio 4 Money Box)
9. Social media websites and forums (e.g. TikTok, YouTube, Facebook, Reddit, etc)
10. Workplace (e.g. HR/finance)
11. Friends, family and/or colleagues
98. Other, please specify **[OPEN] ANCHOR**
99. None used **ANCHOR, EXCLUSIVE**
97. Don't know **ANCHOR, EXCLUSIVE**

**SHOW AS GRID WITH ASSETTYPE1\_a, c, d, e ACROSS TOP. MULTI CODE PER COLUMN, RANDOMISE ROWS AND COLUMNS. HAVE EACH ADDITIONAL COLUMN APPEAR AFTER COMPLETION OF PREVIOUS COLUMN**

**ASK IF AGBR2a-e=1-6,9,98. SINGLE CODE PER ROW, MAINTAIN ORDER FROM AGBR2a-e, GRID**

**AGBR3a-e.** When did you last use or receive information, guidance or advice from each of the following when making a decision about your **[ASSETTYPE1a]**?

	Source of guidance or information	Last 12 months	1-3 yrs	3+ yrs	Don't know
AGBR3a-e=1	A bank, building society or credit union (e.g. your savings account provider)				
AGBR3a-e=2	Financial adviser, IFA or wealth manager				
AGBR3a-e=3	An investment, platform or pension provider (e.g. Aviva, Hargreaves Lansdown)				
AGBR3a-e=4	Government websites and charities (E.g. Money and Pensions Service, Pension Wise, Citizens Advice, Gov.uk)				
AGBR3a-e=5	Private sector money help websites and tools (Google calculators)				
AGBR3a-e=6	Martin Lewis / his website Moneysavingexpert.com				
AGBR3a-e=9	Social media websites and forums (TikTok, YouTube, Facebook, Reddit, etc)				
AGBR3a-e=98	<b>PIPE TEXT ENTERED AT OTHER, SPECIFY</b>				

**ASK IF ASSETTYPE1\_3 OR 4 (INVESTMENTS) AND IF AGBR3c-d\_1-98=1,2. SINGLE CODE PER ROW, MAINTAIN ORDER FROM AGBR2a, GRID**

**AGBR4c-d.** And to what extent did this source of information, guidance or advice help you make decisions about your **[ASSETTYPE1]**?



	Source of guidance or information	Helped a lot	Helped a little	Did not help at all	Don't know
AGBR4c-d_1=1,2	A bank, building society or credit union (e.g. your savings account provider)				
AGBR4c-d_2=1,2	Financial adviser, IFA or wealth manager				
AGBR4c-d_3=1,2	An investment, platform or pension provider (e.g. Aviva, Hargreaves Lansdown)				
AGBR4c-d_4=1,2	Government websites and charities (E.g. Money and Pensions Service, Pension Wise, Citizens Advice, Gov.uk)				
AGBR4c-d_5=1,2	Private sector money help websites and tools (Google calculators)				
AGBR4c-d_6=1,2	Martin Lewis / his website Moneysavingexpert.com				
AGBR4c-d_9=1,2	Social media websites and forums (TikTok, YouTube, facebook, Reddit, etc)				
AGBR4c-d_98=1,2	<b>PIPE TEXT ENTERED AT OTHER, SPECIFY</b>				

**ASK IF ASSETTYPE1\_3 OR 4 (INVESTMENTS) AND IF AGBR3c-d\_1-98=1. MULTICODE PER ROW, MAINTAIN ORDER FROM AGBR2a, GRID.**

**AGBR5c-d.** In which ways did you access the information, guidance or advice you received for your [**ASSETTYPE1**] in the last 12 months?

*Please select all that apply.*

	Source of guidance or information	Email	Post al/pr int	Tele - pho ne call	Vide o call	Face to face (e.g. mee ting)	Web site	Web - chat / bot	Othe r	Don' t kno w
AGBR5c-d_1=1	A bank, building society or credit union (e.g. your savings account provider)									
AGBR5c-d_2=1	Financial adviser, IFA or wealth manager									
AGBR5c-d_3=1	An investment, platform or pension provider (e.g.									

	Aviva, Hargreaves Lansdown)									
AGBR5c-d_98=1	<b>PIPE TEXT ENTERED AT OTHER, SPECIFY</b>									

**[REPEAT AGBR4, AGBR5 FOR OTHER ASSETTYPE1\_ C OR D IF THEY HAVE BOTH C AND D]**

**ASK IF (HPO1=1 AND S1=1, OR HPO1= 3 OR 4 (HAS SAVINGS OR INVESTMENTS), MULTICODE, RANDOMISE**

**AGBR6.** Which of the following actions related to your savings or investments, if any, have you done in the last 3 years?

1. Switched out an underperforming or costly investment
2. Looked at fund information including charges
3. Balanced my investment portfolio
4. Looked at interest rates for current or potential savings accounts
5. Estimated the income I might need in retirement
6. Consolidated pensions
7. Changed savings product as fixed interest rate deal ended
8. Reviewed the performance of my investments
9. Decided how to access my pension(s) around retirement
10. Looked at the ESG score of my investment portfolio (Environmental, Social and Governance, also known as responsible investing)
99. None of these **ANCHOR, EXCLUSIVE**

**ASK IF AGBR6=1-10; SHOW CODES SELECTED AT AGBR6 ONLY, MAINTAIN ORDER FROM AGBR6a, CAROUSEL**

**AGBR7.** Thinking about the following actions you have taken recently, were you able to access suitable support, including information, guidance or advice?

Scale (**INVERSE RANDOMISE**)

- a. I could not access suitable support
- b. I could access some of the support I needed
- c. I could access all of the support I needed
- d. I didn't feel I needed support
- e. Don't know

Options

1. Switched out an underperforming or costly investment
2. Looked at fund information including charges
3. Balanced my investment portfolio
4. Looked at interest rates for current or potential savings accounts
5. Estimated the income I might need in retirement
6. Consolidated pensions
7. Changed savings product as fixed interest rate deal ended
8. Reviewed the performance of my investments
9. Decided how to access my pension(s) around retirement
10. Looked at the ESG score of my investment portfolio (Environmental, Social and Governance, also known as responsible investing)

**Barriers to support**

**ASK IF AGR2a/c/d/e = not 2 (NOT ACCESSED SUPPORT FROM A FINANCIAL ADVISER/IFA/WM) AND AT LEAST ONE OF AGR2a/c/d/e ASKED, MULTI CODE, RANDOMISE**

**B3.** You suggested you haven't accessed support from a financial advisor, IFA or wealth manager. Why is this?

*Please select all that apply*

**ASK IF AGR2a/c/d/e = not 1 or 3 (NOT ACCESSED SUPPORT FROM BANK, BS, PENSION OR INVESTMENT PROVIDER) AND AT LEAST ONE OF AGR2a/c/d/e ASKED, MULTI CODE, RANDOMISE**

**B4.** You suggested you haven't accessed support from your bank, pension or investment provider. Why is this?

*Please select all that apply*

**ASK IF AGR2a/c/d/e = not 4 AND AT LEAST ONE OF AGR2a/c/d/e ASKED, MULTI CODE, RANDOMISE**

**B5.** You suggested you haven't accessed support from a government website or charity such as the Money and Pensions Service, Citizen's Advice or Gov.UK. Why is this?

*Please select all that apply*

		<b>SHOW CODES FOR Q AS PER BELOW:</b>		
	<b>CODE LIST FOR B3-B5</b>	<b>B3 (IFA)</b>	<b>B4 (PRODUCT PROVIDER)</b>	<b>B5 (GOV / CHARITY)</b>
1	I have not needed to make any decisions so this is not relevant to me	x	x	x
2	I can make decisions on my own or with a friend/family	x	x	x
3	There is enough free information available that I can access	x	x	x
4	I don't understand the benefits of independent financial advice	x		
5	I don't have enough money to pay for financial advice	x		
6	I don't want to pay for financial advice	x		
7	I don't trust or have little confidence in the quality of it	x	<u>x</u>	<u>x</u>
8	I wouldn't know how to find the right adviser for me	x		
9	I would like to but not got around to it yet	x	x	x

10	I didn't know this type of support was available to me		x	x
11	I don't know anyone else who has done this	x	x	x
12	I'm not able to (e.g. due to accessibility needs)	x	x	x
13	I don't have the time	x	x	x
14	It's too generic and not tailored to my needs		x	x
15	I did try to get support but couldn't find the right support for me	x	x	x
16	I have only been able to find online services and I prefer other ways to access support (e.g. face to face)		x	x
17	I didn't realise this type of support could be free of charge		x	x
98	Other, please specify <b>[OPEN]</b> , <b>ANCHOR</b>	x	x	x

**HB3-HB5. 3x HIDDEN VARIABLES to group barriers according to the COM-B model. Note separate variables, based on B3 OR B4 OR B5 (not a single variable across all 3).**

	Label	Definition
1	Psychological capability – understanding	If B3/4/5=4
2	Psychological capability – knowledge	If B3/4/5=8, 10,17
3	Physical capability	If B3/4/5=12
4	Environmental opportunity – resources	If B3/4/5=5,13
5	Social opportunity	If B3/4/5=11
6	Reflective motivation – relevance	If B3/4/5=1
7	Reflective motivation - beliefs	If B3/4/5=2,3,7,14
8	Reflective motivation - intention	If B3/4/5=6
9	Reflective motivation - priorities	If B3/4/5=9
10	Reflective motivation – previous experience	If B3/4/5=15
11	Reflective motivation - preferences	If B3/4/5=16
99	None of these	If not asked

**ASK IF (AGBR3a\_2=1,2) OR (AGBR3c\_2=1,2) OR (AGBR3d\_2=1,2) OR (AGBR3e\_2=1-2) (USED FA), MULTI CODE, RANDOMISE**

**AGBR8.** What type of ongoing support do you get from the financial adviser or wealth manager that you have used in the last 3 years?

*Please select all that apply*

1. Annual reviews
2. Regular newsletters

98. Other, please specify **[OPEN] ANCHOR**

99. None, the support I received was a one-off **ANCHOR, EXCLUSIVE**

**ASK IF (AGBR3a\_2=1,2) OR (AGBR3c\_2=1,2) OR (AGBR3d\_2=1,2) or (AGBR3e\_2=1-2) (USED FA), MULTI CODE, RANDOMISE BUT FIX 1-3 TOGETHER AND 4-5 TOGETHER**

**AGBR9.** Did you pay a fee for the support you received from a financial advisor, independent financial adviser (IFA) or wealth manager in the last 3 years? This could be an annual fee or as a percentage of your investments.

*Please select all that apply*

1. Yes, the adviser took a percentage of my investments as an **initial fee**
2. Yes, the adviser takes a percentage of my investments as an **ongoing fee**
3. Yes, I paid a fixed amount or hourly rate
4. No, I didn't take out the product in the end **EXCLUSIVE**
5. No, the support I got was fully free **EXCLUSIVE**

98. Other, please specify **[OPEN] ANCHOR**

97. Don't know **ANCHOR, EXCLUSIVE**

## **Credit and Debt**

### **SHOW ALL**

#### **INTRO4.**

Thanks for your answers so far. We now want to ask you some questions about credit and debt. Please remember your responses are anonymous.

### **ASK ALL, SINGLE CODE PER ROW, RANDOMISE ROWS, CAROUSEL**

**CD1.** How often do the following statements apply to you?

		Never	Rarely	Some-times	Usually	Always
a	I have money left over at the end of the month					
b	I run short of money for food or other regular expenses					
c	I prioritise making savings and investments, even if I still have some unsecured debts					

### **ASK ALL, SINGLE CODE, FIX ORDER**

**CD2.** Now think about the money you typically have left over **each month**, known as 'disposable income'. This is once you have paid all essential costs – such as food, rent, bills, and any travel to work and childcare costs.

Answer for **yourself** rather than your overall household.

Would you say this is...

1. £0 - I don't have enough income to meet my needs and I am often in debt
2. £0 - I have no disposable income
3. Less than £100 per month
4. £100 - £199
5. £200 - £299
6. £300 - £399
7. £400 - £499
8. £500 - £999
9. £1,000 - £1,999
10. Over £2,000
97. Don't know
96. Prefer not to say

### **ASK ALL, SINGLE CODE, FIX ORDER**

**CD3.** If you lost your main source of income, how long could you continue to cover your essential personal living expenses using your savings, without having to borrow any money or ask for help from friends or family?

Please give your best estimate.

1. Less than a month
2. 1 – 3 months
3. 4 – 6 months
4. 7 – 9 months
5. 10 – 12 months
6. Longer than one year
97. Don't know
96. Prefer not to say

**ASK IF CD2=5-10, 97 OR 96 (£200+ OR DK/PNTS), MULTI CODE, RANDOMISE**

**CD4a.** What do you tend to use your disposable income for?

*Please select all that apply*

1. Holidays
2. Leisure activities e.g. meals out, cinema, etc.
3. Personal care e.g. gym membership, beauty treatments
4. Healthcare
5. Physical items e.g. clothing, jewellery
6. Other treats
7. Children/family
8. Paying down debts/mortgage
9. Put into savings
10. Put into investments
11. Charity donations
12. Gambling
13. Nothing in particular – it soon goes **ANCHOR, EXCLUSIVE**
14. Nothing in particular – just leave it in my bank account **ANCHOR, EXCLUSIVE**
98. Other, please specify **[OPEN] ANCHOR**
97. Don't know **ANCHOR, EXCLUSIVE**

**ASK ALL, MULTICODE, RANDOMISE**

**CD4b.** Which of the following do you currently have an outstanding debt on?

Please only select those which carry a debt that **you do not expect to fully clear or pay off** in the next month.

1. Mortgage **[ONLY SHOW IF D7=2]**
2. Rent (i.e. falling behind on rent) **[ONLY SHOW IF D7=3, 4, 98]**
3. Student loan
4. Credit or store card
5. Bank overdraft
6. Car loan/motor finance
7. Personal loan
8. Buy Now Pay Later / Online credit
9. Catalogue credit / shopping accounts
10. Retail store credit / HP (hire purchase) / Rent to own
11. Payday / short term instalment / doorstep loan

12. Utility bills or council tax etc. (i.e. falling behind on bills)

13. Informal loan from friend or family

98. Other, please specify **[OPEN] ANCHOR**

96. None – no loans or cards with a debt I cannot clear next month **ANCHOR, EXCLUSIVE**

99. None – no loans or cards used at all **ANCHOR, EXCLUSIVE**

97. Don't know **ANCHOR, EXCLUSIVE**

#### **ASK IF CD4b=6, SINGLE CODE, FIX ORDER**

**CD5a.** Thinking about the motor finance that you have, approximately how much is the **monthly repayment** on this car/vehicle? Please give your best estimate, this can be a rounded number.

*This is not the total amount outstanding, but how much you pay each month.*

1. **[OPEN NUMERIC]**

97. Don't know

96. Prefer not to say

#### **ASK IF CD5a=96/97, SINGLE CODE, FIX ORDER**

**CD5b.** Would you be able to select from the bands below the approximate monthly repayment?

1. Less than £100

2. £100 - £199

3. £200 - £299

4. £300 - £399

5. £400 - £499

6. £500 - £599

7. £600 - £699

8. £700 - £799

9. £800 - £899

10. £900 - £999

11. £1000 or more

97. Don't know

96. Prefer not to say

#### **ASK IF CD4b=6, SINGLE CODE, FIX ORDER**

**CD5c.** By when do you expect to have completed the repayments and any balloon payments so that you own your car in full?

1. In the next 12 months

2. 1-2 years

3. 3-4 years



- 4. 5+ years
- 5. My car payments will continue into the long term, as I am likely to exchange it for a new car on a new finance arrangement
- 97. Don't know

**ASK IF CD4b=1**

**CD6a.** Thinking about your mortgage, approximately how much is the **outstanding debt** for your main mortgage? Please give your best estimate, even if you haven't checked recently. This can be a rounded number.

If you have more than one mortgage, please answer about your main residence or the main property that you own.

*This is not a monthly repayment amount, but the total amount outstanding.*

- 1. **[OPEN NUMERIC]**
- 97. Don't know
- 96. Prefer not to say

**ASK IF CD6a=96/97, SINGLE CODE, FIX ORDER**

**CD6b.** Would you be able to select from the bands below the approximate amount you owe on the mortgage for your main property:

- 1. Less than £25,000
- 2. £25,000 - £49,999
- 3. £50,000 - £74,999
- 4. £75,000 - £99,999
- 5. £100,000 - £149,999
- 6. £150,000 - £199,999
- 7. £200,000 - £249,999
- 8. £250,000 - £299,999
- 9. £300,000 - £399,999
- 10. £400,000 - £499,999
- 11. £500,000 or more
- 97. Don't know
- 96. Prefer not to say

**ASK IF CD4b=2,4,5, 7-98, SINGLE CODE, FIX ORDER**

**CD7a.** Please think about the following debts you have:

**SHOW ALL SELECTED FROM CD4b=2,4,5 7-98**

Approximately how much in total do you owe across these debts? Please give your best estimate, even if you haven't checked recently. This can be a rounded number.

*This is not a monthly repayment amount, but the total amount outstanding.*

- 1. **[OPEN NUMERIC]**

97. Don't know

96. Prefer not to say

**ASK IF CD7a=96/97, SINGLE CODE**

**CD7b.** Would you be able to select from the bands below the approximate amount you owe:

1. Less than £500
2. £500 - £999
3. £1,000 - £1,999
4. £2,000 - £4,999
5. £5,000 - £9,999
6. £10,000 - £14,999
7. £15,000 - £19,999
8. £20,000 - £24,999
9. £25,000 - £29,999
10. £30,000 - £34,999
11. £35,000 - £39,999
12. £40,000 - £49,999
13. £50,000 or more

97. Don't know

96. Prefer not to say

**ASK ALL, SINGLE CODE, FIX ORDER**

**CD8.** In the last 6 months, have you fallen behind on, or missed, any payments for credit commitments or domestic bills for any 3 or more months?

1. Yes
2. No

97. Don't know

## **Skills & Knowledge**

### **SHOW ALL**

#### **INTRO5.**

The next few questions are a little different. Please answer to the best of your ability and do not worry if you do not know the answer.

### **ASK ALL, SINGLE CODE, FIX ORDER**

**SK1.** Suppose you put £100 into a savings account with a fixed interest rate of 2% per year. You don't make any further payments into this account, and you don't withdraw any money.

How much would be in the account at the end of the first year, once the interest payment is made?

#### **1. NUMERIC WITH £, RANGE 0...1000000**

97. Don't know

### **ASK ALL, SINGLE CODE, FIX ORDER**

**SK2.** And how much would be in the account at the end of five years, assuming you don't withdraw or deposit any money?

1. More than £110
2. Exactly £110
3. Less than £110
4. It is impossible to tell from the information given

97. Don't know **ANCHOR**

### **ASK ALL, SINGLE CODE, FIX ORDER**

**SK3.** If the inflation rate is 5% and the interest rate you get on your savings is 3%, will your savings have more, less or the same amount of buying power in a year's time?

1. More
2. The same
3. Less

97. Don't know **ANCHOR**

**ASK ALL, SINGLE CODE, FIX ORDER**

**SK4.** Is the following statement true or false? Buying shares in a single company usually provides a safer return than buying shares in a range of companies.

2. 1. True
3. 2. False
4. 97. Don't know **ANCHOR**
- 5.

**ASK ALL, SINGLE CODE PER ROW, CAROUSEL, RANDOMISE ROWS, FIX COLUMNS**

**SK5.** Below are some different terms associated with investing. For each, please say whether you have heard of the term, and if you understand what it is?

		Not heard of this term	Heard of it, but don't know what it is	Heard of it, but limited understanding	Heard of it and good understanding
a	Dealing fees				
b	Management fees				
c	Investment volatility				
d	Diverse portfolio				
e	Default fund for a workplace pension				
F	Annuities				
G	Stocks and Shares ISA				
h	Index-linked funds / tracker funds				
i	ESG performance (Environmental, Social, Governance)				

**ASK ALL, SINGLE CODE PER ROW, CAROUSEL, RANDOMISE ROWS, FIX COLUMNS**

**SK6.** Imagine you are choosing a new investment product and weighing up your options. How important would each of the following be in your decision?

		Not important to me	Nice to have but low importance	Secondary importance	Essential to my decision	Don't know
<b>1</b>	ESG performance (Environmental, Social, Governance)					

<b>2</b>	Low management fees					
<b>3</b>	Strong past performance (returns)					
<b>4</b>	A diverse portfolio					

## **Closing Demogs**

### **SHOW ALL**

Now a few more questions about you and your circumstances before we close this survey.

### **ASK ALL, SINGLE CODE PER ROW, GRID, RANDOMISE ROWS, FIX COLUMNS**

**D11.** First a question about your personality. Which of the following personality traits feel most like you?

		1- Strongly disagree	2	3	4- Neither agree nor disagree	5	6	7 - Strongly agree
1	I am extraverted, enthusiastic							
2	I am dependable, self-disciplined							
3	I am open to new experiences							
4	I am sympathetic, warm							
5	I am calm, emotionally stable							

### **SHOW ALL**

We will be asking you to provide some specific details about your income. This is so the Financial Conduct Authority can help ensure people get the right support to manage their finances effectively. All of your responses will be kept completely anonymous and confidential. This will only be used for analysis purposes and combined with other people's responses to the survey.

### **ASK ALL, SINGLE CODE, FIX ORDER**

**D12.** Please state your **annual personal income before any deductions** such as tax and pension (i.e. your gross income)?

- 1. [OPEN £ NUMERIC] per year
- 97. Don't know
- 96. Prefer not to say

### **ASK IF D12=96 OR 97, SINGLE CODE, FIX ORDER**

**D13.** Would you be able to select your **annual income before any deductions** such as tax and pension (i.e. your gross income) from the list below?

Annual gross income:

1. Less than £5,000 per year
2. £5,000 - £9,999 per year
3. £10,000 - £14,999 per year
4. £15,000 - £19,999 per year
5. £20,000 - £29,999 per year
6. £30,000 - £39,999 per year
7. £40,000 - £49,999 per year
8. £50,000 - £59,999 per year
9. £60,000 - £79,999 per year
10. £80,000 - £99,999 per year
11. £100,000 - £149,999 per year
12. £150,000 or more per year
97. Don't know
96. Prefer not to say

**ASK IF D13=96 OR 97, SINGLE CODE, FIX ORDER**

**D14.** Would you find it easier to give your pay a different way?

1. [OPEN £ NUMERIC] per month
2. [OPEN £ NUMERIC] per week
3. Other, please specify
97. Don't know
96. Prefer not to say

**ASK IF D14=1-3, SINGLE CODE, FIX ORDER**

**D15.** £[pipe numeric from D10\_1-3] is my...

1. Pay **before any deductions** such as tax and pension (i.e. my gross income)
2. Pay **after deductions** such as tax and pension (i.e. my net income)
97. Don't know
96. Prefer not to say

**ASK ALL, MULTICODE, RANDOMISE**

**D16.** Have you experienced any of the following 'life events' in the last 3 years?

Select all that apply.

1. Got married/civil partnership
2. Received an inheritance or large sum of money for another reason eg business sale, redundancy payout
3. Moved house
4. Had a child (including adopting a child) or pregnancy



- 5. Loss of income e.g. a job/ redundancy benefit payments
- 6. Large loss in income
- 7. Relationship breakdown/ separation from your partner
- 8. Divorce
- 9. Serious accident or illness (yourself)
- 10. Serious accident or illness of a close family member
- 11. Death of a close family member
- 12. Became the main carer for a close family member
- 13. Retired
- 14. Being forced to sell your home, being evicted, or being made homeless
- 99. None of these **ANCHOR, EXCLUSIVE**
- 97. Don't know **ANCHOR, EXCLUSIVE**