MoneyMarketing

FSA figures reveal RDR impact on older advisers

16 July 2011 7:30 am | By Steve Tolley

The FSA has revealed figures which shed light on the age profiles and likely reactions of advisers to the retail distribution review.

The regulator's evidence, published today as part of the Treasury select committee's RDR report, show that 59 per cent of advisers over the age of 55 say they will definitely remain in the industry, or are likely to (see table below).

The committee's report says: "While as can be expected more of those aged over 55 were retiring as planned than in the entire adviser group, the RDR appears to have also led to more of those aged 55 or over retiring earlier than planned or stopping advising on retail investments, than in the overall adviser group."

Age-Band	Aged over 55	All advisers
Likely/definitely remain as retail investment adviser	59%	82%
Retire as planned	17%	5%
Retire earlier than planned	8%	3%
Stop advising on retail investments	5%	2%
Leave the industry	3%	3%
Other/do not know	7%	5%

The FSA also provided data on the age ranges of all 48,000 tied, multi-tied and independent advisers. The regulator says IFAs have a slightly older age profile than shown in these tables with 14 per cent aged 55 to 59 and 18 per cent aged 60 or over.

Age Band	All Advisers
18-29	4%
30-39	21%
40-49	35%
50-54	16%
55-59	11%
60+	12%
No answer	1%

The data was not contained in the regulator's original evidence submission to the Treasury select committee, which was published in February. The committee requested it after FSA chief executive Hector Sants appeared before the committee to answer questions on the RDR in March. He was attacked by committee member and Labour MP George Mudie for not knowing statistics relevant to the issue of grandfathering.