

Schroders personalwealth

Nearly half of UK consumers are concerned about their finances according to research by Schroders Personal Wealth.

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Nearly half (49%) of UK consumers are concerned about their finances, with 57% saying the worry affects them mentally, according to new research from Schroders Personal Wealth (SPW).

The research¹ which surveyed 1,000 UK adults, also discovered that 2022 is the year that people want to improve their money issues, with 73% stating that sorting out their finances is a priority for this year.

The good news is that those surveyed seem to understand the value of a financial plan with more than half (54%) stating that it is likely that they will rely on a plan to manage their finances. And with 49% claiming that they're likely to seek help from a financial adviser, it seems that 2022 really could be the year that UK consumers take control of their finances.

Despite this, there still seems to be confusion when it comes to the support that financial advisers can provide, with a fifth (20%) of those surveyed stating it is unlikely they will make a financial plan this year.

Here are the top reasons UK consumers gave for not making a financial plan, and why Schroders Personal Wealth believe they should.

1. "I don't need help with my finances"

At 45% this was the most common reason given for not considering a financial plan.

For some people, this statement may be true. But for any many others, the expertise of a financial adviser could help you make the most of your savings and investments.

Finances can often be complicated and there's lots to consider when it comes to potentially achieving your long-term goals. Markets can be volatile and it can be overwhelming when considering the risks versus the rewards of investments. A good financial adviser can help to steer you in the right direction and could be an investment which is potentially paid back many times over.

¹ We surveyed 1,000 UK consumers aged between 35-99 from 15th to 20th December

2. “I wouldn’t know where to start”

15% of people surveyed said that they wouldn’t know where to start when it came to getting a financial plan. This isn’t surprising. As a nation, we don’t always like talking about money. Our finances are often seen as complex, personal and something that shouldn’t be shared - particularly when we’re facing financial hardship. Money is often viewed as one of the last taboos, however we can all have a part to play in normalising the conversation about our finances.

The research found that 25% view financial advisers as helpful and this is exactly what they are there for. Whether you have money that you’d like to invest or you want reassurance that you’re saving enough to retire comfortably, a financial adviser could support you throughout your financial journey.

3. “It would cost too much”

Financial advice isn’t just for the wealthy, yet 13% of UK consumers assume that financial advice is too expensive.

This isn’t always the case though. Many financial advisers offer a free initial consultation, which can involve identifying what your financial needs are and understanding where you need help.

For example at Schroders Personal Wealth, our advisers prepare and present a financial plan before you’re required to make a financial commitment. There are no hidden fees or charges, and you’ll only pay if you choose to go ahead with the recommendations in your personalised financial plan.

4. “I don’t understand what the benefits of a financial plan are”

Finally, 13% of UK consumers stated that they were unsure of why they should look to create a financial plan.

Amongst the benefits, a plan could help reduce the stress of managing finances and could offer valuable peace of mind. The first step of a financial plan is to detail expenses and savings, and with nearly a fifth of those surveyed (18%) telling us that their main new year’s resolution when it comes to their finances is to become debt free, closely followed by 16% wanting to reduce their outgoings, a plan could be a great start to achieving these goals in 2022.

Leigh Dunkley, Financial Wellbeing Lead at Schroders Personal Wealth said:

“it’s worrying that 49% of those surveyed are concerned about their finances and for 57% this has a negative effect on their mental health. Unsurprisingly, COVID-19 has also played a part

in increasing money worries with 54% of people telling us they want to save more as a result of the pandemic,

This is where a financial plan could help. Understanding what's important to you, your current situation, and your long-term goals form the foundation of a good financial plan.

Whether you engage with your finances on your own or seek support from a professional, we believe that the underlying process is the same. The end result of a financial plan could positively affect your overall wellbeing which is something everyone can aim to achieve.”

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Notes to Editors

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 peoples' 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>

About the Research

We surveyed 1,000 UK consumers aged between 35-99 from 15th to 20th December.