



Nucleus calls on advisers to adopt robo-advice in order to incubate future clients

Advisory firms need to do more to explore robo-advice opportunities to help incubate the clients of the future, says Nucleus's business development director Barry Neilson.

Although 88% of advisers believe there is an advice gap, with 55% describing it as 'huge', the majority do not yet see robo-advice as the solution with only 28% seeing the proposition as an opportunity for their business, according to results from the wrap's 2016 census, which surveyed around 200 of its users. The majority of Nucleus users (53%) are neutral about the threat or opportunity of robo-advice.

In addition, nearly 85% of advisers polled in the census, which will be published in full next week – said they are not considering alternatives to face-to-face advice which reflects the broader adviser industry view that advice propositions will largely stay the same. That said, 15% are actively looking at alternative models to face-to-face advice to help address the advice gap and actively address any potential threat from robo-advice.

Nucleus surveys its adviser users every year for its census, which is designed to provide a definitive record of Nucleus users as they progress each year. The census asks a series of questions about advisers' businesses, clients, and their views on the industry and future to gauge how they are progressing and what keeps them up at night.

Neilson believes that robo-advice presents a huge opportunity for advisers to build their future client books, especially the younger generation who are more digitally engaged but might not be currently profitable as face-to-face clients.

'While face-to-face advice remains an appropriate way for advisers to serve current clients who require a personal service to help them with their complex requirements, robo-advice provides an opportunity for firms to build a strong long-term client book.

'The clients that may today be considered low value and therefore best suited to robo-advice are likely to require more help with their financial planning needs in the future. Rather than dismissing these potential clients completely and losing them to competitors, it makes sense to start building a relationship with this segment now and increase the services offered to them as they face increasingly complex decisions through their lives.'

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About Nucleus

Nucleus is a wrap platform founded in 2006 by advisers committed to altering the balance of power in the industry by putting the client centre stage.

Since then, Nucleus has established itself as a major force for change. It is now one of the UK's fastest-growing platforms and the meeting point for more than 900 adviser firms in total seeking to create better customer outcomes.

As at 30th April 2016, assets under administration on the platform were £9.7bn.

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