Schroders Personal Wealth launches new proposition to help address UK protection gap

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Schroders Personal Wealth (SPW) is introducing a new proposition to tackle the £2.4 trillion protection gap¹ in the UK and address a growing societal need.

To help close the protection shortfall in the UK SPW will not be taking commission on any protection advice from clients when discussing wider financial planning, resulting in a saving for clients.

The new proposition is based on SPW’s established existing relationships with Scottish Widows and Legal & General, providing life insurance, critical illness, income protection and whole of life.

Impact of Covid-19

2020 was an extremely challenging year, the coronavirus pandemic meant that some people’s lives were turned upside down. Recent research² from SPW shows that whilst only 28% of UK adults currently have some form of personal protection insurance, COVID-19 has changed people’s attitudes towards it somewhat.

3 in 10 (29%) of those currently living without personal protection insurance say that the pandemic has made them more likely to consider protection, rising substantially to 1 in 2 people (53%) among those who earn over £50,000 per year.

Lack of knowledge

The research also showed that unsurprisingly life insurance proves to be the most popular form of personal protection insurance, with one quarter of UK adults (24%) already owning it. This figure drops quite significantly for critical illness insurance and income protection, which are only owned by 10% and 7% respectively.

Amongst those without personal protection, a fifth (19%) said that they don’t have enough knowledge about it, the same proportion of people as those who feel they do not need it.

¹ Swiss Re Term and Health Watch Report, 2012
² Schroders Personal Wealth Opinium Report, February 2021
Mark Duckworth, Chief Executive Officer at Schroders Personal Wealth said:

“At Schroders Personal Wealth, our purpose is to build financial plans that aim to help people achieve their dreams.

Having the right protection in place is the cornerstone of a holistic financial plan and a client need that we believe is currently under-served. There is a huge gap in the UK protection market and as an industry we should be doing more to help educate and engage consumers in this space.

Our new proposition provides affordable personal protection as part of a holistic plan and helps us to achieve our vision of delivering more advice to more people, whilst addressing a growing societal need.”

Ends

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Notes to Editors

The value of investments and the income from them can fall as well as rise and are not guaranteed. The investor might not get back their initial investment.

Schroders Personal Wealth is a joint venture between Lloyds Banking Group and Schroders – two of the UK’s largest names in banking and asset management.

We were created to help more people across the UK benefit from financial advice. We have the advantage of solid foundations and a strong heritage. But we take a fresh, transparent and personal approach to financial planning.

We aim to provide clients with clarity and transparency in everything we do. This includes using technology to explain how long-term financial planning can add value to people's lives; to give people access to information about their financial wellbeing; and to communicate with their adviser when it's convenient for the client. Our heritage may be 400 years old, but our approach is built for the future.

For more information visit https://www.spw.com/
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