IFA DNA
2025
Report

The code for the future advice firm

Adviser Solutions

Fidelity
INTERNATIONAL

Introduction

Paul Richards, Head of Adviser Distribution, Fidelity Adviser Solutions

Welcome to the 2025 instalment of our IFA DNA research programme, our annual examination of the opportunities and challenges facing advice businesses today. It was first conducted in 2020, so this is the sixth time that advice practitioners have provided insights into how they are responding to various themes affecting the industry.

The early editions shed light on the resilience of financial advisers as they had to change working practices in light of the pandemic. More recently, the research highlighted the growing frustration of advisers with the ever-increasing regulatory burden. This year, it is evident that advice firms are embracing new technology – specifically AI – in order to drive efficiencies within their businesses.

This year's research reveals a stark reality – advisers currently spend just 33% of their time with clients, with the remainder consumed by administration, compliance and management tasks. However, many firms are bringing in AI tools to help in areas such as report writing, meeting transcription and note generation. And the good news is, advisers believe this new technology will allow them to spend more time on what really motivates them – developing long-term relationships with clients and ultimately helping them to live better lives.

The message from our research is unequivocal – advisers want more client time and less admin. As such, this report explores how firms are navigating this challenge through AI adoption. In addition, it also looks at other important areas, such as business and client trends and the growing opportunities in areas like intergenerational wealth transfers.

Perhaps the most revealing insights from this year's research were uncovered when we dug deeper into how advisers would ideally spend their day. Rather than a one-size-fits-all vision, four distinct profiles emerged – each with different motivations, preferred tasks and definitions of professional fulfilment. From those energised by complex technical challenges to others who thrive on relationship-building and business development, these profiles reveal that successful firms will need to think differently about role design and career paths. These profiles are explored in more detail in an **IFA DNA: Rewriting the adviser's day** special edition.

Both IFA DNA reports offer valuable insights across many different areas. We intend to leverage these findings to enhance our already extensive support for advice practitioners and the broader advice industry.

"We're trying to evolve tech as best we can. So, obviously AI at the moment is something that's being piloted and we're considering how that can help us in terms of efficiencies."

"We're trying to get the team thinking about, if a robot could do some of your job, what would you have the robot doing and what would you like to focus more care, attention and your empathetic side on?"

"A lot of people are nervous. Taxes are causing people a lot of headaches. We've got much younger people now wanting to model what their pension's going to look like. Thinking earlier about IHT planning."

Contents

Methodology

Fidelity commissioned NextWealth to produce this report based on a representative sample of financial advisers from research conducted in June 2025:

- A digital survey of 209 UK financial advisers.
- In-depth qualitative interviews with 10 financial advisers.

The participants were chosen to represent a full range of age and experience from firms large and small.

NEXTWEALTH

Executive summary

38% Plan to grow by taking on new clients

23% Plan to sell up – the highest number since the research began

56% Say the increasing compliance burden is one of their top five business challenges

19% Brought in an AI tool over the last year

40% Believe AI will enable them to spend more time with clients

Industry trends

When asked about growing the business over the next three to five years, advisers are generally much less bullish than in previous years. Indeed, the figures are sharply down on last year while the number stating they are planning to sell up is at the highest level since this research began in 2020. The increasing compliance burden remains the most-commonly cited business challenge.

The AI revolution is picking up pace in the advice sector, with 19% of advisers stating their firm brought in an AI tool over the course of the last 12 months. AI is overwhelmingly seen as having a positive effect on the advice sector with many advisers anticipating that it will allow them to spend more time with clients.

Adviser trends

This year, participants were asked about their ideal workday and it is quite clear that advisers feel they do not spend enough time with clients. In fact, nearly three quarters of respondents say a reduction in the amount of time spent on admin would be the best way to create a better workday balance.

33% Just a third of time is typically spent with clients

72% Say a reduced administrative burden would improve their workday

68% Say that creating and deepening long-term client relationships gives them most fulfilment

Client trends

The sense of financial wellbeing amongst clients has improved dramatically over the last year. Only 29% of respondents state more clients are concerned about their financial wellbeing than usual – down from 60% last year. Market and political uncertainty are the most common client concerns, taking over from the cost-of-living crisis.

29% State more clients are concerned about their financial wellbeing than usual – down from 60% last year

75% Say market uncertainty is a common client concern

Wealth transfers

Following the government's announcement relating to pensions and inheritance tax, advisers are spending more time talking about estate planning with clients at a younger age. This shift is already translating into increased demand, with over half of advisers stating there has been either a significant or slight increase.

52% Say demand has increased for advice on wealth transfers

Industry trends

Plans for the future

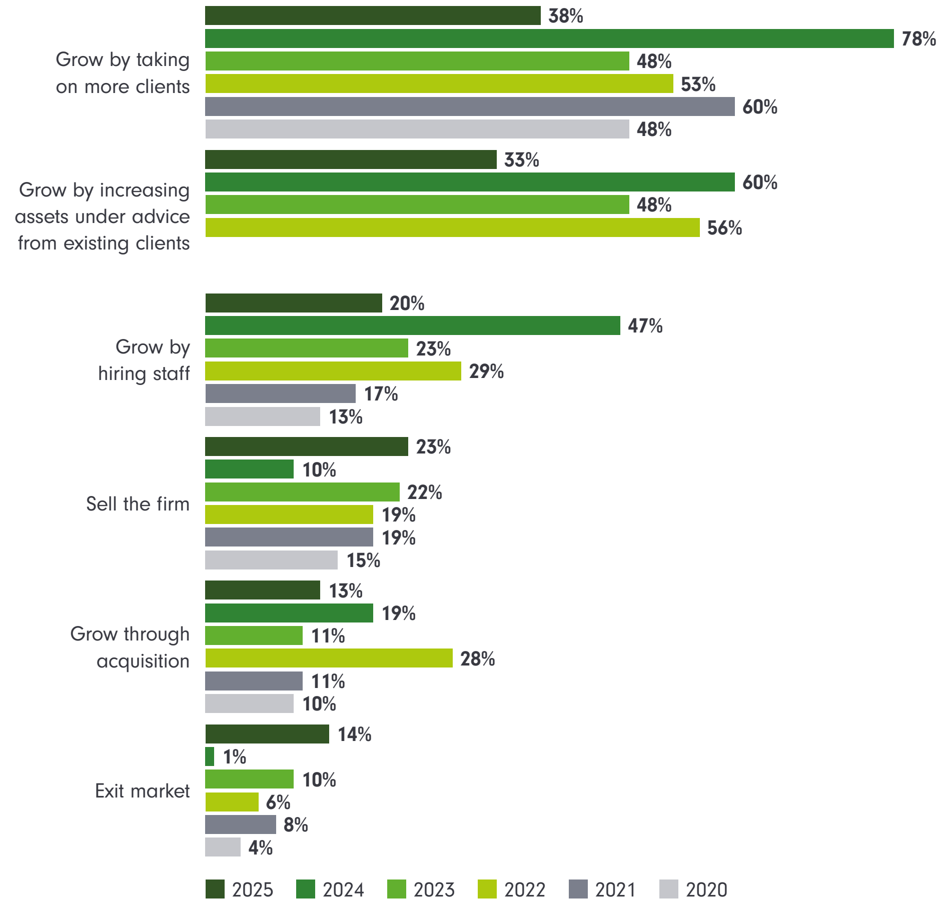
Last year, firms reached their highest levels of optimism since this research began in 2020. This year reveals a significant shift in sentiment – growth expectations have moderated considerably, with many metrics at their lowest levels since we started tracking industry confidence. This recalibration suggests the sector may be moving from post-regulatory adjustment into a more cautious assessment of near-term opportunities.

38% Plan to grow by taking on new clients

33% Plan to grow by increasing assets from existing clients

23% Plan to sell up – the highest number since the research began

Intentions for the future

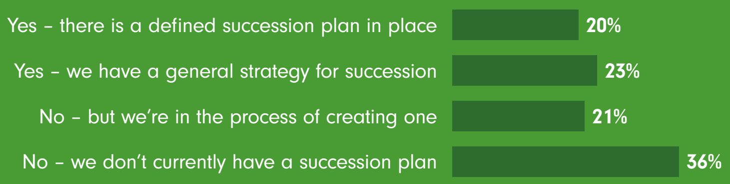


Some response categories did not appear in the 2021 and 2020 research

> "The business has evolved from being that lifestyle-type business into more of a professional practice that wants to grow and learn. We made a number of changes to the advice team and re-defined our investment proposition. From a new business perspective, we've also changed from being more of a generalist business, which is difficult to market, to trying to specialise in more areas."

This recalibration period coincides with significant movement in business ownership. Nearly a quarter of advisers (23%) are considering selling their business, while 14% are looking to exit the market entirely – both record highs in our research. However, this appears to reflect strategic planning rather than distress – 43% of these firms have succession plans in place, with a further 21% actively developing them. This suggests an industry maturing through planned transitions rather than distressed exits.

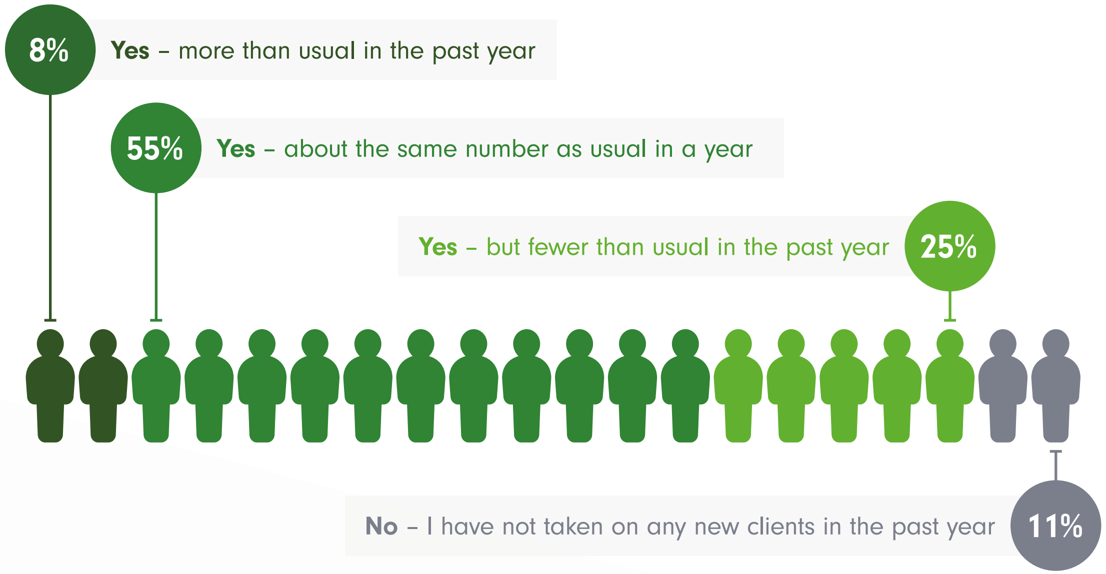
Succession planning

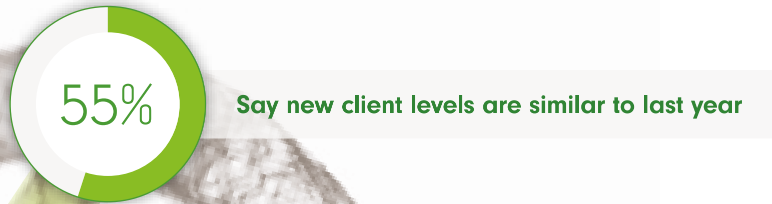


The demand for advice

While firms may be recalibrating their growth expectations, underlying client demand remains robust. Over half of respondents (55%) report new client numbers at expected levels, with 8% actually taking on more clients than usual over the past year. This suggests the more cautious sentiment among firms reflects strategic reassessment rather than weakening market fundamentals.

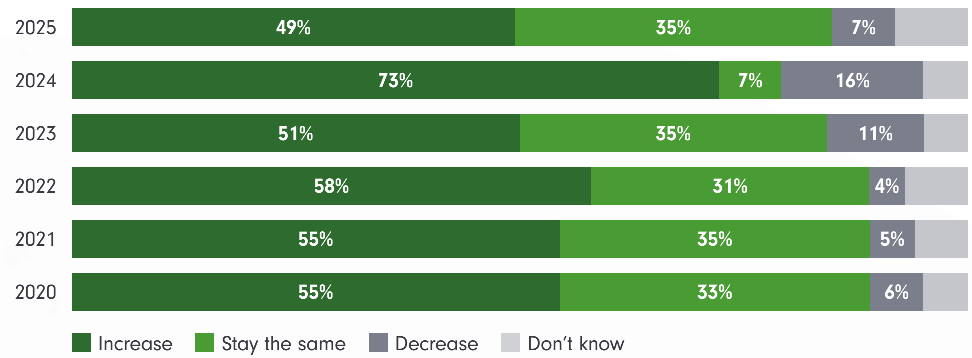
Firms taking on new clients





Looking ahead, nearly half of advisers (49%) anticipate increased demand for advice over the next five years. While this represents a significant drop from last year's 73%, it aligns more closely with historical trends, though remaining slightly below previous years' levels. Only 7% expect demand to decline – the lowest figure in three years.

The demand for advice over the next five years

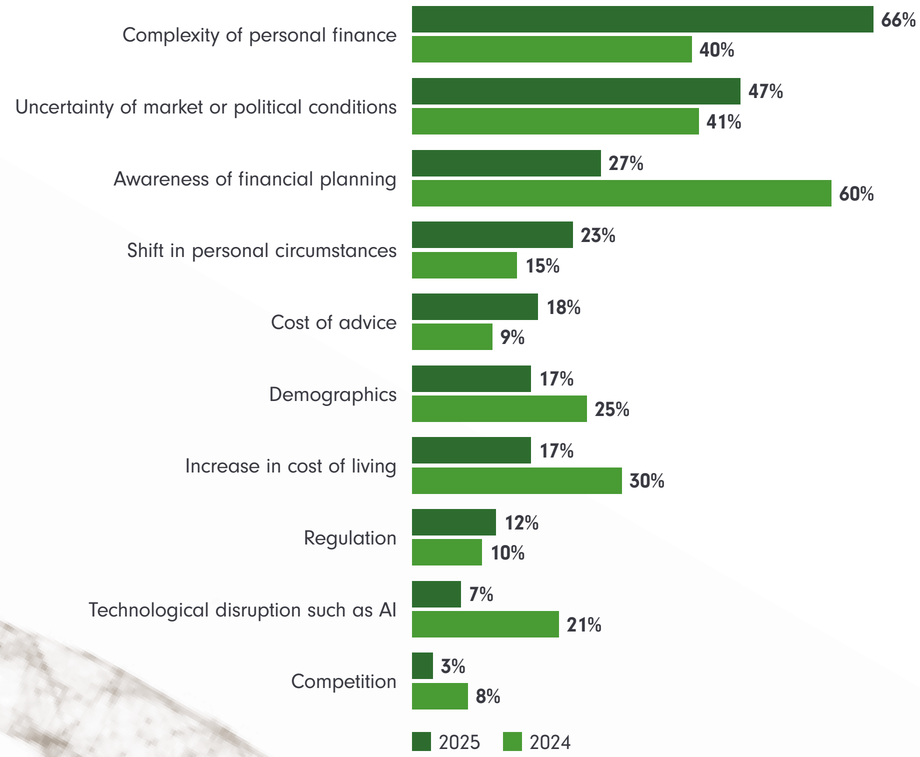


66%

Say the complexity of personal finance is the main driver of the demand for advice

Advisers believe the demand for advice will primarily be driven by the increasing complexity of personal finance. However, market uncertainty and political conditions are also frequently mentioned. Feedback from the qualitative interviews suggests that clients are becoming increasingly worried about changes to taxation, particularly in relation to pensions and inheritance tax.

The factors driving the demand for advice



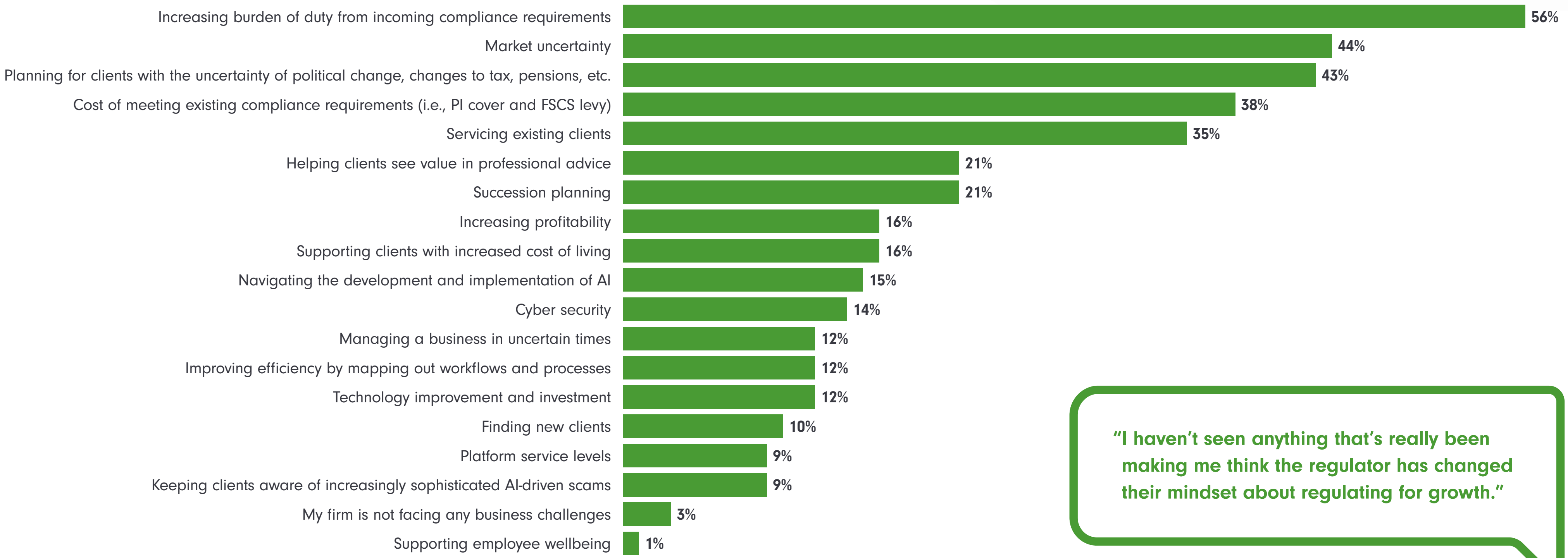
Business challenges

As was the case in 2024, the biggest challenge advisers face at present is the increasing burden of compliance requirements. In fact, the score for this year (56%) has increased quite substantially from last year (37%).

Amid heightened regulatory scrutiny on demonstrating client value from ongoing advice fees, a clear trend has emerged: 35% of respondents now cite servicing existing clients as a significant challenge. Qualitative insights reinforce this, highlighting cost-effective client servicing as a major operational pain point. The issue is particularly acute for lower-fee or legacy clients, where advisers struggle to balance regulatory expectations on evidencing value with the economic realities of service delivery.

Identify servicing existing clients as a significant challenge 35%

Main business challenges



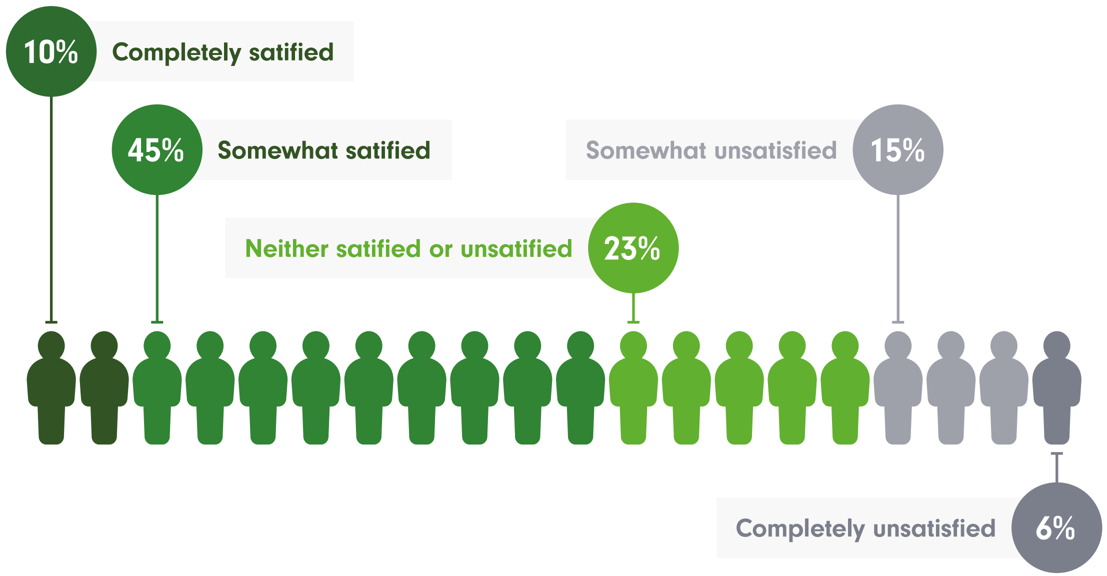
"I haven't seen anything that's really been making me think the regulator has changed their mindset about regulating for growth."

Technology and AI

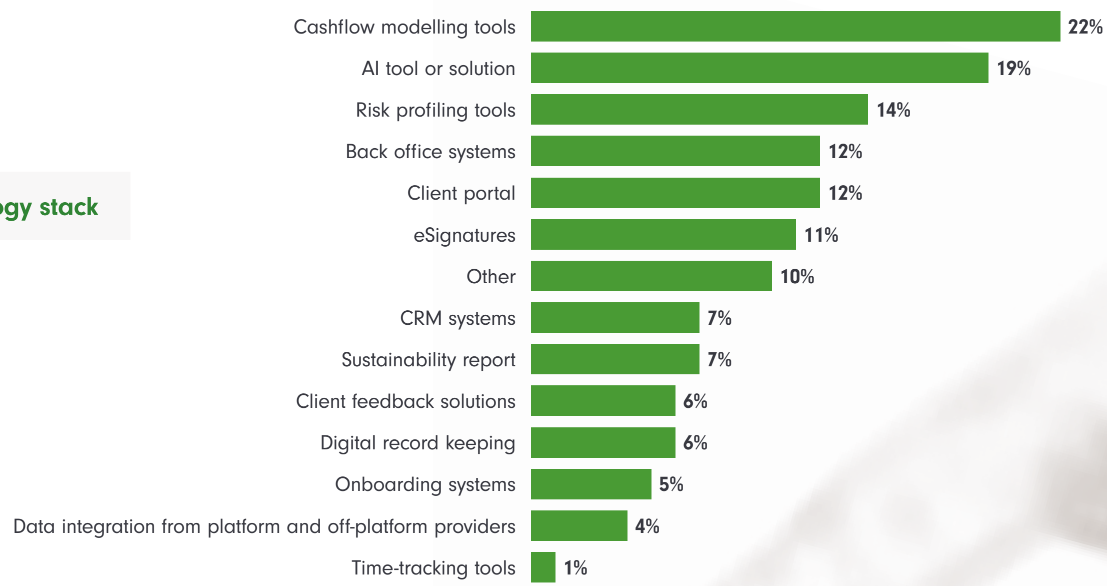
Technology – and particularly Artificial Intelligence (AI) – is continuing to revolutionise how we do business and the results from this year's survey show the advice sector is looking to the future and embracing innovative new tools. Many firms have added to their tech stack over the last year to help in areas such as report writing. However, at present, AI is typically viewed more as 'smart automation' rather than transformational intelligence.

In terms of the technology used within firms, over half of advisers (55%) are either completely or somewhat satisfied with what is currently in place, although firms are adding new tools and systems all the time. The most commonly-added solutions over the last year were cashflow modelling tools, with 22% of advisers stating this has been the case. This was closely followed by AI tools, which were adopted by 19% of firms.

Satisfaction with the technology used by the firm



New tools and technology implemented over the last year

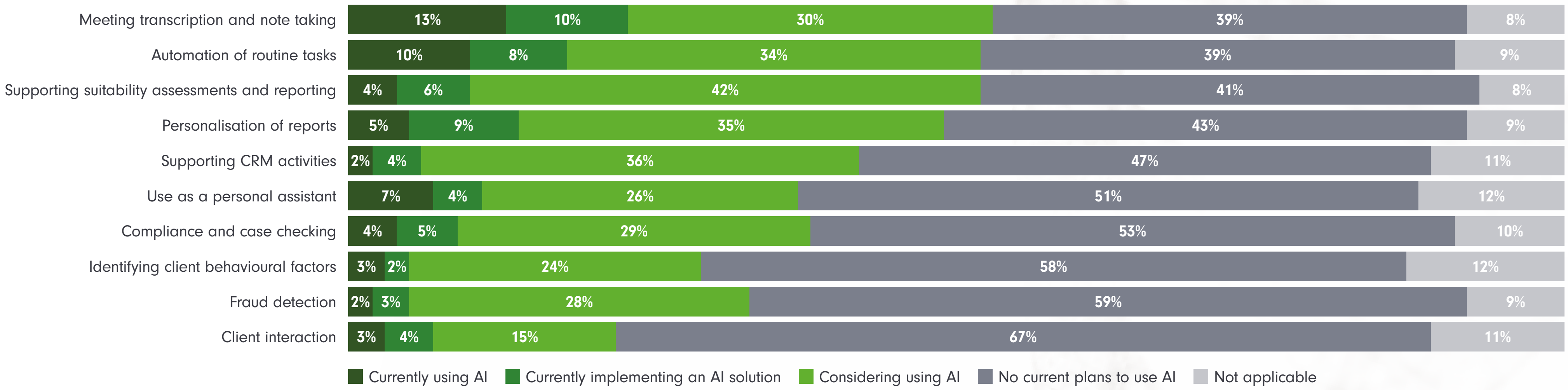


Either completely or somewhat satisfied with their technology stack

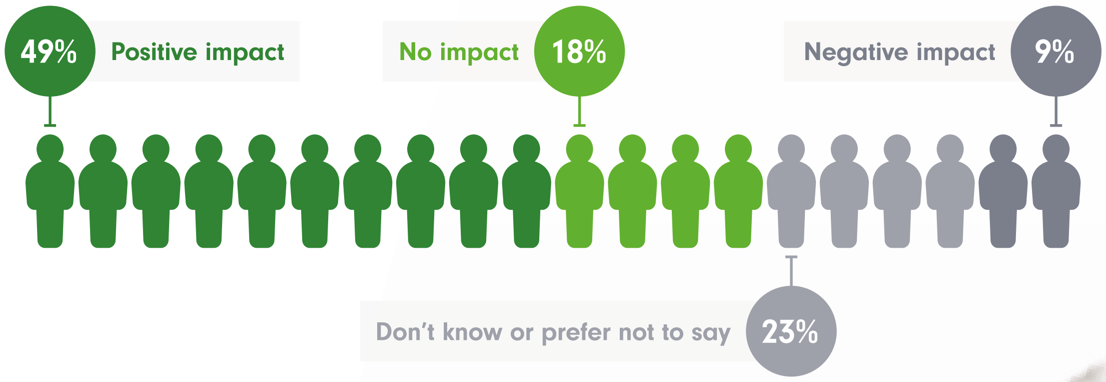
Brought in an AI tool over the last year

AI tools are primarily being used for admin efficiency and document generation. The feedback from the qualitative interviews indicate they are delivering meaningful time savings each week. Indeed, one respondent described a report-writing tool as ‘a massive leap forward’. While it is fair to say there are some mixed feelings about the adoption of AI, far more advisers (49%) believe it will have a positive impact on their role than those that feel it will have a negative impact (9%).

What AI is used for



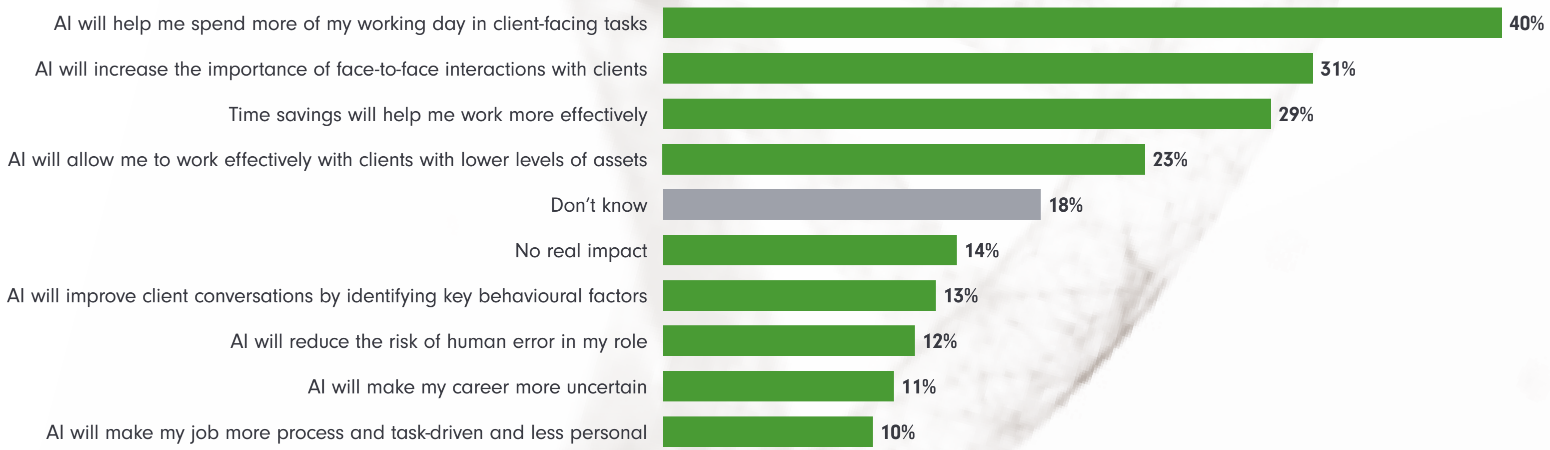
The impact of AI on the role of an adviser or planner



In terms of the benefits of AI, advisers see it as a way to eliminate tedious tasks. Indeed, spending more time on client-facing tasks is seen as the potential big win from AI – 40% of advisers state they think AI will allow them to spend more time with clients over the next three years. As such, AI could be a crucial tool in helping advisers achieve their 'ideal workday' – more time with clients, less time on admin. On a less positive note, a few respondents did express some worries that the technology may, to some degree, result in the loss of the personal touch and depth of client understanding.

"The way that I've learned most things in life is by doing. Would I still understand and have the same depth of knowledge of that client if a machine had written my follow-up rather than me taking the time and effort to write it?"

Anticipated benefits of AI



"We're working heavily with Saturn to start seeing how we can improve things. Half the advisers have been using Saturn with their paraplanners. It's working well, so we're using that a lot more."

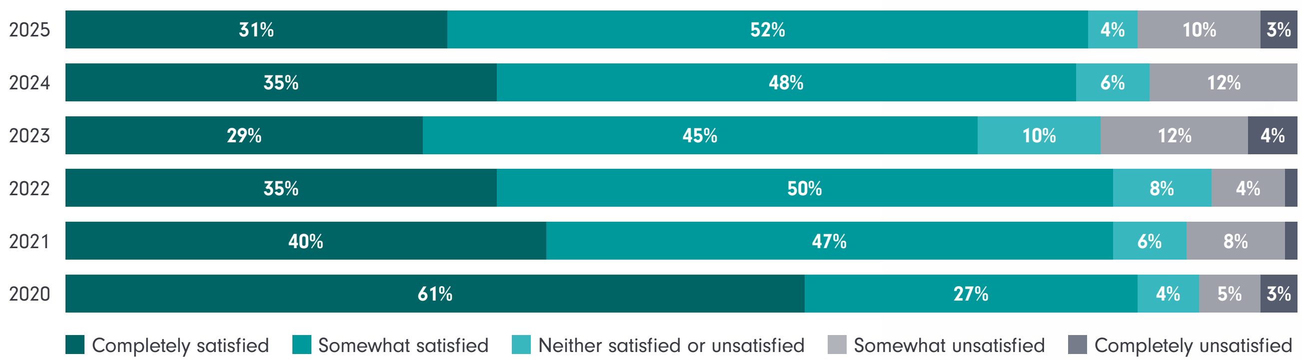
Believe AI will enable them to spend more time with clients

Adviser trends

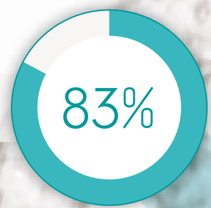
Career satisfaction and the ideal workday

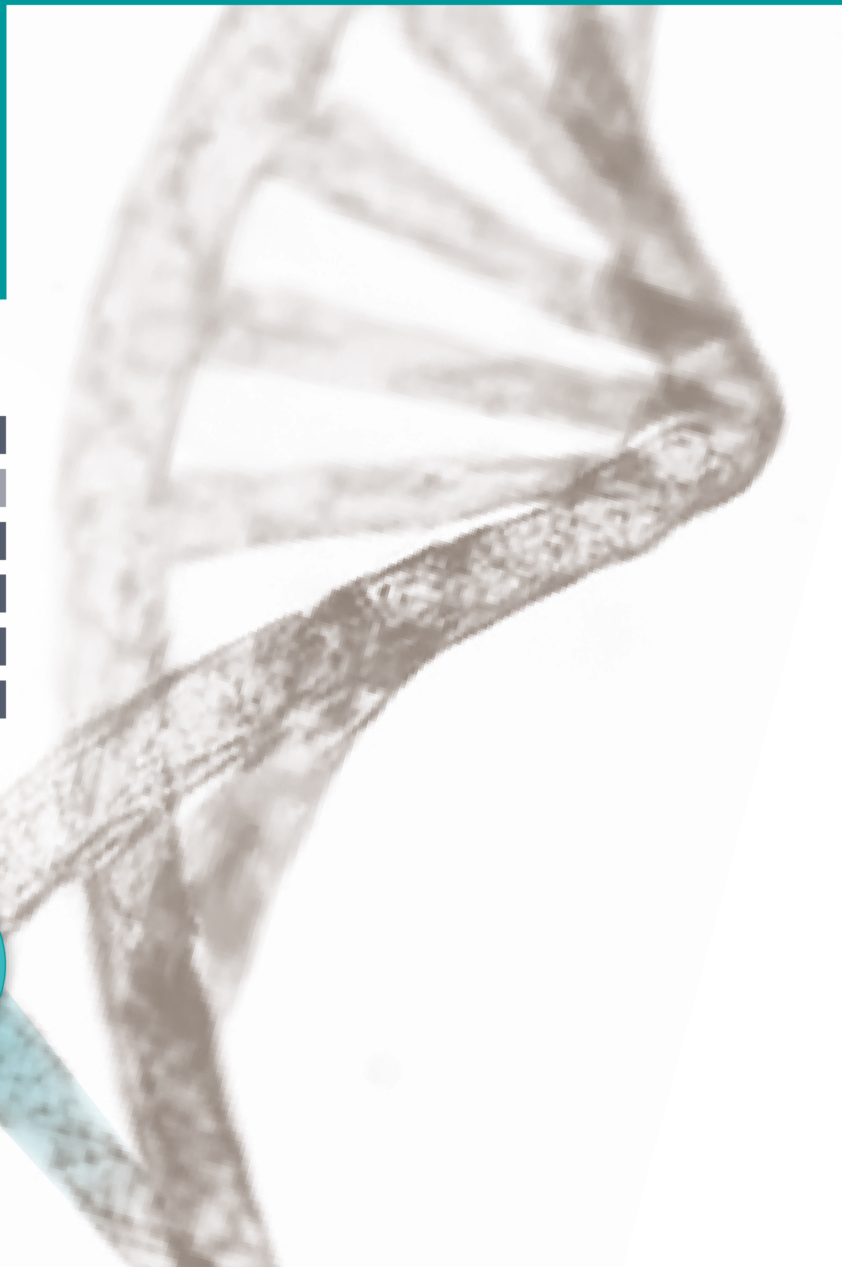
In terms of career satisfaction, 83% of advisers are either completely or somewhat satisfied with their career choice – the same score as last year. Indeed, scores here have been very consistent since the research began in 2020 – except for a dip in 2023 when practitioners were grappling with the introduction of the Consumer Duty. At that time, our survey indicated advisers were feeling misunderstood by the regulator and swamped with the regulatory burden.

Career satisfaction



Either completely or somewhat satisfied with their career as a financial adviser or planner





It is clear what advisers enjoy most about their role – 68% of respondents say that creating and deepening long-term client relationships is what gives them most job satisfaction. Educating and empowering clients around their finances is also mentioned by 55% of advisers. Human connection, meaningful conversation and problem-solving are cited as the most rewarding parts of the role.

Just a third of time is typically spent with clients

While developing client relationships is what matters most to advisers, only 33% of their time is typically spent in client meetings. A significant proportion of the working day is spent on writing reports and plans as well as compliance and admin tasks.

Aspects of the role that gives most satisfaction

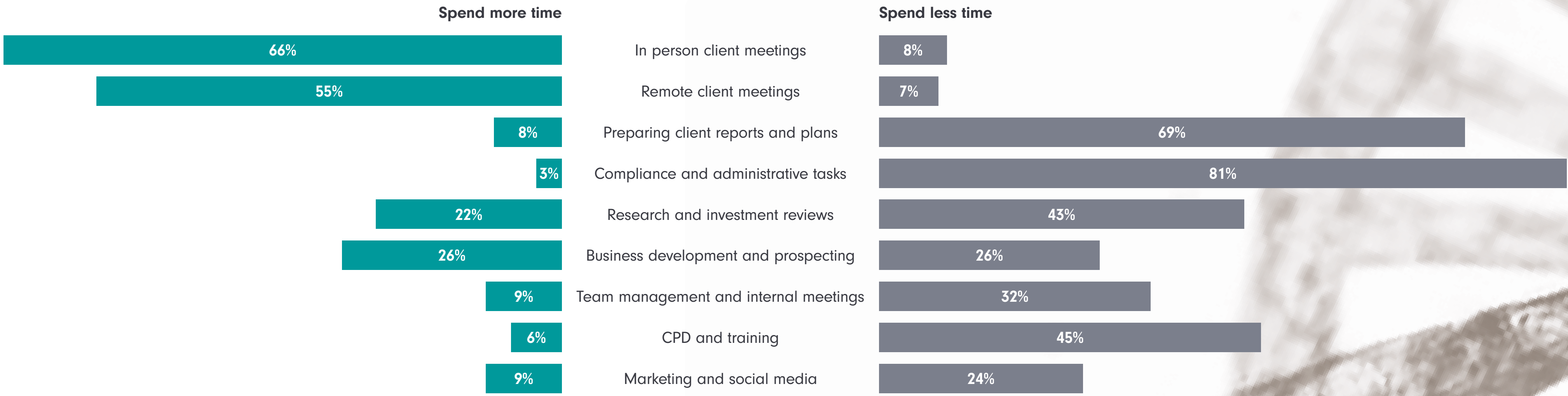
"The conversations with clients, that's where I feel the value is being added. The stuff that really matters is that personal involvement in their lives; someone they know, they trust, they can call on, they're not going to be judged."

Time spent on activities

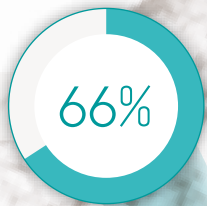
Advisers are quite emphatic on how they would like to spend their workday. Indeed, 66% say they would like to spend more time in in-person client meetings while 72% say a reduced administrative burden would improve their workday. Many see AI as a way to eliminate tedious tasks and, if tech frees up more time, advisers would spend it on deeper and more meaningful client interactions, more proactive touch points and on business development.

"If all I have to do is look after my clients, then I will become a very happy person."

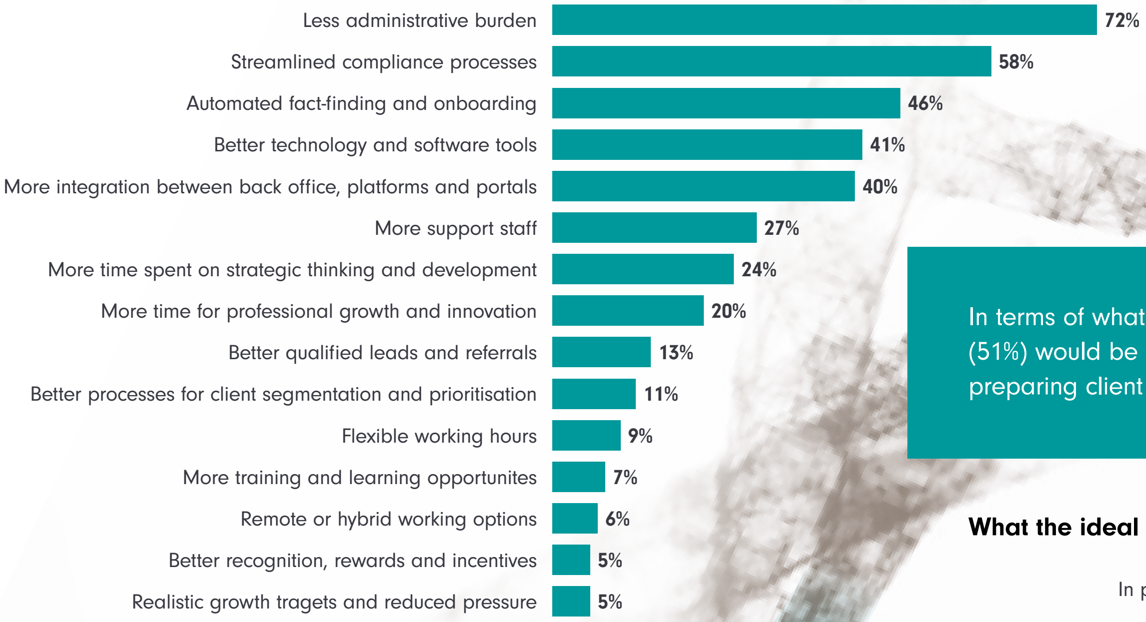
Activities that advisers would like to spend more or less time on



Would like to spend more time in in-person client meetings



Improvements that would enhance the workday

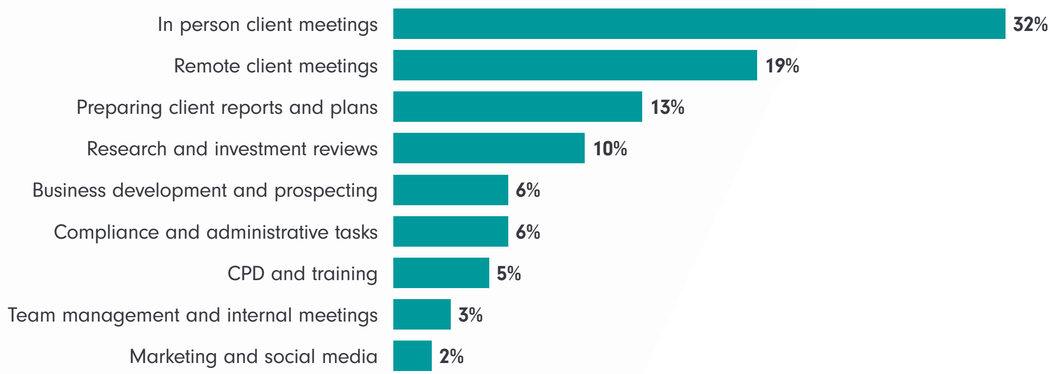


72% **Believe a reduced admin burden would most enhance their workday**

51% **The proportion of time ideally spent in client meetings**

In terms of what the ideal workday actually looks like, respondents say just over half their time (51%) would be spent in either in-person or remote client meetings. Conducting research and preparing client reports and plans would account for another 23% of the day.

What the ideal workday looks like



Download IFA DNA: Rewriting the adviser's day

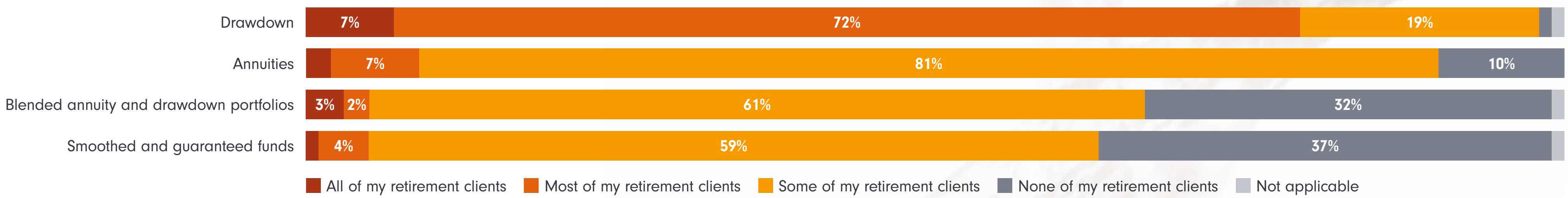
This year, we conducted in-depth research into how advice practitioners are typically spending their day and what their workday would look like in an ideal world. The results are featured in an insightful IFA DNA: Rewriting the adviser's day special edition, which also reveals four distinct adviser profiles and the shape of their ideal workday.

Retirement advice

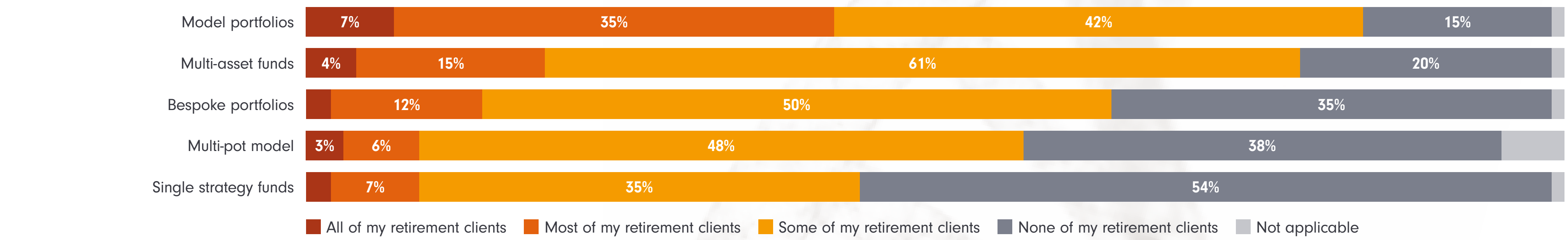
Solutions and strategies recommended

Drawdown remains by far the most popular post-retirement solution, with 79% of respondents stating they recommend this approach to either all or most of their retirement clients. This is an even stronger number than we saw last year when 59% of advisers said it was their preferred recommendation. Interestingly, only 9% of advisers say they recommend annuities to either all or most of their clients – down sharply from 2024 when 32% of advisers said this was the case. In terms of recommended strategies, model portfolios and multi-asset funds remain the top two choices.

Solutions currently recommended for retirement clients

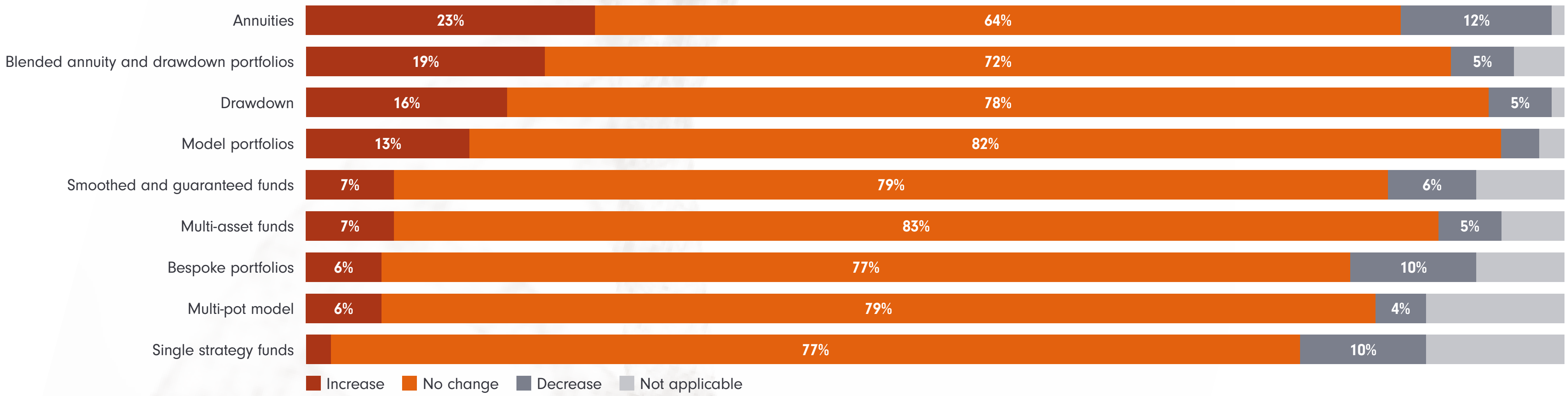


Strategies currently recommended for retirement clients



Despite advisers stating they are currently recommending annuities to far fewer clients than last year, 23% of respondents say they are likely to recommend this product more frequently over the course of the next year. Blended annuity and drawdown portfolios are also more likely to be recommended by 19% of advisers.

Changes to recommendations over the next 12 months



23%

Expect to recommend more annuities over the next year

Changes to financial plans

As we know, retirement is no longer a single day event and this is reflected in the number of significant changes advisers make to their clients' financial plans over the course of their retirement. Half of respondents say this typically happens once or twice while 23% say changes are made typically between three and five times over the course of a client's retirement.

Significant changes typically made to a client's financial plan over the course of their retirement

> **"We work in bucket principles. Pensions is one of your buckets, ISAs, GIA, bonds, property, etcetera. What we want to do to make you future proof is we'll blend various strategies, so that one might be more important than the other for a period of time. We talk about pulling levers. Let's just give you that flexibility."**

Client concerns

Advisers report that running out of money is the foremost concern for clients in or approaching retirement. This underscores the vital role of ongoing reviews during this life stage. Other common client concerns are inflation, market volatility and long-term care costs.

Client concerns in or approaching retirement

Wealth transfers

Advising on intergenerational wealth transfers has become a very topical subject following the Chancellor's announcement in the Budget that unused pension funds will be subject to inheritance tax (IHT) for deaths on and after 6 April 2027. This is reflected in this year's IFA DNA research, where advisers told us they are spending more time talking about estate planning with clients at an earlier age. There are more conversations happening around gifting, whole of life cover and trusts.

Overall, 9% of advisers say there has been a significant increase in the demand for advice on wealth transfers with another 43% saying there has been a slight increase. When this question was asked in 2023, only 1% or respondents said they had a seen a significant increase in this type of business.

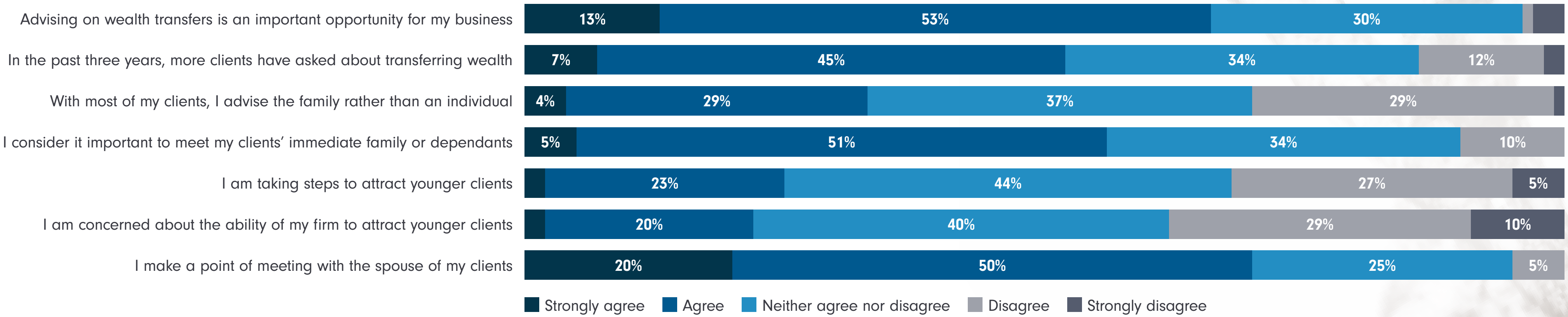
> **"We have a group of clients for whom we have a particular service, we call it our stewardship service, where we start to include the children. We're starting to be aware that they're going to start inheriting at some point so we'll try and work with them as well. And quite often the clients will want us to work with their children."**

The demand for advice on wealth transfers

> **"We've got much younger people now wanting to model what their pension's going to look like, thinking earlier about IHT planning."**

Most advisers believe that advising on wealth transfers is an important opportunity for their firms, with 66% agreeing that this is the case. The feedback from the qualitative interviews confirms this is likely to be a growth area and that the planned tax changes are driving demand.

Advising on wealth transfers



Despite it being considered an important opportunity for advice firms, only 14% of advisers say their firm has an agreed strategy in place for wealth transfer business. However, with demand picking up, another 46% say it is under consideration. Of course, meeting with a client's wider family naturally leads to advice on this area and 70% of advisers confirm they make a point of meeting with a client's spouse. In addition, 56% of respondents feel it is important to meet with a client's immediate family or dependants.

Is a wealth transfer strategy in place?

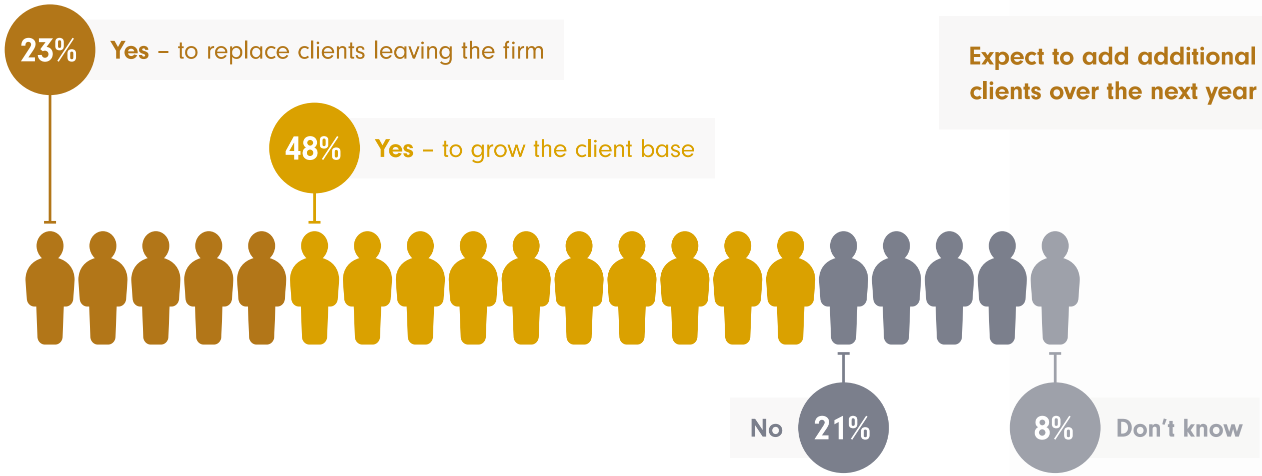
"There's lots more talks about gifting, about whole of life cover, about assets that qualify for business relief."

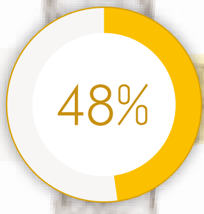
Client trends

Client numbers

Despite firms being less bullish about their growth prospects over the longer term, around half of firms (48%) believe that the next year will see their client base expand somewhat. Another 23% anticipate that numbers will stay level with any clients leaving being replaced by new ones. One theme that emerged from the qualitative interviews is that many firms now have a more active marketing strategy and so are less reliant on referrals.

Do you expect to attract new clients over the next year?





> "Our online presence is taking quite a lot of building but it's definitely getting there. We're getting a steady flow locally."

Financial wellbeing

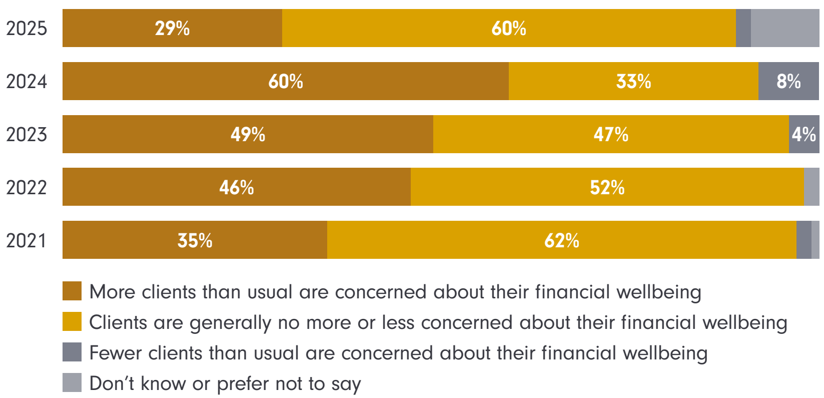
According to advisers, this year has seen a big improvement in how clients are feeling about their financial wellbeing. In the 2024 survey, 60% of respondents said more of their clients than usual had concerns about their financial wellbeing. The same figure for this year is down to just 29%. Primarily, this can be put down to the fact that concerns around the cost of living have eased somewhat. However, some firms mentioned how they have developed the financial coaching and wellbeing skills of their team and so this may have had an impact too. Indeed, one respondent studying for an Institute for Financial Wellbeing qualification praised their new skillset, saying their client conversations are now much wider.

75% Say market uncertainty is a common client concern

69% Say political uncertainty is a common client concern

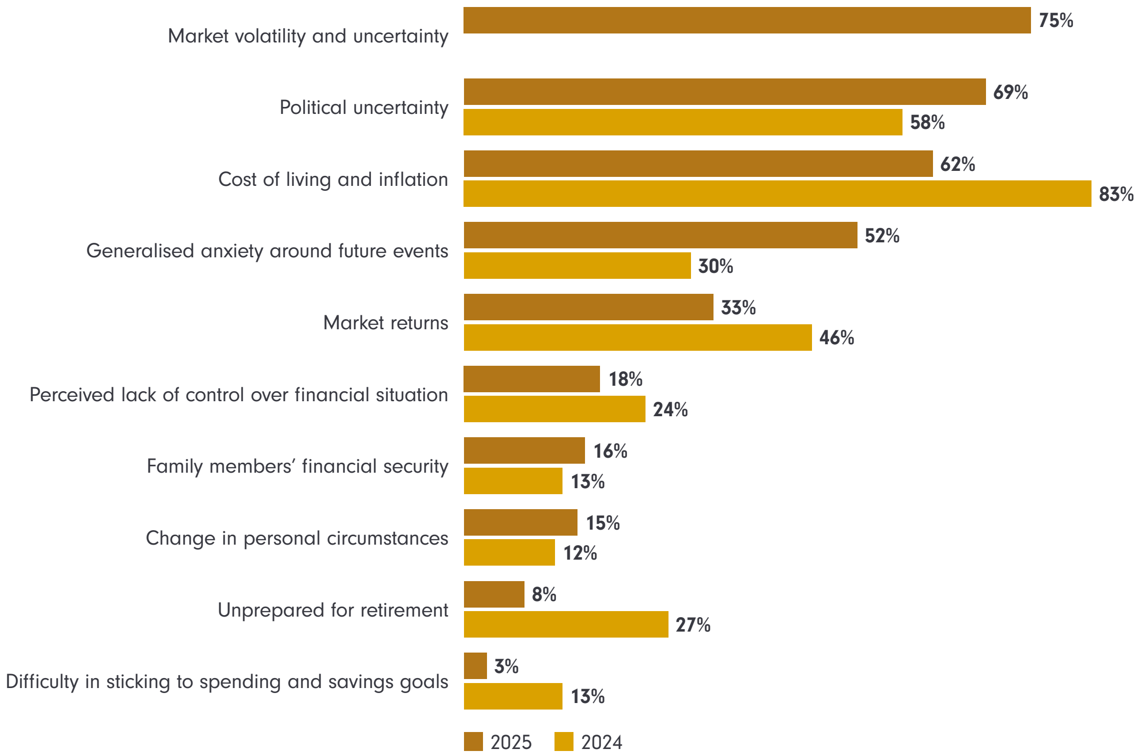
With inflation down from the levels seen in 2023 and 2024, the most common client concerns are now market uncertainty (75%) and political uncertainty (69%). However, the cost-of-living crisis still weighs on clients' minds with 62% of advisers flagging this is still a worry.

The financial wellbeing of clients



"I'm fairly comfortable that clients are okay. It's the rest of the 98% of the population that worries me."

Common client concerns



Some response categories did not appear in the 2024 research

Summary

This year's IFA DNA research results clearly highlight that technology – and AI in particular – has a big role to play in improving efficiencies within firms. It has been said that the potential of AI is overstated but the feedback from advisers is quite unambiguous – the time savings are meaningful. Indeed, one interviewee said a meeting summary is now produced in about 20 minutes as opposed to 90 minutes before an AI tool was used. While AI adoption is still in its early stages, many firms are already seeing material time savings in tasks like meeting transcription, note generation and reporting. However, in the future, it will undoubtedly support more and more tasks and improve efficiencies even further.

One of the biggest positives of AI is that it should free up time to spend with clients – and this is how practitioners want to spend their day. This is explored further in our **IFA DNA: Rewriting the adviser's day** special edition. AI should also free up the time to do those extra proactive or personal touches that advisers believe clients really value. In addition, against the regulatory backdrop of demonstrating client value, particularly around ongoing advice fees, an AI-enabled recalibration toward more meaningful client engagement could prove crucial for firms seeking to balance service quality with cost-effectiveness.

Looking ahead, firms that embrace new tools, re-evaluate how their time is allocated, and remain focused on delivering personal, high-quality advice will be best positioned for sustainable success. Fidelity Adviser Solutions is committed to helping firms navigate this evolution – through timely research, technical insight and practical guidance. To explore more content on pensions, tax planning, client engagement and business strategy, visit **fidelityadvisersolutions.co.uk** and stay connected with the latest thinking shaping the future of advice.

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