GUIDANCE FOR FINANCIAL PLANNING FIRMS

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Financial Advice Business Benchmarks 2026

WHAT THE LATEST RESEARCH MAY MEAN FOR FINANCIAL PLANNING FIRMS

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EXECUTIVE SUMMARY

Growth is becoming more deliberate

The 2026 Financial Advice Business Benchmarks report suggests that the advice market is moving from growth by simple addition towards more selective and sustainable growth. The question is no longer only how many clients or assets a firm can add. It is which clients the firm is best placed to serve, what support they need and whether the service can be delivered fairly and profitably.

> **The strongest growth model creates a sustainable match between client need, adviser capacity and the economics of service.**

The headline findings

- 64% plan to grow by taking on new clients; 53% plan to increase assets from existing clients.
- 44% have stopped ongoing fees for some clients who no longer fit the core service or pricing model.
- 40% have reviewed the cost to serve a typical client and a further 25% plan to do so.
- 47% already use AI, yet 70% expect adviser headcount and 47% expect paraplanner headcount to increase.
- The report estimates 62 hours of human support each year for a typical ongoing client; only 15 are adviser hours.
- Discretionary model portfolios have moved narrowly ahead of multi-asset and multi-manager funds for new client money.

What has changed since 2025

Growth intention	2025	2026	Movement
Take on new clients	67%	64%	-3pp
Increase assets from existing clients	51%	53%	+2pp
Hire staff	27%	29%	+2pp
Grow through acquisition	8%	15%	+7pp
Sell the firm	6%	10%	+4pp
Exit the market	2%	4%	+2pp

The intention to add clients has eased slightly, but acquisition interest has almost doubled. At the same time, more owners are considering sale or exit. This suggests greater movement at both ends of the market and makes integration, succession and continuity increasingly important.

Growth, segmentation and capacity

1 Growth is becoming more deliberate

Referrals remain the largest source of new clients, but the mix is changing. Existing-client and family referrals fell from 67% in 2025 to 56% in 2026, while marketing increased from 6% to 13%. Professional referrals account for a further 16%.

This does not mean referrals are losing their value. It suggests that firms are adding planned marketing, events, reviews, digital presence and clearer propositions to what was previously a largely referral-led approach.

> **A good reputation remains the foundation, but firms seeking consistent organic growth may need a repeatable process for generating, recording and converting opportunities.**

2 Existing client books are being reshaped

- 44% have stopped ongoing advice fees for clients who no longer fit the core model.
- 33% have moved clients to another proposition or adviser.
- 20% have increased fees for clients who no longer fit the existing model.
- 40% have reviewed cost to serve; a further 25% plan to do so.

These figures point to a move away from allowing historic arrangements to continue indefinitely. The Consumer Duty dimension matters: segmentation or repricing should not be driven by profitability alone. Firms should be able to demonstrate fair treatment, appropriate communication, delivery of promised services and a suitable route forward for affected clients.

3 Segmentation is moving beyond asset values

Half of respondents segment clients by life stage, 32% by complexity and 31% by asset level. Portfolio size alone does not determine the work required to support a client.

A practical framework should consider life stage, planning complexity, likely service intensity, vulnerability and communication needs, assets and revenue, and cost to serve. It should also recognise that needs change.

4 Capacity is a team measure

The average adviser manages 88 client relationships, but this should not be treated as a universal target. Capacity depends on complexity, service design, systems and the support surrounding the adviser.

Measure	Reported average	What it suggests
Client onboarding	32 human hours	Onboarding efficiency is a whole-team issue
Ongoing support	62 human hours a year	Service capacity extends beyond the review meeting
Adviser contribution	15 of 62 hours	Other roles account for most ongoing delivery time

The more useful question is not simply how many clients an adviser can manage, but how many clients the complete advice team can support properly.

Data caution: the component onboarding figures add to 33 hours rather than the stated 32. This is likely to be rounding, so the figures are better used as indicative benchmarks than precise costings.

Capacity is changing, but complexity is rising

5 Technology and people are developing together

- 70% expect adviser headcount to increase over the next year.
- 47% expect paraplanner headcount to increase.
- 54% identify technology, cybersecurity and data improvements as a leading driver of change.
- 47% already use AI and another 13% are implementing a solution.

AI use is currently concentrated in practical activities such as meeting notes, summaries and follow-up work. The findings do not support a technology-only future. Firms appear to expect technology to create capacity while continuing to invest in advisers and paraplanners.

> **AI should sit within process, governance and workforce design. The opportunity is to release people from repeatable work so they can spend more time on judgement, explanation and client contact.**

6 The client relationship is changing

Clients are also using general-purpose AI to research and challenge advice. This may help them participate more confidently, but it can also introduce persuasive-looking errors. The adviser increasingly has to help the client judge what can be trusted, place information in context and connect it to their personal circumstances.

7 Complexity may absorb some of the capacity created

NextWealth's wider research found that 65% of advisers believe client needs have become more complex over the past three years. In the benchmark report, 46% identify inheritance tax changes as a major driver of business change.

Retirement, tax, inheritance, family circumstances and later-life decisions can require more modelling, explanation and follow-up. Technology may reduce administration and document-production time, but some of that saving will be absorbed by deeper client needs.

8 Ongoing advice is being redesigned

- 25% are reviewing what is included in the ongoing service.
- 21% are reviewing ongoing fees or charges.
- 20% are considering different review frequencies based on need, complexity or value, including trigger-led reviews.

The annual review remains an important anchor, but firms are considering a more flexible relationship. Some clients need little intervention during a stable year; others need repeated contact following retirement, bereavement, inheritance, divorce or a change in health.

> **The opportunity is to define ongoing advice as a continuing planning relationship rather than simply an annual meeting.**

GOVERNANCE AND INFRASTRUCTURE

Evidence must keep pace with change

9 Vulnerability must move beyond identification

The report finds that 43% are focused on identifying vulnerability in the existing client bank, 41% on assessing needs and 34% on making information easier to understand. By comparison, only 18% identify staff training as a leading focus, 9% focus on suitable products and services and 7% on working with providers.

Identification is only the first step. Firms should be able to show what they did differently. Useful management information should cover adjustments, communication preferences, service outcomes and recurring themes, rather than only the number of clients carrying a vulnerability marker.

10 Technology ambition remains ahead of integration

Despite technology being a priority, 67% still interact with platforms through individual provider interfaces. Many firms therefore continue to face manual rekeying, fragmented records and difficulty maintaining a dependable single source of client data.

Adding another system will not necessarily solve this. For a growing firm, data quality, clear processes and effective integration may be as important as selecting the next technology tool.

11 Model portfolios move narrowly into the lead

- 52% use discretionary model portfolios for new client money.
- 51% use multi-asset or multi-manager funds.
- 32% expect MPS use to increase; 31% expect greater use of multi-asset or multi-manager funds.

Discretionary model portfolios have moved ahead for the first time in the report's three-year comparison. The difference is only one percentage point and respondents could select more than one approach, so this should not be presented as a wholesale shift.

For investment committees, the selected solution must fit the firm’s client profiles, planning process, retirement approach, platforms, costs and governance requirements.

12 There is no single high-revenue model

Higher-revenue firms with 6 to 50 advisers report larger average portfolios (£874,107 against £475,769) and slightly fewer relationships per adviser (64 against 70). Higher-revenue firms with 2 to 5 advisers report both larger portfolios and more relationships per adviser.

> **The common themes appear to be clearer segmentation, deliberate organic growth and a close match between target market, proposition and delivery capacity - not one universal client-per-adviser target.**

PRACTICAL REVIEW

Questions for financial planning firms

1. What kind of growth do we want, and does it fit our capacity and proposition?
2. Which relationships need a full ongoing service, and which could be supported differently?
3. Can we evidence what each segment receives and whether the price remains reasonable?
4. Do we understand the time required across the complete advice team?
5. Can we rely on one accurate client record, or are people still rekeying information?
6. Which AI uses genuinely improve quality or capacity, and how are they governed?
7. What changes after a characteristic of vulnerability is identified?
8. Are reviews driven only by the calendar, or also by client needs and life events?
9. Does outsourcing support the planning model and client outcomes?
10. If acquisition, sale or exit is relevant, how will people, clients, data and propositions be integrated?

Conclusion

The 2026 report points to a maturing advice market. Growth remains high on the agenda, but firms are becoming more selective about the clients they serve, the service they provide and the economics supporting it.

Compared with 2025, acquisition and exit intentions have increased, marketing contributes more new clients and discretionary model portfolios have moved narrowly into the lead. At the same time, client complexity is rising and technology remains fragmented.

> **The strategic question is no longer simply, How can we take on more clients? It is: Which clients are we best placed to serve, what support will they need, and can we deliver that service consistently, fairly and profitably?**

Source and important context

Primary source: NextWealth, Financial Advice Business Benchmarks Report 2026, Issue 8, September 2026. The report is based on a survey of 318 UK financial advice professionals conducted in June 2026. Results were weighted by firm size, measured by number of advisers, to represent the wider market.

Percentages describe the survey respondents and should not automatically be treated as measures of every UK advice firm. Some findings draw on separate NextWealth research projects and may use different samples. Year-on-year comparisons should be read with this in mind.

This briefing is an independent Money Wise UK interpretation of the research. It is intended to support discussion and does not constitute legal, regulatory or investment advice.