
Press information

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Adviser appetite for acquisitions remains strong, Nucleus survey finds

The appetite for adviser business owners to acquire fellow rivals remains strong, with 42% saying they would be interested in buying another advice firm, according to the latest survey from adviser-built wrap platform Nucleus.

However, while the number of firms looking to buy has increased, up from 37% last year, fewer (35%) are interested in selling (within the next five years) and 30% have no considerations to sell their business.

Of those looking to sell, another advisory firm is the preferred route for nearly half of responders. The lure of a large consolidator looks less appealing, dropping to only 4% from 13% last year, with acquisition by a product provider looking similarly unattractive, with only 1% considering this route.

There has been a significant increase in those business owners with a succession plan in place, up to 42% from only 25% last year. However, still over half of owners don't have a plan. Despite the slight increase in the age of responders this year, retirement still feels a long time away for many business owners, with 10% seeing this as an immediate concern or challenge.

Nucleus surveys its users every year for its census, which is designed to both engage with its users and ensure the platform is delivering what its clients need. Asking a series of questions about advisers' businesses, clients, and their views on the industry, the census helps advisers gauge their own progress, as well as tackle issues which might be keeping them up at night.

Barry Neilson, chief customer officer at Nucleus, said: "Succession planning and M&A activity is something every advice firm needs to consider. Having a plan in place is vitally important, even if it is 10 or 20 years off, as unexpected decisions can come thick and fast and put a big strain on capacity if not prepared for.

"The challenge of succession is to ensure a smooth transition for staff and clients, minimising disruption and risk, all the while addressing the entirely reasonable financial interests of the founder – something that can be a tricky balancing act.

"It is clear advisers have, therefore, been put off by some of the stories of acquisitions by large consolidators. Many are discovering that a sale to a like-minded firm is the most likely way to ensure a consistent experience for clients. Some advisers may fear that the years of trust and loyalty built with these clients could be eroded quickly by a sale to a large consolidator.

"By having a properly planned and professionally executed sale or transition, it's entirely possible for advisers to realise their succession plan and come away satisfied that they found the best balance possible and that their loyal clients are in safe hands."

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For further information please visit www.nucleusfinancial.com or contact:

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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 400 adviser firms in total seeking to create better customer outcomes.

As at 31 March 2018, assets under administration on the platform were £13.9bn.

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