

Financial Services Consumer Panel

AN INDEPENDENT VOICE FOR CONSUMERS OF FINANCIAL SERVICES

How people buy



Paper 1/2005

Consumer Panel Research Paper

Buying financial services – the consumer perspective

Preliminary findings from the Financial Services Consumer Panel survey 2004

A key part of the work of the Financial Services Consumer Panel has always been to seek to understand consumer behaviour, and how this should be reflected in regulatory policy and practice. To this end, we commissioned BMRB to carry out a major survey of consumer experience of and attitudes to financial services. This briefing is the first in a series based on the data from the survey.

The fieldwork took place in November 2004, at a time when financial services faced some big changes. Mortgages and general insurance had just become regulated by the FSA whilst so-called 'depolarisation' meant that, from mid-2005, advisers are no longer required to represent either just one company or offer 'whole of market' advice for investments. Our data captures consumer experience before these changes took effect, and so can be taken as a benchmark for assessing their impact.

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Key findings

1. There has been a marked shift away from equity-based investment. Only 9% of consumers had bought investment products in the previous 12 months, compared to 14% in our 2000 survey. Purchases of savings stayed constant, while purchases of mortgages and protection-type life insurance increased.
2. Purchasers are better off than the general population, and more likely to class themselves as financially knowledgeable. However there is also a link with the image of the industry, with purchasers of most types of product being more likely to have a positive image of financial services firms than the population in general.
3. People pay lip service to the idea of shopping around, with 74% agreeing that they tend to shop around. However, in practice 56% got a quote from just one company before buying, and 33% neither shopped around themselves nor used a broker to act on their behalf.
4. Internet shopping is growing, but purchases are still largely made face to face, with many consumers heavily reliant on financial advisers. Half the purchases were made after taking some form of financial advice, with one in eight people leaving the choice of product completely up to their adviser.
5. The survey, undertaken before changes to the rules on the numbers of firms advisers can represent (known as 'depolarisation'), found that consumers were confused about the services offered by advisers, with almost a third thinking that their 'independent financial adviser' was only able to advise on a restricted range of companies' products.
6. There was also confusion about the cost of advice: 20% of those who said that they had used an IFA either thought that there was no commission or fee, or did not know. However, fees are starting to make an impact: they were paid by 12% of people who bought products regulated by the FSA.
7. Consumers value independence. Although few thought that they had received poor advice, purchasers were much happier with the advice that they received from independent financial advisers. 62% of people who said that they had used an adviser who covered the whole of the market rated the advice as very good, compared to 20% of those who had used advisers tied to one company.

Challenges for policy-makers

1. These findings question the effectiveness of recent Government initiatives designed to encourage equity-based investment – for example, equity ISAs and stakeholder pensions. Such initiatives appear to have had less influence on consumers' buying habits than changes in stock market returns. We continue to call¹ for a re-assessment of the role of equities in the financial planning of middle and lower-income savers. Until consumers have a range of product choices that they feel comfortable with, they are likely to stick to shorter-term saving.
2. Most consumers have limited experience of financial services. If consumers are expected to take more responsibility for their own financial future, the industry will need to find new ways of communicating with them and regulators will need to be vigilant in ensuring that consumers who do start to buy a wider range of services are treated fairly.
3. Consumers recognise the importance of shopping around, but at the moment too few are doing it. In order to put across clear and consistent messages, there should be a consensus on the extent to which consumers can be expected to shop around on their own behalf, taking into account the range of products and consumer diversity. As some financial services are too complicated for most consumers to navigate without professional advice, then the urgent challenge is to improve access to advice.
4. However consumers cannot be expected to shop around if they are faced with poor-quality information. It is very disappointing to see that the FSA has already had to write to lenders about the Key Facts illustrations for mortgages, pointing out that some contain inadequate and unnecessarily complex descriptions. It would be regrettable if such problems were to reduce the welcome current high level of shopping around for mortgages, because it becomes too lengthy and cumbersome.
5. Regulatory practices need to be adapted to newer ways of distributing products and disseminating information. However, as most people still use traditional channels it is vital that the industry continues to cater for them. In particular, consumers' heavy reliance on advisers needs to be recognised. It is essential that high standards of training and regulation are maintained among all advisers, and that objective generic advice is made available to people without access to advice.

1 See our paper *Putting the service back into financial services; five challenges for the savings and investment industries* February 2005

6. Consumers are confused about services offered by advisers, even given the comparatively simple options allowed under the 'polarisation' rule (where an adviser must give advice on either the whole of the market, or on just one company's products). Now that this rule has gone, and advisers can choose to represent one company, all companies, or a restricted range, it is even more important for consumers to understand the service they are getting. New disclosure documents are being introduced but the FSA must do more to educate consumers about what the changes mean for them.
7. New ways of paying for advice, such as fees, are starting to make an impact. However, given the evidence of existing consumer confusion about how advice is paid for, the FSA should monitor changes in the cost of advice and assess whether the introduction of new types of payment works in the consumer interest.
8. The survey shows that consumers value whole-of-market advice. Depolarisation will only succeed in increasing competition and consumer choice if advisers widen the range of companies whose products they handle, rather than using the changes as an opportunity to reduce their costs by dealing with a restricted range.

About our research

The survey was designed to provide information about the attitudes and experience of all adults, but also to provide detailed information about recent purchasers. 1,073 interviews were conducted by BMRB between 9th November and 19th December 2004 with adults aged 18+ living in the United Kingdom. The survey was conducted face-to-face in respondents' homes using random location sampling. 753 interviews were carried out as part of a sample designed to represent the general adult population. A further 320 interviews were part of a 'boost' sample among adults who had purchased specific products (savings, investments, life assurance, mortgages and personal or stakeholder pensions) in the previous two years.

The survey draws upon a series of past surveys undertaken for the Panel in 1999 and 2000. However, because regulation changed substantially in that time, the new survey needed to be adapted substantially in order to reflect new priorities, and there is only limited scope to track changes in consumer behaviour and attitudes. We include comparative data where possible. Further, more detailed, tables are given in the Annex.

Changing patterns of buying

We asked people whether they had ever bought savings and investments, mortgages, life assurance or a personal or stakeholder pension. The box on page 8 shows how we defined these categories. The overall level of recent purchasing is unchanged since 2000: seven in ten had purchased in the last 5 years, and a third had bought in the last year. But these figures hide a marked change in the type of products bought.

As Figure 1 shows, while the percentage of people buying a savings product stayed constant, with 19% buying in the previous year, there has been a big shift away from equity-based investments. Only 9% had bought an investment in the previous year, down from 14% in 2000 (and some of these will be repeat purchases, as these figures include purchases where the respondent already held the product but was switching suppliers). On the other hand, more people are buying non-saving products such as mortgages and life insurance (whole life and term insurance).

The fall in purchasing of equity-based investments is likely to be due in part to stock market falls at the end of 2000: as Figure 1 shows, the level of purchasing was particularly high in 2000, when the stock market was at its height.

Looking at the types of saving and investment that people are buying, cash ISAs remain popular. However stakeholder pensions have made very little mark. We found only one person with fewer than four products who held one.

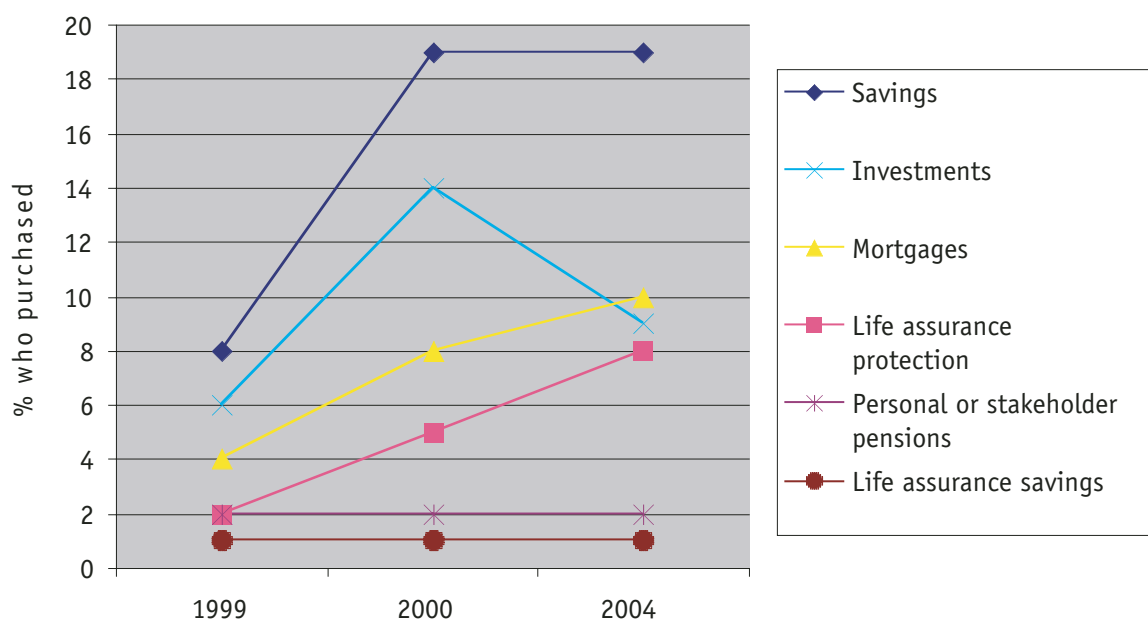
This raises two questions. The first is the extent to which ISAs can fill the gap left by the decline of other products (such as traditional regular-premium life assurance savings plans). The second is whether the introduction of more flexible savings vehicles has reduced the extent of regular saving.

46% of respondents reported that they found it difficult to save money regularly.

2 See Table 1 in the Annex.

Figure 1: Products purchased in past 12 months

Base: financial decision-makers aged 21+: 1999 (1,252); 2000 (1,122); 2004 (982)



There is also a slight decline in the *number* of products that individuals actually own, particularly investment-related products. Figure 2 shows the differences in holdings since the 2000 survey. The fall in the number of people with mortgage products is largely attributable to the decline in endowment mortgages. Of more concern is the marked fall in the ownership of personal and stakeholder pensions. (Note that we asked respondents to tell us about products they had ever bought and still held, so this figure may include pensions into which they are no longer paying.) Nor has recent buying showed a revival. Only 2% of people bought a personal or stakeholder pension in the previous year. As 36% of those aged 25 to 60 had no private or employer's pension, this suggests that a considerable number of people are likely to be dependent on the state pension in retirement.

The decline in the number of people with savings and investments has been balanced by an increase in the average value of cash savings held³ (investment holdings also increased in value, but this reflects improving stock markets). However consumers' overall wealth may not have increased, given the growth in consumer debt⁴.

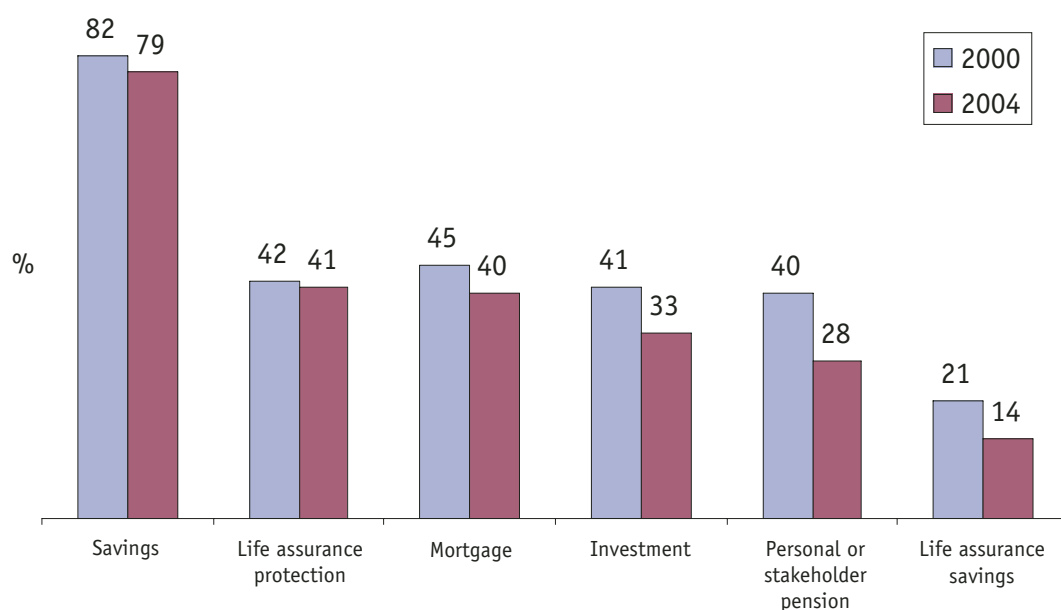
One in five people said that they either don't have enough spare income to pay back debts or loans, or that they sometimes need to cut back spending elsewhere in order to meet these payments.

3 Data from the NOP Financial Research Survey shows, for example, that the average value of a savings account increased from £5,400 to £8,250 between 2000 and 2004.

4 Financial Services Authority, *Financial Risk Outlook 2005*, January 2005

Figure 2: Products held at time of survey

Base: Financial decision makers aged 21+: 2000 (1,122); 2004 (993)



How products were categorised

Products were categorised as follows:

Savings: savings accounts with a bank or building society, cash ISA, Tessa, Tessa-only ISA.

Life assurance protection: life insurance designed primarily to pay out on death, either whenever death occurs ('whole of life'), or on death during a fixed term ('term insurance').

Mortgages: repayment mortgage, endowment policy for a mortgage/endowment mortgage, interest-only mortgage.

Investments: equity ISA, unit trusts, investment trusts, Open-Ended Investment Companies (OEICs), stocks and shares (excluding windfall shares from privatisations and demutualisations).

Pensions: personal pension, stakeholder pension, Free-Standing Additional Voluntary Contribution plan (FSAVC)/pension transfer, excluding pensions bought through an employer.

Life assurance savings: insurance policies designed primarily for regular savings, i.e. ten-year savings plans and endowment policies (not linked to a mortgage).

Regulated products: all products above except savings products, stocks and shares, term life assurance, interest-only and repayment mortgages.

Note that in order to reduce the length of the interviews, respondents were asked to describe the purchases of up to two products that they had bought in the previous two years. The products were selected on the basis of their expected purchasing levels, with higher priority given to products purchased less frequently. In practice, this meant that the savings products of respondents who made purchases across several product categories were unlikely to be selected. As a result, the savings data is only representative of the less financially active consumer. In addition, analysis of life assurance savings and pensions purchases was limited by small sample sizes. We have taken these factors into account when drawing conclusions from the data.

What affects buying behaviour?

It is worth restating the limited experience that most consumers have of financial services. Around 10% of all adults have none of the products we looked at, and a further 20% have only one – usually a savings account with a bank or building society, but sometimes a cash ISA instead. Only 37% had four or more products; investments only really started to be bought once somebody already had at least three other products. The investments which people with fewer than three products were most likely to own were stocks and shares (excluding windfalls) and some form of investment/insurance bond.

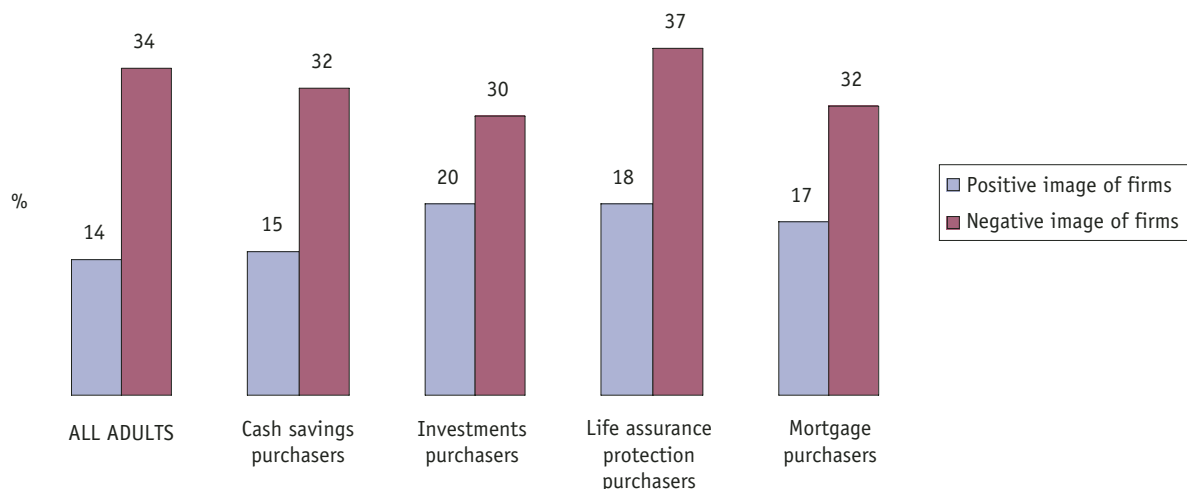
It will be no surprise that, as in previous surveys, recent purchasers tend to be in higher social grades than adults in general, and with higher levels of income and savings⁵. In addition, they were more likely to class themselves as knowing a lot or a fair amount about financial products. There was also an association with age, with both purchasing and ownership peaking in people's 50s. Recent purchasers were particularly likely to be men, aged over 55, with relatively high savings.

The survey also suggests that people who buy most types of product (except cash savings accounts) are slightly more likely to have a positive view of the industry, and slightly less likely to have a negative view. See Figure 3. It is not clear whether this is cause or effect – that is, whether people are more likely to buy because they have a positive view, or whether the process of buying improves their views – but we will be investigating consumer confidence in the industry in future briefings.

5 See Table 3 in the Annex

Figure 3: Recent purchasers' views of financial firms

Bases: all adults (1,073); purchasers in previous 2 years (see box on page 8); savings (339); investments (151); life assurance protection (115); mortgages (167)



Shopping around

'Shopping around' is important both for ensuring a competitive marketplace and for enabling individual consumers to get the most out of their money. Consumers recognise this, with 74% of respondents agreeing that they 'tend to shop around for the best deal when buying a financial product', with little distinction between different incomes or social groups. However, in practice, little shopping around actually takes place - 56% of purchases were made after contact with just one company. A few people who contacted just one company used best buy tables (17%) instead and rather more (40%) used a broker to collect quotes. But 33% did none of these three things.

Purchases of mortgages and life assurance protection were made after much greater shopping around than for other products. There was no shopping around in 40% of savings purchases, and in 33% of investment purchases. By contrast, only 18% of mortgages and 25% of life assurance were bought after no shopping around.

This raises two questions. The first is how easy it is to shop around. Best buy tables for investments are less common in the press than for other products. Similarly, investment companies, particularly for life and pensions, may not be prepared to deal directly with individual investors, instead referring them to advisers. Ease of access to high quality financial advice is therefore an important issue.

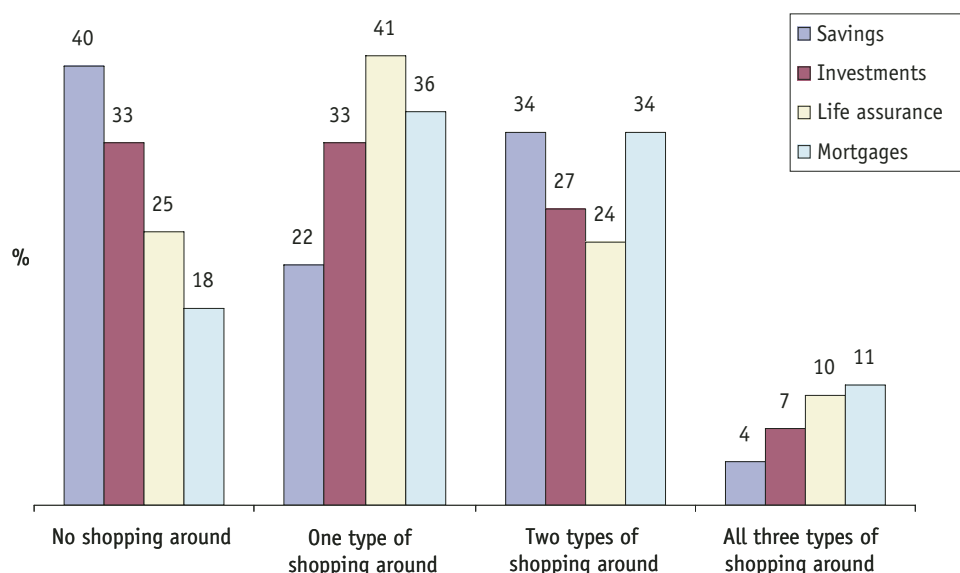
The products with the highest level of shopping around (mortgages and life assurance protection) were also those for which advice was most commonly taken. However the high percentage of mortgage buyers who did two or more types of shopping around (45%) suggests they did not rely wholly on their advisers, but also did some shopping around on their own behalf.

Even where information is readily available, consumers may still not shop around (there was no shopping around in 40% of savings purchases, for example). So the second question concerns the consumer characteristics that affect the likelihood of using the available information. Use of best buy information was most prevalent among people aged between 35 and 60, and there was a strong relationship with social grade: almost half of the people in the AB social group used best buy information, compared to fewer than one in six of the DE group. It may also be that consumers feel that they have more at stake when buying mortgages and life assurance protection. Mortgage purchasers had a relatively high propensity to be classified as high-level financial planners.

Figure 4: Summary of shopping around activities

How many types of shopping around carried out (personally contacting more than one company, using a broker and consulting best buy tables)

Bases: All purchases selected (see box on p8) where valid answer given for all types of shopping around; savings (398); investments (197); life assurance (161); mortgages (176)



How products are bought

Financial products are still largely bought face to face, either in the provider’s branch or, to a lesser extent, at home⁶. Information picked up in a branch was the commonest source of information for savings products, and the second most common (after a financial adviser) for most other types of product.

There are signs of change, with a marked growth in internet usage since our 2000 survey. This growth is continuing, with 12% of purchases in the previous 6 months being made over the internet, compared to 9% in the previous two years. In addition, the internet was the third most common source of information for buying savings products and protection-type life insurance. Internet use was quite broadly spread throughout the age groups, tailing off after 55, but was strongly related to social grade, with AB groups more likely to use it.

⁶ See Tables 4 and 5 in the Annex.

However, it is still far too early to place much emphasis on the internet as a way of communicating with consumers. Consumers remain heavily reliant on financial advisers. A recommendation from an independent financial adviser (IFA) or broker was the commonest and most influential source of information across all product categories except savings, with roughly half of all purchases made after taking advice (see Figure 5).

A substantial number of consumers delegated the decision making completely to the adviser: while half of recent purchasers said that they knew exactly what they wanted and made the decision alone, one in eight said that the choice was made for them by their adviser, while three in eight knew more or less what they wanted but their final choice was influenced by the adviser⁷. The percentage that left the decision up to the adviser was higher for regulated products such as investments and personal or stakeholder pensions, at about one in five. Even 41% of people who thought that it was straightforward to take out a product felt that it was essential to seek guidance beforehand.

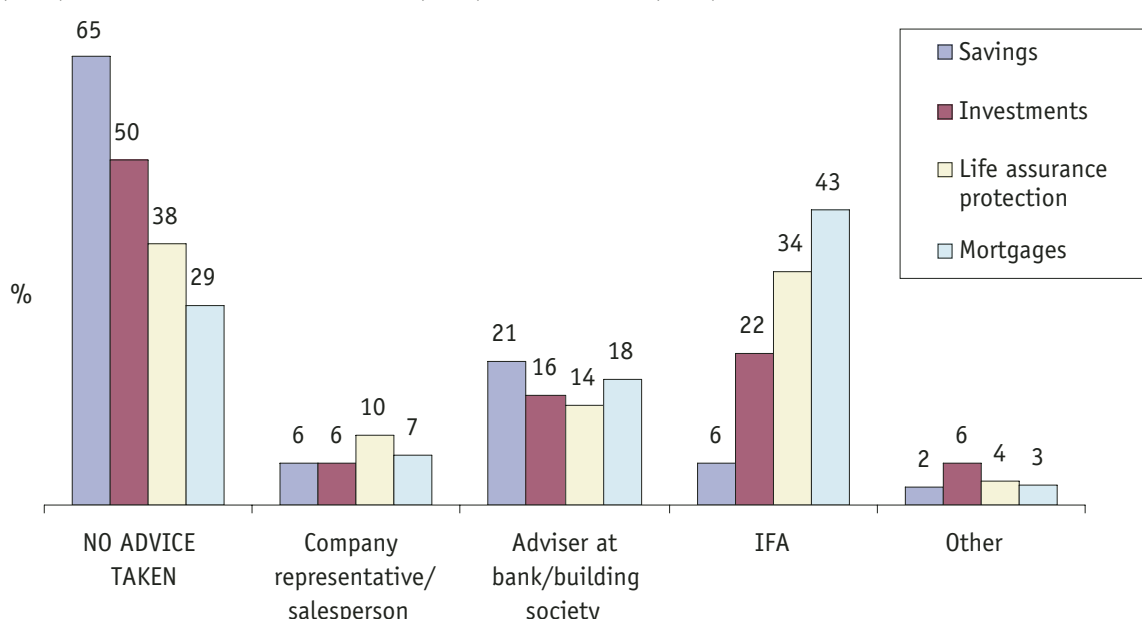
Women were more likely than men to take advice.

There are clear differences in the use of advice across product types. Purchases of savings products, unsurprisingly, were largely unadvised; where advice was taken it seems to have been mainly from the provider's staff. However best buy tables were a relatively common source of information for such products. Conversely mortgage purchasers made heavy use of advisers (likely to be mortgage brokers), even though they did a lot of shopping around on their own behalf.

When it came to the type of adviser used, people in the AB group were more likely to use an IFA than those in other groups.

Figure 5: Whether advice taken, and who from

Bases: Purchases in previous two years (see box on page 8); savings (401); investments (201); life assurance protection (166); mortgages (180)



7 See Table 6 in the Annex.

Sources of confusion

As observed in the Panel's previous surveys, recent purchasers tend to be happy with the quality of advice. They rated the quality of advice as 'poor' in just 3% of cases. Despite this reassuring picture, there are some worrying trends.

First, confusion about the extent of the service offered by advisers. Respondents were asked whether they thought that their adviser had been able to give advice about all the products on the market, all the products offered by two or more companies, or just one company's products. There is no way of checking which was the correct answer but, as shown in Figure 6, 28% of those who bought regulated products said their adviser represented two or more companies, even though at the time of the survey this was not an option open to advisers – they had to give advice about either the whole market or just one company (so-called 'polarisation'), and make this clear to their clients. Of those who thought that they had received advice from an IFA, only two-thirds thought that they had had been given 'whole of market' advice; a quarter thought that their 'IFA' could advise on just two or more companies, while one in 20 thought that their adviser could advise on just one company's products.

Following 'depolarisation', financial advisers can now offer advice on all products of a particular type, the products of just a few companies, or the products of just one company. Furthermore, the range of companies can vary for different types of product. However, this makes it even more important that consumers know what they are getting. The research suggests that it has been difficult to convey even the simple choice of options allowed under polarisation.

Looking at mortgages, where there was no restriction on the use of the word 'independent' at the time, some 60% of purchasers said that they had taken advice from an independent financial adviser, and 63% thought that they had received whole-of-market advice, whereas they had probably seen a mortgage broker. Consumer confusion about the range of service offered by brokers is therefore a real area of concern⁸.

The second concern is whether advisers are giving adequate explanations of the cost of advice. Advisers are required to disclose the amount of commission payable but, as Figure 6 shows, nearly half of the people who bought regulated products – most of which are commission-bearing – thought that there was either no commission or fee or else they didn't know how the advice was paid for. This was most prevalent among people advised at a bank or building society (53%) but also applied to IFAs (20%) and company representatives (17%). The 2000 survey raised concerns that 12% of purchasers who used an adviser reported that charges and commission had not been explained. It is therefore worrying that consumers continue to be in the dark about the cost of advice.

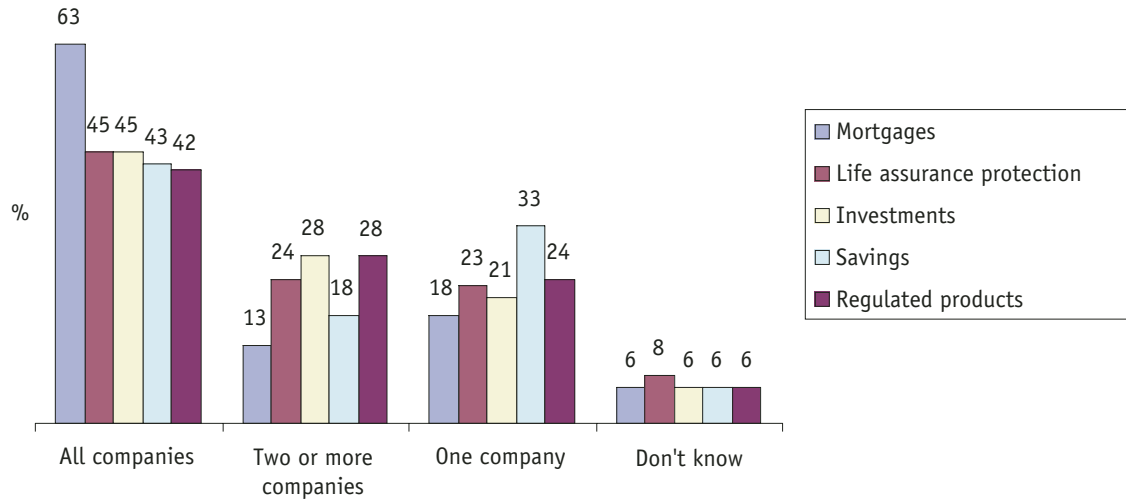
The impact that fees are starting to make is noteworthy. Fees were payable by 12% of people buying regulated products, but a further 7% said that they had paid both a fee and a commission. There may be good reasons for this – for example, the adviser may rebate initial, but not renewal, commissions if a fee is paid. However, it would be worrying if consumer acceptance of fees was being used to increase overall amounts of remuneration.

⁸ Research for the Mortgage Code Compliance Board in 2003 (*Consumer Research Report 2003*) also found that 'There is a great deal of confusion on the part of consumers about the different levels of service on offer.'

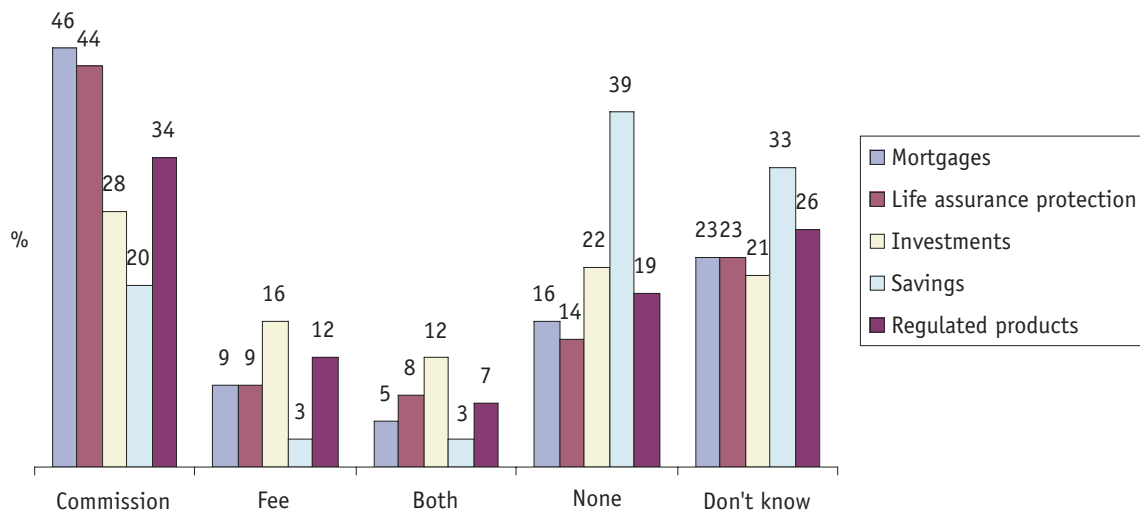
Figure 6: Advisers' range of companies and method of payment

Bases: Purchases in previous two years (see box on p8) where advice was sought (537); savings (141); investments (100); life assurance (103); mortgages (128)

Number of companies adviser was able to advise on



How adviser was paid



Consumer attitudes to advice

Recent customers are generally very satisfied with their purchase (54% of recent purchases covered), and very confident that the product was suitable for their needs (53%). In both cases, less than 5% were not satisfied or not confident. See Figure 7, and Table 6 in the Annex. The only products where significantly fewer people were very confident that they had bought a suitable investment were investments and pensions – possibly due to the intrinsic difficulty of forecasting the performance of equity-based investments.

Similar percentages apply to the rating of advisers. In only 1 in 20 purchases where advice was taken did the consumer feel that the adviser did not understand their financial circumstances well, or that the adviser did not explain the product well.

However, a closer look at the data uncovers some interesting distinctions. First, the strength of people's confidence about the suitability of their purchase may wane over time. We looked at whether people were more or less confident about products they had bought most recently, than those bought up to two years ago. While the percentage of people who were not confident about their purchase does not increase, the percentage of those who are very confident falls: 57% were very confident about products bought in the last six months, whereas the equivalent figure for products bought more than one year but less than two years ago was 50%. This suggests that there may be a 'warm afterglow' having sorted out one's finances, that fades with time.

Secondly, purchasers appear to rate IFAs much more highly than bank or building society advisers or company representatives.

Almost one in 10 people who received advice from an adviser representing just one company rated the advice as poor.

It is worth noting that, as explained above, people are not always correct about the status of advisers. They might assume that an adviser they value is independent, even if he or she is not.

Finally, how consumers rate their advisers varies depending on how well informed the consumer is, and the extent to which they rely on the adviser. As Figure 7 shows, the percentage of purchasers who rate the advice as 'very good' rather than just 'good/fair' falls with the number of information sources used. There could be a number of explanations for this; better-informed people might be more discriminating in how they view the advice they receive.

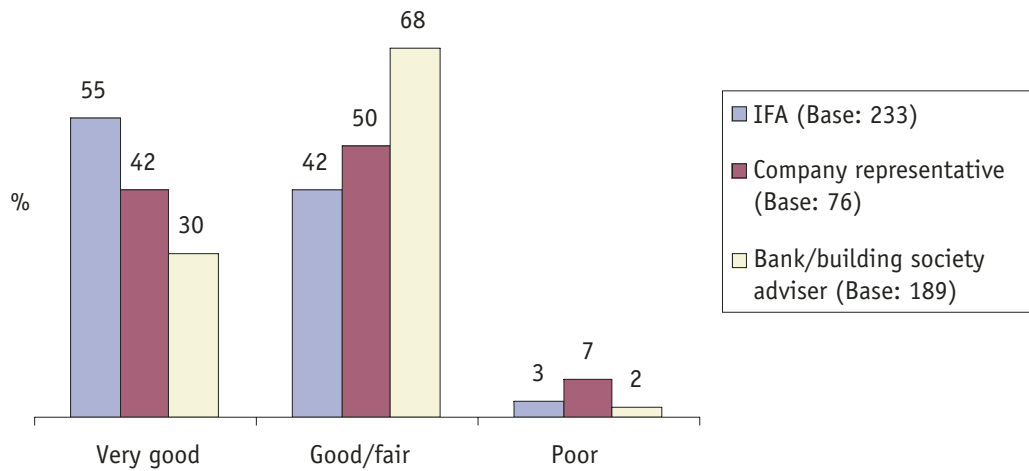
Similarly, people were more satisfied with their purchase and confident that the product was suitable if they made the decision themselves, without being influenced by an adviser⁹. This could be the result of an unfounded confidence in their own abilities. Alternatively, it could be that relying on someone else leaves a feeling of unease, or that people consult advisers for the more difficult products where suitability depends on the outcome of events.

9 See Table 6 in the Annex.

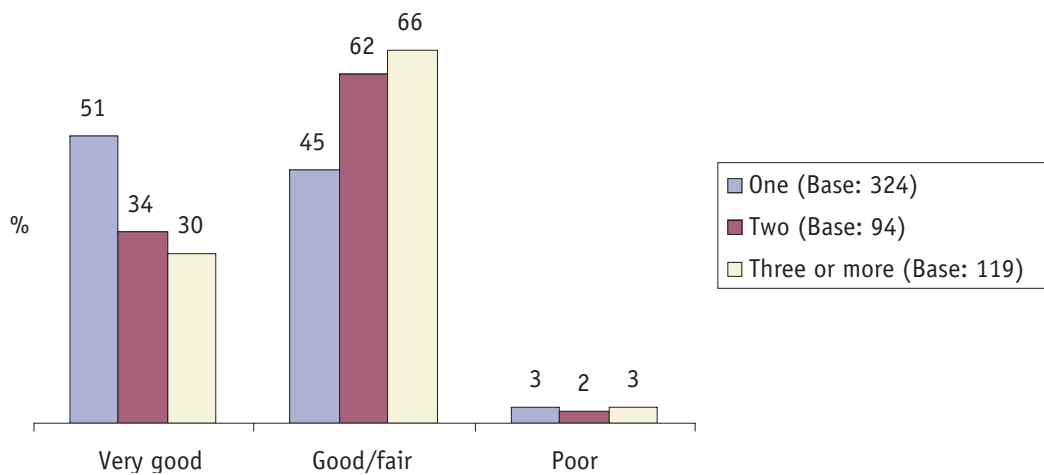
Figure 7: Rating of overall quality of advice

Base: Purchases in previous two years (see box on p8) where advice was sought

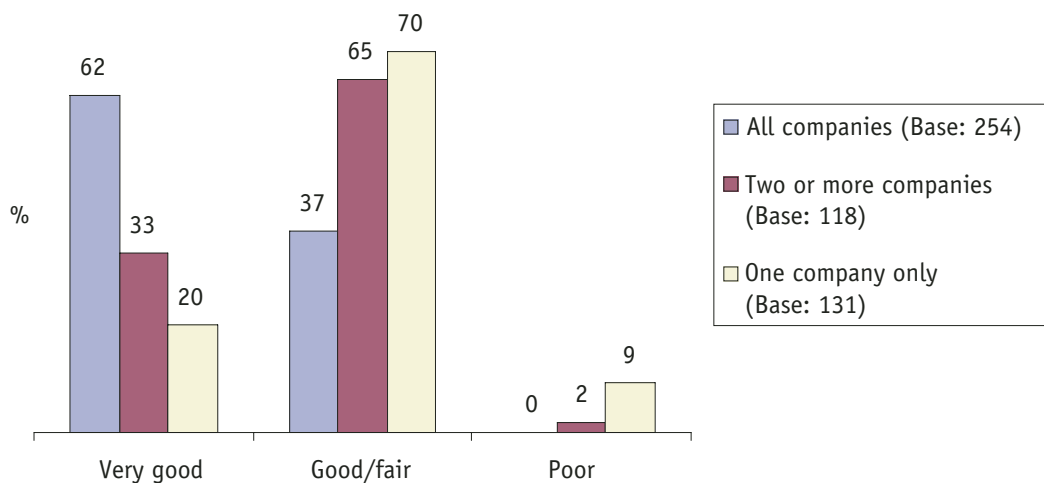
Quality of advice by type of adviser



Quality of advice by numbers of information sources purchaser used



Quality of advice by number of companies represented



Annex: Further tables

Table 1: Products purchased in past 12 months

	1999	2000	2004
Base: Financial decision-makers ¹ aged 21+	(1,252)	(1,122)	(982)
	%	%	%
ANY SAVINGS	8	19	19
Tessa/Tessa-only ISA			*
Cash ISA	4	12	10
Savings account with bank/building society	3	7	14
ANY LIFE ASSURANCE PROTECTION	2	5	8
'Whole of life'	1	2	4
Term	1	3	5
ANY MORTGAGE	4	8	10
Repayment	2	4	8
Endowment	2	2	*
Interest-only	*	2	2
ANY INVESTMENT	6	14	9
Equity ISA	2	4	2
Unit trusts	*	1	1
Investment trusts	*	*	1
Insurance/investment bond	1	*	2
OEICs	*	*	*
Stocks and shares (excluding windfalls)	1	6	5
ANY PENSION	2	2	2
Personal pension	1	2	2
Stakeholder pension ²			*
FSAVC/pension transfer	*	*	*
ANY LIFE ASSURANCE SAVINGS	1	1	1
Ten-year savings plans	1	1	1
Endowment (not linked to a mortgage)	*	*	*

1 2004 data has been rebased to permit comparison.

2 Not available in 2000.

* Fewer than 1% of respondents purchased product.

Table 2: Products held at time of survey

	2000	2004
Base: Financial decision-makers ¹ aged 21+	(1,122)	(993)
	%	%
ANY SAVINGS	82	79
Tessa/Tessa-only ISA	14	9
Cash ISA	21	36
Savings account with bank/building society	79	74
ANY LIFE ASSURANCE PROTECTION	42	41
'Whole of life'	28	28
Term	27	23
ANY MORTGAGE	45	40
Repayment	20	29
Endowment	28	14
Interest-only	6	7
ANY INVESTMENT	41	33
Equity ISA	10	11
Unit trusts	12	8
Investment trusts	8	6
Insurance/investment bond	17	12
OEICs	1	3
Stocks and shares (excluding windfalls)	20	16
ANY PENSION	40	28
Personal pension	37	25
Stakeholder pension ²		3
FSAVC/pension transfer	9	5
ANY LIFE ASSURANCE SAVINGS	21	14
Ten-year savings plans	13	9
Endowment (not linked to a mortgage)	12	7

1 2004 data has been rebased to permit comparison.

2 Not available in 2000.

Table 3: Profile of recent purchasers¹

	All recent purchases ¹ of:				
	All adults	Savings products	Investment products	Life assurance protection	Mortgage products
Base: All adults	(1073)	(339)	(151)	(115)	(167)
	%	%	%	%	%
Social Grade AB	26	37	45	35	34
Men	48	48	62	42	44
Age <35	29	33	23	38	37
Age 35-54	37	38	36	48	54
Age 55+	35	29	42	14	9
Household income £40K+	23	30	38	43	40
Savings > £50K	15	22	33	10	6
Financially knowledgeable	46	54	72	55	59
Positive image of firms ²	14	15	20	20	18
Negative image firms	34	32	29	36	30
High level financial planners ³	28	37	38	37	40

1 All who have purchased in the previous two years (see box on p8).

2 A measure derived by scoring respondents' level of agreement with a number of positive and negative statements about financial services firms.

3 Defined as doing 3 or 4 of the following at least once a year: reviewing savings levels, optimising interest rates for savings accounts, retirement planning and reviewing health or life insurance.

Table 4: Sources of information used in decision-making

	Savings products	Investment products	Life assurance protection	Mortgage products	Personal/stakeholder pensions
Base: Purchases in previous two years (see box on p8)	(401)	(201)	(180)	(166)	(60)
	%	%	%	%	%
Information picked up in a branch	51	22	31	31	18
Best-buy tables in newspapers/magazines	21	20	10	10	12
Internet	18	14	16	23	12
Information from sales staff	18	18	27	20	22
Friends/relatives (not working in industry)	16	13	11	*	13
Information sent in the post	15	19	12	21	17
Newspaper articles	13	20	*	*	*
Recommendation from IFA/Broker	11	31	47	36	32
Specialist publications	*	15	*	*	*
Employer	*	*	*	*	27
Up to one source only	50	55	59	58	62
Two sources	24	14	16	21	23
Three or more sources	26	30	25	21	15

* This source used for fewer than 10% of purchases.

Table 5: How products were purchased

	Savings products	Investments	Mortgages	Life assurance	Personal/ stakeholder pensions
Base: Purchases in previous two years (see box on p8)	(401)	(201)	(180)	(166)	(60)
	%	%	%	%	%
At a branch/office of provider/adviser	72	42	53*	38	28
Salesperson/adviser visiting respondent at home/work	5	15	26	25	40
By post	8	17	8	14	23
Internet	12	10	5	10	-
Over the phone	3	13	8	12	5

* Probably a mortgage broker.

Table 6: Overall satisfaction with product purchase and confidence that product suited needs

	All purchases	I knew exactly what I wanted, made choice by myself	I knew more or less what I wanted but was influenced by an adviser	Didn't really know what I wanted, choice made by an adviser
Base: Purchases in previous two years (see box on p8).	(1,051)	(506)	(402)	(132)
	%	%	%	%
How satisfied were you with the purchase process overall?				
Very satisfied	54	62	46	55
Fairly satisfied	42	35	51	38
Not very/not at all satisfied	2	2	3	5
How confident are you that the product you purchased was suitable for your needs?				
Very confident	53	60	45	51
Fairly confident	43	39	51	37
Not very/not all confident	3	1	3	8

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