



Teamspirit

The New Adviser

How the TikTok generation are changing the rule book





Intro

The times they are a-changin'. According to findings in a recent Deloitte report, 25% of young people (18–24-year-olds) now turn to social media for financial advice.¹ Seriously. At the same time, the FCA has revealed that the retail IFA market has shrunk by 7% since 2022.

Mmm. What to do?

This report is for those interested in, and responsible for, communicating about investments. In it we explore what's going on in the advice marketplace, and the worrying phenomenon of the younger generations' faith in often unregulated, socially-led financial advice.

Then we turn the tables, to look at some great examples of how to reach this audience well on social platforms, in particular TikTok, YouTube and Instagram. Creating a hypothetical and deliberately cutting-edge persona of

the new adviser, we go on to define the secret sauce of success, by defining the Top Ten Tactics for the New Adviser.

As a specialist financial services focused agency, we know that 75% of younger people recognise the value of securing financial advice, yet 35% aren't quite sure where they should start looking for financial advice.² Advisers need to find new ways to ensure consumers get the help that they want, at a time that they need it and at a cost that is affordable. Before they are forced into it by regulation.³

We take the responsibility of transforming the world of finance, including the adviser and investor, for the better.

Here's our latest thinking on the New Adviser.

1 Current context

The changing of the guard

Financial advice, as an industry, has been working to bridge the gap between expert financial knowledge and the general public since the 18th century.

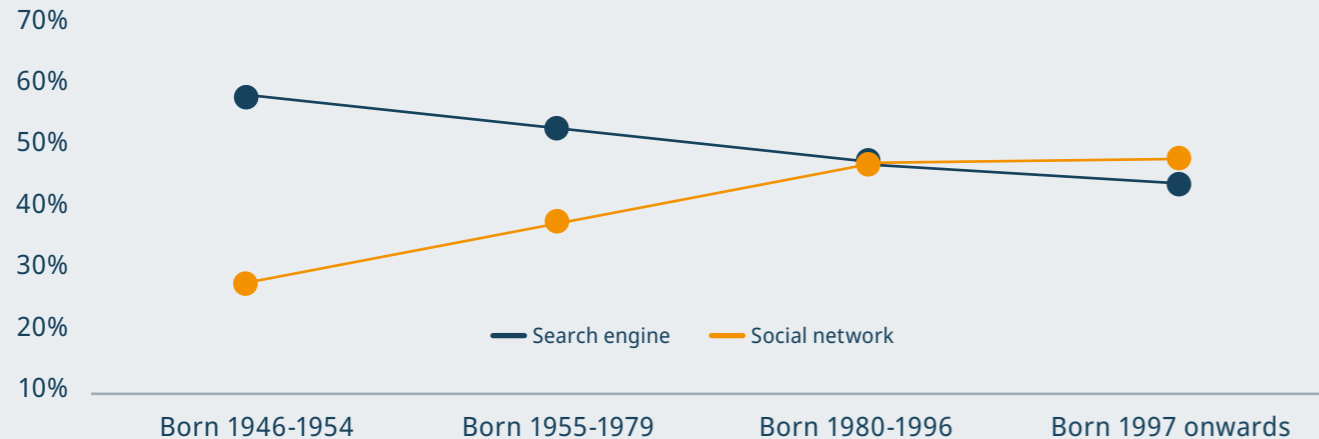
However, despite 72% of people believing that receiving financial advice is important,⁴ only 9% of adults actively receive financial advice from an adviser.⁵

Largely, it seems, because people don't see the benefit.

44% of people who do not use a financial adviser, have said that it is due to a lack of understanding of what an adviser can offer them.⁶

Instead, they turn to other sources.

Where do you go for information about what to buy?



Source: WARC Consumer Trends 2023

Nearly
80%

of Millennials and Gen Z get their financial advice from social media.¹³

For a younger generation, Social networks are already replacing Search as their main sources of information for buying decisions. And Social is playing a crucial role in financial advice, as well.

Savanta found just 20% of Gen Z would use a financial adviser – whereas 47% would first go to a family member and 41% said social media was their first choice.⁷

The FCA reports that 62% of those aged 18–29 follow influencers online, and 74% say they trust their advice.⁸ And it's not all Reddit threads and #FinTok hype.

While trends like Loud Budgeting are grabbing headlines,⁹ in the past year alone, there has been almost a 50% increase in engagement in finance, investment and retirement topics on LinkedIn.¹⁰

But, without considered professional advice, this information explosion puts people at risk.

The FCA found that 58% of under-40s who have invested in high-risk investment products, say their decision was based on hype on social media and the news.¹¹

There's clearly an appetite for advice and guidance among this younger audience, who are set to be on the receiving end of the Great Wealth Transfer.

A wealth transfer worth £5.5 trillion of assets between now and 2050, and an estimated £1 trillion during the 2020s in the UK.¹²

But, in order to attract that business, advisers need to compete with a lot of noise to stand out and prove their value.

43%
of Gen Z

believe they can source good financial advice on social media.¹⁴

2 Social exemplars worth following

In among a lot of dross, are some terrific examples of how to use the social media platforms at their best. In this section we look at some brands that are using relatability, simple language, personality, humour and edutainment to reach the younger audience on their terms while avoiding the hard sell.

We have also looked at some of the most successful influencers who show how purpose, down-to-earth language and simple messaging have won them hundreds and thousands, if not millions, of followers. Making them hugely successful and influential.



Relatability Scottish Widows engages influencers

Exploring engagement on TikTok, Scottish Widows has engaged various young social media posters (influencers) in order to reach their peers. And earlier this year, some of their user-generated content received an impressive 175,000 link clicks, 52,000 likes and over 1,000 shares. Hearing financial advice from people their own age, with similar experiences, can help strengthen connections and get useful information across in a way that's understandable and relatable.



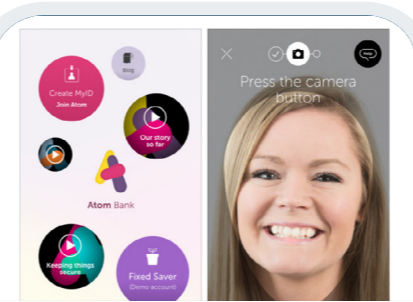
Personality Quirk breathes life into boring money

'Come for the rants on capitalism, stay for the expert money tips.' From the outset it's clear that Quirk, the personality-based money management app, is speaking the language of a generation. In fact, it explicitly calls out on its site that, 'we want to help our generation take control of our money'. Simple in design, and in how it speaks, content encourages you to discover your true money self through a quiz, and educates from basics to beyond. Showing how to sprinkle in a bit of pizzazz and relatability in a way that captures the right audience at the right time.



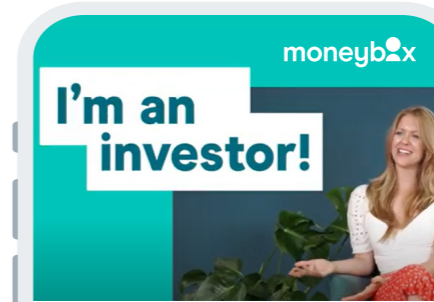
Effective earworm Pension attention through grime

The ABI and PLSA, two industry pension bodies in the UK, enlisted the help of grime artist Big Zuu to encourage the nation to pay their pensions some attention. Written and recorded in just 24 hours, the resulting rap landed the message loud and clear. Catchy and poignant, the main music video was also supported by behind-the-scenes content, as well as a bold visual style that complemented the campaign. But, of course, we would say that – this is one of ours, so we may be a wee bit biased.



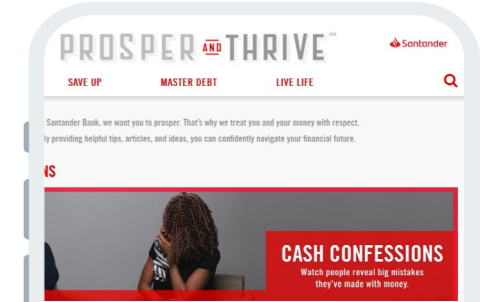
Humour Atom Bank speaks frankly

Atom Bank ran a campaign all around 'a bank that works for you'. And while the messaging took aim at the whole banking industry, there were some executions aimed directly at Millennials. Whether they touched on the use of emojis or the reality of buying a house for this generation, they were simple, fun and relatable. It's this relatability factor that comes up time and again when it comes to speaking to younger audiences, as well as the use of humour to really land those important messages.



Simple Stories Moneybox

Moneybox wanted to connect with its audience, especially those who needed a bit of confidence and encouragement to get started with their pensions and savings. Of course, this means a younger audience overall. To do that, it created a series of videos that laid out the information simply. But as well as having a financial expert explain things plainly, inviting its customers to tell their stories helped too. This variety of voices can be both relatable and it mixes things up a bit, so it's not just the face of a business talking all the time.



Targeted Edutainment Santander's Millennial hub

Prosper and Thrive is a content hub dedicated to Millennials. And while we know targeting advertising can work, Santander wanted its content to be relatable too. So when Millennials landed, they knew it was for them. With videos, advice, ideas and entertainment, Prosper and Thrive is an online magazine of sorts that is clear in its goal and design. This award-winning hub attracted more than 1 million readers in its first year, along with 200,000 interactions and over 1,000 email sign-ups.

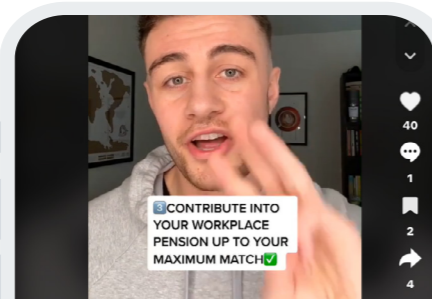
Notable Finfluencers

Dubbed 'finfluencers', financial influencers of all ages and backgrounds are using the power of their personalities and shareable content to provide information to a vast young audience. Whether creating off-the-cuff recordings on a phone or a well-crafted podcast episode, their voices are increasingly powerful. With reach and engagement figures worth coveting. Let's get to know a few.



Mr Moneyjar

Timi Merriman-Johnson (@mrmoneyjar) is an award-winning, qualified UK financial adviser who uses short, snackable videos to simplify an array of common and complex financial topics such as inflation, income tax and index funds. Instagram is his most successful platform, where he's amassed 55,300 followers due to the combination of educational content and multiple formats such as talking heads videos, expert interviews and carousels.



Dantalksmoney

With online users typically scanning webpages, making content digestible is crucial. Dan Martin is an example of an IFA adviser who 'stops thumbs' and educates through list-based tips, numbered points and checklists. Memes and parodies also help him deliver important messages while using humour and relatability. Understandable and fun, these elements can make for really effective content.



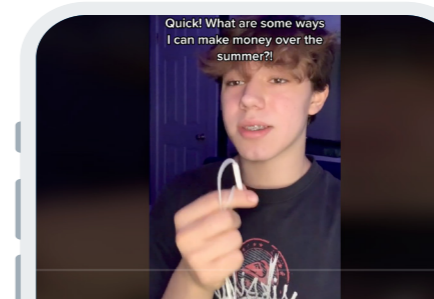
Claer Barrett

Claer Barrett is an award-winning journalist, who presents the FT's Money Clinic podcast and Business Clinic video series, and writes the weekly Serious Money column. Helping listeners resolve their real-life financial dilemmas, she is a money agony aunt for Millennials. Her book, What They Don't Teach You About Money, debunks the myths that keep us stuck in financial paralysis, and was an instant Top Ten Bestseller, Sunday Times, 2023.



Sahirens Pierce

Sahirens Pierce creates Poised content to help Millennial women balance their finances and lifestyle. As a Dominican-American of immigrant parents, her real-life financial ups and downs have shaped her desire to create a lifestyle that isn't run by finances. With a background in finance with Merrill Lynch, MetLife and Ameriprise, she's been driven to make sure women have the financial tools and resources necessary to succeed with poise. Writing across financial services and lifestyle, Sahirens mixes up blogs, shorts, videos and recipes to serve her 800,000 followers.



Spencer Hawk

US-based TikToker Spencer Hawk is a personal finance expert who has amassed a following of nearly 500,000 on TikTok. Sharing short videos on single topics, he uses pop culture reference points, from music to teenspeak, to talk about teen finance topics, including how to make money as a teenager, tips for saving money, and how to start building credit as a teen.



Rachel Cruze

Rachel Cruze is an American author and social giant, with over 142,000 followers on Twitter, 330,000+ followers on Facebook, 326,000 followers on Instagram and 199,000 YouTube subscribers. Dedicated to helping people become better money managers, she combines personality, humour and straight talking to make finance more engaging.

3 Looking ahead

Demographic shifts

Globally, according to the latest Bank of America Global Research report, women's wealth was expected to reach \$93 trillion by end 2023 – up \$16 trillion since 2020.¹⁶

And the majority of women are turning to social media for guidance in the search for financial advice and to improve their financial confidence.

Over three quarters (77%) said YouTube videos are an effective form of education, followed by Instagram (64%) and TikTok (62%).

In the UK, 69% of women find TikTok to be an effective source of financial information.¹⁷

With greater support (ie quality content) from the industry, this use of social media could also help to close the gender investment gap, which rose by £54 billion to £567 billion from January 2023 to January 2024, according to research by Boring Money.¹⁸

Regulating quality

The FCA is trying to make it easier for advisers to provide quality information to more people in this new landscape, even citing the risks of consumer harm from increased access through social media and digital technology, and poor self-directed choices especially around pensions.¹⁹

On the near hills there will be opportunities for both guidance at scale, thanks to technology and digital choice architecture guiding people through their options, as well as the ability to make personalised professional advice more accessible through more channels.

The FCA's review of the advice/guidance boundary could help firms to provide more opinionated support, alongside targeted support, which will make it easier to serve relevant information to prospective client segments. All of which could serve as a staircase into either simplified advice or fully personalised advice on a one-to-one basis.

But advisers need to tread carefully.

The FCA's vigilance of finfluencers has intensified, with some financial promotions possibly being deemed criminal offences, if found to violate regulatory guidelines.

As of December 2023, the FCA has taken stringent action, removing over 10,000 potentially misleading ads and issuing 2,243 warnings regarding unauthorised firms and individuals.²⁰

Technology/AI enablement

The other looming threat to advisers is everyone's favourite buzzword: AI.

One of the main appeals of finfluencers, is that they're able to transform what is perceived to be complex financial information into accessible social media content.

AI will be able to do that on steroids, either as an adviser assistant or an outsourced chatbot.

While advisers have the edge over finfluencers – because the information they provide can be tailored, and comes with assurances of quality, professional competency and duty of care – an AI trained on the right data sources will also be able to personalise recommendations within clear frameworks.

And people are open to it. 69% of UK investors are comfortable with AI being used in the investment decision-making process. That breaks down as 54% of participants are willing to take financial advice from a combination of human beings and AI, and 15% who are comfortable with their investments being fully driven by AI.²¹

Even 19% of advisers say AI will replace much of the work done by human advisers.²²

Which makes that ability to engage and connect with your audience even more important.

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A day in the life of the New Adviser

While no two days are the same, an adviser's day is typically split between five kinds of activity:

Here's how each of those will evolve:

Prospecting for new clients

Advisers will need to produce/publish engaging snippets of relevant and timely content. Audience segmentation and being across the trending money topics will be key skills.

Existing client management

eg planning, behavioural coaching, analysis, report writing, structuring advice to achieve goals

Advisers can engage their clients and provide regular ongoing value through either personalised individual or targeted group content (produced with AI), engaging clients through their preferred network of communities and channels.

Development

eg education, seminars, exams

Advisers can participate in a lively community of fellow practitioners who share their 'always learning' mindset, and cement their understanding of their training and development by using it as a source of inspiration for new client-facing posts. AI summaries will introduce and translate complex topics to clients, while advisers can focus on getting into the technical details and considering the specific applications.

Technical work

eg formulating and checking advice, investment and tax strategies

General administration

eg compliance, admin, chasing providers

The burden should continue to be greatly reduced by technology, reducing laborious hours to oversight of their AI co-pilot.

The New Adviser will need to be:



Socially minded

engaging in dialogue and discussion with prospective and existing clients on their preferred platform, in their preferred language



A trend scanner

across the trends and topics that matter to their clients, and the language of their clients



An engaging conversationalist

breaking down the complex into pithy sound bites, and backing it up with the full picture as it applies to their clients



An empathy engine

making complex financial subjects emotionally resonant and directly relevant for their audiences



Artificially enhanced

proficient in using AI tools to both ease their administrative burden and produce personalised and tailored content at speed and volume



Top Ten Tactics of the New Adviser

If you would like to create thumb-stopping social communication, here are our Top Ten Tactics that are as close as it gets to the secret sauce for securing followers on the more engaging social platforms.



1 The power of a story

Whatever you do, it's the power of stories and real-life purpose that resonates. Give the people a reason to believe in what you are communicating.



2 Add a touch of personality

It doesn't have to be down-right wacky, but leaning into a more down-to-earth tone of voice is highly effective. Avoid being too perfect tbh.



3 Make things relatable

From pop culture references to hot topics to recognising current situations – look to help your audience feel understood.



4 Use humour

Whether it's dry wit, clever puns or quirky quips, humour can elevate a message and make it feel more relatable.



5 Simplify your language

Removing jargon may not always be enough – instead make sure everything is simple at all stages. One message or one topic at a time.



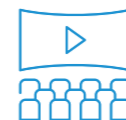
6 Be clever with your targeting

Short videos and smart channel use can help you connect in new places and new ways. You can't be all things to all people. Stop trying.



7 Employ earworms

While an entire rap would be amazing, implementing sonics and jingles can help with recognition and remembrance.



8 Entertain to educate

Education has to be interesting – and discovering new ways to package important information can be fun for you, too.



9 Try some gamification

Not always possible, but always fun – it could be badges for logging in or a full-on app; either way it's one to explore.



10 Look to the soft sell

It can be tempting to go hard or go home, but simply and slowly building relationships with your audience can help nurture an ongoing connection.



Conclusion

There's a change of guard happening in the adviser space.

Tried and tested practices for providing advice are increasingly unable to compete with the more snackable, and frankly often more enjoyable, techniques that the social platforms are based on.

Informed, regulated and clear advice remains the enduring objective. But the channels and techniques that can be used to achieve them have expanded.

As with all new trends, some of the best bits will be embraced and become the new norm.

The Top Ten Tactics outline the highly effective and engaging techniques that the social platforms offer and any adviser with their finger on the pulse will be churlish to ignore.

If this report has sparked your interest to start slaying it with investors of tomorrow – or to put it differently, to better communicate with those that are due to inherit the greatest generational wealth transfer (just saying) – do get in touch when you'd like to get started. Contact hello@teamspirit.co.uk.

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Intro

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