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LATER LIFE ADVICE BOOM IS 'CHANGING FINANCIAL SERVICES'

- **Enquiries about long-term care and lasting power of attorney surge as more clients address the risks of cognitive decline**
- **Nearly half of advisers have changed processes to prevent regulatory issues**

Advisers are seeing a surge in enquiries about later-life finances and are reshaping their businesses to address client concerns, exclusive adviser research from Prudential¹ shows.

Its nationwide study found 86 per cent of advisers have seen an increase in demand for advice on later-life planning in the past year..

About 43 per cent of advisers questioned say enquiries about long-term care have increased while 37 per cent say they are now being increasingly asked for support with setting up Lasting Power of Attorney (LPAs), while more than a third (34 per cent) as have been asked for financial advice about coping with physical and mental impairment in later life.

The increase in enquiries about later life planning is driving major changes in how advisers run their businesses, the study found. Nearly half (45 per cent) say they have put in place processes to avoid potential regulatory issues while 32 per cent are considering doing so.

More than one in five (22 per cent) of advisers questioned are extremely concerned that clients are not taking the risk of cognitive decline and its impact on their financial management capability seriously enough.

The rise of drawdown as a retirement income solution following Pension Freedoms is an area of concern especially as clients get older- 73 per cent of advisers say they are concerned it will create problems for firms with elderly clients whose decision making may be impaired in later life.

Key measures being adopted include urging clients to seek specialist legal support – around three-quarters (73 per cent) say they raise it with clients regularly and 38 per cent mention the need for help at annual reviews.

Vince Smith-Hughes, retirement expert at Prudential, said:

“The ageing population is having a major structural impact on financial services and represents a huge opportunity for financial advisers – but they need to be well prepared and ensure that their procedures and work practices can support elderly clients, some of whom could be vulnerable.

“There’s a noticeable change underway with advisers seeing huge growth in business and enquiries which they are adapting to very successfully. This is accompanied by new challenges too. The increasing numbers availing of Pension Freedoms is set to stoke the demand for advice further still.”

Dave Seager, Development Director at SIFA, said:

“Increasing longevity and the requirements to provide advice to vulnerable or potentially vulnerable clients is fundamentally changing the financial services landscape. It’s never been more important for advisers and solicitors to work together to ensure clients current and future objectives can both be met.”

The research found nearly one in three advisers (30 per cent) are often or very often asked about setting up LPAs and three quarters (75 per cent) have set up partnerships with specialist firms to help them address the growing demand.

The research shows more partnerships are possible – only 57 per cent of firms said they would advise on setting up trusts and estate planning while 33 per cent will advise on equity release.

- Ends -

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Notes to editors

¹ Research conducted by independent researchers Pollright between June 25th and July 10th 2018 among 101 financial advisers nationwide