THE ADVICE GAP

2026

ADVISER BARRIERS

THE LANG CAT

SATURN

02

WELCOME

Hello! We're chuffed you're joining us for this fourth paper in our Advice Gap 26 study, kindly sponsored by Saturn.

By now you hopefully know the drill – six stand-alone reports each with their own distinct theme. Last time we looked at barriers from a consumer's perspective. Why don't more people pay for advice? Find out in the **third Advice Gap 26 paper.**

The next step is naturally to flip things and consider supply, and that's exactly what this paper does. We've worked with our very lovely (and incredibly wise) adviser research panel to help understand the barriers preventing advisers from offering a wider range of advice services to a wider range of the GB adult population. Next time we'll return to consumers, exploring the impact on those who are unable to access advice.

The Magnificent Six

SIZING THE ADVICE GAP

1

Introducing the Advice Gap 2026, sizing the Gap and looking at those who pay for advice.

THE AI WILDCARD

2

Introducing the fifth Advice Gap – those who use AI tools to get financial "advice".

CONSUMER BARRIERS

3

What's preventing consumers from accessing and paying for advice?

ADVISER BARRIERS

4

What's preventing adviser firms from developing propositions to help plug the Gaps?

DEEP IMPACTS

5

Impacts on consumers – what's the consequence for those who are unable to access advice?

ENTER THE REGULATOR

6

Policy and regulatory initiatives. Consumer and adviser views on targeted support and simplified advice.

Once all six are out, we'll publish the main report; it won't simply be the six short papers jammed together, but something more detailed as a reference guide.

As ever, the Advice Gap looks at both the supply and demand sides of advice; we work with YouGov for consumer research and conduct our own adviser research from the lang cat's panel of around 1,700 advice professionals. It's a huge undertaking each year, and we send a blizzard of thanks to everyone who's been a part of it, from survey respondents to those who took part in in-depth interviews and more.

All percentages are rounded to the nearest whole number. As a result, figures in charts and tables may not always sum to 100% or to the totals shown.

A Little About SATURN, Our Sponsor

We're proud to be able to offer free access to The Advice Gap thanks to our sponsor, Saturn. Saturn provides AI-driven operating systems and technology to more than 750 financial advice businesses and believes in the power of human advisers to transform the lives of ordinary people. Their mission, using technology, AI and compliance expertise, is to close the Advice Gap by making human-delivered financial advice radically more affordable and accessible than it is today.

INTRODUCTION

Whenever we send our panel of advice professionals the Advice Gap questions we know we're going to get a good response. In terms of numbers, it's always our most popular survey apart from our annual State of the Advice Nation study. But it's the quality and depth of responses that always stand out.

As we will see, views differ (as they should), but one thing is clear, the Advice Gap is a subject advisers are understandably interested in and passionate about. We will show as many of these opinions as we can in this paper, and we're hugely grateful to everyone who took the time to complete the survey, sharing such thoughtful and considered responses.

We asked about the economics of providing advice, customer preferences and capacity concerns. Regulation inevitably impacts a lot of these areas and the dominant frustration from many is that the ever-increasing regulatory bar and liability requirements have made small-pot advice uneconomic. We heard time and again that financial advice does not require great wealth to be genuinely beneficial, but cost pressures are ruling these 'lower value' clients out of professional, regulated advice.

Whilst the subject of the Advice Gap is one that interests advisers (enough to choose to spend time completing the survey at least), there is a clear split between those who feel a professional duty to help close the Gap and the sizeable group who see it as outside their business model.

As we have consistently said, advisers are not paid to deliver social policy, they run businesses. Over the coming months advisers will have an opportunity to serve a wider group of clients in a way that has never been possible before, with new technologies and updated regulations both intended to reduce the cost to serve. We'll assess how likely these innovations are to move the dial.

> ***We heard time and again that financial advice does not require great wealth to be genuinely beneficial...***

The Financial Conduct Authority (FCA)'s advice market data paints a picture of a successful market,[1] albeit one that is starting to become more concentrated in both advice delivery and the type of clients it serves. Most importantly, the FCA reports through its Financial Lives research[2] that 87% of consumers say the advice they received was clear and understandable, and 85% said they were confident in it. This matches similar findings in our first Advice Gap 26 paper, with 96% of those who have paid for advice in the last two years saying they found it helpful.

Consolidation of advice firms is starting to make its presence felt, concentrating advice delivery into 15% fewer firms since 2021 according to the FCA. We've seen a similar decline in the number of people paying for advice this decade, falling from a peak of 11% in 2023 to 8.27% in this year's study.

These figures all serve to highlight the core issue at the heart of the Advice Gap. Advice is valuable, and those fortunate enough to be able to access it agree wholeheartedly. More of the population deserve to benefit from advice, so the question is how that can happen. Throughout the rest of the paper, we'll hear from advice professionals to understand the challenges they face, and how they believe this core Advice Gap issue could be addressed.

[1] FCA.org – Understanding the advice market: financial advice firms survey 2025, 23/4/26

[2] FCA.org – Financial Lives 2024 survey, 16/5/25

LET'S TALK NUMBERS

25%

of advisers have a proposition or service in place to help clients below their minimum asset requirement

The majority of firms will help if part of a wider family group

36%

of those at or over capacity have increased minimum client asset requirements

Advisers want to deliver quality relationships for their clients, which needs resource

45%

say they are likely to offer simplified advice once the rules are confirmed

Replacing annual suitability reviews with periodic ones may also help

34%

cite technology and admin burden as the biggest constraint on capacity

This is by far the biggest issue, taking up too much firm time

27%

of advisers describe their business as over capacity

While many are coping, around one third of these are struggling to maintain standards

RESEARCH

Unless otherwise stated, all data shown is taken from research conducted with the lang cat adviser research panel.

The survey was conducted during September 2026, with 168 advice professionals generously giving up their time to share their thoughts. You rock, each and every one of you.

LET'S TALK NUMBERS

The advice market in numbers

Before we dive into our adviser research results it's worth taking a step back and reminding ourselves how the advice market is structured, using FCA data.[3] This landscape is an important factor as we look at how the Advice Gap could be reduced.

31,000
advisers
(In all firms giving financial advice)

5,500
firms offering financial advice
(A 15% drop since 2021, but advisers remain stable at 31,000)

£1 Trillion of assets under advice for

4.1 Million
retail clients

88%
receive ongoing advice

TYPICAL ADVISER PROFILE:

150	£250,000	£2,000
clients	assets	revenue
PER ADVISER		PER CLIENT

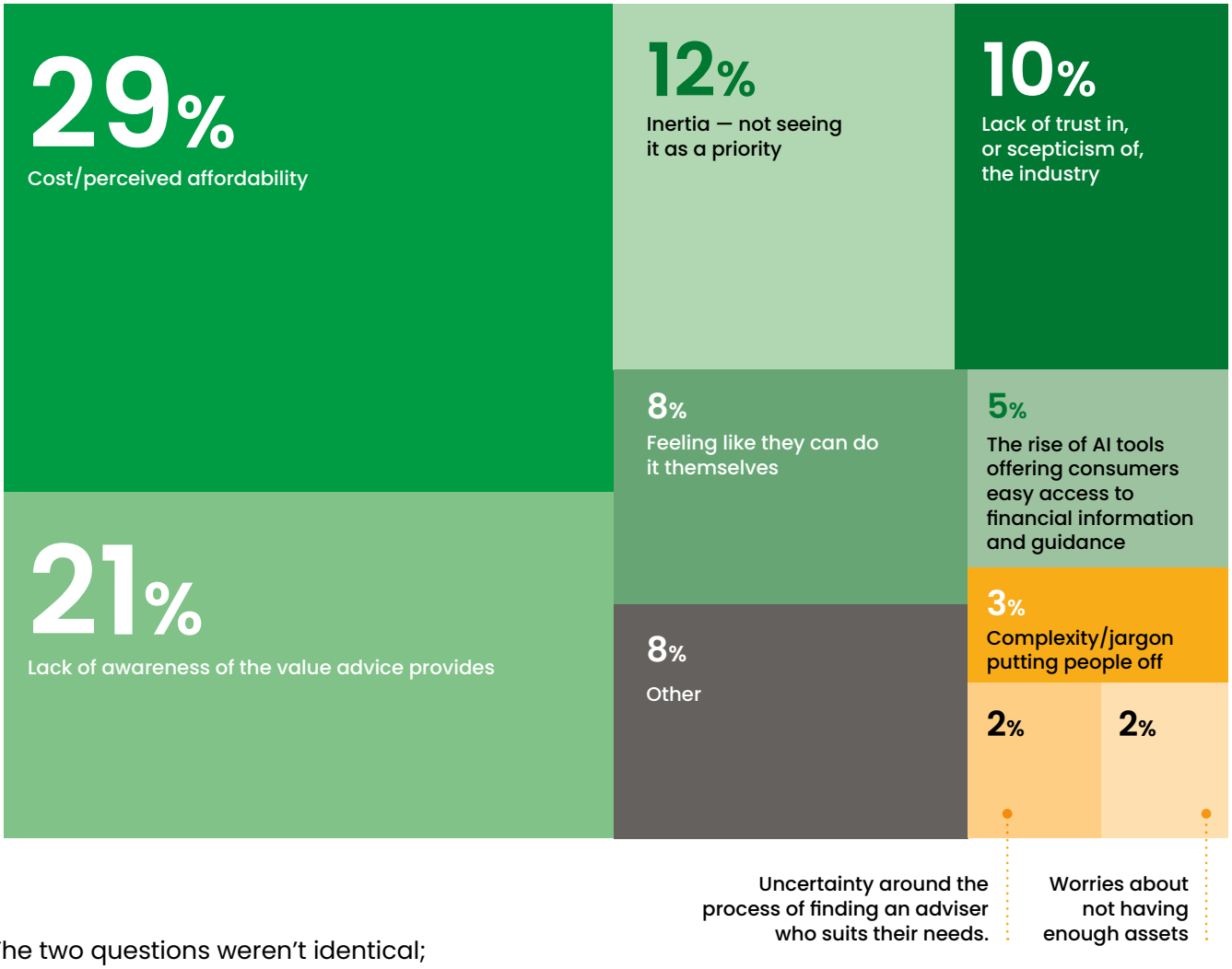
[3] FCA.org – Understanding the advice market: financial advice firms survey 2025, 23/4/26

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ADVISER PERCEPTIONS OF CONSUMER BARRIERS

As you may recall from our last paper, we asked consumers what prevents them from seeking financial advice. You can see the results here. But what do advisers think are the main barriers for consumers?

In your view, what is the single biggest barrier preventing underserved consumers from seeking financial advice?

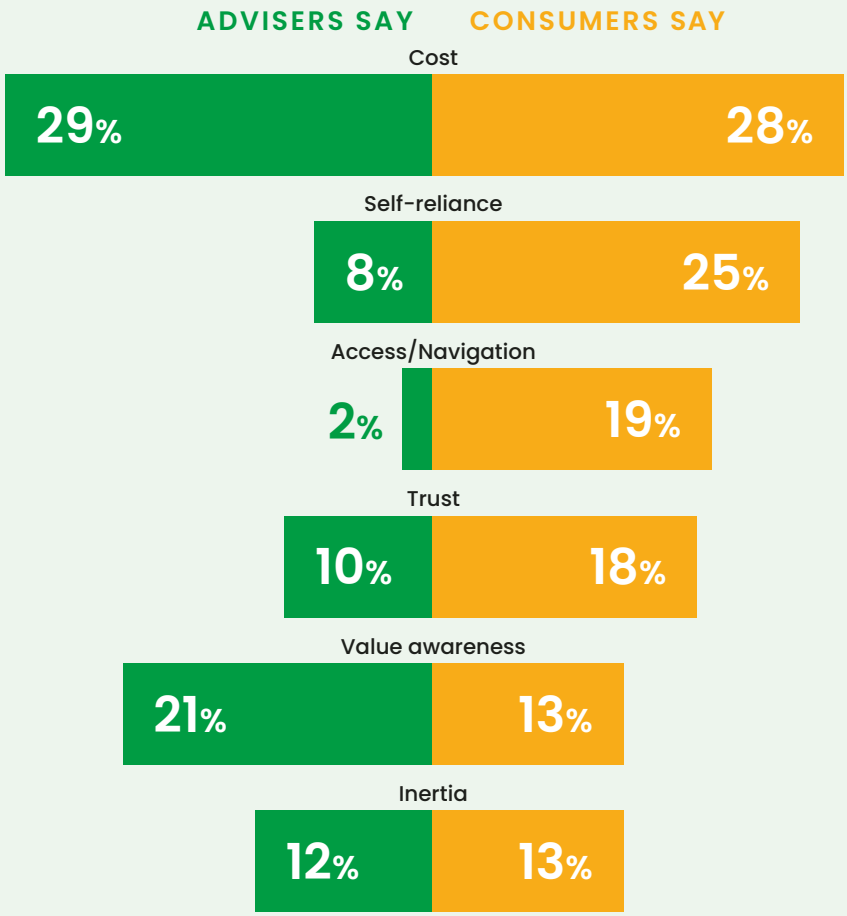


The two questions weren't identical; consumers could select all the reasons that applied to them, while advisers were asked for the single biggest barrier – so direct comparison needs care. What we can reasonably compare is relative emphasis: which theme each group treats as significant and which they downplay. On cost and inertia, the two groups broadly agree.

However, advisers significantly underestimate how many consumers feel they can manage their own finances, and how many struggle to find or navigate their way to an adviser. Conversely, advisers place more weight on consumers not understanding the value of advice than consumers themselves report.

ADVISER PERCEPTIONS OF CONSUMER BARRIERS

What stops consumers seeking advice - and what advisers thinks stops them



> ***For many clients a lack of advice relates to cost rather than value for money. Simplifying the process to allow lower costs to entry makes a lot of sense and may allow future clients to better understand the value proposition.***

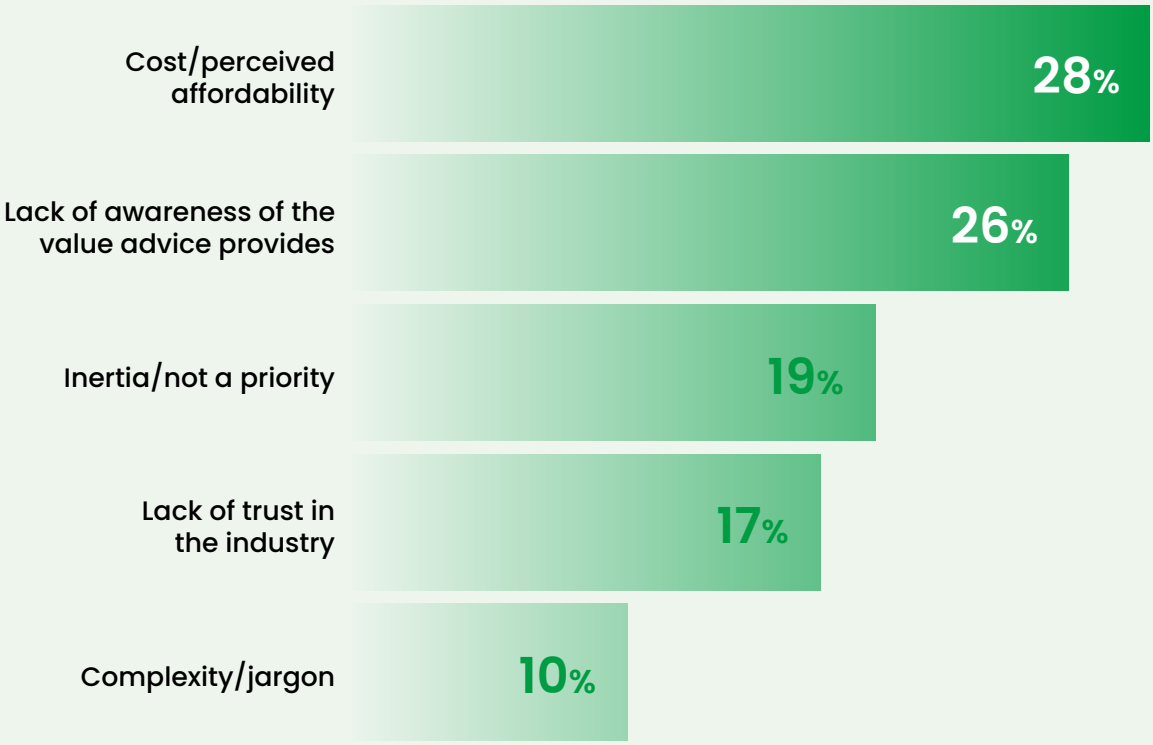
> ***People seem to be biased towards paying another human money. But if they are buying a product, and something that is tangible, they are willing to spend the money. It is hard to get across value.***

When asked to rank a number of issues based on how much each one contributes to the Advice Gap, cost and lack of awareness around the value of advice come out top. This is the Catch 22 we also saw in the consumer research: the only way to grasp the value of advice is to work with a financial adviser, but many will not because they don't see the value.

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ADVISER PERCEPTIONS OF CONSUMER BARRIERS

Please allocate 100 points across the following barriers, based on how much each one contributes overall to underserved consumers not seeking financial advice



> ***Inertia plays a large part - I fear there are two generations sleepwalking into disaster, the 40+ millennials who aren't saving enough due to rising mortgage costs and the 60+ not realising changes to IHT impact them.***

> ***The general public do not have any concept about the need to start planning for their retirement when they are young - they seem to think the State Pension will be sufficient... there is a continuing issue of seeking advice at the right time.***

> ***The people in the "gap" can't afford to pay / will not pay as they have limited disposable income and cannot see the value. They won't see the value until it is shown to them. It won't be shown to them until they pay. Catch 22.***

TIME IS MONEY

An ongoing relationship is very much the dominant model for those receiving financial advice.

Where consumers who are not paying for advice were asked what their preferred relationship with an adviser might look like were they to do so, just a fifth (20%) chose an ongoing fee arrangement, indicating some desire for different models to be available. The most popular option (29%) was transactional, paying when advice is delivered.

Actions have consequences. Advisers deliver focused, quality advice to their clients, while dealing with the admin requirements and other significant calls on their time – we'll hear more about these very shortly. The consequence of this time and attention is cost. And that cost is unpalatable to the majority of today's non-advised consumers.

One relatively new option to help alleviate some of this time/cost burden comes in the form of our robot friends/overlords.

82%

of advisers are now regularly using AI tools for admin tasks (meeting notes, triaging client queries etc).

79%

of whom agree it has saved them a measurable amount of time, specifically an average of seven hours per week or one working day.

17%

of advice firms have restructured their service proposition (tiering or segmentation) specifically to free up capacity for lower value clients.

These include:

- Advice 'lite' for clients with lower assets and/or simple needs
- Transactional clients and less frequent reviews (subject to regulation)
- Desk-based offerings
- Slimmed down service for the adult children of existing clients
- Trialling AI

YOU ARE ENOUGH (T&Cs APPLY)

Two thirds of our respondents (66%) have minimums[4] in place, although 53% use them more as a guideline alongside individual client circumstances, which is to say they don't really have them at all. The remaining 13% take a more formal approach with a set amount as part of their target client assessment.

Amongst this 13% the median average is £250k, although it's worth noting this is skewed by several firms with HNW propositions targeting clients with a minimum of £1m to invest. Half of respondents (with a formal minimum asset requirement) have a minimum below £250k.

Where a potential client falls below these levels, 11% would simply turn them away. Servicing to some extent remains an option for the remainder, although wider circumstances such as an existing family relationship are crucial. Just a quarter of advisers have a specific proposition in place to serve lower value clients.

What would you do if a potential client with assets below the minimum asset requirement approached you?



> ***Currently developing our service - clients under £100k that need a simple solution, cheap costs - they then can ask for advice if needed and we keep tabs on them - once they hit £100k we offer them a review.***

> ***If they are at the start of their investing journey and clearly have the potential to grow over the next 2 - 3 years, we will take them on. Otherwise, we are just too expensive.***

[4] *Minima. Yes, we know.*

YOU ARE ENOUGH (T&Cs APPLY)

> ***If the client is not part of a wider family group, we may offer to provide initial advice only.***

> ***In the process of restructuring with a lower cost offering with light touch reviews in between full reviews and entirely digital and phone.***

> ***Over the past 5 years we have moved clients who no longer require full-fat financial planning onto a 'lite' service (suitability check). We also have a 'transactional only' i.e. no-ongoing service for clients who genuinely don't currently require any ongoing financial planning.***

> ***We have introduced a slimmed down service for adult children of clients.***

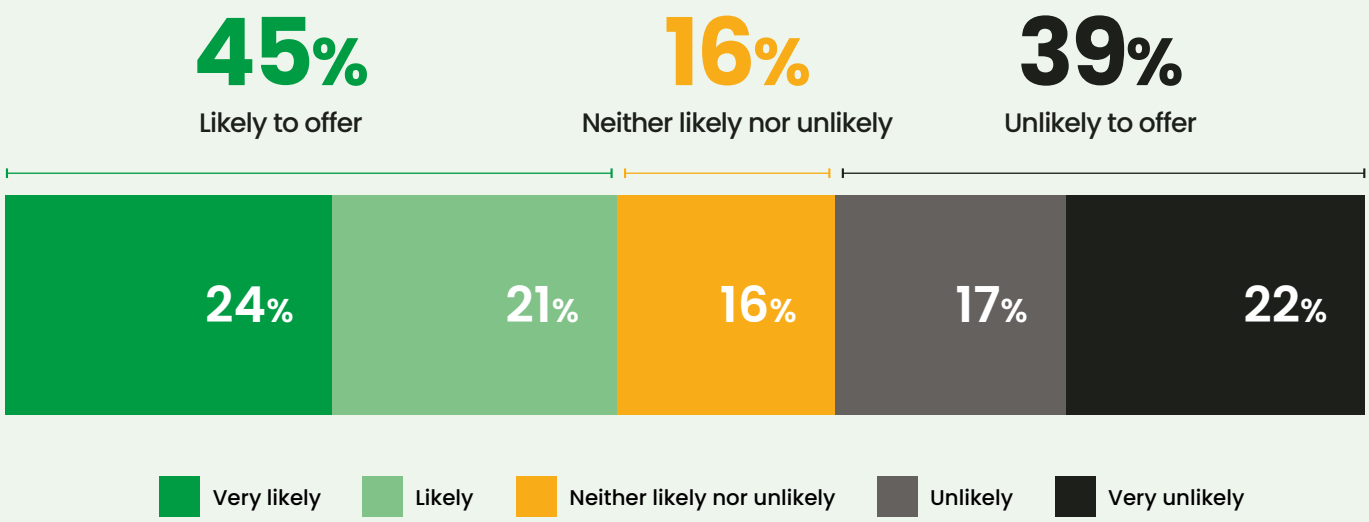
But what about when circumstances change and an existing client's assets fall below the firm minimum? Only 3% of advisers say they would stop serving a client in this scenario. Most (63%) would take a case-by-case approach while a quarter (24%) would just leave things as they are and 10% would move the client to a lower-cost model.

None of this tallies with our Accidental Advice Gap, the 29% of consumers who had previously worked with an adviser but no longer have that privilege. Some 30% of this cohort state the adviser ended the relationship because they no longer met the minimum asset requirements.

SIMPLES!

While approaches around minimum fees and firms offering services for lower value clients are virtually unchanged over the last three years, there does appear to be some desire from advisers to do more in this space. Almost half of respondents (45%) say they are likely to offer simplified advice once the regulations have been confirmed.

Advisers are split on offering simplified advice



As well as clarifying the rules regarding simplified advice, the FCA is also attempting to make it easier for advice firms to offer a range of services by consulting (via CP26/10) on changes to the ongoing advice rules, replacing the annual suitability review with periodic reviews tailored to client needs. We asked our adviser respondents how this might this change their ongoing service proposition and pricing.

> ***We used to offer two-yearly reviews to lower value clients, which we had to replace with a yearly suitability assessment (questionnaire). We could potentially service more lower value clients if periodic reviews were less frequent.***

Most advisers (52%) expect CP26/10 to change little, often because they already tailor review frequency or see the annual meeting as central to the client relationship. But the reaction is warmer than this suggests: 29% were positive and only 10% negative, with many welcoming less paperwork.

Nearly four in ten would re-segment their proposition, typically adding cheaper tiers with 18- to 36-month reviews for accumulators and lower-value clients. A recurring theme is that this could make it viable to serve, retain or take on smaller clients.

> ***I would say it would allow me to service some clients that I may need to consider disengaging with.***

SIMPLES!

> ***I'm in a network and I don't think they're going to move a millimetre past annual reviews.***

> ***Accumulation clients (typically younger) or even clients that only have simple investment wrapper (ISA etc) are less likely to need a full annual review – moving this to a bi-annual makes this much more realistic and allows us to keep the OAC low.***

> ***My clients just want me to talk to, to throw ideas around – without having to provide the compliance led reports each year. This will free my time to talk to my clients more, not to get more clients but to provide a better service.***

One respondent took the time to reply with an impressive (and very welcome) level of detail. We've shared this in full; it's a good indicator of the evolution of advice services that could be unlocked when the regulatory landscape is confirmed.

"I have given this quite a lot of thought and I currently work on a 1% p.a. ongoing fee for a fully-fledged ongoing advice service, often meeting with clients multiple times a year and being accessible all year round should they need it.

I have also recently completed a client segmentation process to create six client segments in two buckets (Accumulators: early, mid and late) and (Decumulators: early, mid and late).

If I was to be able to offer periodic reviews, I would offer an ad-hoc review service that pairs with an annual confirmation statement to confirm the client's plans continue to align with our methodology and get the client to update their information using a digital fact find. If nothing has changed, no review required; if there has been a change, the client would be prompted to have a review.

Priced at 0.5%, this would be targeted at early to mid-accumulators.

I would then also have a bi-annual (every two years) review option priced at 0.75%, again we would complete an annual confirmation that everything aligns with our methodology and the client must confirm their information, but if nothing has changed, there will be two years between reviews. If a review is needed two years in a row, they would be moved to the full annual review service. This would be targeted at mid accumulators and some late accumulators depending on their circumstances.

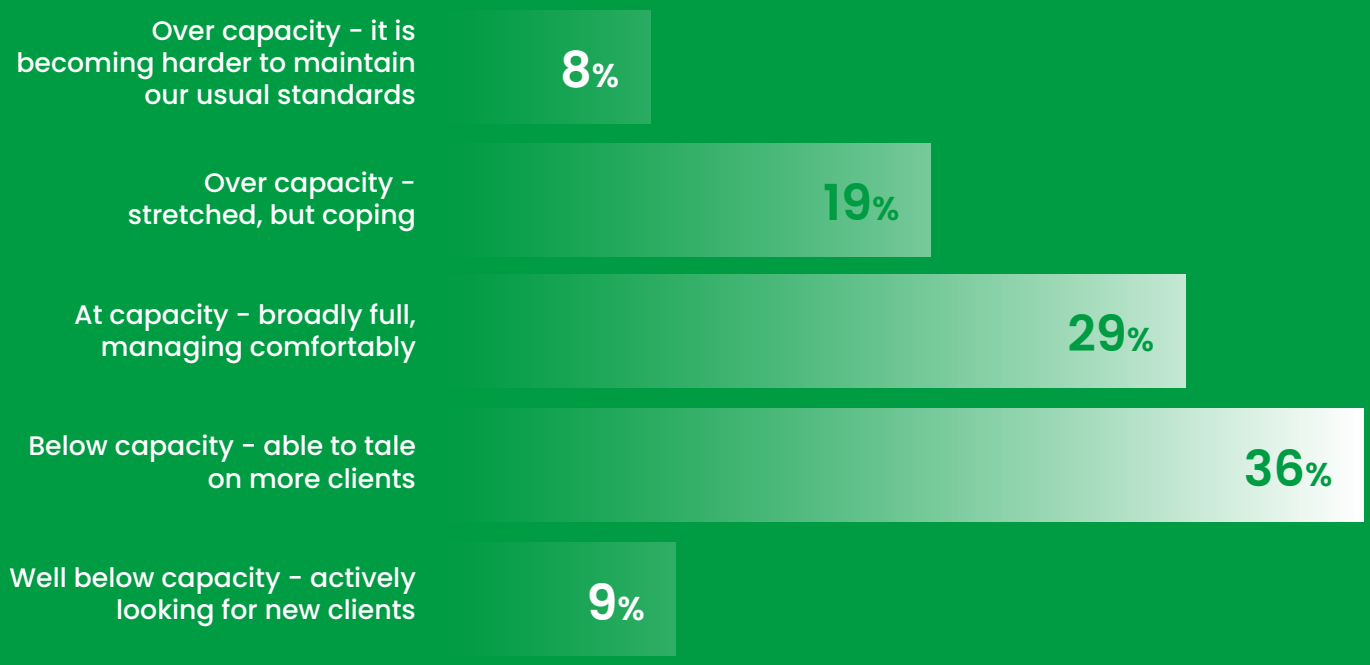
Finally, we would retain our full 1% annual advice service for late accumulators and all decumulators as I feel there is a clear need for an annual review service focused around cashflow modelling and the client's goals and objectives. It would still be a digital first service with the client updating information online ahead of meetings, and documentation being issued digitally, but this would be our flagship service and provide a clear progression to clients as they move through their financial advice journey."

ROOM FOR A LITTLE ONE?

Having the propositions in place to serve a wider group of customers is all well and good, but there's an element of being careful what you wish for. Once you have these customers on board, you must serve them, and for some advisers this represents a considerable barrier.

When we asked our advice professionals how they would describe their firm's current capacity, the average score was **2.81** on a five-point scale (where 1 is "well below capacity" and 5 is "over capacity and struggling to maintain standards"), placing the typical firm just short of "at capacity".

Right now, how would you describe your firm?

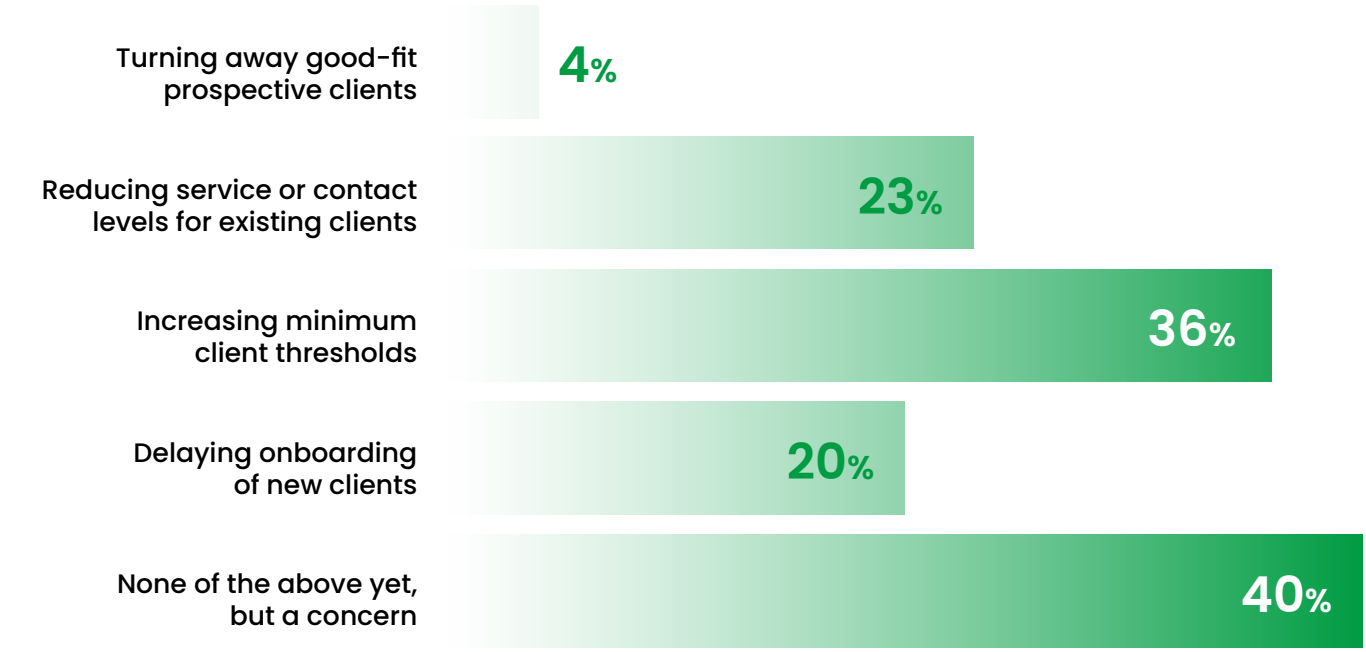


Just under half (45%) said they were below capacity and able to take on more clients, while 27% said they were over capacity, including almost one in twelve (8%) who said it is becoming harder to maintain their usual standards.

Where firms are feeling the pinch, the most frequent response is increasing minimum client thresholds. Turning away good-fit clients is a last resort, but reducing service levels or delaying onboarding of clients are more acceptable.

ROOM FOR A LITTLE ONE?

Which of the following, if any, are currently happening at your firm?



> ***In many ways, you only find out your capacity when it breaks, don't you?***

> ***If you're doing the job properly, you do end up giving a lot to the client... I've come out of meetings absolutely knackered. I've said it felt like a counselling session.***

> ***Let's say we were over capacity before. I think tech has allowed us to move down one notch... I would probably feel drowned without it.***

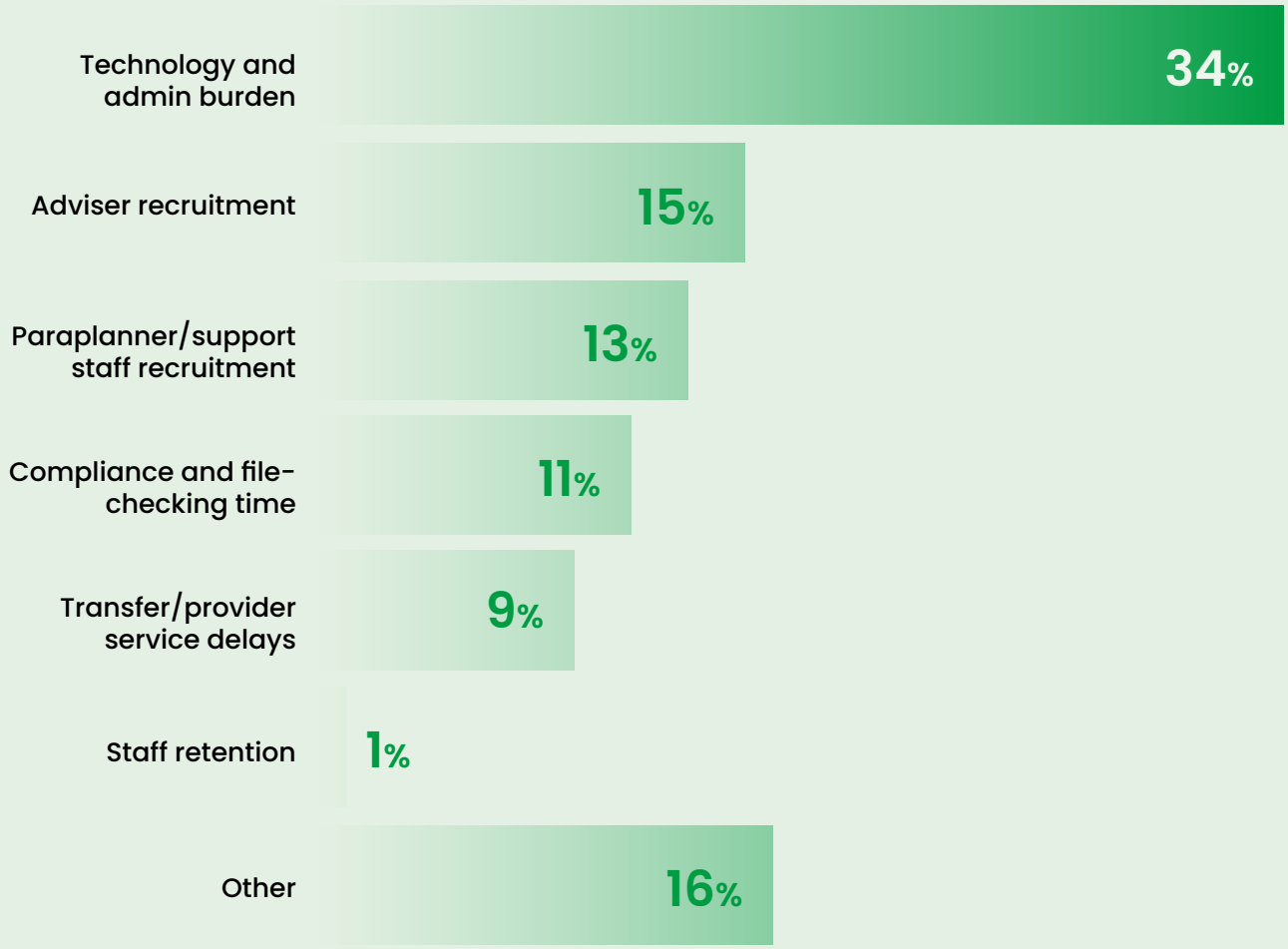
> ***If your relationship is fairly transactional, once a year, review, job done, you could probably take on a lot more. But if your clients rely on you for pretty much all manner of finance things... you'll probably hit capacity sooner, because you physically cannot retain that much information about other people.***

ROOM FOR A LITTLE ONE?

So what's causing these capacity issues? While there are a few factors at play the primary one is very definitely "technology and admin burden" (34%).

Amongst the 16% who said "other", most either pointed towards a combination of the listed issues, or also the time it takes to serve existing clients. Another pointer as to why the FCA's work to potentially simplify the ongoing advice rules is so important.

What is the single biggest constraint on your capacity today?



ROOM FOR A LITTLE ONE?

> ***I don't think there is a single constraint. I think it's all of those to some extent.***

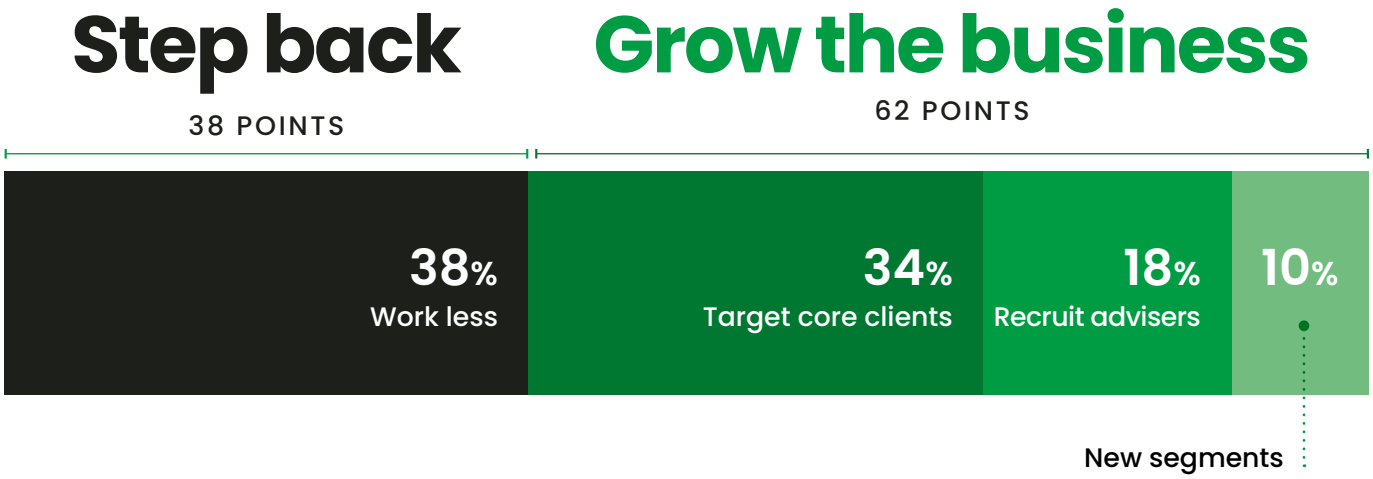
> ***In terms of what you can control... recruit the right people in the first place.***

> ***Provider delays are becoming increasingly a problem.***

> ***We always make ourselves available. Clients always come first.***

Imagine a world where all the admin and tech woes disappear and everything just works. After presumably picking themselves off the floor in shock, just over a third (38%) would use this newfound time to address their own work/life balance. However, if technology really could help make things more efficient, nearly two thirds (62%) would be looking to grow their business.

How advisers would spend freed-up time



Average share of 100 points

Targeting new client segments is the least popular of the options we presented to respondents, but it is worth remembering the latent demand we saw earlier in anticipation of an updated regulatory landscape, covering both simplified advice and ongoing advice rules. Maybe, just maybe, the combination of regulatory change and the rapid pace of technology innovations might have an impact.

SO THAT'S THE PROBLEM; HOW ABOUT A SOLUTION?

It will probably come as no surprise to hear that advisers mostly blame regulation and the commercial reality of delivering advice for their not being able to service a broader range of clients.

Many said the regulator *"created the Advice Gap step by step"* by adding a burden that makes entry-level advice *"too difficult and unprofitable"*. Fear of Financial Ombudsman Service (FOS) redress pushes firms towards a *"belt and braces"* approach that is costly to deliver. One respondent summed up the mood: *"The adviser is always guilty until proven innocent"*.

The economics make this worse. As one adviser put it, *"It's the same procedure and work for a £1m investment as £1,000,"* and as we saw earlier, over a quarter of firms say they are over capacity. Some are blunt about it: *"We can't afford for this to be our problem. We focus on profitable clients."* whereas others feel a duty to help where possible.

> ***I wish we would stop referring to them as 'lower value' or 'lower asset' clients as it just reinforces the old school focus of the industry on investable wealth over value being added. The size of someone's assets or wealth, does not directly correlate with the amount of value that professional advice can provide.***

In terms of potential solutions, financial education is the most popular, ideally starting *"from an early age"*. Regulatory change for the advice sector gets a lukewarm welcome, but there is a core group of respondents who appear keen to act once the rules for simplified advice are clarified.

Targeted support gets a more guarded welcome. Supporters say it *"could help, but only if firms are given the confidence to use it"*. Sceptics see it as *"a provider retention tool"* or *"a stricter direct mailing proposition from the 90's"*. We'll explore targeted support and adviser views on it in our final paper in this series.

> ***The start should be financial education.***

> ***I believe if we start financial education from an early age, people would have a better understanding of the value of advice and therefore would be more comfortable seeking out advice.***

> ***There should be much, much more financial education in schools. Generally people lack financial knowledge. Changing that would improve financial resilience as well as creating more wealth which would be to the long-term benefit of the advice industry.***

SO THAT'S THE PROBLEM; HOW ABOUT A SOLUTION?

Every year we get one advice professional quote that perfectly sums up why we think this research is so important, and this year is no exception.

> ***It frustrates me that those with relatively modest assets often struggle to access affordable advice, when arguably they are the people who need it most and have the least capacity to absorb poor financial decisions.***

This nails what we hear from hundreds of other advisers – there is a desire to make advice available to a wider segment of the population, but it is very hard to do so.

On one hand this is old news – this desire has always been there, however as we move into our second decade of Advice Gap research it does feel like we are closer than ever to real change.

Regulatory barriers, whilst not being entirely eliminated are about to be reset. Currently only 25% of respondents have a proposition in place to serve lower value clients, but 45% say they are likely to do so once the regulatory landscape is confirmed.

Technology also plays a big part here, but is something of a double-edged silicon sword. AI powered adviser technology is delivering tangible time and cost savings for many firms, but there is also concern about how consumers might be using AI models themselves.

> ***It's a big problem and I think AI makes those that would have previously sought advice think they can do it themselves without the cost, especially those who are 30/40+.***

> ***We would love to provide advice and planning to a much wider range of clients - particularly younger people who may be misled by social media and influencers.***

Positive change may be on the horizon but, for now, we still have a problem. Next time we'll be returning to the consumer research and looking at what consumers do when they can't access advice, their alternative resources, whether the trust them and how this may impact their financial wellbeing.

We hope you've found this chapter of our Advice Gap 26 research useful. If you have any comments or thoughts we'd love to hear them.

THE LANG CAT

THE ADVICE GAP 2026

4 ADVISER BARRIERS

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