THE INVESTOR INDEX

The new selfishness

REPORT JUNE 2023

the nursery

AML

Investors are becoming increasingly self-reliant as they navigate uncertainty. A cautious confidence is emerging, priorities are shifting. The future of advice is developing in front of our eyes.

Our fourth annual study of UK investor attitudes and behaviour sees a new self-centredness emerging among investors. Across the board, investors are wary of rocking the boat; they're choosing to maintain the balance of their portfolios and not taking unnecessary risks.

The crises of the past few years have left investors feeling somewhat numb to the constant cycle of bad news but also like they have learnt a thing or two about investing. Enough perhaps to really question the cost/benefit of advice amid so much uncertainty, driven primarily by the cost-of-living crisis.

About The Investor Index

The idea for the AML/Nursery Investor Index was born in February 2020, shortly after the World Health Organisation (WHO) declared Covid-19 a 'global emergency'.

Much was being written and speculated as to the effect a growing health threat might have on the industry, its investors and end beneficiaries, but apparently based upon no hard data. Ours was the first study, to our knowledge, to address that and present an objective report on the state of play.

The second, 2021 study, was bigger, broader and built on our learnings. But with the seemingly relentless stream of crises emerging since the pandemic hit, it seems the need remains for hard data and analysis to make sense of new waves of speculation. Investors have learned from the crises that continue to shape their approach and attitudes to investing and to self. The ongoing role for The Investor Index lies in keeping the industry abreast of their evolution.

We would be delighted to discuss the implications of our 2023 findings with you.

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A cautious rise in investor confidence.

Investor confidence is at its highest since pre-pandemic. Investors are feeling in control, well informed and confident. This confidence has seen 41% of investors increase the amount of their investment. However, confidence is tempered by an increasingly tentative approach to risk; more investors say they are taking less risk than did so last year, along with a reluctance to make big portfolio changes. But over half (54%) of investors have opened new high interest savings accounts, capitalizing on the different sort of security and stability they can provide in a persistently higher rate environment. For some, this is the appeal of a more guaranteed return; for others, the feeling that it's a safer bet than investing. The majority have simply moved their savings; others have divested some of their portfolios. Whatever the motivations, this rise in investor confidence feels to be rooted in self – in an ability to make decisions alone.

Uncertain markets, self-reliant investors.

Market-wide uncertainties, including the cost-of-living crisis and reduced household income, have driven investors to challenge the cost/benefit of advice, with many citing the expense as the key deterrent. Despite seeing the potential benefits of advice (especially young investors), many cannot justify the cost. Coupled with this is the confidence investors have developed from their experiences through the crises of the past few years; 64% feel the upheavals have taught them what they need to know about investing and made them more confident in their decision-making abilities. This environment of uncertainty is driving a new wave of self-reliant investors who truly question the need for traditional advice.

Executive summary 2

ESG takes a back seat

This year saw the first drop in investors' prioritisation of environmental and social impact of investments in the four years of reporting, from 44% in 2022 to 38% in 2023. Despite investors maintaining that they understand the importance of investing for good, and believing sustainable investment is the future, in the current climate, the immediate importance of considering impact has fallen. This trend is consistent across environmental and social causes, from veganism to gender equality. This could be due in part to more immediate concerns such as the continued distraction of the rising cost of living. It could also be the result of a shift in focus within the news cycle. 94% of investors say they regularly watch or read the news, with many getting this information from social media. But attitudes towards the news cycle are strained, with many stating that although they have awareness, they try not to get too immersed as the news can be depressing. With the amount going on in the world, they feel somewhat numb to it all.

Young investors, changing priorities.

In the current environment of uncertainty and, for many, hardship, investors have found themselves shopping around for the best financial deals. This is most evident in young investors; 81% are shopping around and 67% are considering financial providers they had not previously heard of (vs. 53% and 22% respectively for 65+). With this shift in behaviour when choosing a provider, come attitude shifts in the major investment goals for young investors. Although many consider purchasing a property to be the ultimate investment, 59% have had to shelve their plans to purchase a property as it is no longer possible during the cost-of-living crisis.

AI investing is the future

Unsurprisingly, younger investors tend to show more interest in - and openness to - robo-advice. Around half of all investors see robo-advice as a more accessible and easy way to get started with financial advice. This rises to two thirds when speaking to younger investors, with 58% of 18-34-year-olds and 49% of 35-44-year-olds saying they would prefer robo-advice to a traditional advisor. This digital inclination continues into attitudes towards the future of financial advice. Although 20% have already used AI engines such as ChatGPT for financial advice or guidance, 73% believe AI could give good financial advice either now or in the future. This is driven more heavily by younger investors, though is the majority opinion across the board.

A cautious rise in investor confidence – unpacking the index

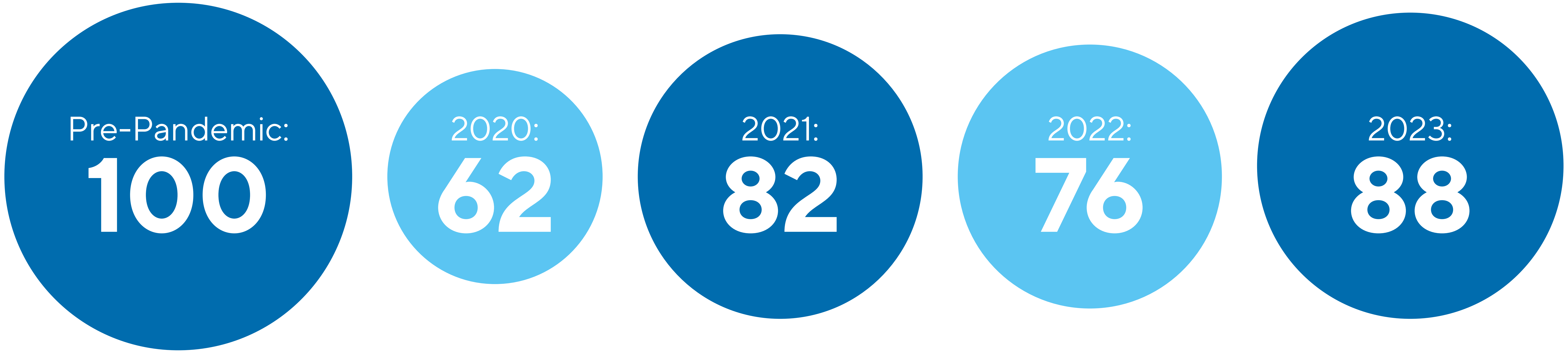
A cautious rise in investor confidence – unpacking the index

Investor confidence is at its highest since pre-pandemic. Investors are feeling in control, well informed and confident. This confidence has seen 41% of investors increase the amount of their investment. However, confidence is tempered by an increasingly tentative approach to risk; more investors say they are taking less risk than did so last year, along with a reluctance to make big portfolio changes. But over half (54%) of investors have opened new high interest savings accounts, capitalizing on the different sort of security and stability they can provide in a persistently higher rate environment. For some, this is the appeal of a more guaranteed return; for others, the feeling that it's a safer bet than investing. The majority have simply moved their savings; others have divested some of their portfolios. Whatever the motivations, this rise in investor confidence feels to be rooted in self – in an ability to make decisions alone.

Investor confidence is at its highest level since the pandemic

The Investor Index is the combination of those feeling the following about making investment decisions:

- In control
- Well informed
- Confident



Q5: In the current situation which of these would you use to describe how you feel about making investment decisions?
Base: All respondents (n=1100)

Investors are showing a quiet confidence that avoids unnecessary risk

I am cautious and want a lower level of risk. Not too concerned about short term falls in value of portfolio as looking for longer term growth.

I am happy to invest where I have researched my products well.

I am content to continue my current level of investing but with low risk funds.

Quite excited, committed to continuing but also slightly more cautious given state of the economy, fluctuations in the markets etc.

Being careful as the markets are a bit volatile at the moment.

I am excited to invest affordable amounts.

Ambivalent - investments need to be seen as long term investments and the annual return is better than savings products. Choosing the right investments and being realistic about 'risk' is key.

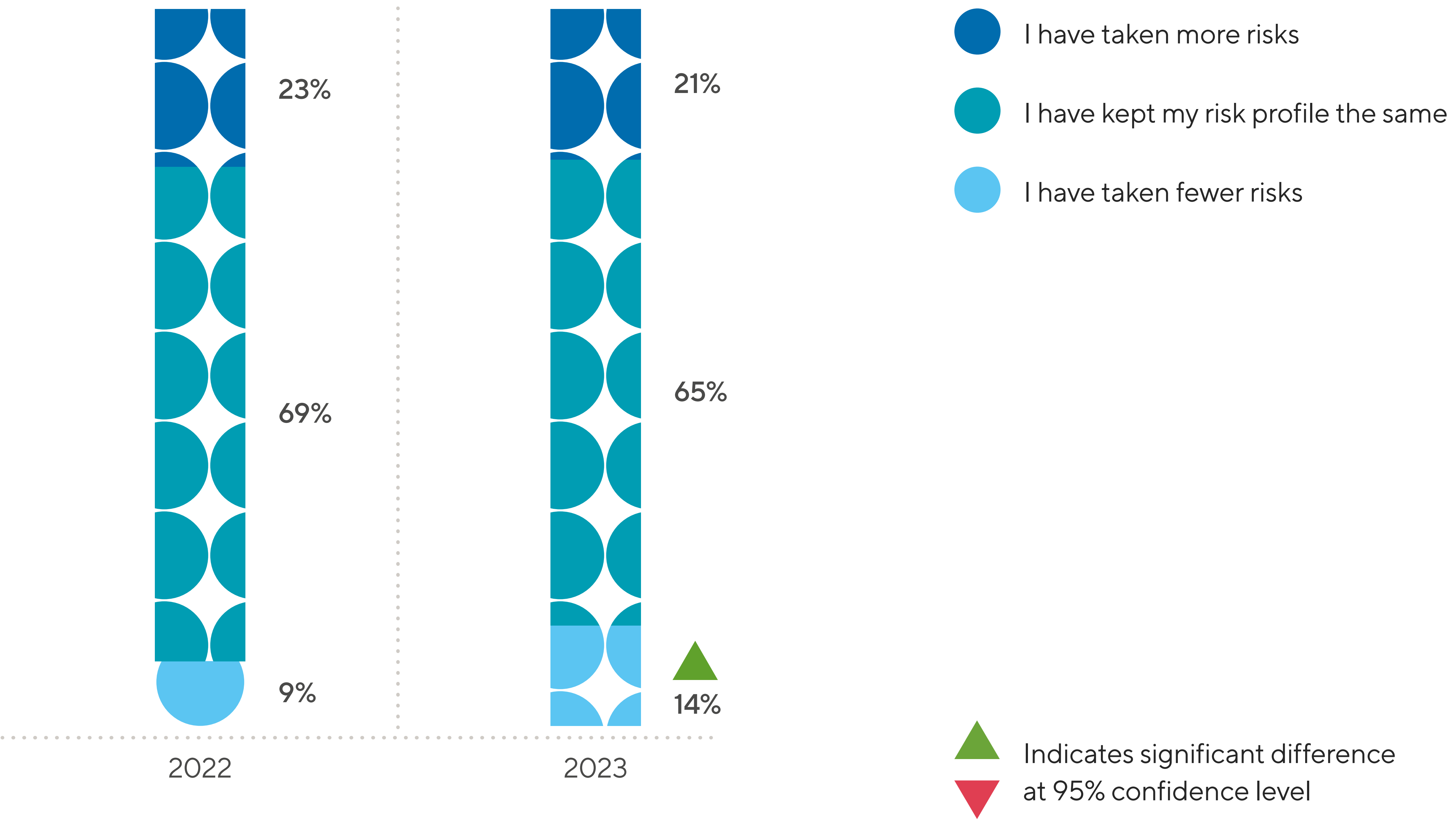
I feel like it's an ok thing to do as long as it's done sensibly.

Across the board, it's best to be careful and not explore new markets right now. Though, it's still worthwhile and relatively low risk depending on the investment.

Q3c: How are you feeling about investing at the moment?
Base: All respondents (n=1100)

Whilst the majority of investors have maintained their risk level, a higher proportion say they are taking fewer risks than last year

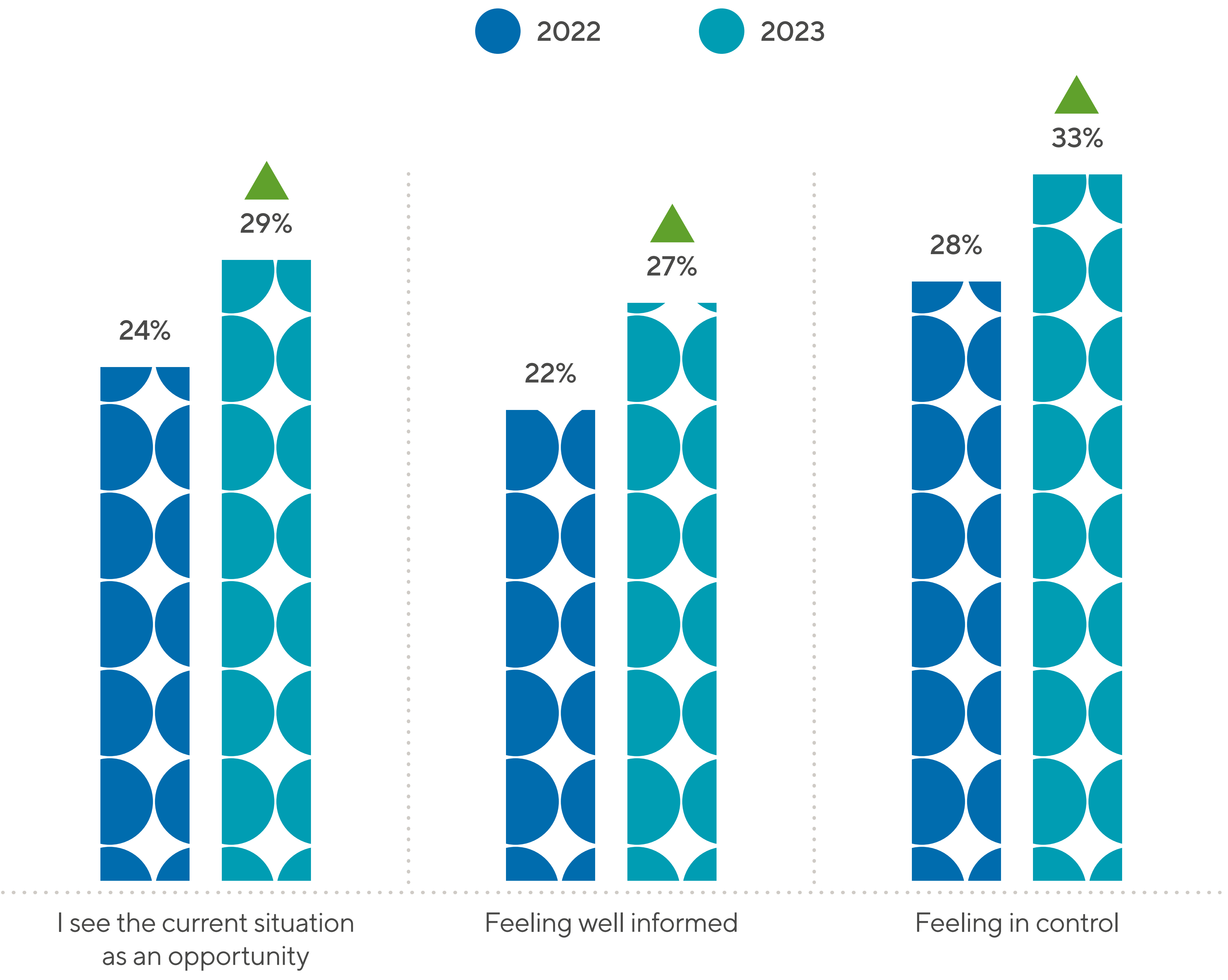
Younger investors less likely to say they are taking more risks vs 2022



Q11: Over the past 12 months, have you changed your risk profile to maintain returns?
Base: All respondents 2022 (n=1080), 2023 (n=1100)

The current mood is of positive caution – you should be investing, so long as you are sensible in your choices

There is an increased sense of control and opportunity



It seems to be a good time as long as you are sensible.

I feel cautiously optimistic about investing at the moment.

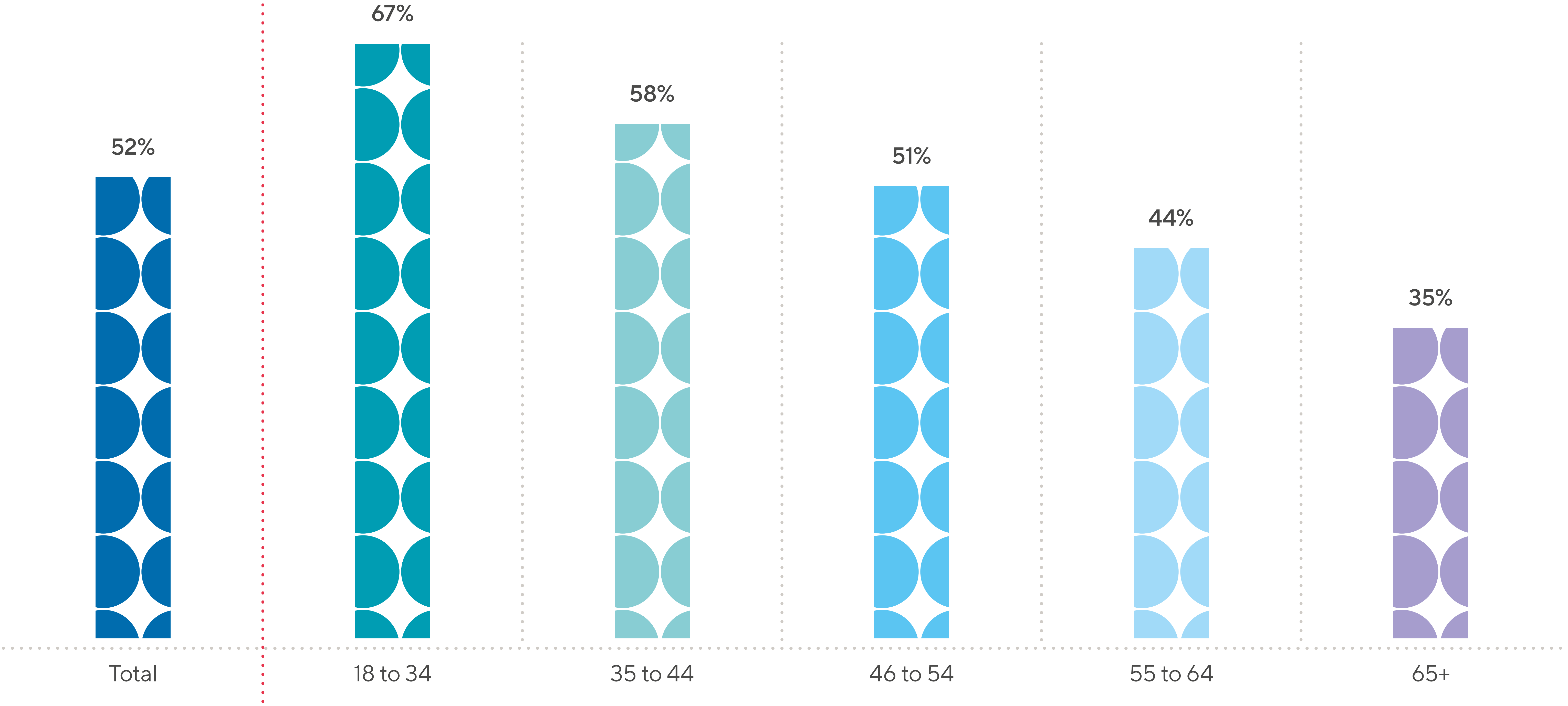
I feel fine, but not looking for risky products.

There are some opportunities, but caution is needed too.

Indicates significant difference at 95% confidence level

Q4: Which of these, if any, describes how you are feeling about your financial situation at the moment?
Base: All respondents 2022 (n=1080), 2023 (n=1100)

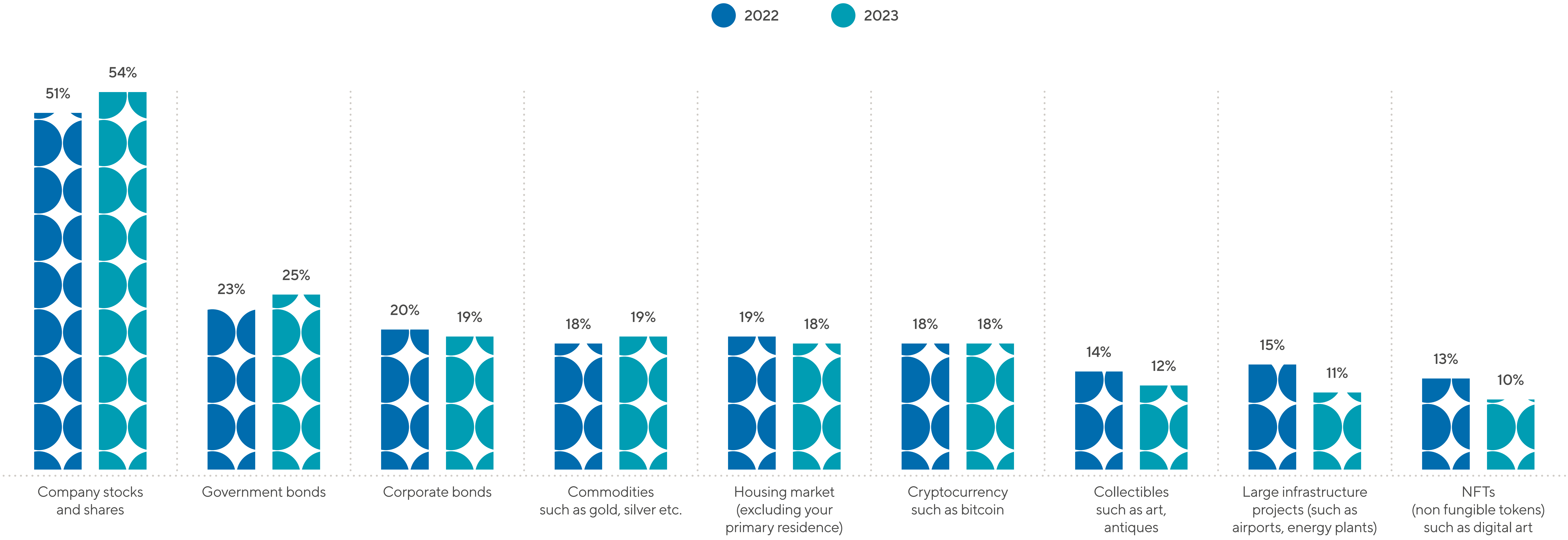
But along with this caution, there is a general hesitation to make big changes to portfolios



I feel nervous to make new or different investment choices

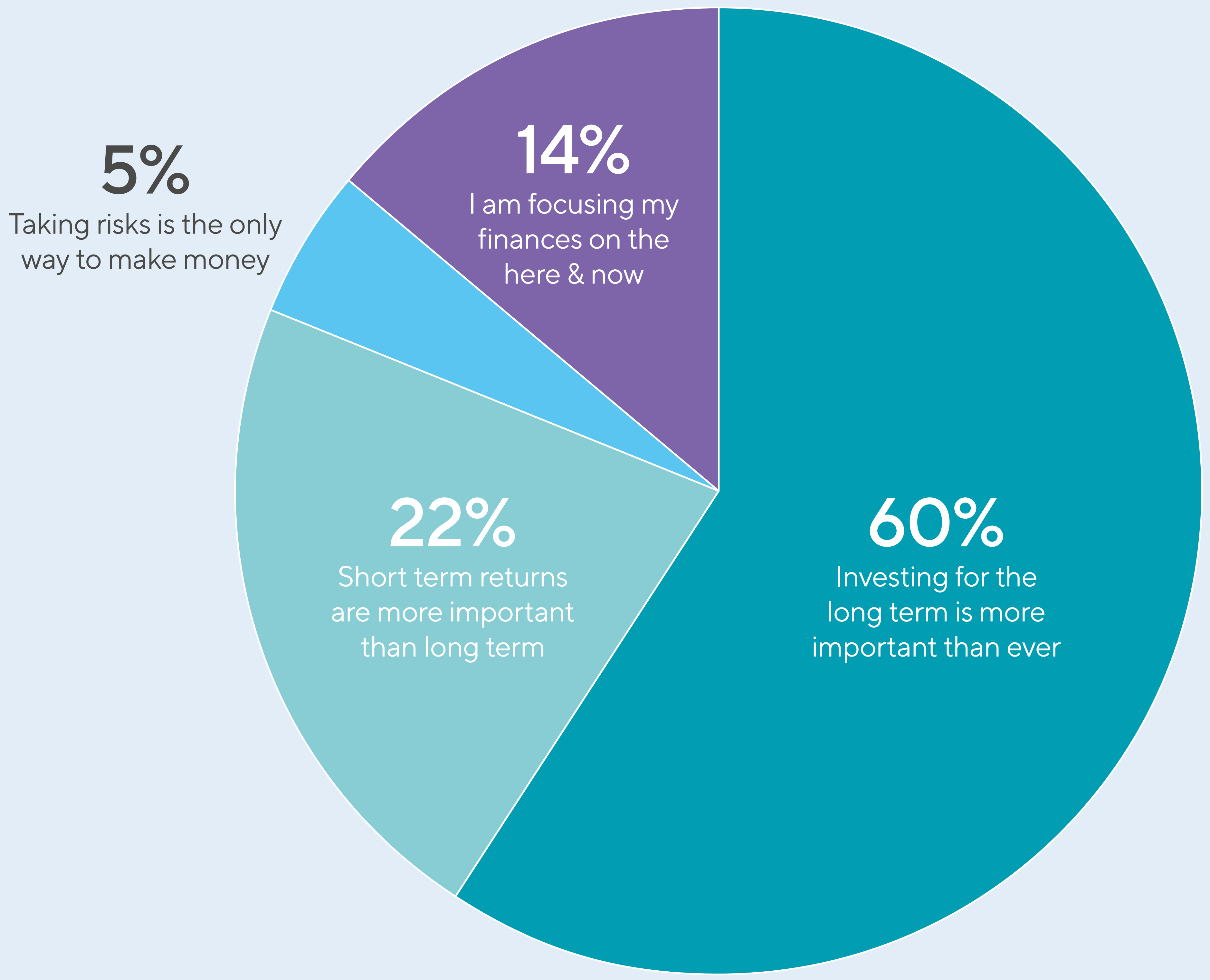
Q7c: As a result of the cost-of-living crisis, how strongly do you agree or disagree with the following? Showing top 3 box agree
Base: All respondents (n=1100)

There have been no significant changes in the make-up of investor portfolios from last year



Q20: Do you currently hold investments in the following?
Base: All respondents 2022 (n=1080), 2023 (n=1100)

Investors remain focused on long term growth



Happy with my investments and confident that they will return long term growth despite some recent underperformance.

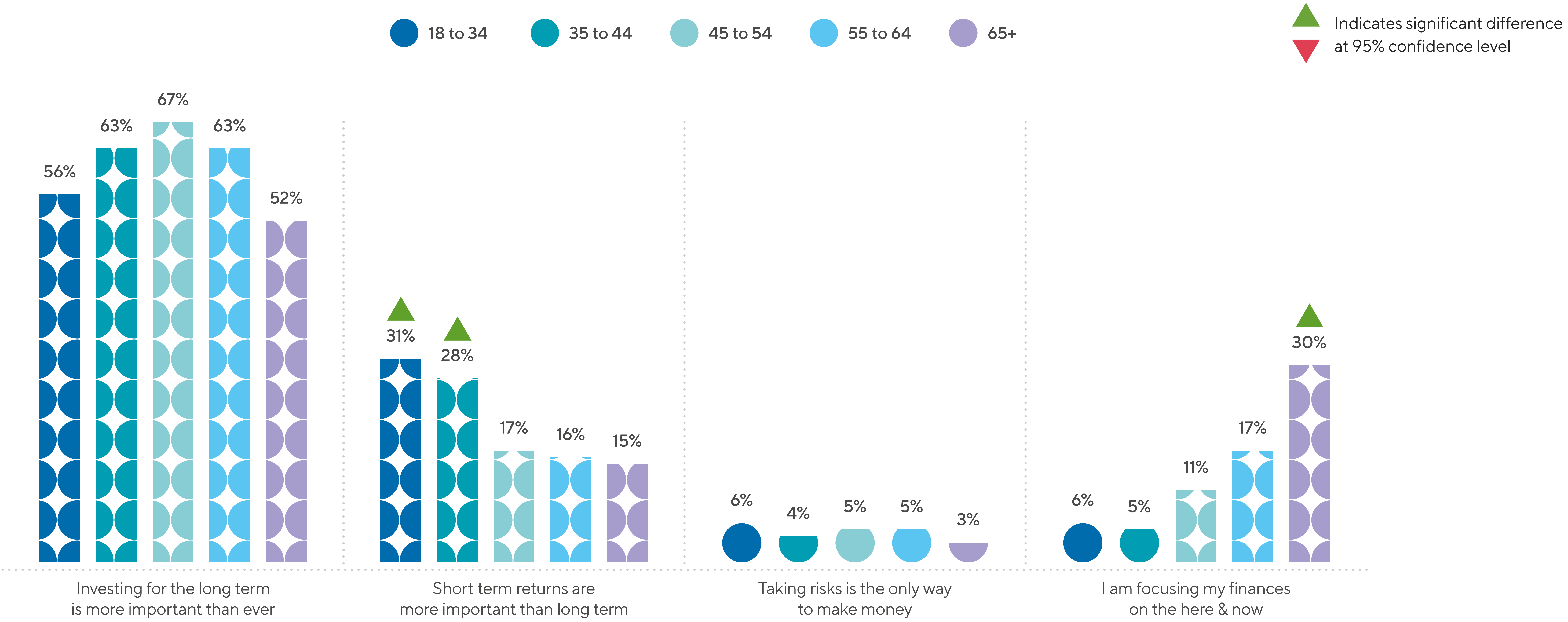
Absolutely fine - I'm taking a long-term approach.

I am feeling good, and that it will pay off in the long term.

Confident as I think long term returns will be strong.

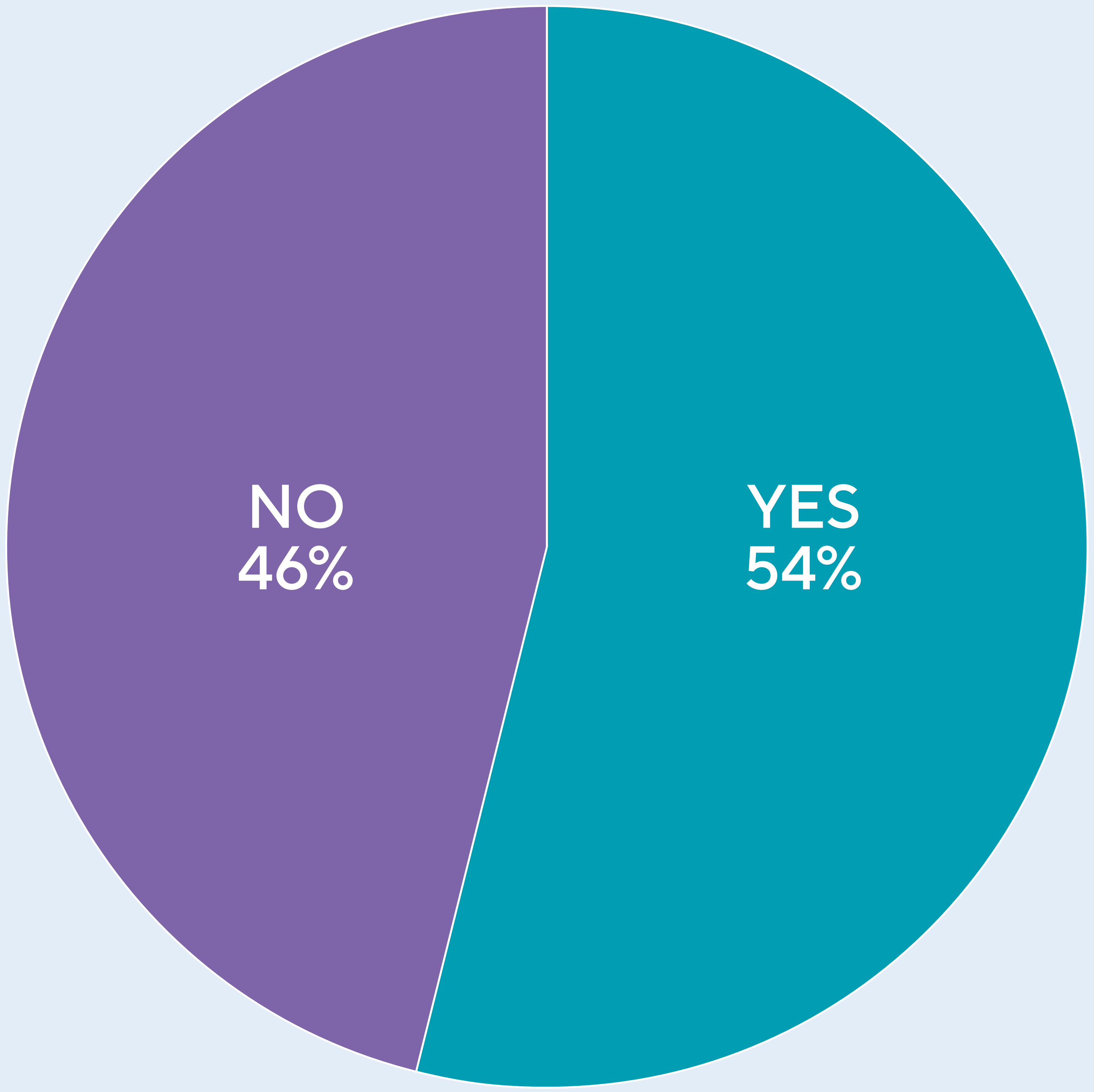
Q7d: In the current climate, which of the following best describes your attitude to your finances?
Base: All respondents (n=1100)

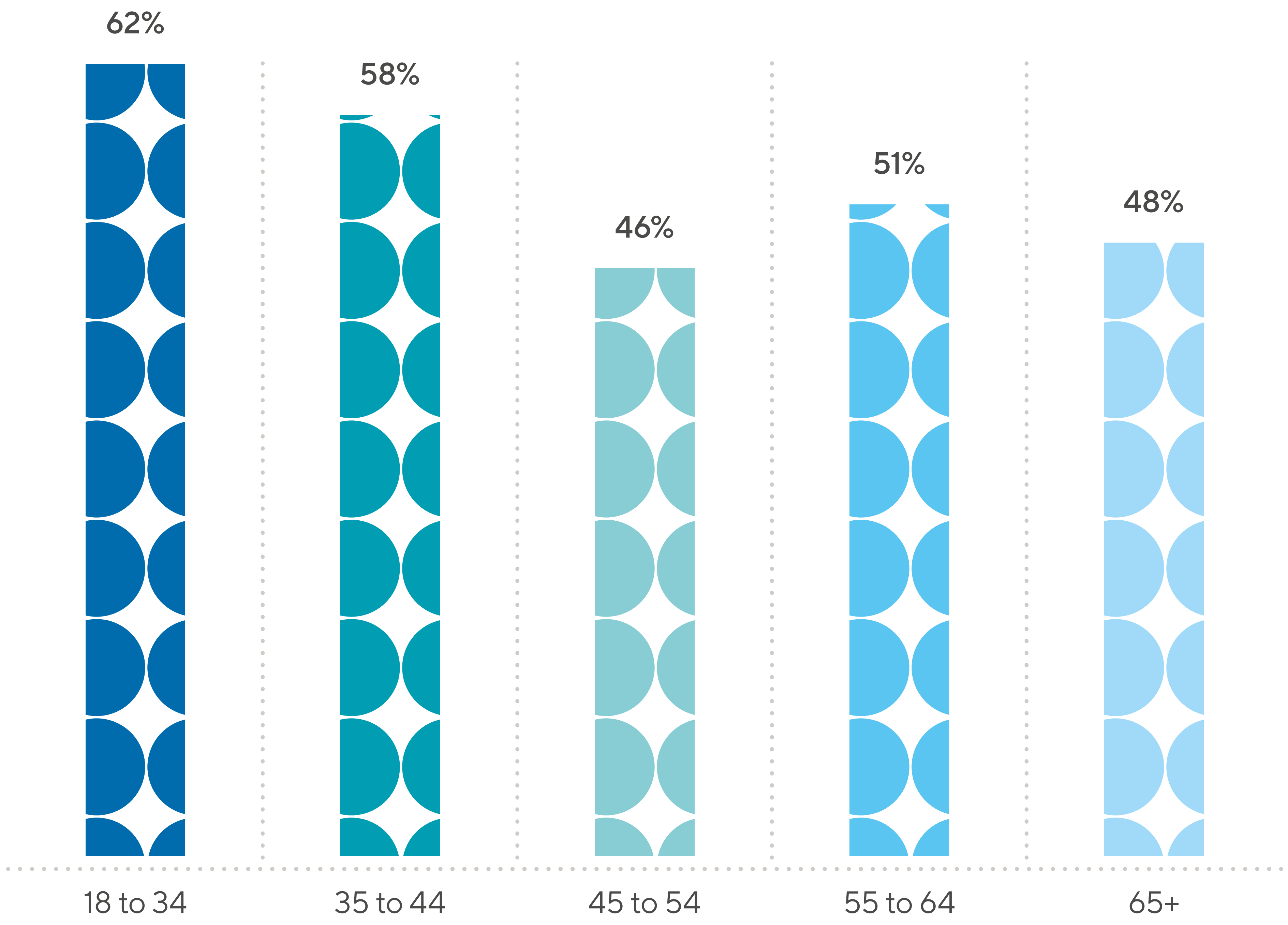
Whilst long term growth is most important across age groups, younger investors are more likely to focus on short term growth than older investors



Q7d: In the current climate, which of the following best describes your attitude to your finances?
Base: All respondents (n=1100), 18-34 (283), 35-44 (178), 45-54 (198), 55-64 (228), 65+ (218)

Over half of investors opened a high interest savings account recently



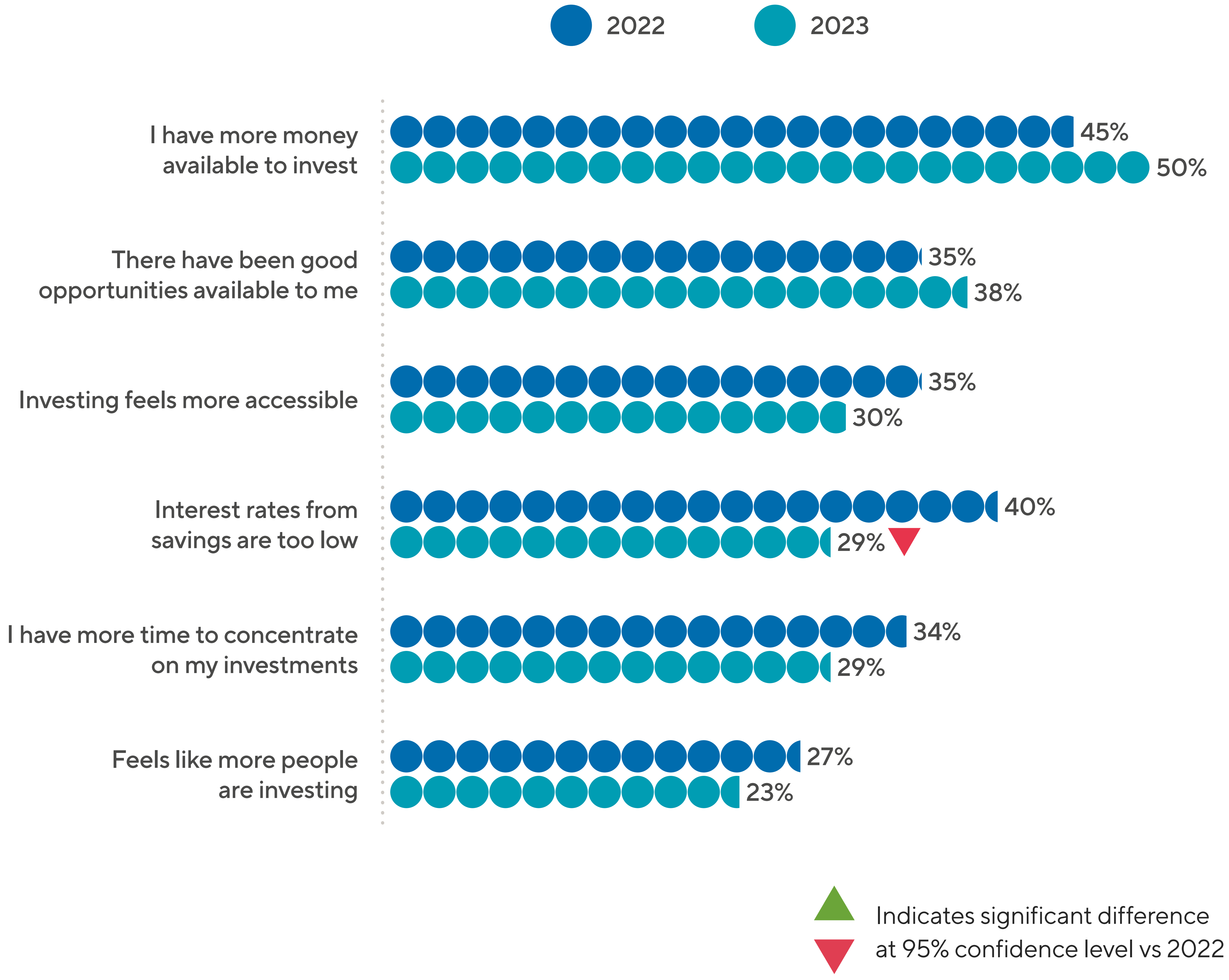


Q39a: Banks are currently offering high interest savings accounts.
Have you opened a new account recently in order to benefit from these?
Base: All respondents (n=1100)

Low savings rates are no longer a core reason for increasing investment

41%

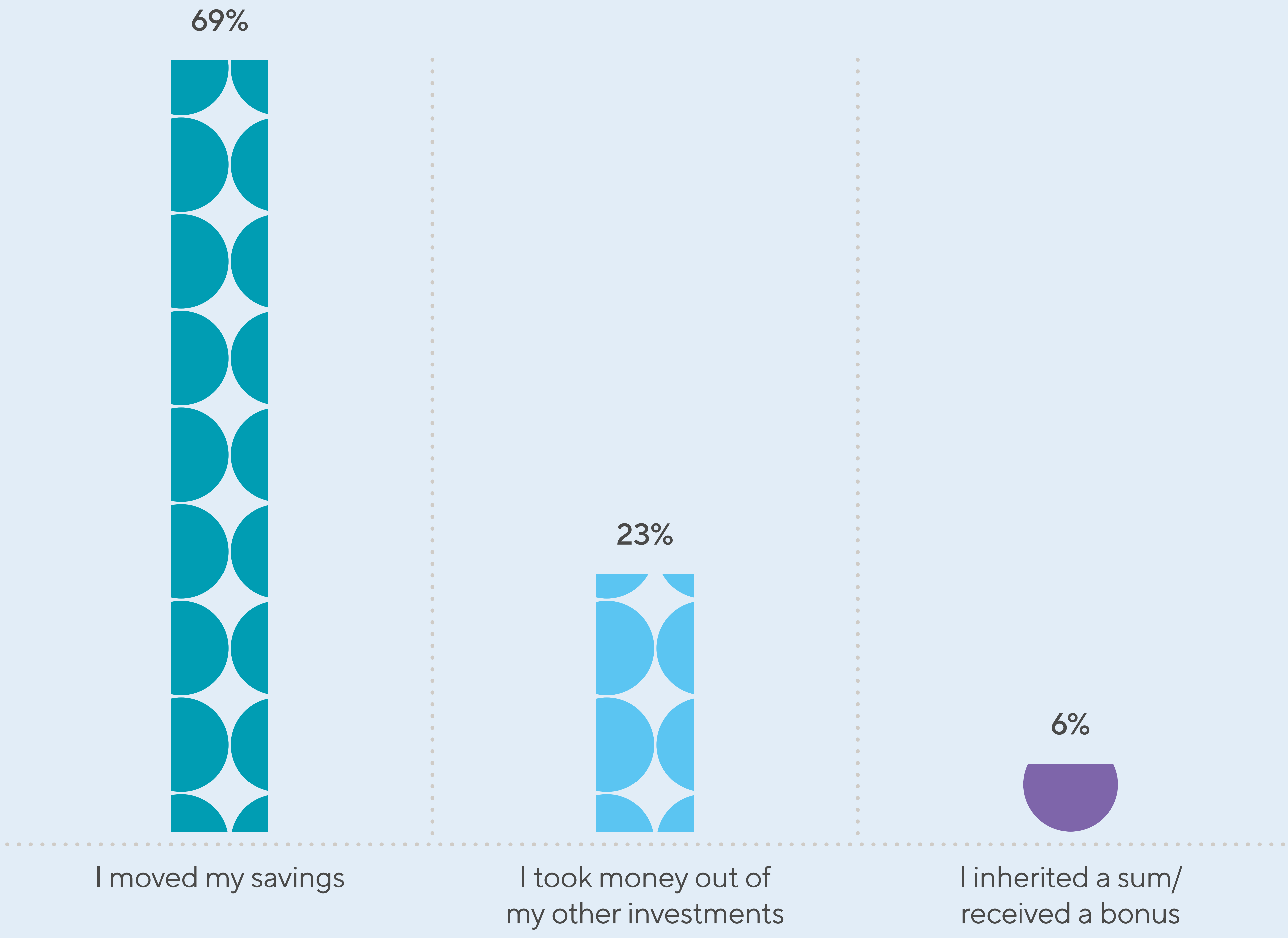
have increased the amount they invested in the past year.



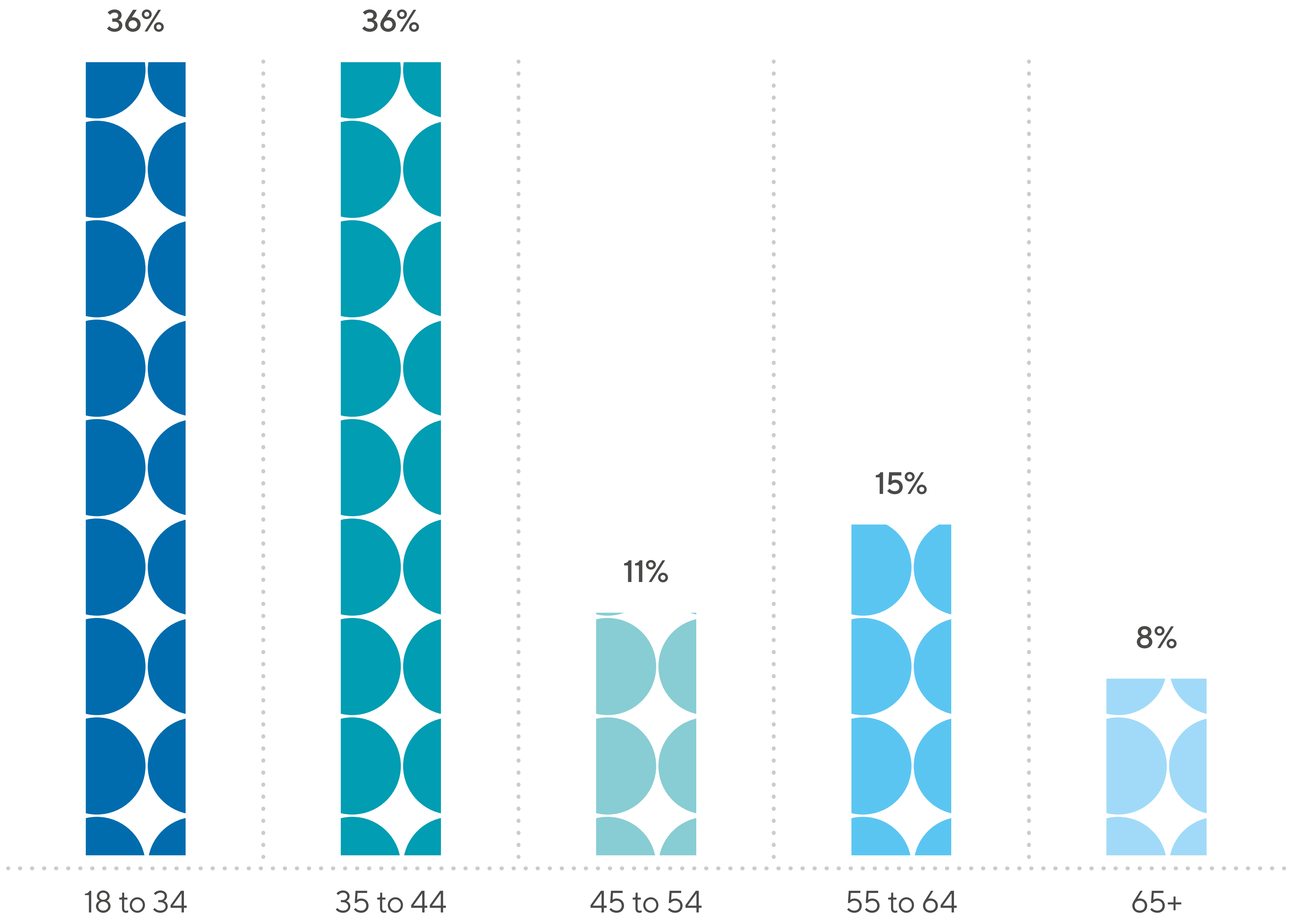
B2: In the last financial year, have you increased the amount you invest?
Base: All respondents (n=1100)

B3b: Why have you increased the amount you invest in the last financial year?
Base: Increased investments 2022 (n=438), 2023 (n=412)

Nearly a quarter took money out of their current investments to fund this

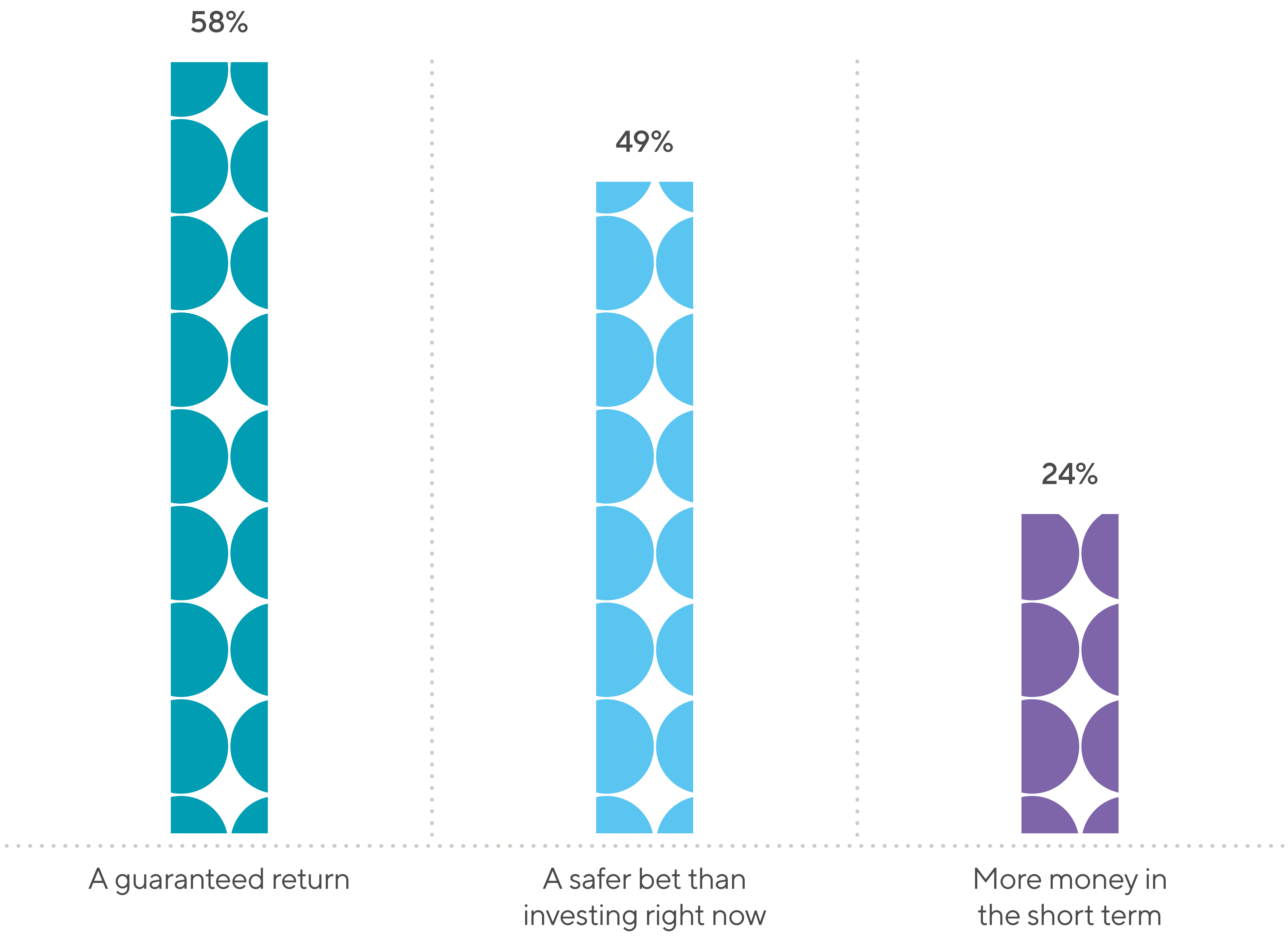


Young investors were more likely to have taken money out of other investments than older investors



Q39b: How did you fund this?
Base: All who opened a new account (n=589); 18-34 (176), 35-44 (104), 45-54 (88), 55-64 (116), 65+ (105)

A safer, guaranteed return was the motivation behind opening the account



Q39c: What made you decide to open this account instead of investing the money?
Base: All respondents (n=1100)

Younger investors focus on bank accounts' safety vs investing whereas older investors focus on the guaranteed return

	Total	18 to 34	35 to 44	45 to 54	55 to 64	65+
A guaranteed return	58%	48%	55%	60%	66%	65%
A safer bet than investing right now	49%	64%	63%	38%	40%	30%
More money in the short term	24%	13%	22%	25%	28%	36%

Q39c: What made you decide to open this account instead of investing the money?
Base: All who opened a new account (n=589); 18-34 (176), 35-44 (104), 45-54 (88), 55-64 (116), 65+ (105)

Uncertain markets, self-reliant investors

Uncertain markets, self-reliant investors

Market-wide uncertainties, including the cost-of-living crisis and reduced household income, have driven investors to challenge the cost/benefit of advice, with many citing the expense as the key deterrent. Despite seeing the potential benefits of advice (especially young investors), many cannot justify the cost. Coupled with this is the confidence investors have developed from their experiences through the crises of the past few years; 64% feel the upheavals have taught them what they need to know about investing and made them more confident in their decision-making abilities. This environment of uncertainty is driving a new wave of self-reliant investors who truly question the need for traditional advice.

Confidence in an uncertain world

Everybody experiences great uncertainty and post pandemic, feel they have sharpened up rather than changed.

- Those younger investors who were risk averse felt this approach was justified amidst uncertainty.
- An investor, aged 40, who was the least risk averse, felt people should grab opportunities amongst the chaos.

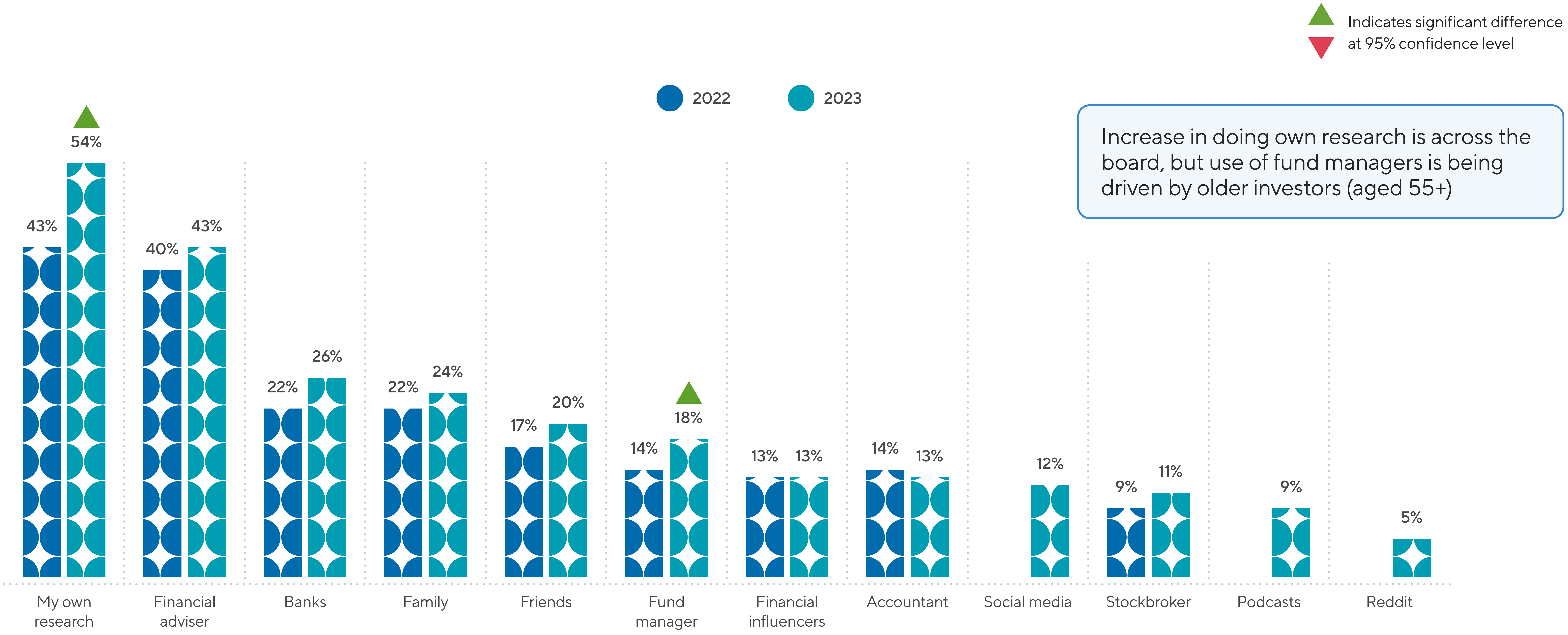
All interviewees had a stronger belief in their own ability to navigate the world since emerging from several crises.

- They survived difficult employment situations.
- More confident in themselves, happy to be home rather than experiencing FOMO for instance.
- More focused on day-to-day saving (Lidl!) but will not sacrifice pleasures like travel.

> Everything is so uncertain, you must rely on yourself.

> We've been through a lot and survived it so there's a greater sense of self assurance.

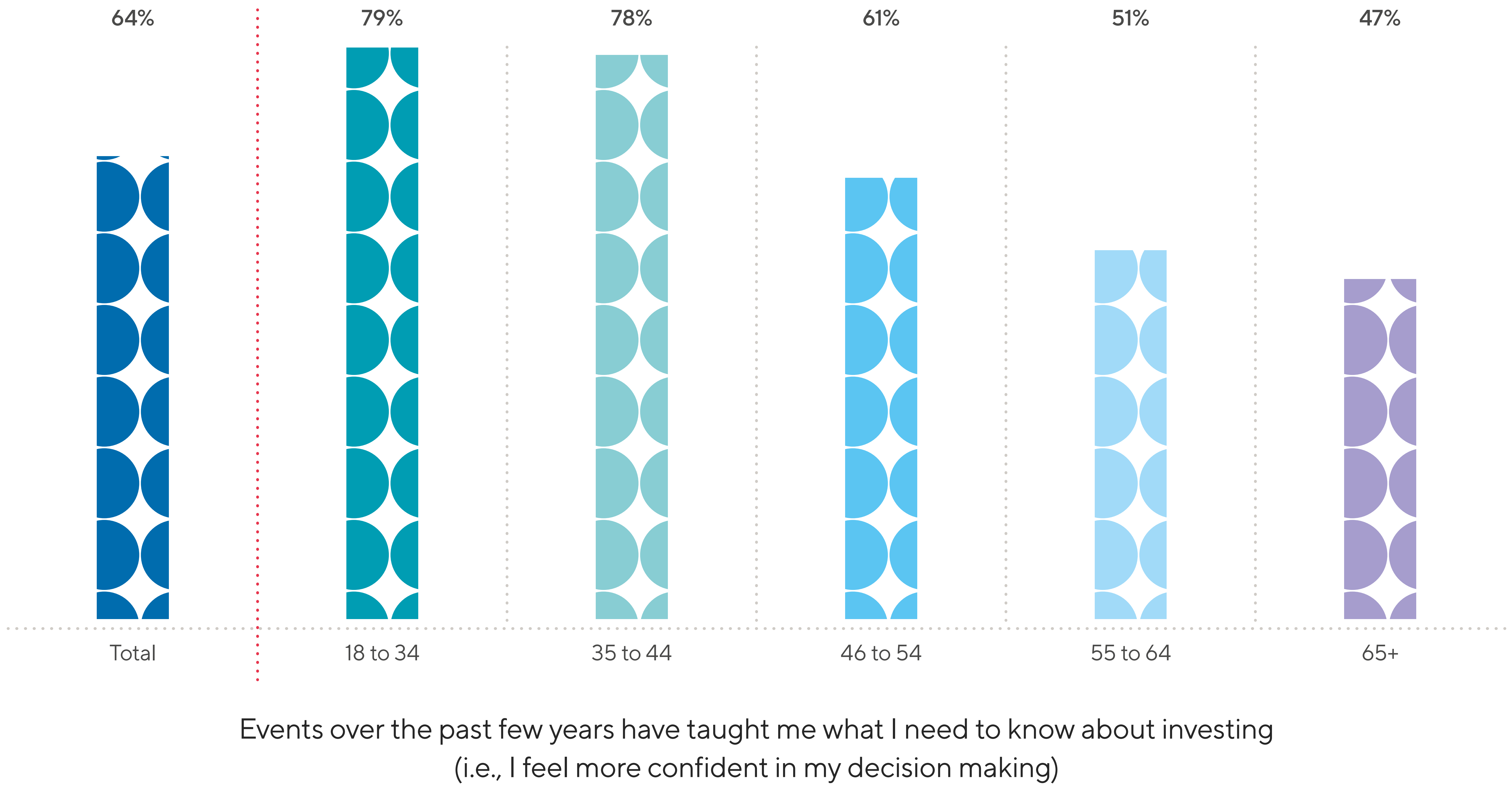
When it comes to financial guidance, investors are more likely to be doing their own research, an increase on last year



Increase in doing own research is across the board, but use of fund managers is being driven by older investors (aged 55+)

Q2: Which of the following do you usually use for financial guidance?
Base: All respondents 2022 (n=1080), 2023 (n=1100)

Across age groups, investors feel as though recent events have taught them what they need to know about investing, making them feel more confident in their decision-making abilities



Q7c: As a result of the cost-of-living crisis, how strongly do you agree or disagree with the following? Showing top 3 box agree
Base: All respondents (n=1100)

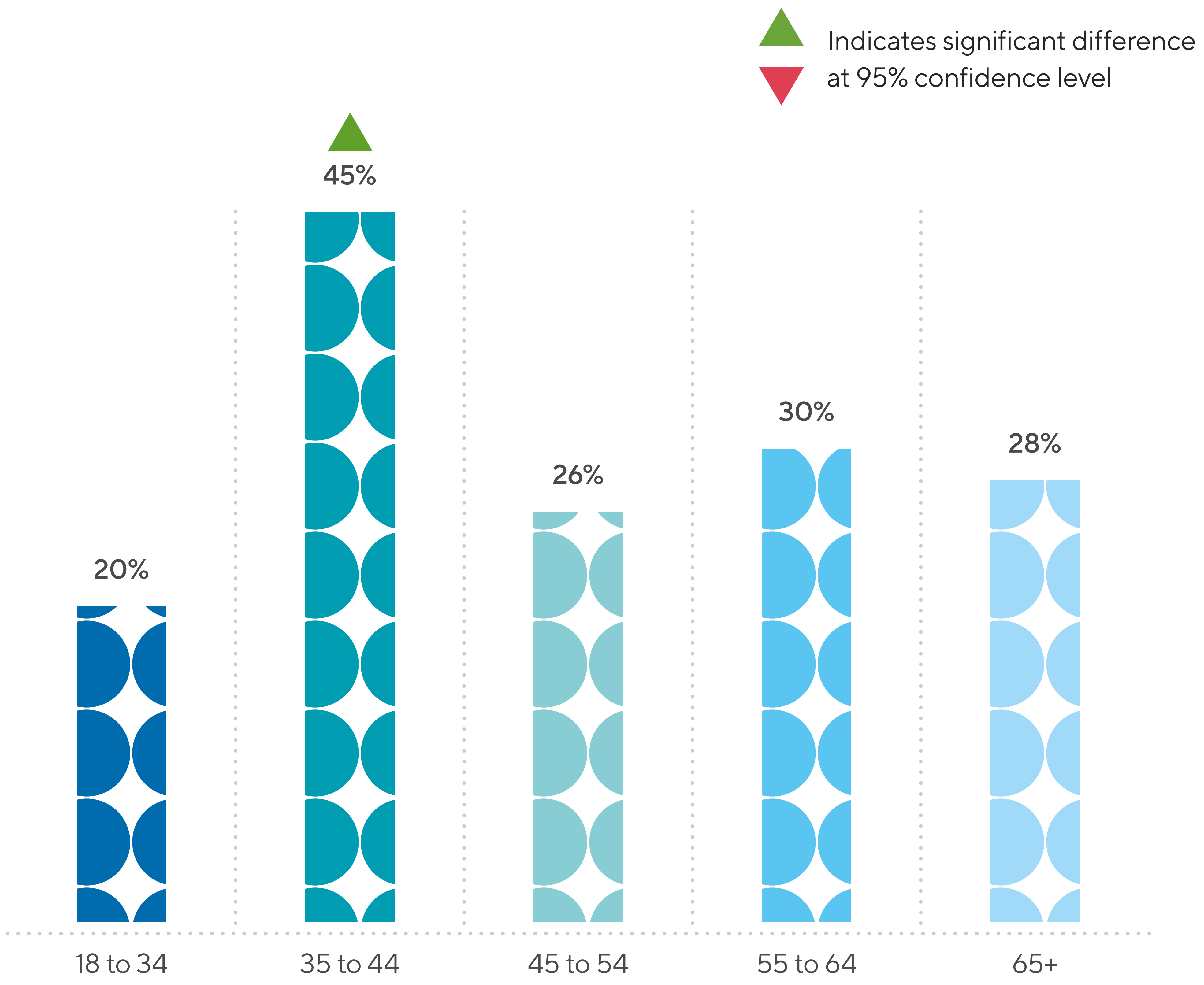
Of those who have never paid for advice, 3 in 10 say it is because they can get all the information they need online...

29%

of those who've never paid for advice say they can get all the info they need online.

Q3b: Why have you never sought professional advice for your investments?
Base: Never paid for financial advice (n=371)

This percention is particularly high amongst 35-44 year olds



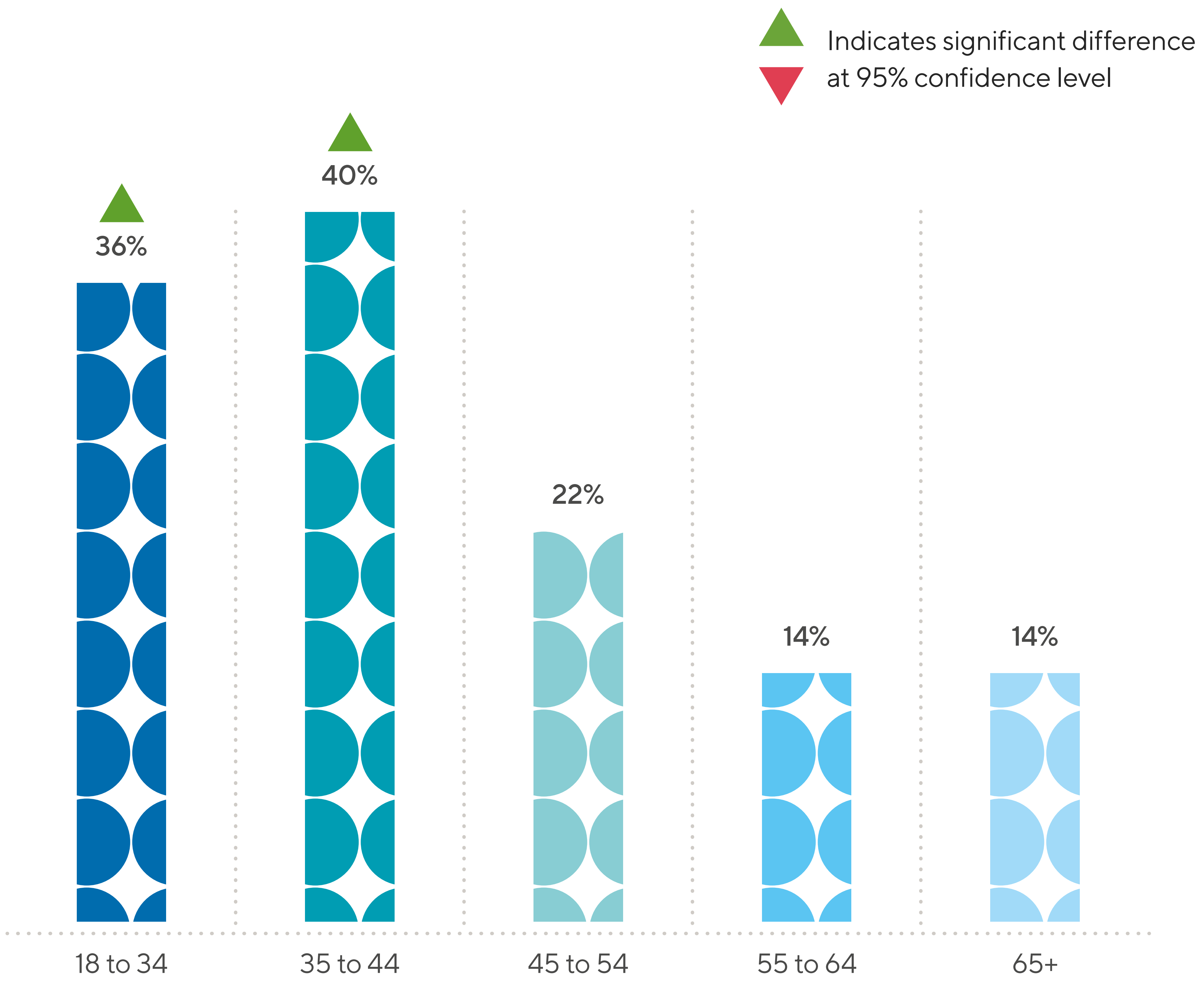
B3b: Why have you increased the amount you invest in the last financial year?
Base: Increased investments 2022 (n=438), 2023 (n=412)

...even though young investors know they would benefit from paid advice

22%

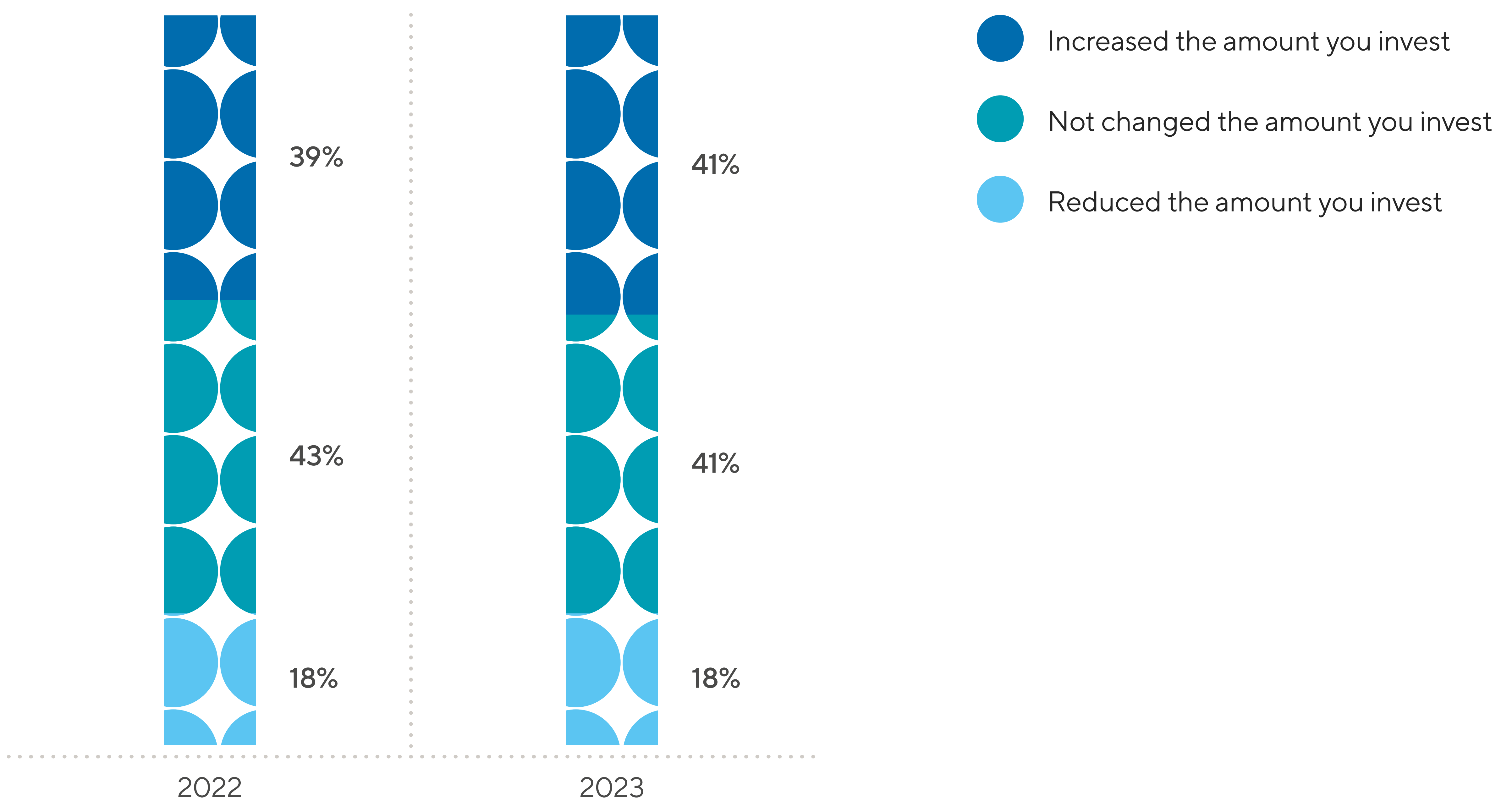
Across age groups feel they would benefit from financial advice.

This is significantly increased for younger investors



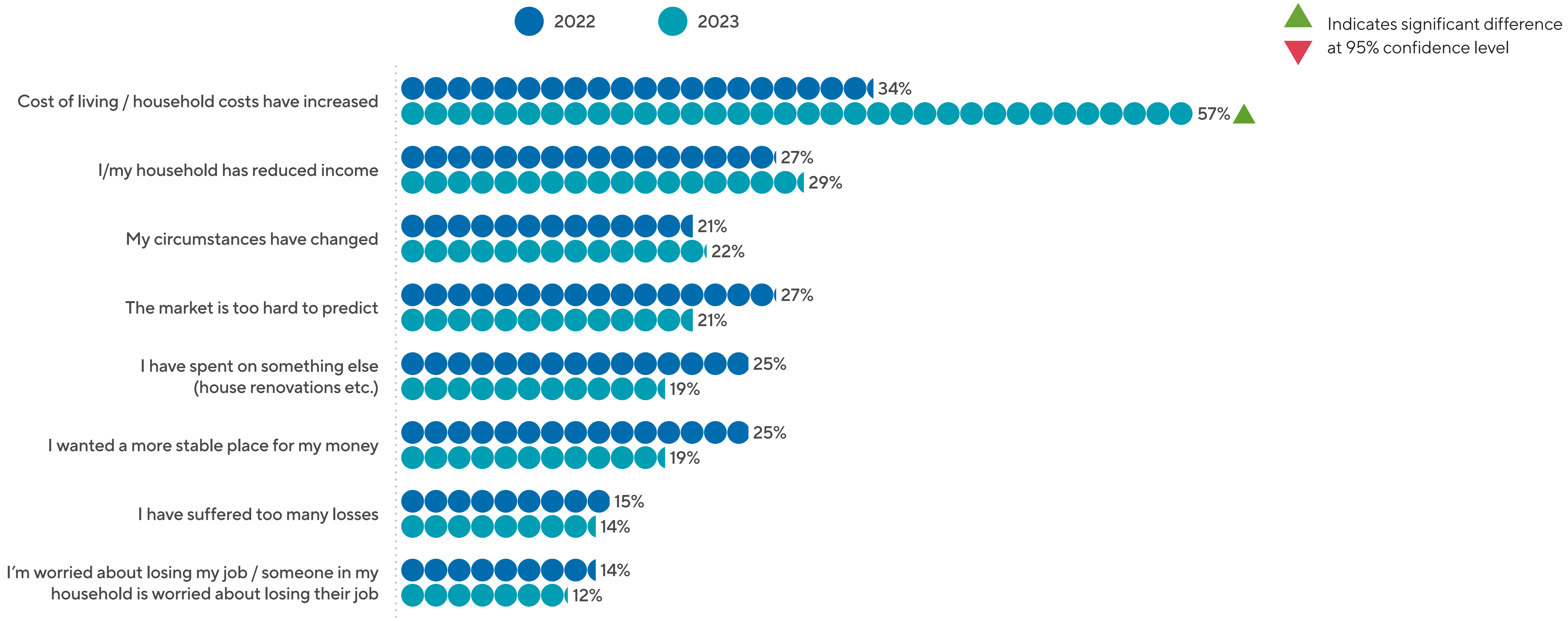
Q3d: Do you feel you would benefit from professional financial advice?
Base: Never paid for financial advice (n=371)

41% of investors have invested more and 18% have invested less in the past financial year – similar to 2022



B2: In the last financial year, have you...?
Base: All respondents 2022 (n=1080), 2023 (n=1100)

More are mentioning cost of living as a reason for having reduced their investment



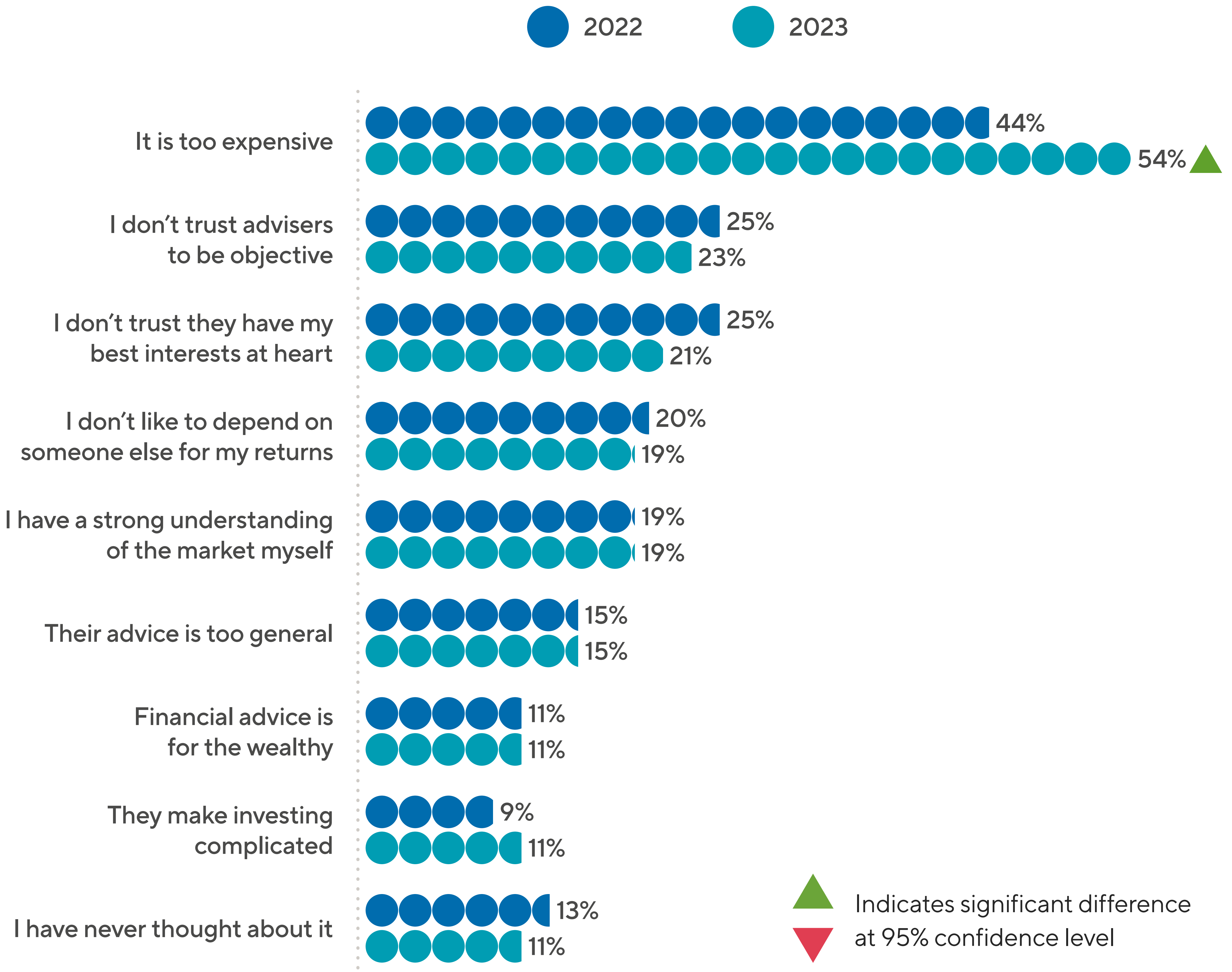
B3a:Why have you reduced the amount you invest in the last financial year?
Base: Reduced investments 2022 (n=190), 2023 (n=199)

Expense is now a more common reason for not taking paid advice

34%

have never paid for financial advice.

A similar proportion to last year:
2022 = 31%



Q3: Have you ever paid for financial advice from a professional adviser?
Base: All respondents (n=1100)

Q3b: Why have you never sought professional advice for your investments?
Base: Never paid for financial advice (n=371)

ESG takes a back seat

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This year saw the first drop in investors' prioritisation of environmental and social impact of investments in the four years of reporting, from 44% in 2022 to 38% in 2023. Despite investors maintaining that they understand the importance of investing for good, and believing sustainable investment is the future, in the current climate, the immediate importance of considering impact has fallen. This trend is consistent across environmental and social causes, from veganism to gender equality. This could be due in part to more immediate concerns such as the continued distraction of the rising cost of living. It could also be the result of a shift in focus within the news cycle. 94% of investors say they regularly watch or read the news, with many getting this information from social media. But attitudes towards the news cycle are strained, with many stating that although they have awareness, they try not to get too immersed as the news can be depressing. With the amount going on in the world, they feel somewhat numb to it all.

Profit and progress

Investment is clearly all about self reliance, independence and growing your own personal wealth / making the most of your money.

- This was exactly how interviewees saw investments and why it felt exciting to them.

Investments are made for personal gain but there was also a desire to feel connected to the world and for their investments to feel progressive:

- People felt better when the investment was focused on innovation, technology, science, the environment and health. These areas feel integral to a positive future.
- There were even some anecdotal stories about people investing in friends or acquaintances to help build their businesses (and hopefully profit as well).

You want to feel that you're doing some good with your money as well as just investing it.

If you can invest in something positive, it feels better.

Investors still agree that sustainable/ethical investing is the future

All interviewees were clear that sustainable investment will be the only investment in the future.

- Not just the right thing to do
- But the necessary thing to do
- An area ripe with potential.

They want to do right for the world although more important that they do right for themselves.

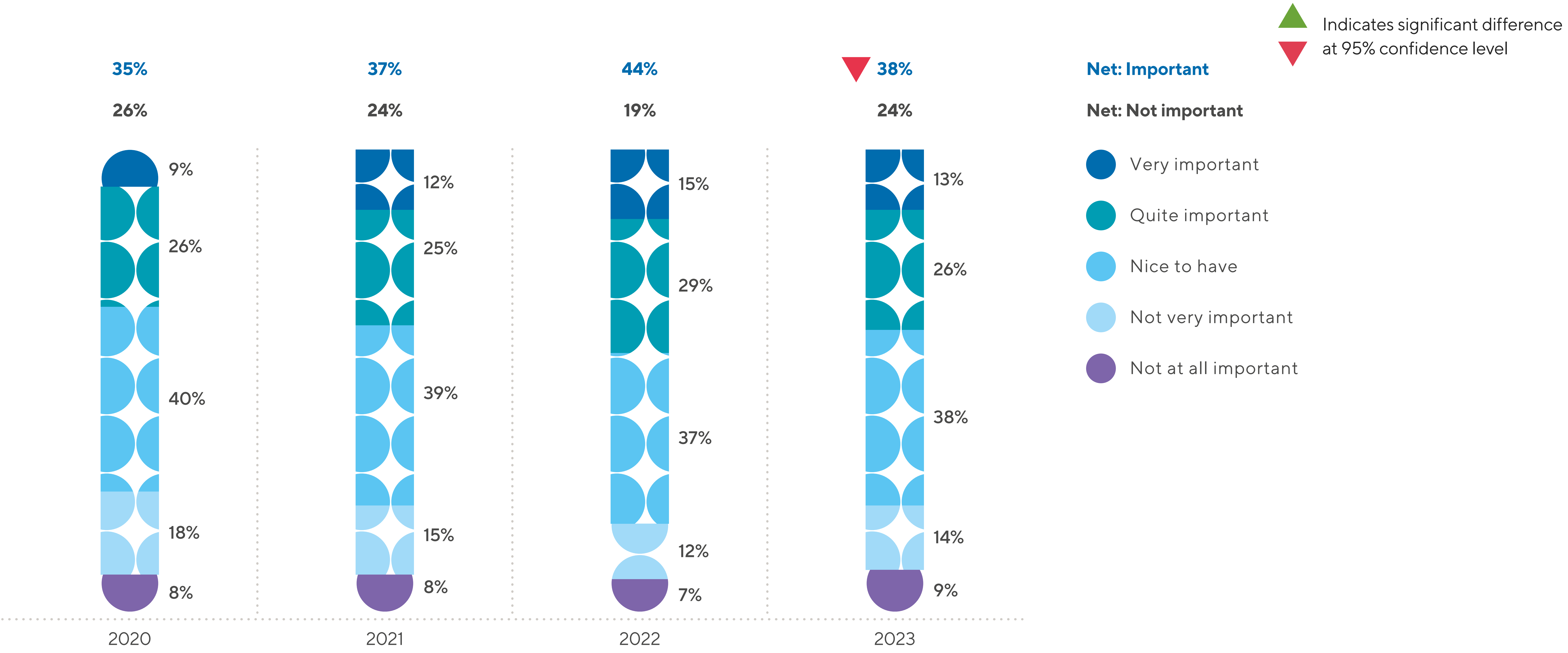
- Interested in messages about green and sustainable investment opportunities.
- These are more appealing framed as opportunities rather than obligations.

> It's clearly where the future is but there's also a lot of money here.

> I feel that you can be sustainable in lots of ways not just about investment, so it's not the most important thing in investment but it probably will be.

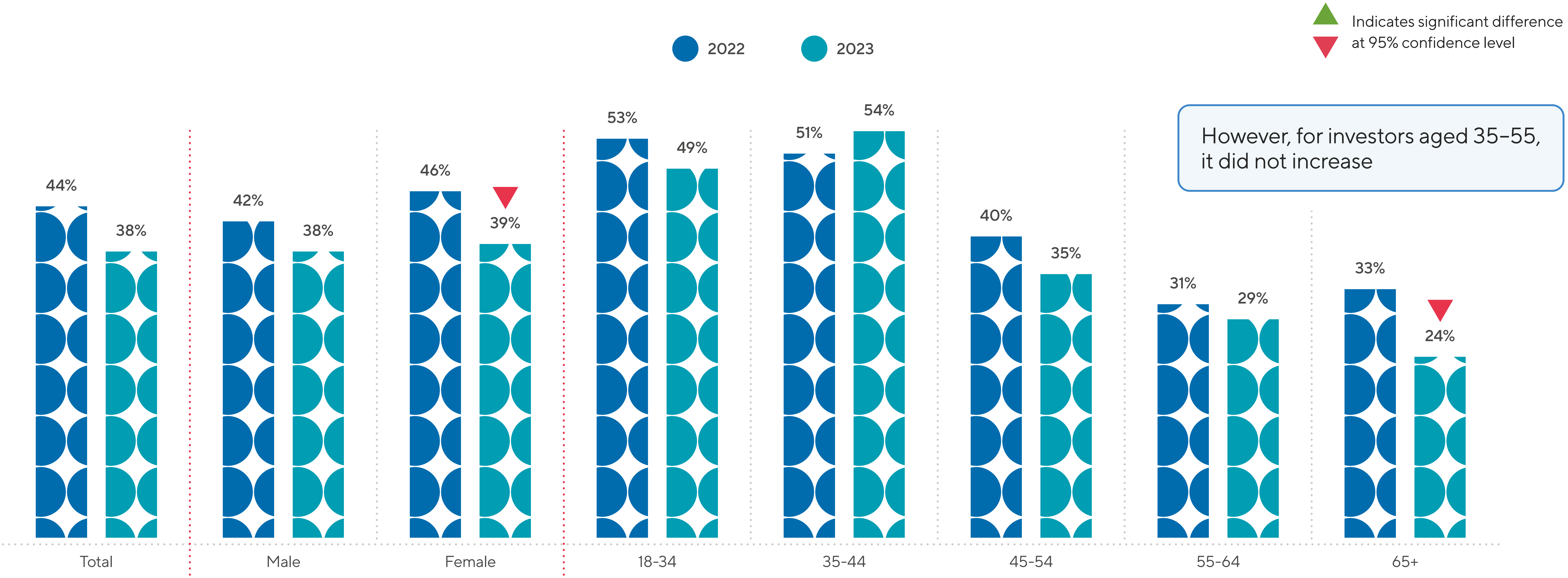
> I want to invest sustainably but low cost and good advice would be more relevant to me.

But, in the current climate, the immediate importance of considering environmental and social impact has fallen back



Q17a: How important is it to you right now that your investment funds also consider their environmental and social impact?
Base: All respondents 2020 (n=500), 2021 (n=1100), 2022 (n=1080), 2023 (n=1100)

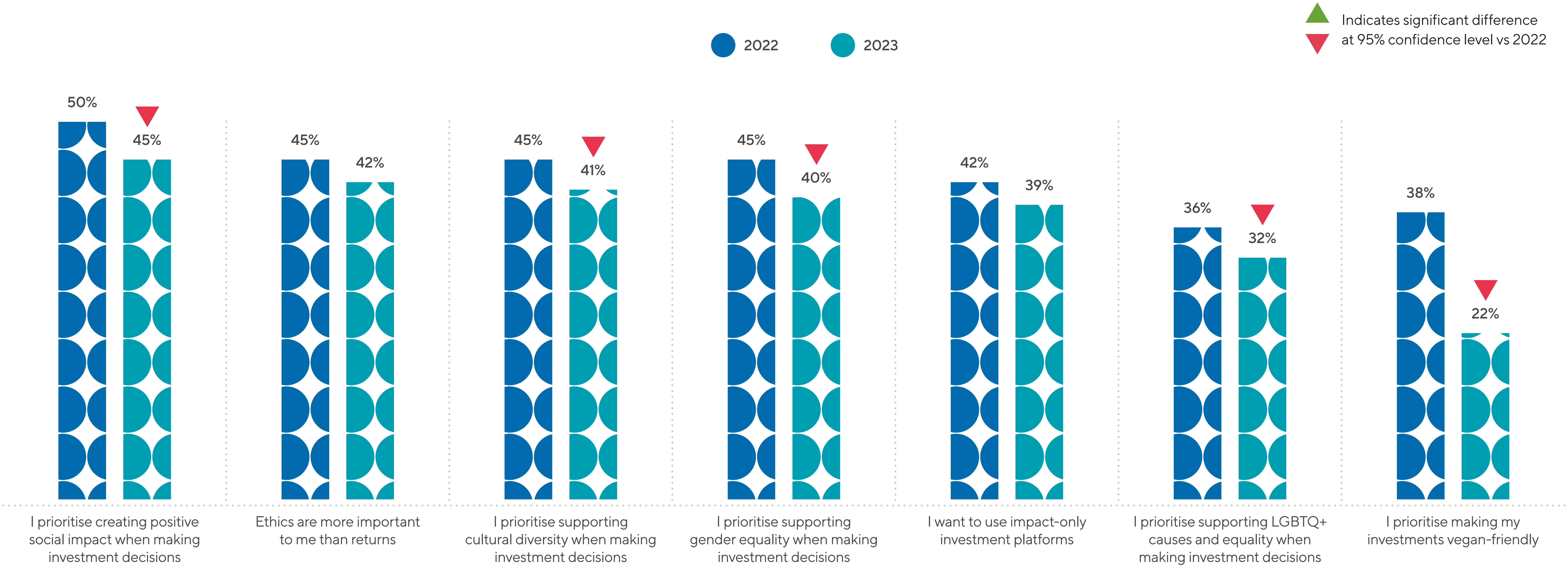
Overall, there was a drop in the importance of considering the environmental and social impact of investing compared to last year



However, for investors aged 35–55, it did not increase

Q17a: How important is it to you right now that your investment funds also consider their environmental and social impact? Showing top 2 box net important (very important/quite important)
Base: All respondents (n=1100); 18-34 (283), 35-44 (178), 45-54 (198), 55-64 (228), 65+ (218)

The prioritisation of ethical investments has dropped across the board compared to last year



Q37: To what extent do you agree or disagree with the following statements? Showing top 3 box agree
Base: All respondents 2022 (n=1080), 2023 (n=1100)

Most investors regularly watch the news

94%

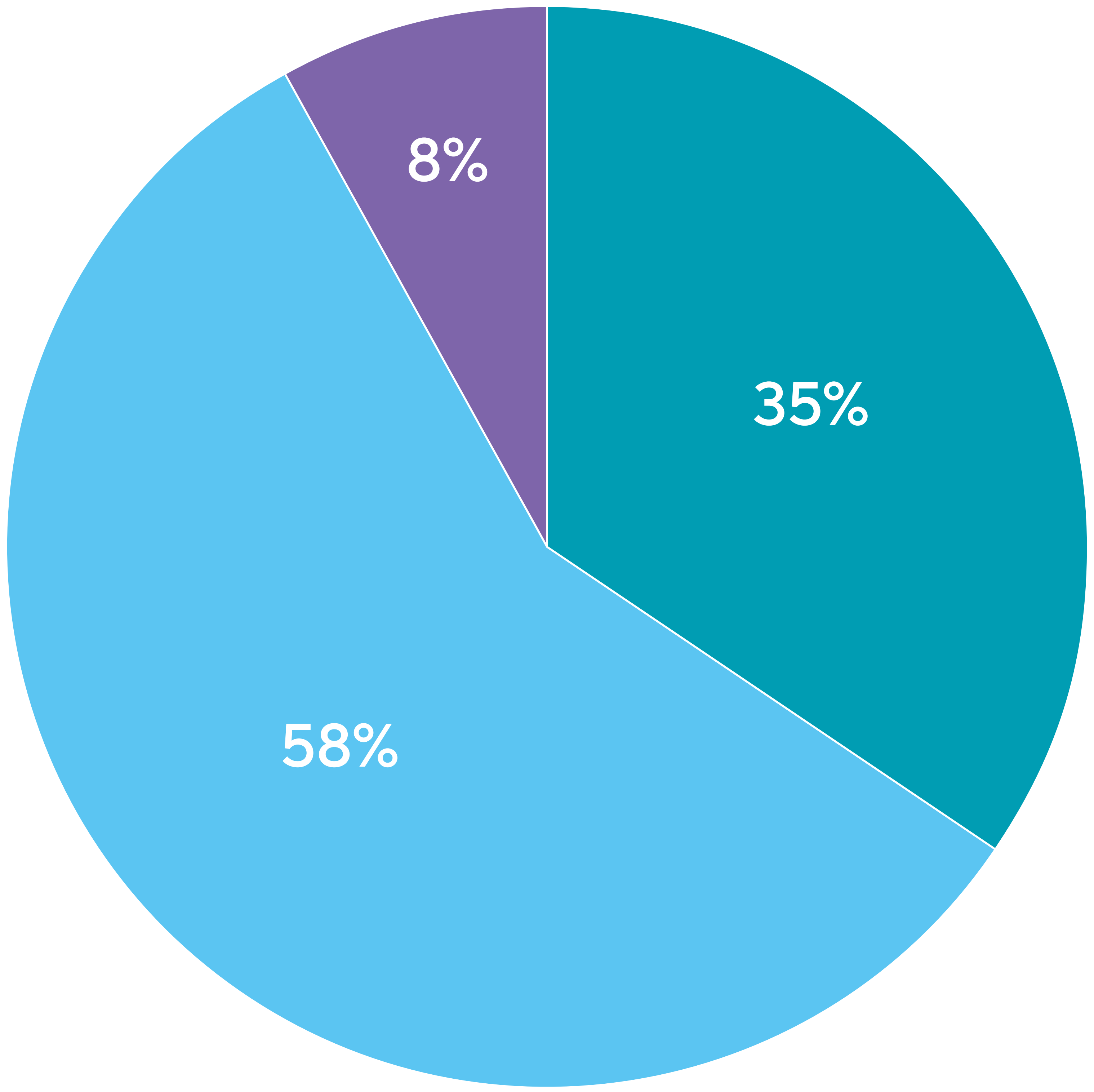
regularly watch/read the news.

Q43a: Do you regularly watch/read the news?
Base: All respondents (n=1100)

I am watching/reading the news more often

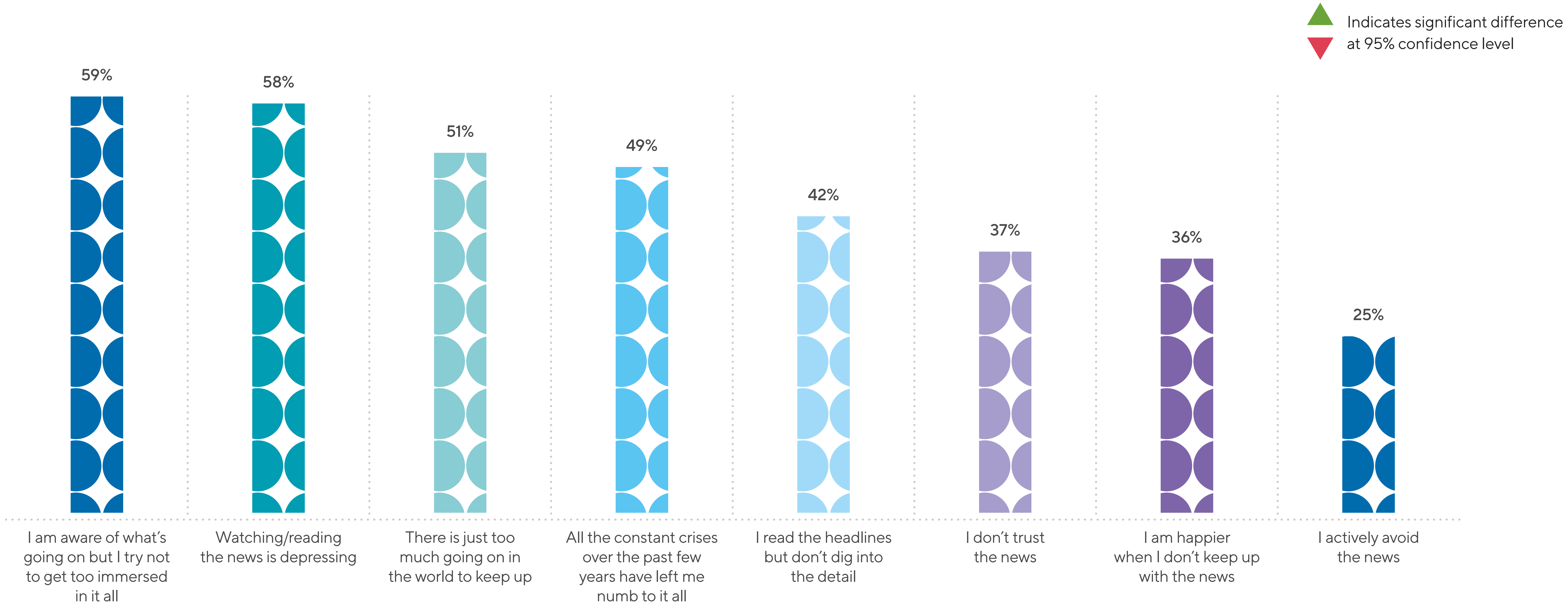
My habits haven't changed

I am watching/reading the news less often



Q43b: Has this changed over the past few years?
Base: All respondents (n= 1100)

Although they try not to get too immersed in the news – it is depressing

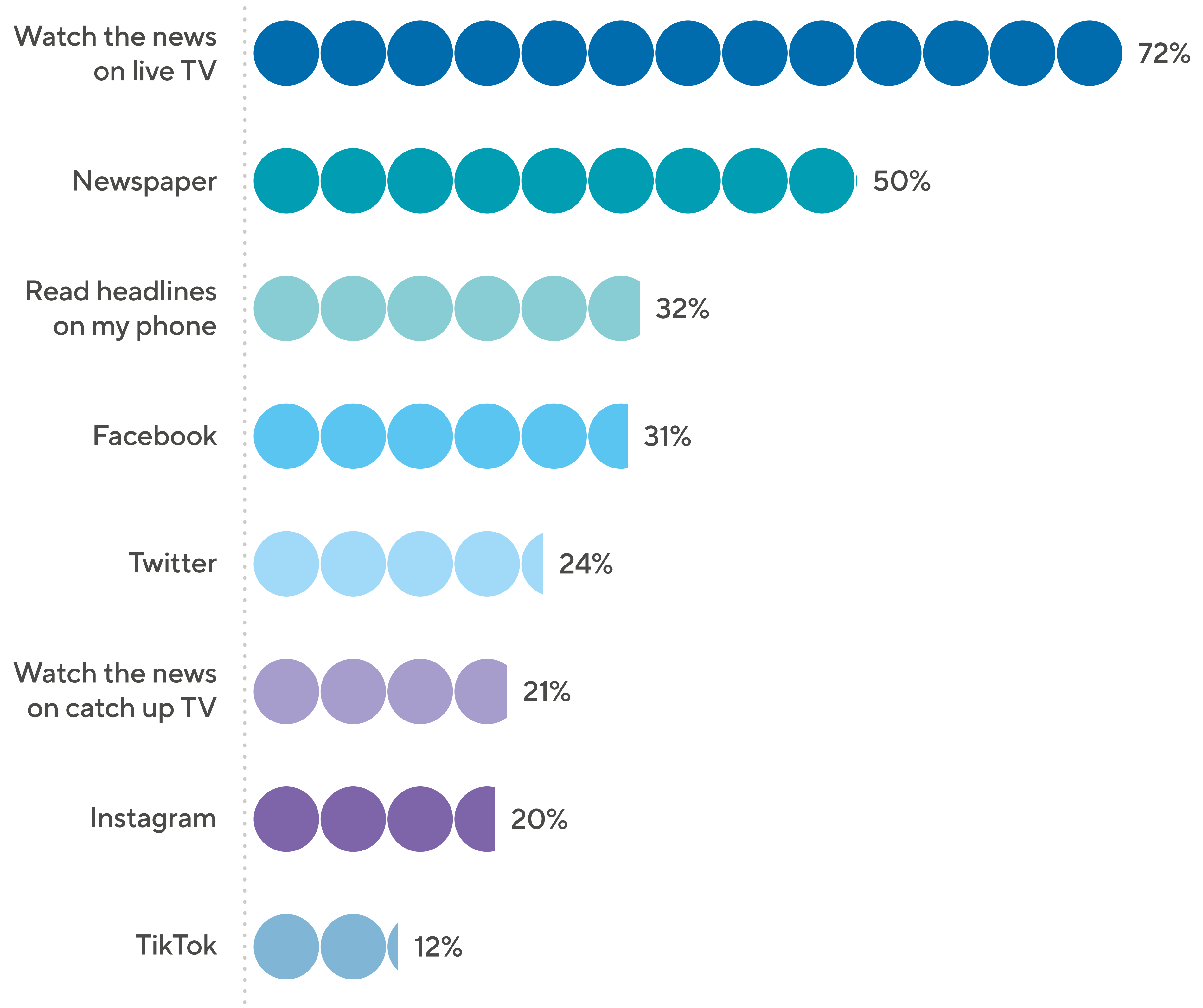


Q43e: How strongly do you agree or disagree with the following statements about the news cycle? Showing top 3 box agree
Base: All respondents (n=1100)

A high proportion get their news from social media

44%

get their news from social media*



Q43d: How do you keep updated on current events?
Base: All respondents (n=1100)

*Net of those selecting Facebook, Twitter, Instagram or TikTok as a news source

Nearly three quarters of young investors get their news from social media

	Total	18 to 34	35 to 44	45 to 54	55 to 64	65+
NET: Social media	44%	72%	72%	39%	25%	11%
Watch the news on live TV	72%	54%	67%	74%	83%	88%
Newspaper	50%	40%	55%	49%	47%	61%
Read headlines on my phone	32%	25%	24%	39%	37%	37%
Facebook	31%	51%	51%	26%	16%	9%
Twitter	24%	41%	38%	20%	13%	4%
Watch the news catch on up TV	21%	27%	34%	18%	18%	10%
Instagram	20%	41%	39%	12%	6%	1%
TikTok	12%	27%	18%	6%	3%	0%

Q43d: How do you keep updated on current events?
Base: Total (n=1100); 18-34 (283), 35-44 (178), 45-54 (198), 55-64 (228), 65+ (218)

Younger investors are more likely to feel there is too much going on in the world, leaving them numb to news

They are more likely to read the headlines but leave the detail

	Total	18 to 34	35 to 44	45 to 54	55 to 64	65+
I am aware of what's going on but I try not to get too immersed in it all	59%	63%	66%	53%	61%	52%
Watching/reading the news is depressing	58%	60%	54%	58%	60%	55%
There is just too much going on in the world to keep up	51%	66%	62%	48%	43%	32%
All the constant crises over the past few years have left me numb to it all	49%	66%	58%	43%	41%	33%
I read the headlines but don't dig into the detail	42%	55%	51%	37%	36%	26%
I don't trust the news	37%	51%	44%	36%	28%	24%
I am happier when I don't keep up with the news	36%	56%	42%	34%	28%	17%
I actively avoid the news	25%	45%	35%	19%	13%	10%

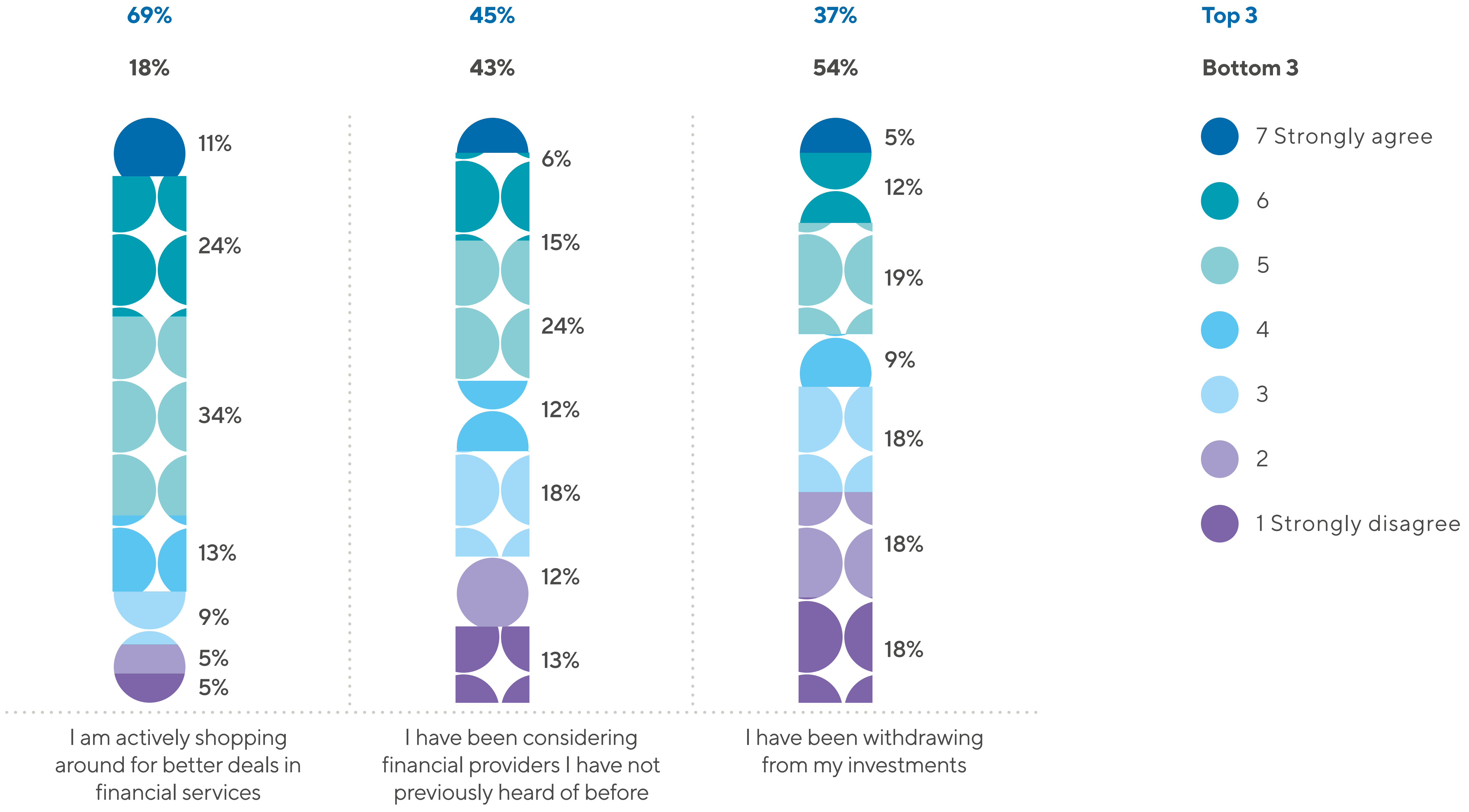
Q43e: How strongly do you agree or disagree with the following statements about the news cycle? Showing top 3 box agree
Base: All respondents (n=1100)

Young investors, changing priorities

Young investors, changing priorities

In the current environment of uncertainty and, for many, hardship, investors have found themselves shopping around for the best financial deals. This is most evident in young investors; 81% are shopping around and 67% are considering financial providers they had not previously heard of (vs. 53% and 22% respectively for 65+). With this shift in behaviour when choosing a provider, come attitude shifts in the major investment goals for young investors. Although many consider purchasing a property to be the ultimate investment, 59% have had to shelve their plans to purchase a property as it is no longer possible during the cost-of-living crisis.

The cost-of-living crisis is driving a high proportion of investors to shop around for better financial deals



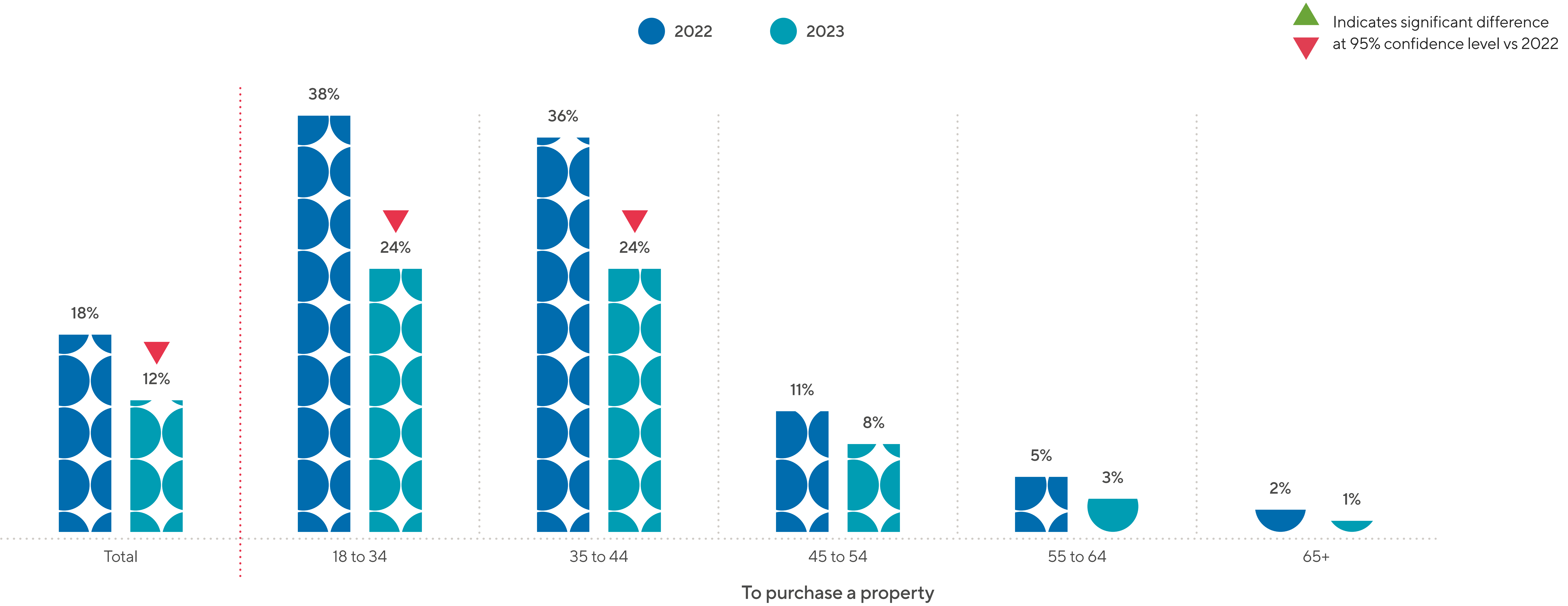
Q7c: As a result of the cost-of-living crisis, how strongly do you agree or disagree with the following?
Base: All respondents (n=1100)

Younger investors are more likely to be shopping around – likely linked to their stronger desire for short term results

	Total	18 to 34	35 to 44	45 to 54	55 to 64	65+
I am actively shopping around for better deals in financial services	69%	81%	79%	69%	60%	53%
I have been considering financial providers I have not previously heard of before	45%	67%	62%	42%	27%	22%
I have been withdrawing from my investments	37%	55%	49%	28%	29%	18%

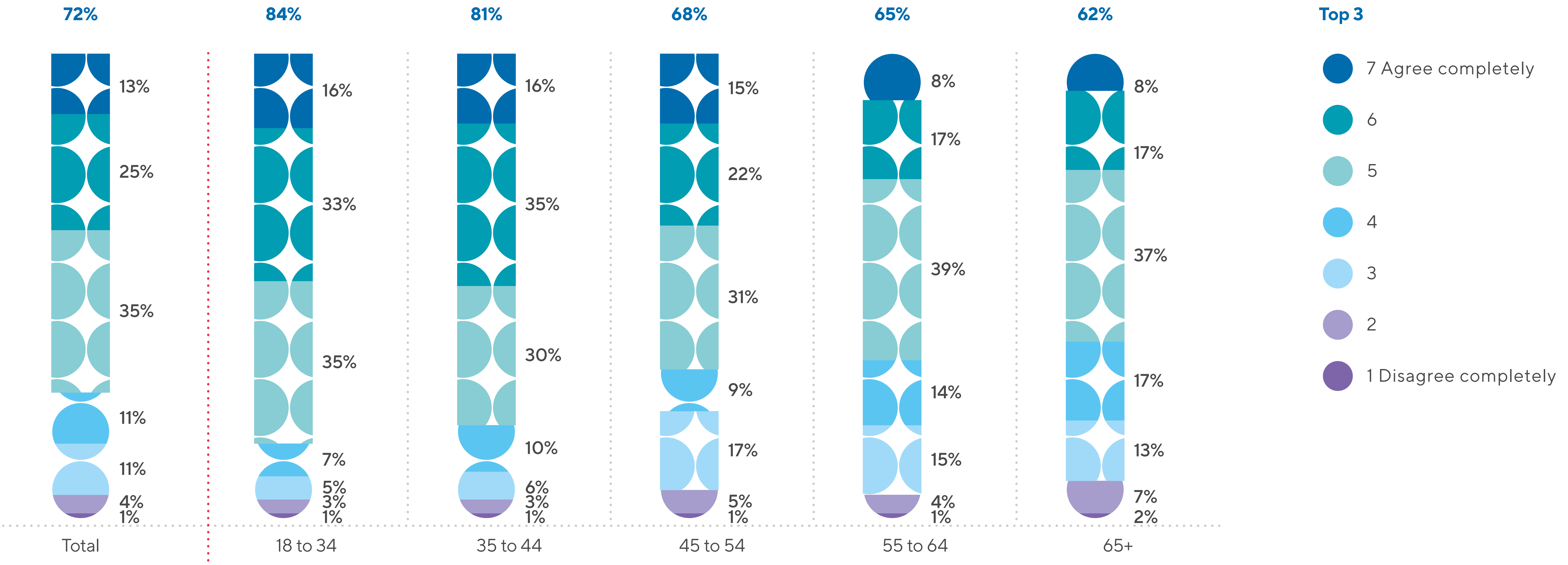
Q7c: As a result of the cost-of-living crisis, how strongly do you agree or disagree with the following? Showing top 3 box agree
Base: All respondents (n=1100); 18-34 (283), 35-44 (178), 45-54 (198), 55-64 (228), 65+ (218)

The number of young investors investing to purchase a property has dropped significantly since 2022



S8: What are you investing for?
Base: All respondents (n=1100); 18-34 (283), 35-44 (178), 45-54 (198), 55-64 (228), 65+ (218)

Even though the majority of investors consider property the ultimate investment



Q23c: How strongly do you agree or disagree with the statement below?
Base: All respondents (n=1100); 18-34 (283), 35-44 (178), 45-54 (198), 55-64 (228), 65+ (218)

59% of young investors have had to shelve their plans to purchase a property due to the cost of living

	Total	18 to 34	35 to 44	45 to 54	55 to 64	65+
Net: Yes, but may be unable to	30%	59%	51%	24%	8%	6%
Yes, I had intended to buy in the last year but wasn't able to	12%	25%	17%	7%	3%	2%
Yes, I had been planning to buy in the next few years but may be unable to	19%	34%	33%	17%	5%	4%
No, I am planning to buy in the next few years	24%	27%	28%	26%	21%	20%
I have no intention of buying a property in the next few years	45%	14%	22%	50%	70%	74%

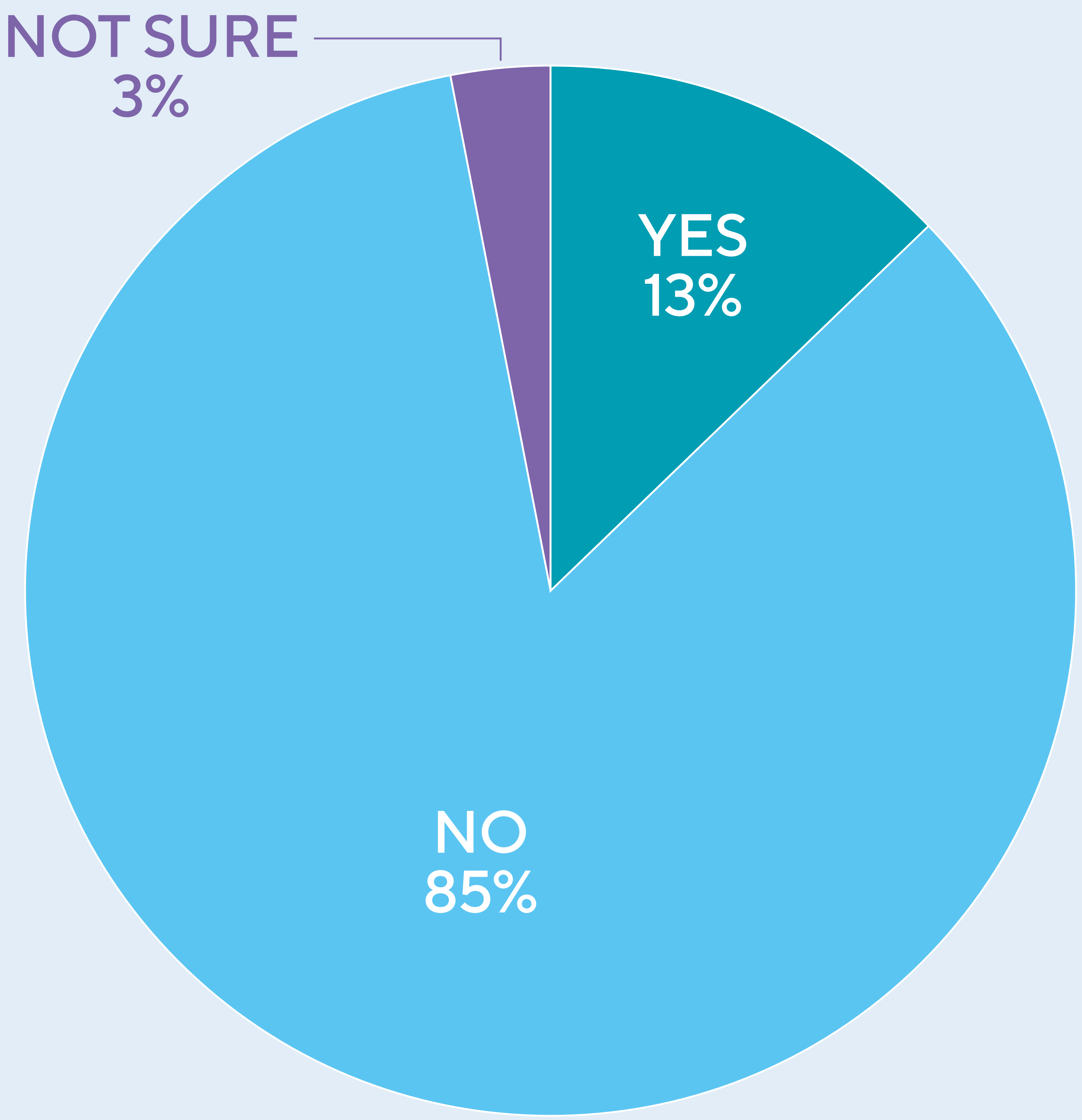
Q23b: Has the cost of living crisis stopped you from being able to buy a property?
Base: All respondents (n=1100); 18-34 (283), 35-44 (178), 45-54 (198), 55-64 (228), 65+ (218)

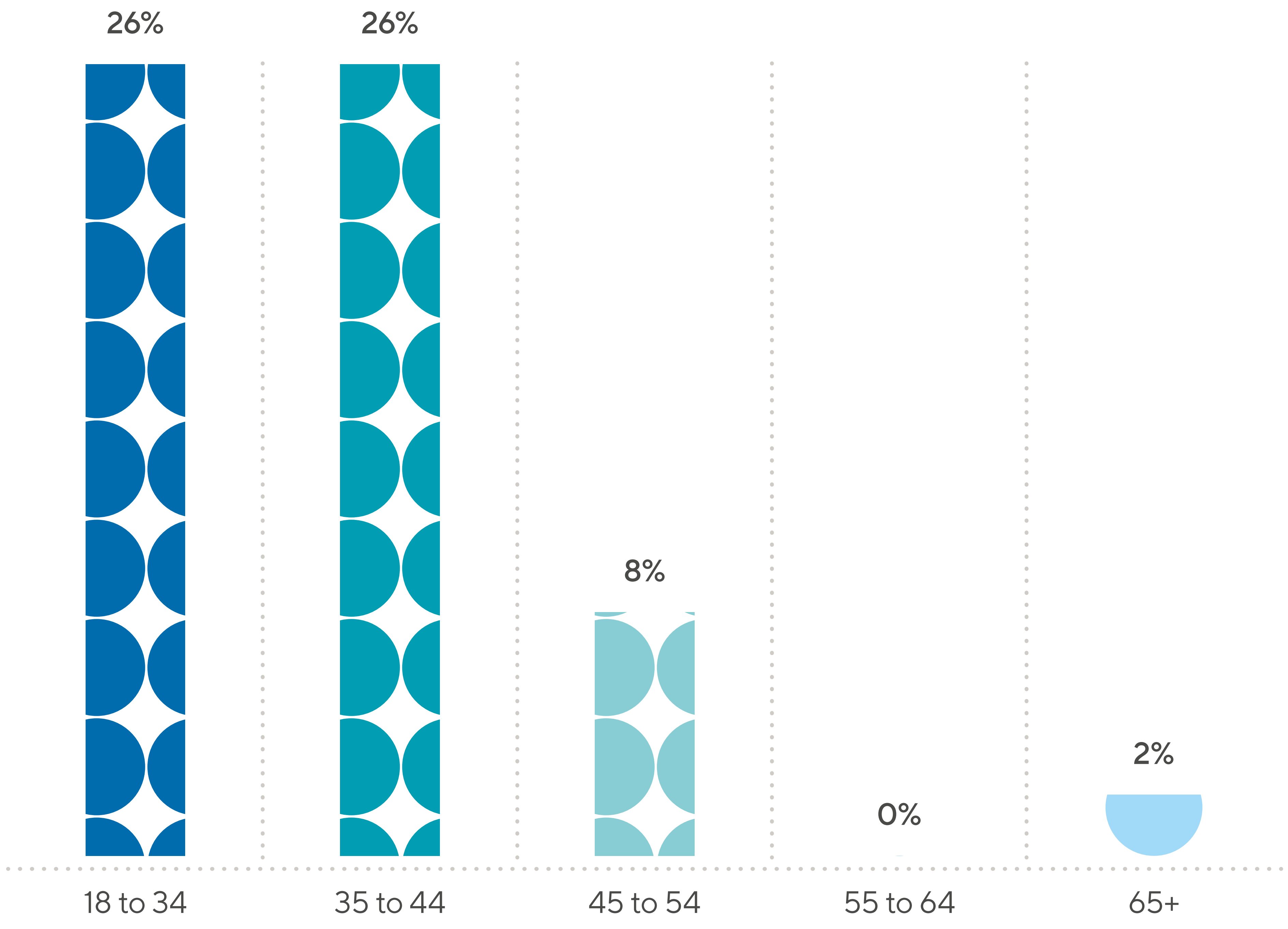
AI investing is the future

AI investing is the future

Unsurprisingly, younger investors tend to show more interest in - and openness to - robo-advice. Around half of all investors see robo-advice as a more accessible and easy way to get started with financial advice. This rises to two thirds when speaking to younger investors, with 58% of 18-34-year-olds and 49% of 35-44-year-olds saying they would prefer robo-advice to a traditional advisor. This digital inclination continues into attitudes towards the future of financial advice. Although 20% have already used AI engines such as ChatGPT for financial advice or guidance, 73% believe AI could give good financial advice either now or in the future. This is driven more heavily by younger investors, though is the majority opinion across the board.

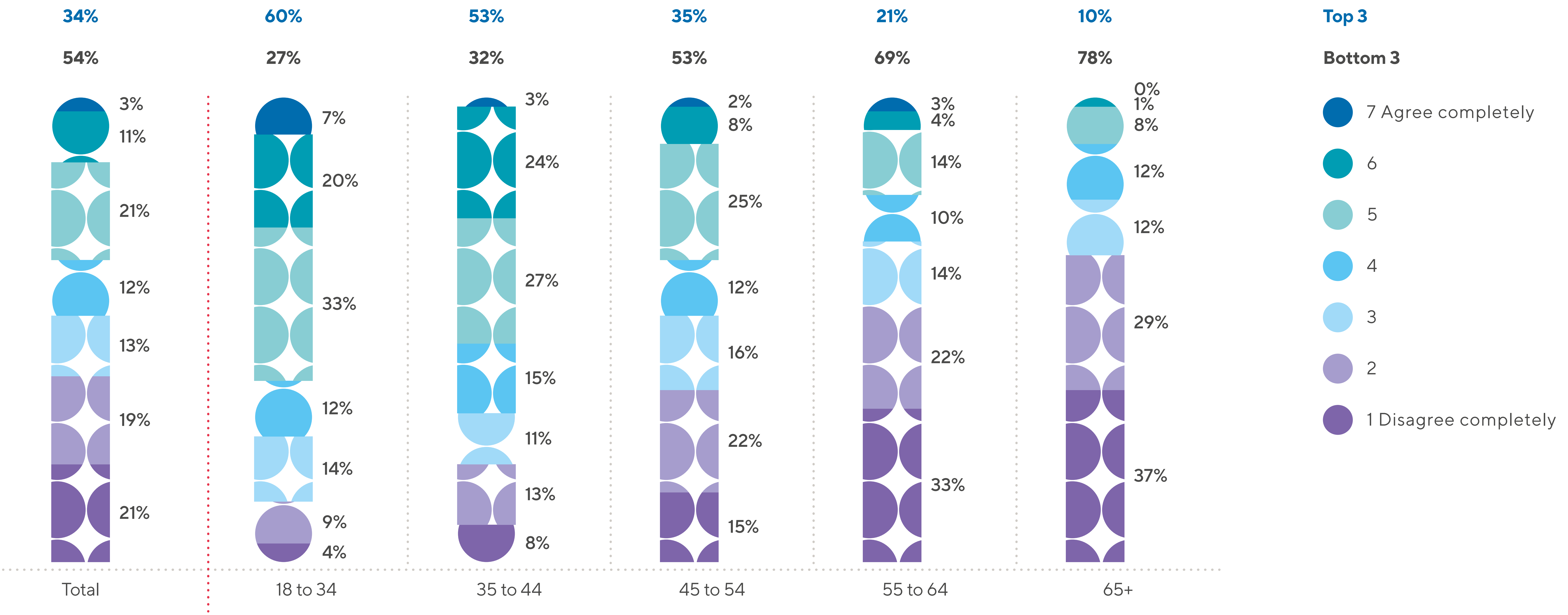
13% have used a Robo-advisor, driven by younger investors





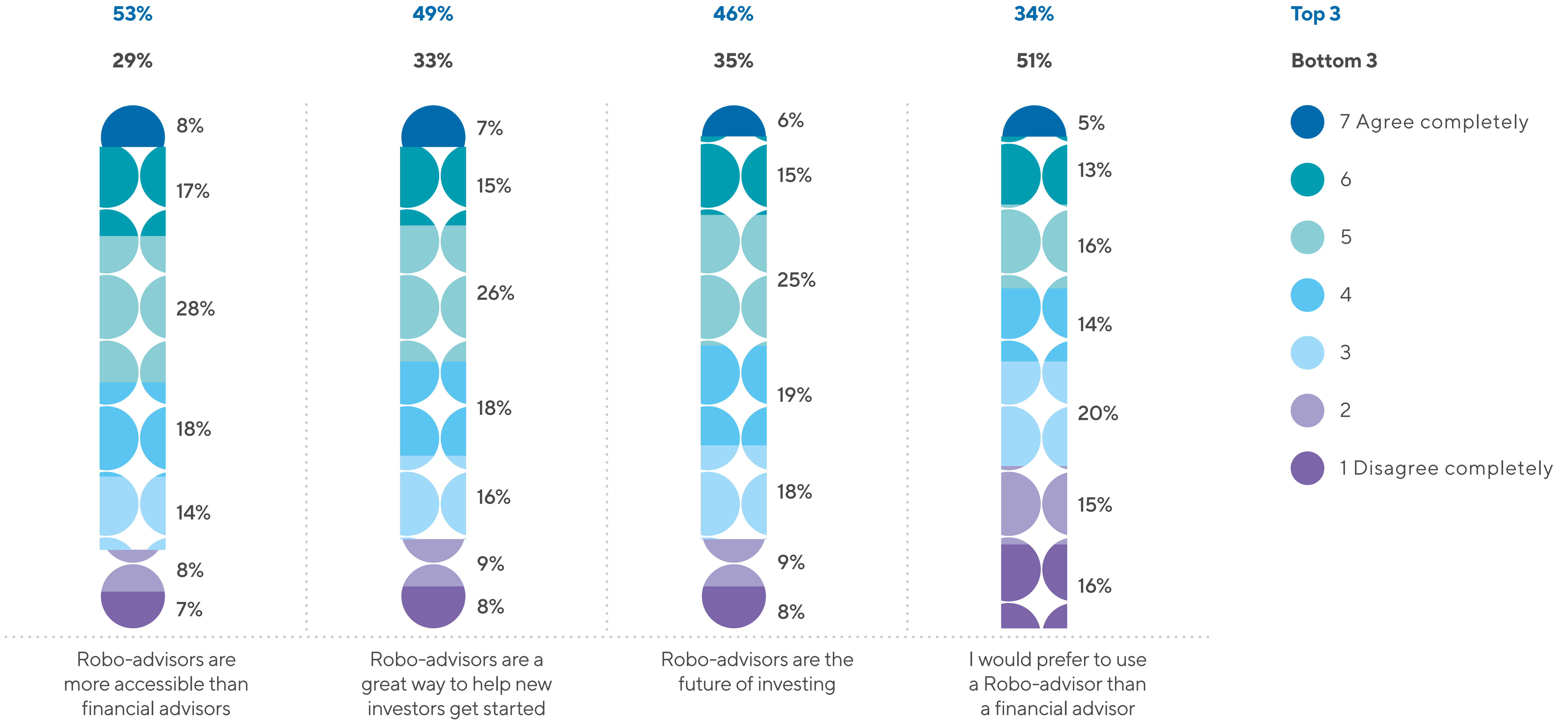
Q40a: Have you ever used a Robo-advisor?
Base: All respondents (n=1100); 18-34 (283), 35-44 (178), 45-54 (198), 55-64 (228), 65+ (218)

Younger investors are generally more open to Robo-advice



Q40b: How likely would you be to use a Robo-advisor?
Base: All respondents (n=1100); 18-34 (283), 35-44 (178), 45-54 (198), 55-64 (228), 65+ (218)

Half of investors agree Robo-advisors are more accessible than financial advisors and a great way to get started



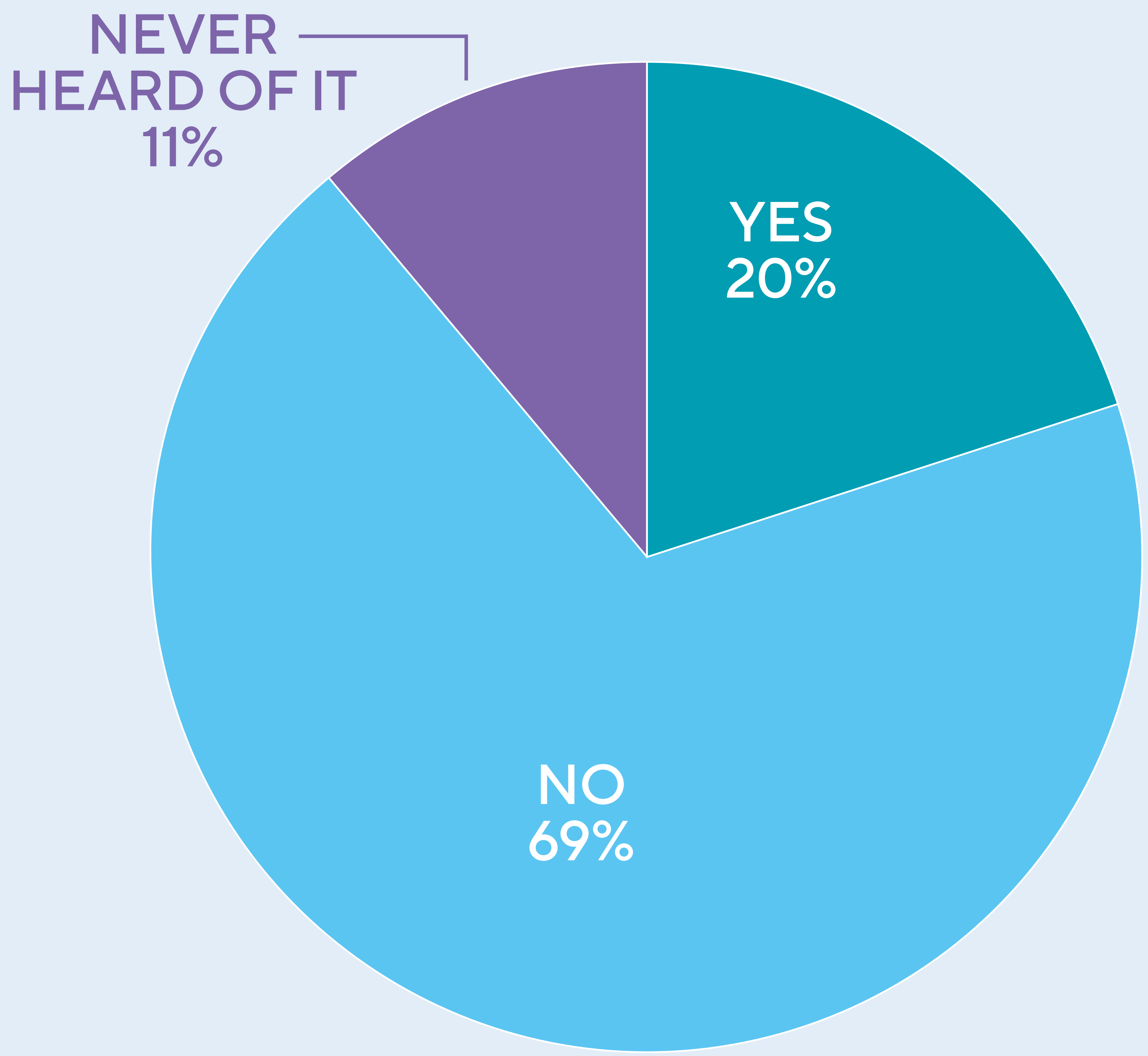
Q40b: How likely would you be to use a Robo-advisor?
Base: All respondents (n=1100); 18-34 (283), 35-44 (178), 45-54 (198), 55-64 (228), 65+ (218)

This rises to two-thirds of young investors

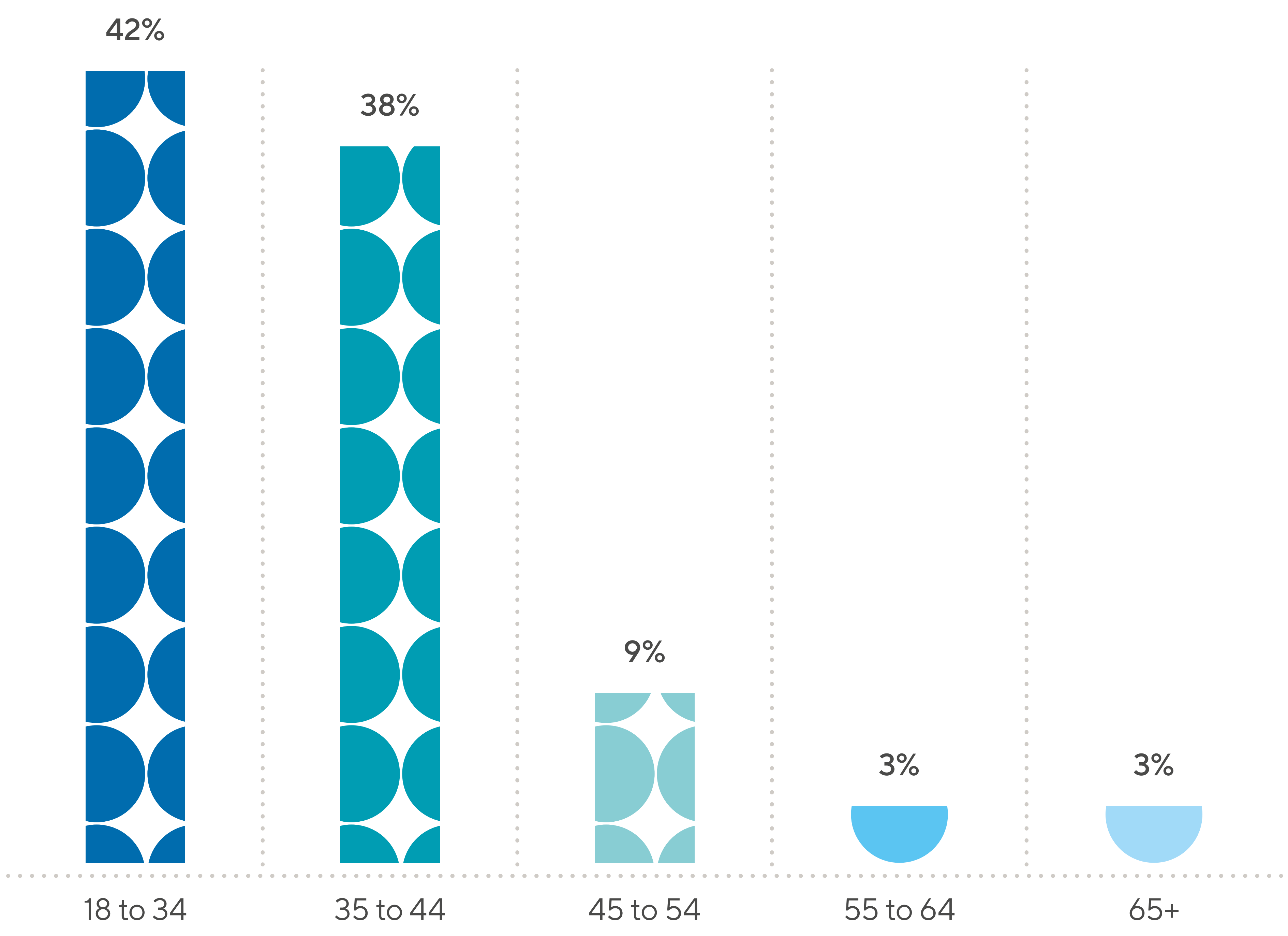
	Total	18 to 34	35 to 44	45 to 54	55 to 64	65+
Robo-advisors are more accessible than financial advisors	53%	67%	67%	54%	39%	37%
Robo-advisors are a great way to help new investors get started	49%	67%	69%	48%	32%	27%
Robo-advisors are the future of investing	46%	66%	61%	42%	33%	22%
I would prefer to use a Robo-advisor than a financial advisor	34%	58%	49%	31%	18%	11%

Q40c: How strongly do you agree or disagree with the following statements? Showing top 3 box agree
Base: All respondents (n=1100); 18-34 (283), 35-44 (178), 45-54 (198), 55-64 (228), 65+ (218)

20% have used ChatGPT for financial advice/information

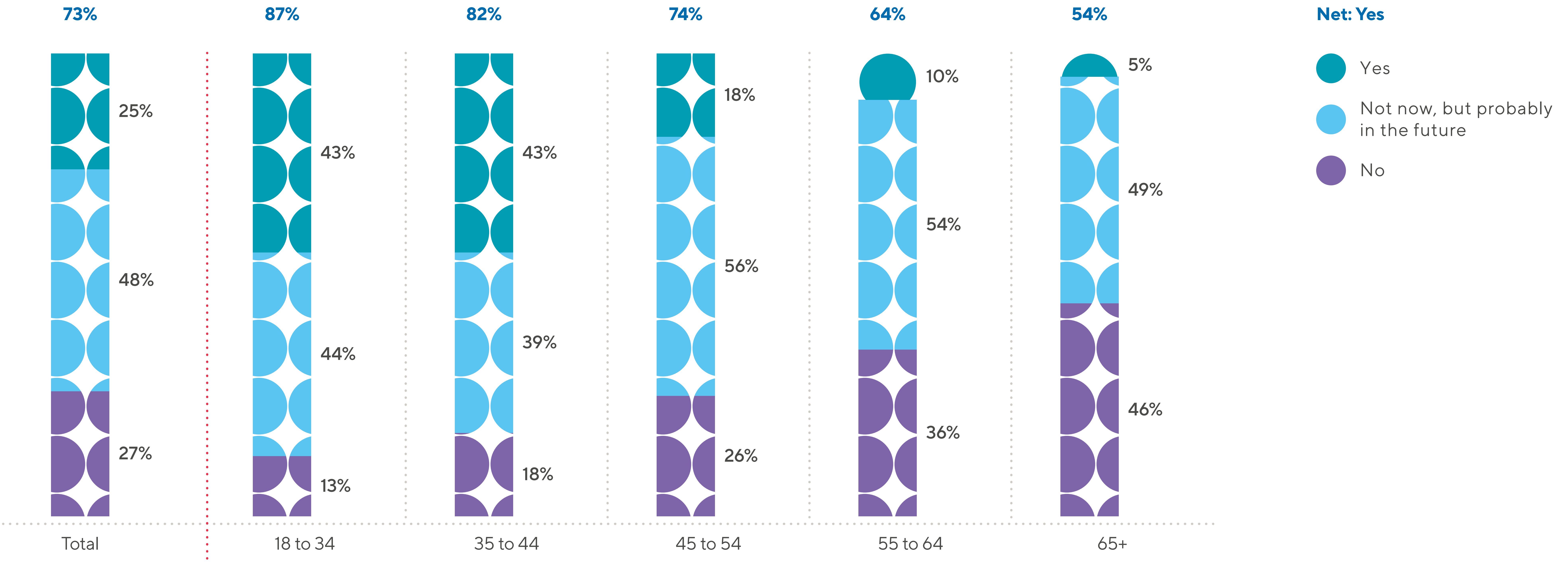


Younger investors are more likely to have used ChatGPT



Q40d: Have you ever used ChatGPT for financial advice/information?
Base: All respondents (n=1100); 18-34 (283), 35-44 (178), 45-54 (198), 55-64 (228), 65+ (218)

Three-quarters of investors think ChatGPT could give reliable financial advice in the future



Q40e: Do you think ChatGPT could provide reliable financial advice?
Base: All respondents (n=1100); 18-34 (283), 35-44 (178), 45-54 (198), 55-64 (228), 65+ (218)

Conclusions and implications

Conclusions

In our last study we concluded that a state of constant crisis was, in fact, ‘The new stability’. Moving into this year, it appears that the feeling of confidence and stability gained through crises has persisted for investors. This confidence is driving this year’s theme, ‘The new selfishness’.

With the experiences of the last few years, investors (especially some younger ones) feel they have gained the necessary experience and knowledge to make good investment decisions themselves. With rising costs and falling household income, they are questioning the need for advice in favour of seeking their own answers through their own research. This uncertain and tumultuous environment is consistently forcing and encouraging investors to be self-reliant and even in some areas, self-centred. This can also be seen in investors shopping around for new investment opportunities and providers, or shifting their priorities away from environmental, social, or ethical concerns when it comes to investment decisions, despite the best intentions and beliefs of many.

It appears that the past few years of crises has created space for this new wave of self-reliant investors, whether by choice or necessity. These investors are now equipped with resilience, knowledge and even numbness to crisis. They are ready to re-evaluate advice as we know it and prepared to look further for new providers and products that can serve their interests best. All the while looking to a digital future, where Robo-advice and AI are king.

Implications

With investors, particularly younger ones, looking to try providers they don't know to find the products and services that will answer their needs, providers should continue to invest in brand. Name awareness alone will not engage curious investors in a relatable, relevant way and provider organisations need to be understood before they are trusted sufficiently for trial. Brand investment goes beyond paid comms into every touchpoint and a provider's web environment – their shop window – is increasingly important for those relying on a digital experience to assist their choices.

In more 'top-of-funnel' comms activity, providers should consider going beyond the newly-sharpened regulatory imperative (Consumer Duty). They must demonstrate a customer-centric experience that delivers improved outcomes from familiar scenarios.

Depending on their status, providers that are able to, should develop digital/Robo/guidance tools and vehicles that are lower cost and able to add the value that (especially young) investors feel can assist them, without the prohibitive costs of more conventional face-to-face advice.

With preferences moving towards Robo-advice, especially for younger investors, the importance of good UX and digital service appears to be paramount.

Sampling and methodology

Methodology

The idea for the AML/Nursery Investor Index was born in February 2020, shortly after the WHO declared Covid-19 a 'global emergency'.

For this, the fourth year of the study, we wanted to begin by exploring what life is like for some investors and understand their motivations.

- We started with an initial triad of three investor interviewees: Rachael aged 29, Daniel aged 32 and Steve aged 40.
- This was held on 29 March 2023.

Information from these interviews informed the full-scale survey.

Fieldwork details

- 14 April – 2 May
- Recruited from Dynata online panel
- 15 minute survey
- 1100 respondents

Sample definition

- Investors with over £10,000 invested
- Quotas set on age/gender to mirror previous years

THE INVESTOR INDEX

Thank you

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the nursery AML