



# Feeling the benefit of financial advice

How professional support helps to  
improve emotional wellbeing



## The financial and emotional benefits of professional advice

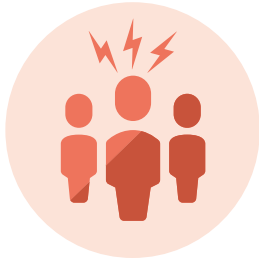
When it comes to delivering better outcomes for customers, we believe financial advice is game changing.

Our latest research reveals that professional advice offers so much more to customers than just practical, financial benefits. It also helps to improve their emotional wellbeing by making them feel better about their money and themselves – especially in times of crisis.

By sharing these findings with you, we hope to bring the value of advice to life, for everyone.

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## Feeling anxious about money? Financial advice can help.

In the current climate, we understand that lots of customers are feeling worried about their work, their finances and what the future holds.

Research carried out by the Office for National Statistics (ONS) found that, since the outbreak of COVID-19, over 25 million people have experienced 'high' levels of anxiety. That's almost half the population.<sup>1</sup>

### Why customers need to talk about their money

It's well known that emotional and financial wellbeing are connected to each another. And by being in a poor financial situation, customers are much more likely to experience feelings of stress and worry - which can ultimately impact their mental health.

This can create a downward spiral, because those who are suffering from poor mental health can find it harder to effectively manage their finances.

### How financial advice can help

To understand whether professional financial advice can help to improve emotional wellbeing, we spoke to over 4,000 customers. Our findings reveal that talking to a financial adviser makes people feel more confident and financially resilient, especially in times of crisis.

We also found that the emotional benefits customers gain from their adviser's services are significantly amplified when there is regular, ongoing contact in place.

### Take some time to get the support you need

Our research underlines why we're so committed to working in partnership with financial advisers - because of the integral role they play in helping customers enjoy the best possible outcomes and experiences.

You can find more information about the benefits of talking to a financial adviser, and how to find one in your area, on our website.

[Find out more →](#)

### We've also put a number on the value of advice

We worked with the International Longevity Centre UK to understand the impact financial advice has on customer finances over a 10 year period.

### The key findings:

**47k**

Customers who took financial advice were on average **£47k** better off.<sup>1</sup>



Those who fostered an ongoing relationship with their adviser were up to **50%** better off than those who had only received advice once.<sup>1</sup>

<sup>1</sup>Source: ONS Research, Personal and economic wellbeing in the UK, May 2020

<sup>2</sup>Source: ILC, What it's worth - Revisiting the value of financial advice, December 2019

## RESEARCH METHODOLOGY

### About our research

In these uniquely challenging times, we wanted to understand whether financial advice can help to improve the emotional wellbeing of customers.

To conduct this piece of research, we spoke to a UK nationally representative sample of 4,007 customers.

### About our respondents

Here's a snapshot of how advised and non-advised customers made up our sample research group.

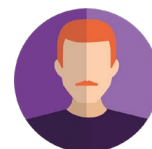
<b>Total Advised</b> (Have received advice from an IFA)	▶ 26%
<b>Non-Advised</b> (Have never received advice from an IFA)	▶ 74%

[See Appendix A for more about our sample group profiles →](#)

### Advised customers are more likely to be male

**We found that people without a financial adviser** were more likely to be female, single, earning around £20k-£30k, and under the age of 35. While take up of general insurance is relatively high within this group (**69%**), only **15%** have life or protection insurance. **62%** of these customers have a pension in place and **16%** have other investments.

**We found that people with an adviser** were more likely to be male, over the age of 45, married or in civil partnerships, and more likely to be earning more than £40k. Interestingly, only **30%** of this group have life or protection insurance. **85%** of these customers have a pension in place and **39%** have other investments.



[See Appendix B for more about our sample demographic profiles →](#)



“An anxiety shared is an anxiety halved, especially when you share it with an expert. They learn your background and your short- and long-term aims, and can advise on the best way of getting there.”

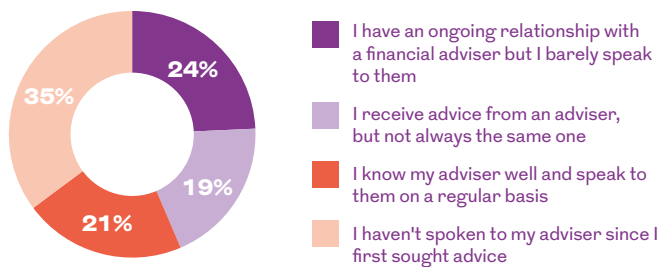
**Customer**

## CUSTOMER SAMPLE

### Adviser and customer engagement

According to our nationally representative sample, **26%** of people in the UK have received financial advice. We know that trust and level of expertise are two of the most important factors for customers when it comes to choosing an adviser. It's also clear that the ongoing relationship customers have with their adviser can vary from regular contact and knowing each other well (**21%**), to very little contact at all (**24%**). As many as **35%** of customers haven't spoken to their adviser at all since they first sought advice.

#### Current relationship status



**26%**

of people in the UK have received financial advice.

[See Appendix C for more about the adviser/customer relationships in our sample →](#)

### Most customers seek advice for specific goals

We wanted to know what kind of advice customers received. For the majority, it's all about seeking expert advice on specific products or needs, and making the most of their money to meet long-term financial goals. Interestingly, while only **23%** rely on their adviser for a more holistic approach to their finances, these customers tend to be the most satisfied with the advice they receive.

#### **38% (10% of UK pop) Transactional**

I ask my adviser for advice on specific products/needs and my adviser recommends relevant products to meet those needs.



**31%**

receive ongoing advice on pensions / retirement planning.

#### **30% (8% of UK pop) Wealth management**

My adviser advises me on how to make the most of my money / meet my goals from my savings/investments and manages those investments for me.



**30%**

receive ongoing advice on investments.

#### **23% (6% of UK pop) Holistic**

My adviser regularly does a thorough review of my whole financial situation, and provides advice to meet all my financial needs. This sometimes involves recommending financial products.



**30%**

have ongoing, regular financial reviews in place.

[See Appendix D for more on the advice provided to our sample →](#)

## CUSTOMERS FEEL POSITIVE ABOUT ADVICE



### It's clear that customers feel positive about advice

We asked customers who take advice how they feel about their financial adviser and the services they provide. We found that the vast majority are very happy with the quality of the financial advice they receive. They're also very satisfied with other key aspects of their adviser's service, such as being easy to talk to and inspiring confidence and trust.

#### Customer satisfaction with their adviser



#### Satisfaction scores vary, depending on the type of advice provided

While overall satisfaction scores are high, they vary for the different types of advice being offered.

Perhaps not surprisingly, the most satisfied group of customers are those whose advisers look at the bigger picture of their lives and integrate their finances into the wider context.

We might expect those people to naturally be more open with their adviser, and be more interested in building a closer relationship. And this appears to be reflected in the outstanding satisfaction score of **81%**.

This is followed by a high score of **78%** among those customers who have more practical, product driven advice needs. Wealth management services are often sought by people with high expectations and complex needs, and a satisfaction score of **75%** for this group is extremely positive.



Holistic advice received  
**81%**  
overall satisfaction



Transactional advice received  
**78%**  
overall satisfaction



Wealth management received  
**75%**  
overall satisfaction

## CUSTOMERS FEEL POSITIVE ABOUT ADVICE

### Customer satisfaction grows over time

Reassuringly, our research found that customers feel even more satisfied with their adviser's services when they have an ongoing relationship in place.



# 90%

of customers who receive holistic advice and talk to their adviser regularly have even higher levels of satisfaction.



“The most important benefit for me is the fact that my financial adviser is a trustworthy person with excellent feedback from other clients. He explains everything in detail without using too much jargon, and he is proactive.”

**Customer**

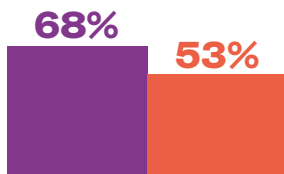
## BENEFITS OF ADVICE FOR EMOTIONAL WELLBEING



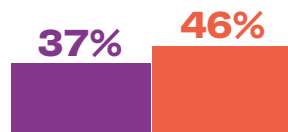
### Advice improves emotional wellbeing by helping customers feel more financially secure

The main purpose of our research was to find out how financial advice improves emotional wellbeing. Our findings confirm that advice can indeed deliver more than just financial benefits. It also helps to improve the emotional wellbeing of customers by making them feel better about their money - and themselves.

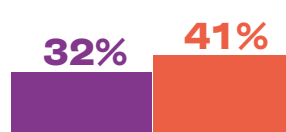
I feel more in control of my finances.



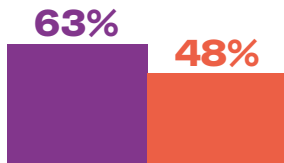
I worry about being able to cope financially when I retire.



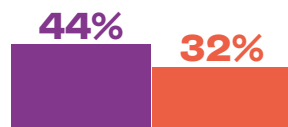
I often feel anxious when I think about my household finances.



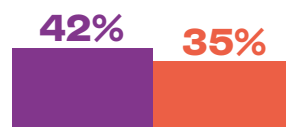
I feel financially secure and stable.



I feel prepared to cope with life's shocks.



I feel confident about the future.



■ Advised  
■ Non-advised

### Household income doesn't make a difference when it comes to financial wellbeing

Does having more money improve someone's financial and emotional wellbeing – regardless of whether they have a financial adviser or not? To find out, we looked to see if this result was true across different levels of affluence, by comparing individuals with a household income of over £70k with those making under £70k.

We discovered that while confidence increases in line with salary, there is still a difference between advised vs. non-advised. And those on a lower household income who receive advice still feel more confident than those who don't.

#### Higher income households



**79%** of advised customers feel in control of their finances.

vs



**66%** of non-advised customers feel in control of their finances.

#### Lower income households



vs



**65%** of advised customers feel in control of their finances.

**52%** of non-advised customers feel in control of their finances.

**39%** of advised customers worry about being able to cope financially when they retire.

**47%** of non-advised customers worry about being able to cope financially when they retire.



## BENEFITS OF ADVICE FOR EMOTIONAL WELLBEING

### The top three benefits of advice

A real positive is that customers themselves recognise the emotional benefits of advice. Greater confidence, being in control and gaining peace of mind were identified as the top three benefits.



**34%**

Having access to financial expertise makes me feel more confident in my financial plans.



**34%**

Receiving professional financial advice helps me feel in control of my finances.

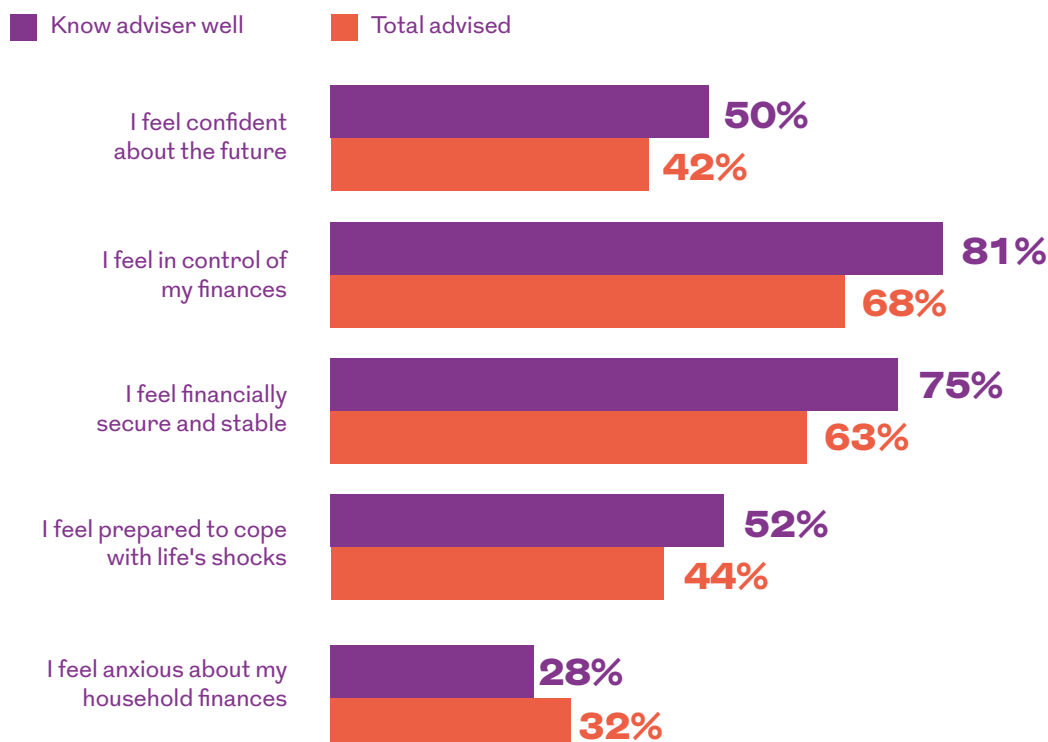


**32%**

Having contact with a financial adviser gives me peace of mind.

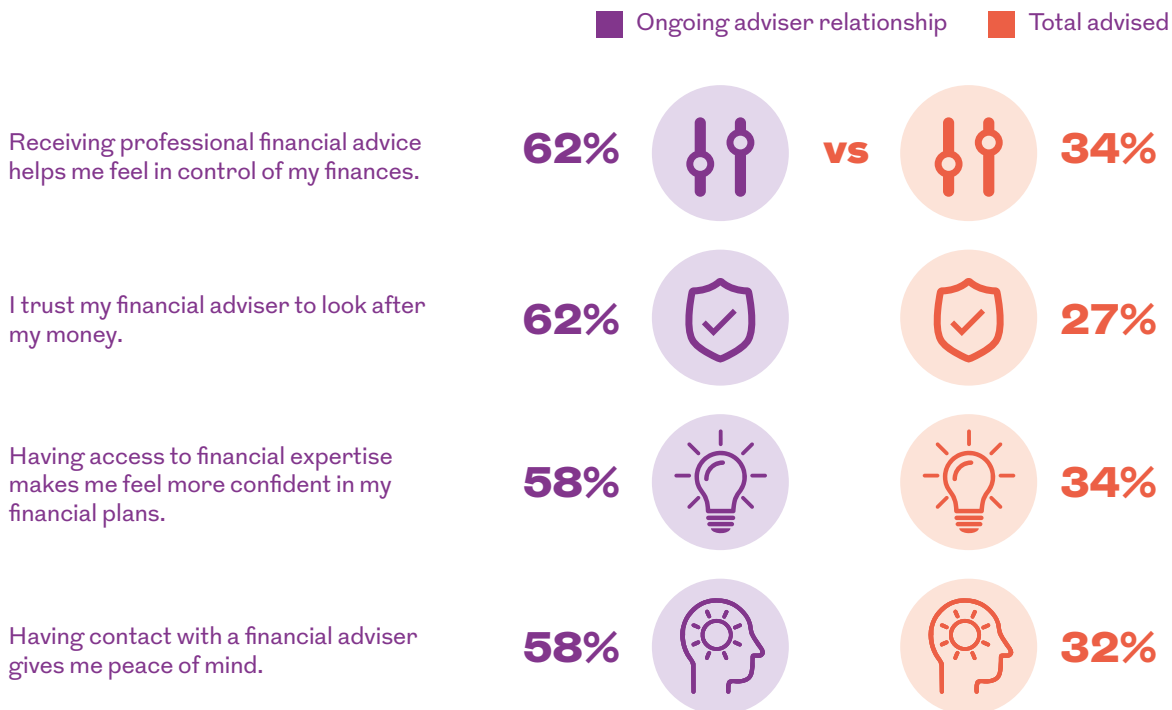
### Customers that have a closer relationship with an adviser feel more in control of their finances

Do these feelings change depending on how often a customer sees their adviser? Our research revealed that for those who know their adviser well, or speak to them on a regular basis, the emotional benefits are even greater – particularly when it comes to feeling in control of their finances.



## BENEFITS OF ADVICE FOR EMOTIONAL WELLBEING

Those who know their adviser well and speak to them on a regular basis are even more appreciative of the benefits. Here are the top benefits reported by those customers who have an ongoing relationship with their adviser.



“Find someone you are comfortable with and who you feel you can build a relationship with.”

**Customer**

### Adviser costs don't diminish the emotional benefits of advice

Does cost have an influence on these emotional benefits? It appears not. We found that customers with an ongoing relationship with their financial adviser are twice as likely to agree that the emotional and financial benefits of having an adviser outweigh any costs (**38%** compared to **16%** of advised customers).



## BENEFITS OF ADVICE ON FINANCIAL KNOWLEDGE



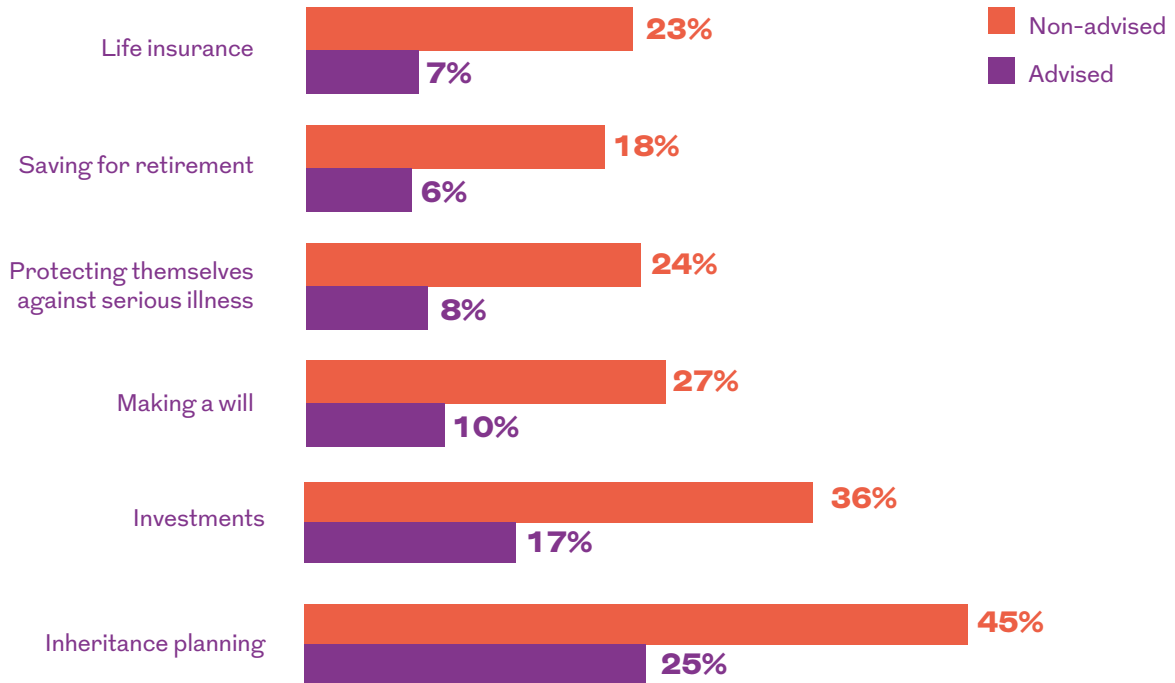
### Advice can help to improve financial knowledge

There's evidence to suggest that having an adviser also helps people to boost their knowledge, and gain a better understanding of their finances – particularly when it comes to protection and retirement planning.

In our research, we found that advised customers feel they have a significantly better grasp of products and financial matters, compared with people who don't have an adviser.

### Understanding of financial products

When it comes to taking out financial products, non-advised customers are more likely to say they wouldn't know where to start.



Non-advised customers are **3x more likely** to say they wouldn't know where to start with taking out life insurance or saving for retirement.



“Stop burying your head in the sand. Amazing how much better it feels when you have a plan to clear debt and start saving and start sleeping properly.”

**Customer**

## PROTECTION IMPROVES EMOTIONAL WELLBEING EVEN FURTHER



### How protection products can enhance the emotional benefits of advice

When it comes to protection products, we believe the benefit to the customer reaches far beyond the financial safety net they can provide.

Indeed, our research clearly shows that advised customers who have protection in place feel the emotional benefits of advice more than those who are advised generally.

Benefits of advice	Advised (with protection)	All advised
Advice makes me feel more confident in my financial plans	40%	34%
Financial advice helps me feel in control of my finances	40%	34%
Having contact with a financial adviser gives me peace of mind	37%	32%
I feel less worried about what will happen to my family after I die	20%	15%



Advised customers are **2x as likely** to have protection insurance

### Getting more people protected

People need protection. And our research found that advised customers who have protection feel more prepared for life's shocks. That's why we want to make it easier for even more people to arrange cover, get value for money, and access support when it's needed.

- **73%** of advised customers with protection feel in control of their finances (vs. UK Nat rep **57%**)<sup>1</sup>
- **46%** of advised customers with protection feel prepared for life's shocks/the unexpected (vs. UK Nat rep **35%**)<sup>1</sup>
- Advised customers with protection worry less about their financial future (**37%** vs. **43%**) and feel less anxious about household finances (**31%** vs. **39%**) than those who are advised without protection in place.

<sup>1</sup>Base: N=4007

## ADVICE IS NEEDED NOW MORE THAN EVER



### Why advice is needed now, more than ever

We're experiencing one of the biggest financial crises of the last 100 years. The journey to advice looks and feels very different today - particularly for people who have yet to seek it.

Through our research, we wanted to investigate how the COVID-19 crisis has made non-advised customers feel about their finances.

### The impact of COVID-19 pandemic on non-advised customers

- **65%** realise how important it is to budget and to be prepared for life's shocks.
- **35%** feel anxious about their financial situation.
- **15%** want to seek professional financial advice in the future.

### Key areas of interest for non-advised customers

Has there been a change in the kind of financial products that people might find of interest since the start of the coronavirus pandemic? We asked non-advised customers, who said they were open to advice, which topics would most be of interest to them. The most common area mentioned was wills, trusts and legal guardianship - potentially driven by the impact of COVID-19. This fits with the increased anxiety people may feel as a result of the crisis, along with the uplift in wanting to be better prepared for life's shocks.

### Top three services for those who are open to advice



**33%**

I would be interested in wills trusts and legal guardianship.



**27%**

I would be interested in a completed review of finances.



**24%**

I would be interested in life insurance.

## SUMMARY

### Our key research findings – at a glance

Our research insights fully reflect our long-held belief that advice is game changing. Indeed, it's why we choose to work in partnership with advisers, because of the integral role they play in helping customers enjoy the best possible outcomes and experiences.

#### Key takeaways from our research:



Customers who receive financial advice trust their adviser and are happy with the advice they receive. Satisfaction also increases over time, where there is an ongoing relationship in place.



People who receive financial advice feel more confident about the future, and feel more financially resilient.



Advised customers enjoy psychological and emotional benefits – not just financial gains.



“Finance is more than saving for a rainy day - creating a life (not just a financial) plan that is robust and that takes into account your individual circumstances and aims is so important.”

**Customer**

You can read more about the benefits of financial advice and how to find an adviser in your area on our website at [royallondon.com/find-a-financial-adviser](https://royallondon.com/find-a-financial-adviser)

## APPENDIX A - OUR RESPONDENTS

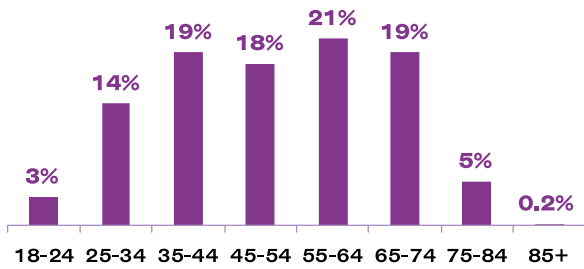
### Our respondents

<b>Total Advised</b> (Have received advice from an IFA)	▶ <b>26%</b>
<b>Non-Advised</b> (Have never received advice from an IFA)	▶ <b>74%</b>
<b>Lapsed</b> (Have received advice from an IFA but no longer see one)	▶ <b>9%</b>
<b>Open to advice</b> (Have never received advice from an IFA but likely to see one in the future)	▶ <b>15%</b>
<b>New to advice</b> (Started seeing an IFA within the last 1-3 years)	▶ <b>5%</b>
<b>Closed to advice</b> (Never received advice from an IFA and claim unlikely to in future)	▶ <b>31%</b>

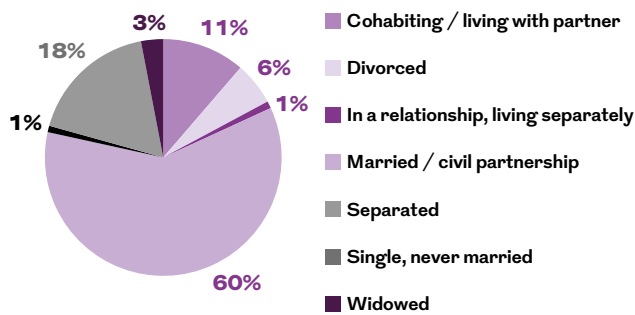
# APPENDIX B - CUSTOMER SAMPLE DEMOGRAPHICS

## ADVISED

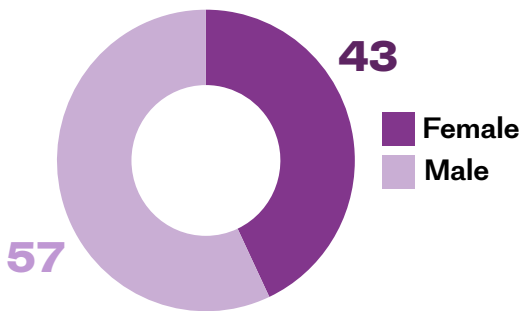
### Age breakdown



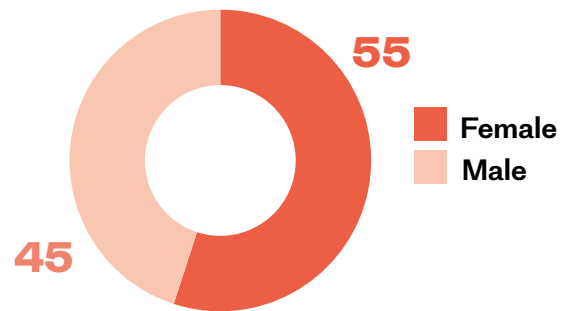
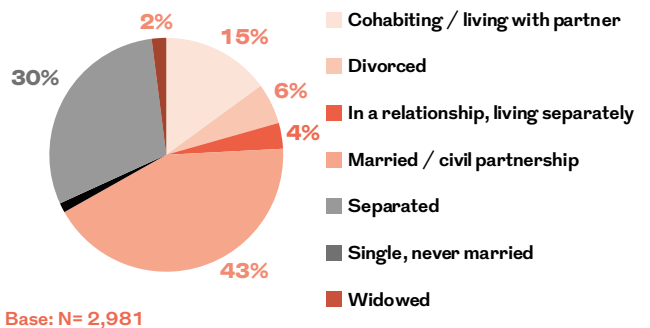
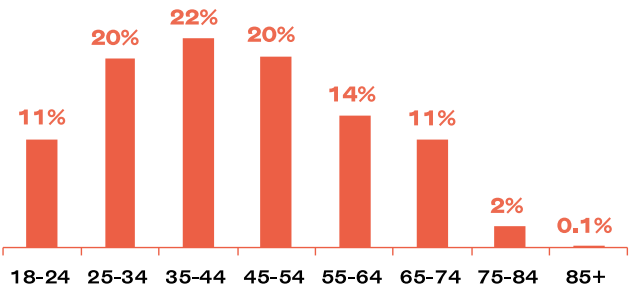
### Marital status



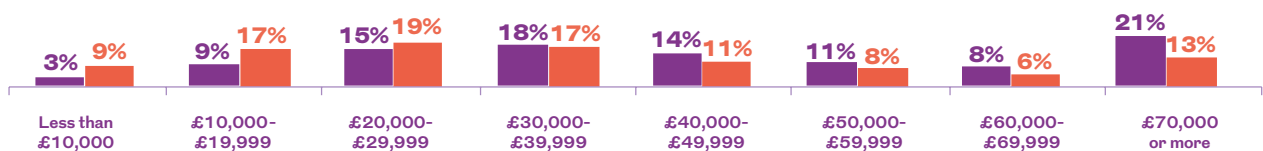
### Gender balance



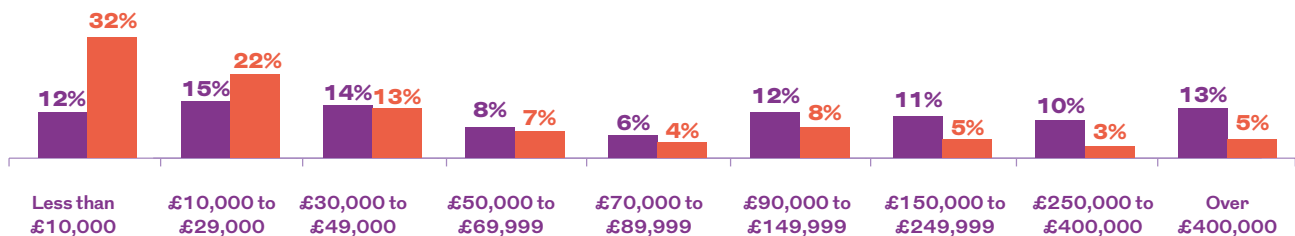
## NON-ADVISED



### Household income



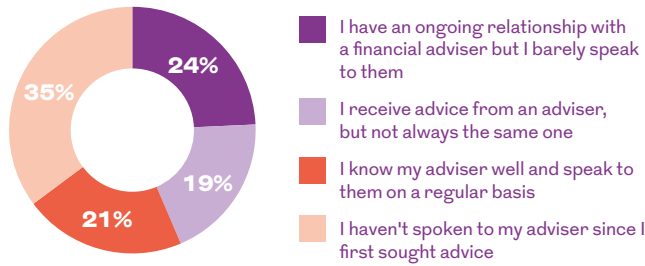
### Household assets



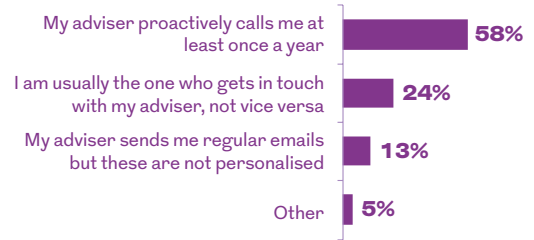


## APPENDIX C - ADVISER RELATIONSHIP

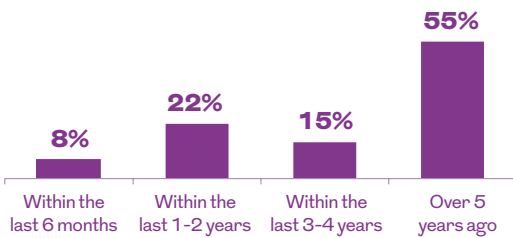
### Current relationship status



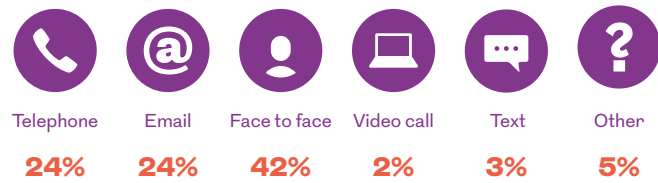
### Adviser communication style



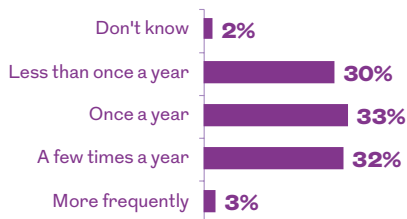
### When advice was first received



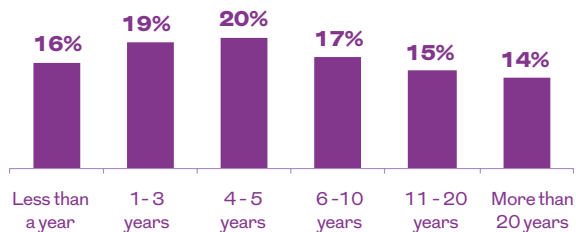
### Advice is typically received through



### Frequency of adviser contact

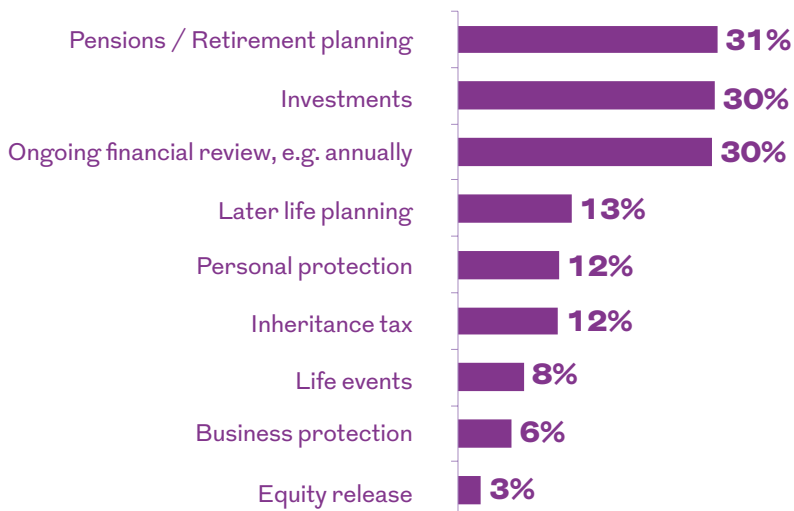


### Length of relationship



## APPENDIX D - SOURCE OF ADVICE

### Customers receive ongoing advice on:



**ADVICE  
CHANGES  
THE GAME**



**Royal London**  
55 Gracechurch Street, London, EC3V 0RL  
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