

Platform 'loyalty' coming to an end

Defaqto's sixth annual report into the platform market reveals that more than one in five advisers have changed their platform over the last year.

Based on a series of satisfaction studies with advisers using a variety of platforms, the main reasons given for changing were flexibility and service. This is in stark contrast to research from previous years. Similar research undertaken by Defaqto in 2006 showed only 6% of platform users had switched platforms during 2005.

Defaqto's current report also highlights that over 60% of advisers that use a platform, place more than half of their investment business with them, indicating that platforms are becoming more integrated in to their business.

Fraser Donaldson, Insight Analyst for Funds and author of the report said: "Our findings suggest that advisers now have a much clearer idea of what each platform can do, and how best they can benefit their clients and businesses. Neither client nor adviser will, or indeed should, accept second best. There is plenty of choice out there."

Donaldson added: "With the platform discussion paper from the Financial Services Authority underlining the need for advisers to choose their platforms carefully, platform operators need to deliver exactly what the market is demanding if they are to attract and retain adviser business. Advisers need to become RDR ready now so they are already positioning themselves for 2013. Advisers can no longer rely on promises of development which may or may not materialise, or hide behind the perceived difficulty in moving platforms. If it is not right, they will move."

Defaqto's report on platforms entitled *'The final countdown'* is available via www.defaqto.com/adviser

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Notes to Editors:

Fraser Donaldson is Insight Analyst - Funds

Fraser joined Defaqto in November 1994. Prior to joining Defaqto, he worked at national IFA Towry Law where he was involved in building best advice panels for investment products and was instrumental in setting up a Towry Law Discretionary Management Service in partnership with Mercury Asset Management (now BlackRock). Fraser is responsible for producing Insight Reports and guides in the investment arena, having written several reports and guides on investment subjects such as platforms, onshore and offshore bonds and he authors a half yearly guide on the multi-manager market. He is also responsible for developing Defaqto's investment proposition.

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About Defaqto: www.defaqto.com

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Our experts validate and analyse the data to provide insight and consultancy to all layers of the financial services sector including IFAs, mortgage and general insurance brokers, providers, web aggregators and the public sector.

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