



## Press release

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### THE LANG CAT PREDICTS ADVISED PLATFORM ASSETS SET TO DOUBLE IN FIVE YEARS

Specialist financial services consultancy the lang cat, predicts assets under administration (AUA) on advised platforms will double in five years, rising from £400bn today to £818bn in 2023, based on moderate estimates.

Platforms have seen assets rise by a compound annual growth rate (CAGR) of 19% over the last six years, from £141bn in Q3 2012 to £400bn in Q3 2018. In its latest Advised Platform Guide – Fixed That For You: State of the Platform Nation, the lang cat looks ahead to 2023, modelling three scenarios based on different macroeconomic conditions and the changing impact of wider market influences. Although economic and political uncertainty and the continued fallout from regulation are likely to dampen this growth, the lang cat estimates that even taking a central view, assets on advised platforms will increase by 15% per year to £818bn in five years.

	BEAR CASE	CENTRAL CASE	BULL CASE
CAGR 2019-2023	9%	15%	19%
<b>2023 AUA</b>	<b>£626bn</b>	<b>£818bn</b>	<b>£971bn</b>

Mark Polson comments: “Despite the potential headwinds created by ongoing regulatory requirements and the economic uncertainty of Brexit and other global political developments, we still believe the sector is set fair for some time to come in terms of its opportunities. Even in our central scenario, advised platform AUA will reach £818bn within five years. Looking even further forward, our model puts the central case AUA at £1.5tn in ten years’ time. This would mean that by 2028, every 1% of market share will equate to £15bn of AUA. Based on the end 2017 average yield of 0.29%, that’s £43.5m of annual revenue for every 1% market share.

“That doesn’t mean, of course, that every platform will share equally in the spoils. Losing a small percentage share of such a large market will have a significant impact on the bottom line, so clearly there are huge incentives for platforms to get this right and win adviser trust. And our tips for winners? We’re not daft enough to name names, but the firms camping out on the lion’s share

of that £818bn in five years' time will be those that can move past do-it-all, overly complex propositions and deliver a platform which is tightly tailored to the adviser's business. As almost every adviser says when you ask them – they just want the basics done extraordinarily well.”

**-ENDS-**

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**Notes to editors:**

**the lang cat** is Leith's leading (probably) specialist financial services consultancy. The lang cat works with financial advisers and providers, helping them develop new propositions, turn marketing strategy into action and articulate their services in such a way that people without financial services degrees have a hope of understanding them. It aims to make the industry a little bit less corporate and stuffy and a little bit more human.