

Money Wise UK[®]

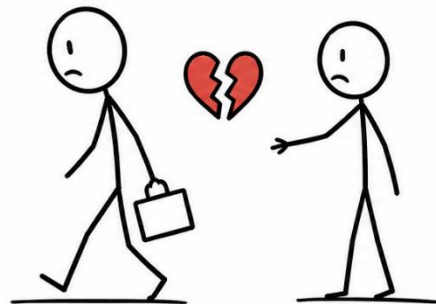
Growing together, with integrity and respect

Money Wise UK Adviser Update

Clients don't leave
because markets fall.



They leave when
relationships do.



What the Research Is Really Telling Advisers in 2026

Over the last few months, there has been a lot of discussion around fees, investment performance, AI, outsourcing and what advice firms need to do next.

But two pieces of research from Morningstar and Vanguard cut through the noise and ask a far more important question:

Why do clients actually stay with their adviser?

The answer should make every financial planning business stop and think.

Because clients are increasingly not staying for investment returns.

They are staying because of trust, behavioural support, personal connection, and peace of mind.

And that has major implications for advice firms operating under Consumer Duty.

1. Clients Are Not Buying Performance. They Are Buying Confidence.

Morningstar found that when clients explained why they keep their adviser, emotional drivers outweighed financial drivers (59% vs 42%). The top reasons were:

- Feeling uncomfortable handling financial matters alone
- Confidence in the quality of advice
- Behavioural coaching and guidance during decision-making

Vanguard found something similar:

- 76.2% of clients said their adviser gives them peace of mind
- 78.2% said their adviser gives them confidence in achieving long-term goals
- 77.3% said their adviser increases confidence around retirement planning

Money Wise UK View

Many firms still build client communications around market updates, fund performance and portfolio charts.

The research suggests clients are valuing something very different:

"Am I okay?"

"Can I retire?"

"Will my family be alright?"

That is where advice lives.

2. The Biggest Threat to Retention Is Not Poor Investment Performance

This is perhaps the most important finding.

Vanguard found the number one reason clients leave their adviser is:

Neglected relationships — 24.4%

Poor investment performance came second at just 15.8%.

Let that sink in.

Clients are more likely to leave because they feel forgotten than because markets fall.

Money Wise UK View

This creates a direct challenge under the Consumer Duty.

Many firms can evidence:

- Annual reviews booked
- Fees collected
- Suitability reports issued

But can they evidence:

- Proactive contact during stressful markets?
- Relationship maintenance between reviews?
- Personal engagement when life events happen?

This is why your recent work around service delivery, MI, interaction logs, and disengagement policies is exactly where firms should be focusing.

3. Behavioural Coaching May Be Your Biggest Source of Value

Morningstar found behavioural coaching was one of the top reasons clients stay. Clients described advisers helping them:

- Stay disciplined
- Avoid emotional decisions
- Stick to the plan during uncertainty

Vanguard estimates behavioural coaching alone can add 1.5% per annum in net returns over time.

But there is a problem:

Many clients experience this benefit without ever realising it is part of the service.

Money Wise UK View

If behavioural coaching is invisible, clients may undervalue it.

Firms should explicitly position behavioural coaching as part of ongoing advice.

Examples:

Review Agenda Item

Behaviour and Decision Review

Questions such as:

- How did you feel during recent market volatility?
- Were there any decisions you nearly made emotionally?
- Has anything changed in your risk mindset?

This turns an invisible service into a visible value driver.

4. Advisers Think They Personalise More Than Clients Believe

This was one of the biggest disconnects in the research.

Only 28% of investors said they always receive truly personalised advice.

But 65% of advisers believed they always provide it.

That gap matters.

Money Wise UK View

Templates are useful.

Processes are essential.

But clients do not remember the process.

They remember whether they felt understood.

Questions for firms:

- Does every annual review start with client goals—or portfolio performance?
- Are meetings adapted to life stage?

- Are retirement conversations different from accumulation conversations?
- Do your clients feel your advice reflects *their story*?

This is particularly relevant in retirement planning, where every withdrawal strategy, spending need and family dynamic is different.

5. Trust Is Built Through Human Behaviour, Not Alpha

Vanguard found the top three trust-building adviser traits were:

1. Commitment
2. Communication
3. Integrity

Performance did not make the top three.

Morningstar found the same theme.

Clients want to believe their adviser genuinely cares.

Money Wise UK View

Trust is built in small moments:

- Calling during market falls
- Remembering a client's surgery
- Asking about their children
- Following up after a difficult life event

These moments rarely show up in a suitability report.

But they often determine whether the client stays.

6. Legacy Planning Is One of the Biggest Missed Opportunities

Vanguard found:

- Only 25% of clients had discussed estate planning with their adviser
- Yet 72% said it was important
- Only 28% believed their children would keep the adviser relationship after their death

That should concern every advice business.

Money Wise UK View

The next generation may inherit the assets—but not necessarily the adviser.

This matters commercially and from a Consumer Duty perspective.

Practical actions:

- Bring estate conversations forward
- Include spouses and partners as standard
- Introduce children where appropriate
- Link retirement planning with intergenerational planning

Retirement planning is no longer just income planning.

It is increasingly income + care + gifting + legacy.

What This Means for Advice Firms in 2026

The firms that will thrive over the next decade will not necessarily be those with the best model portfolios.

They will be the firms that can evidence:

- Ongoing service delivery
- Personalised communication
- Behavioural coaching
- Retirement confidence
- Intergenerational planning
- Human connection at scale

Under Consumer Duty, this is no longer just good business.

It is increasingly becoming a regulatory expectation.

Money Wise UK Summary

If your value proposition still starts with:

"We manage your investments..."

You may already be behind.

Because the research shows clients are not primarily paying for portfolios.

They are paying for:

Clarity.

Confidence.

Behavioural guidance.

And someone they trust when life gets complicated.

And perhaps that is what financial planning was always supposed to be.

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