



RESEARCH

in association with



**AIFA Questions**

**Contracting Out**

**Wave 22 – Oct 2005**

The logo for 'ifa census'. The word 'ifa' is in a light blue, lowercase, sans-serif font, and 'census' is in a white, lowercase, sans-serif font. Both are centered within a large, dark blue circle.

ifa  
census

**The Definitive Source  
of IFA Opinion**



The  
Definitive Source  
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## A market discussion of Contracting Out

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- This month's AIFA questions focused on IFA views of Contracting Out
- Questions were placed on the October IFA Census and fieldwork was conducted during 3<sup>rd</sup> – 17<sup>th</sup> October 2005
- **337** IFAs responded to the survey

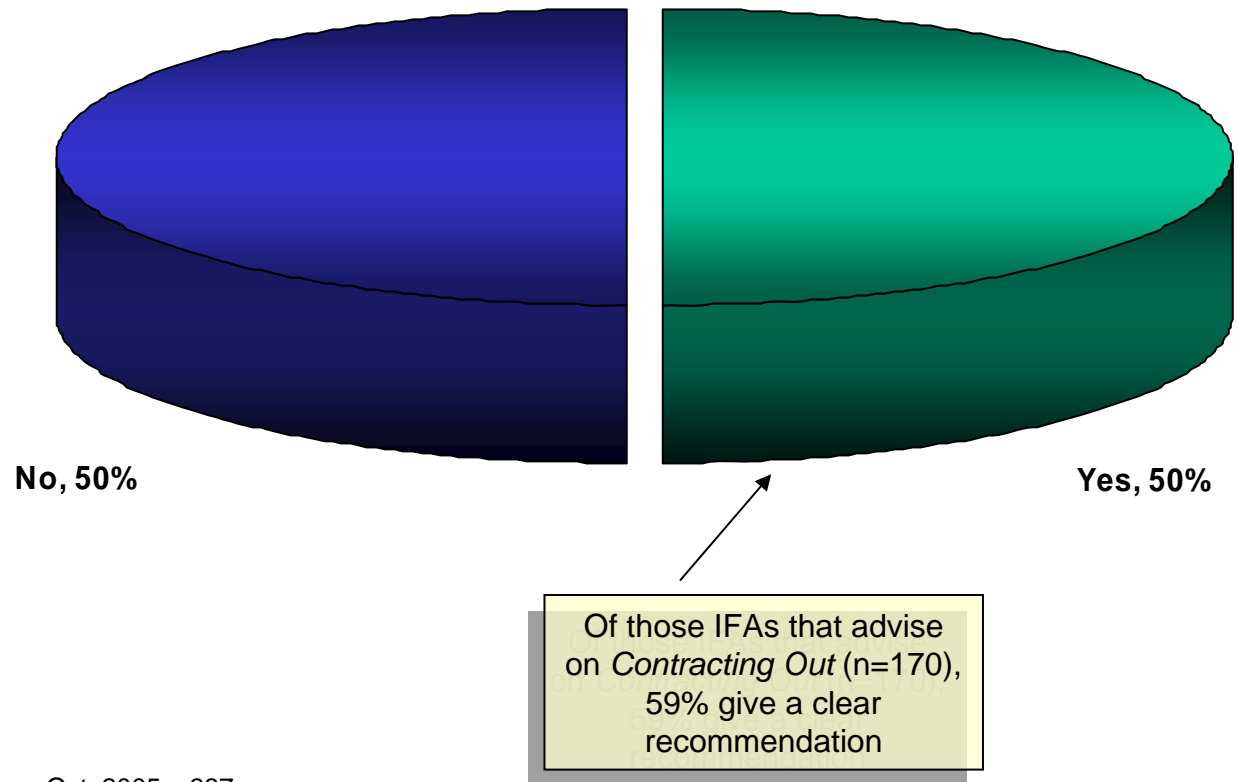




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## Proportion of respondents advising new clients on *Contracting Out*

Half of respondents advise new clients on *Contracting Out*. Just over half of those give clear recommendations when doing so.



Base – Oct 2005 – 337

Q.1a Do you advise new clients on contracting out? / Q.1b When advising on contracting out, do you give a clear recommendation?



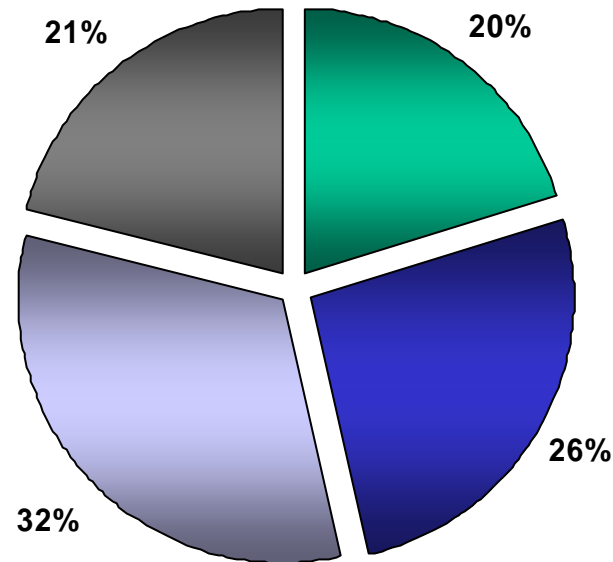


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## Proportion of IFAs offering to review contracted out clients

IFAs are reasonably split in regards to their willingness to review clients contracted out via a personal pension.



■ All

■ Most

■ Some

■ None

Base – Oct 2005 – 337

Q.2 Have you offered to review existing clients who are contracted-out out via a personal pension?

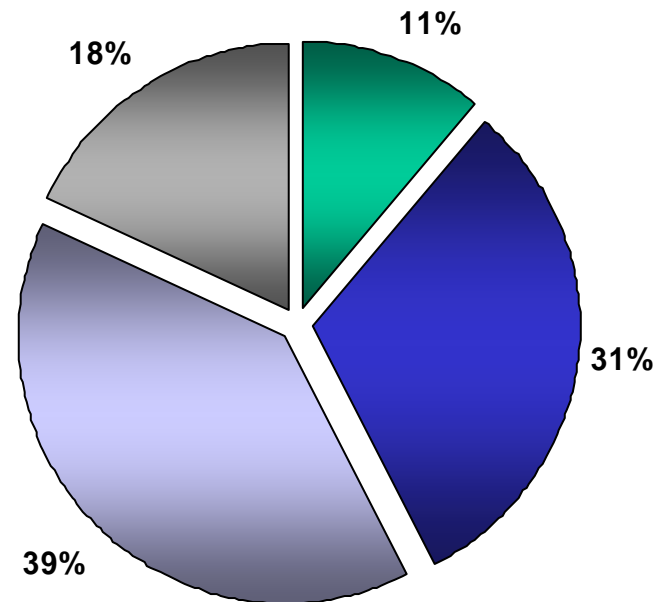
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## Amount clients being advised to *contract back in*

70% of IFAs advise some to most of their clients to *contract back in*



■ All

■ Most

■ Some

■ None

Base – Oct 2005 – 337  
Q.3 Are you advising clients to contract back in?

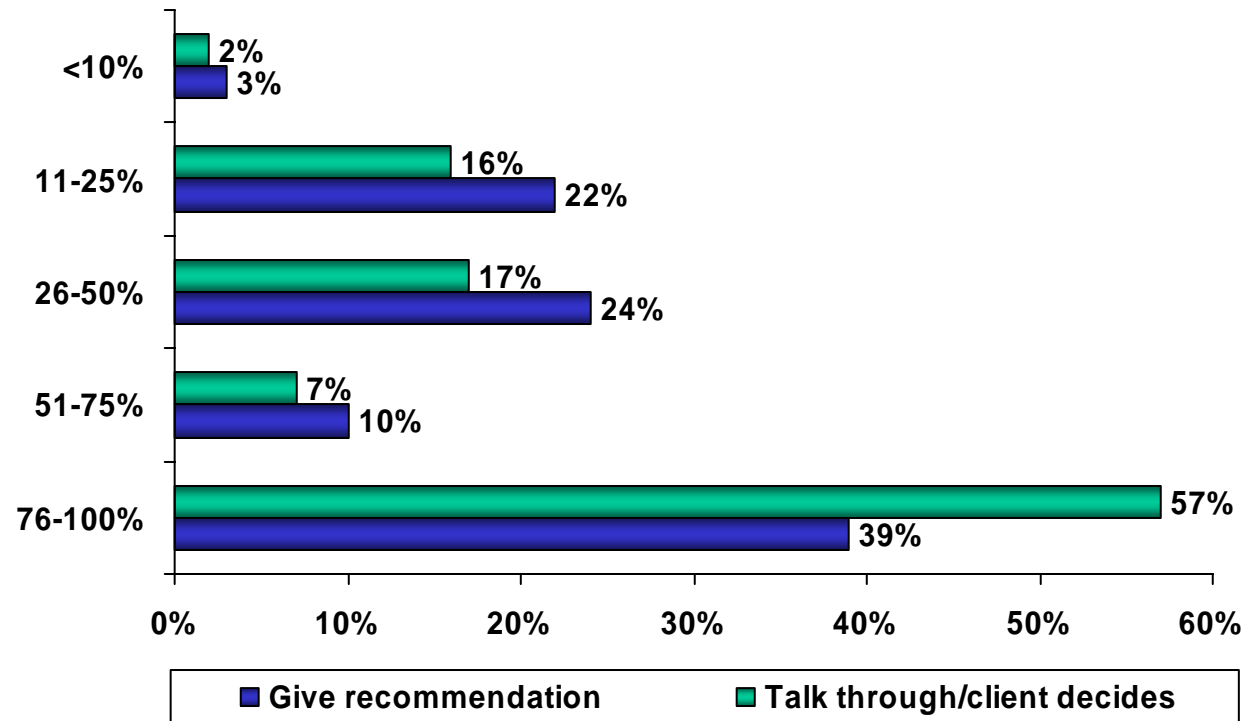


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## IFA choice of client decision making strategies

Over half of IFAs choose to talk clients through the pros and cons with the goal of letting them make the final decision themselves.



Base – Oct 2005 – 337

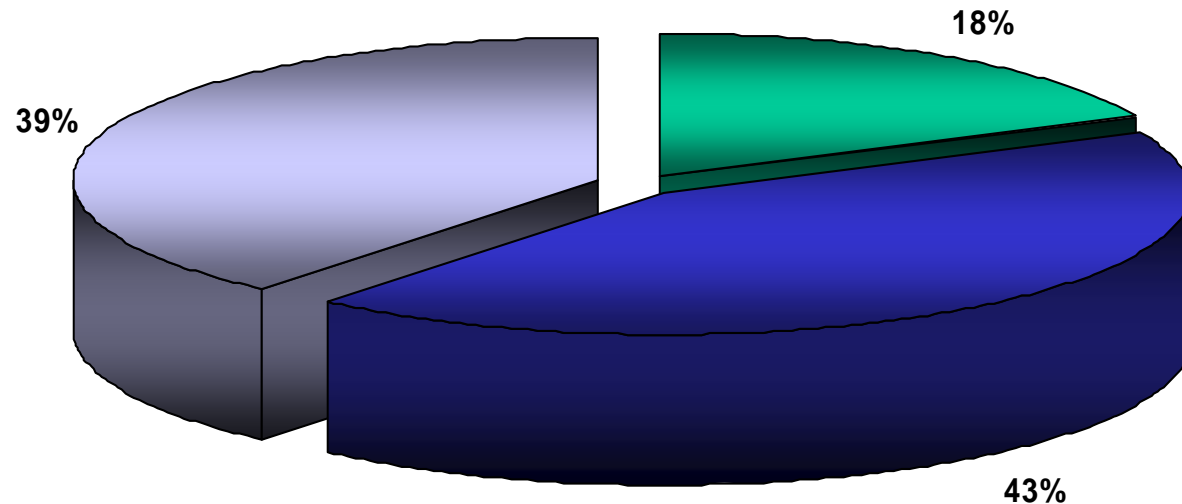
Q.4 Do you give a clear recommendation or talk through the pros and cons and let them decide? Please indicate the percentage for each:



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## Proportion of IFAs who charge for a review / providing advice

Approximately one-fifth of IFAs always charge for a review / giving advice while close to half would not charge.



■ Yes

■ No

■ Sometimes



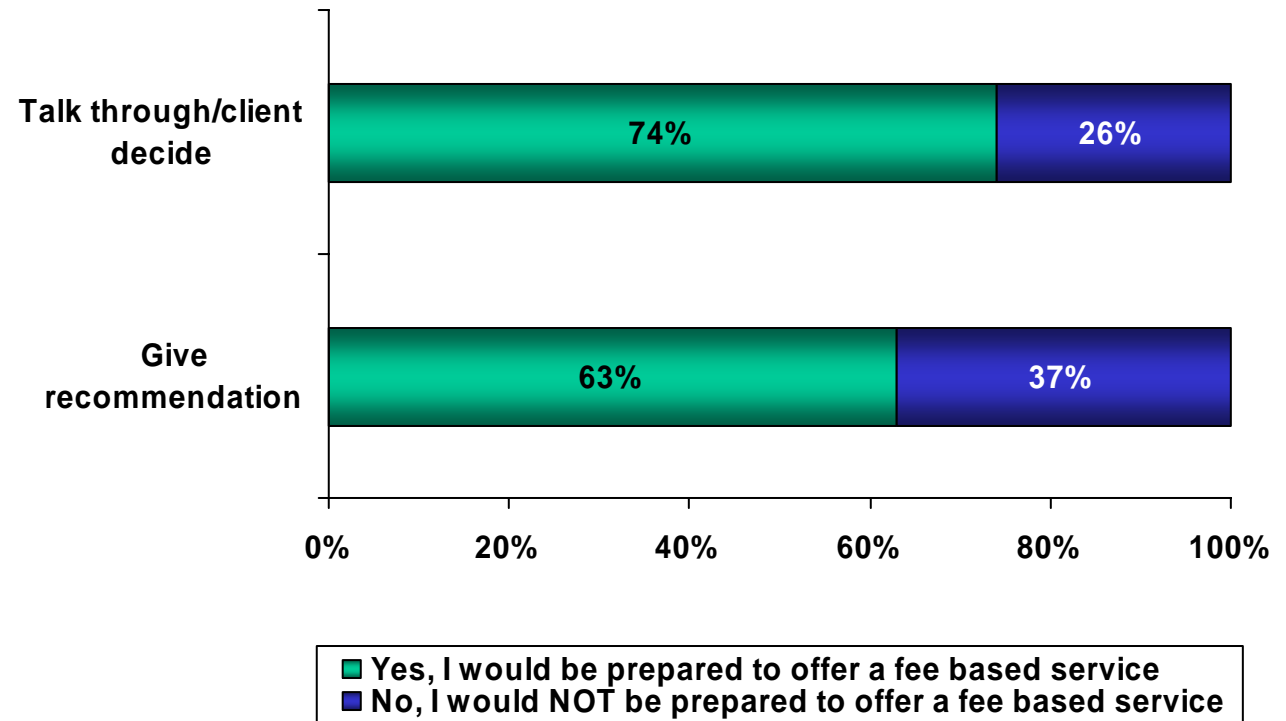


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## Likelihood of IFAs offering a fee based service

Slightly less advisers are prepared to offer a fee based service providing recommendations, as opposed to one aimed at educating the client enabling them to make the decision.

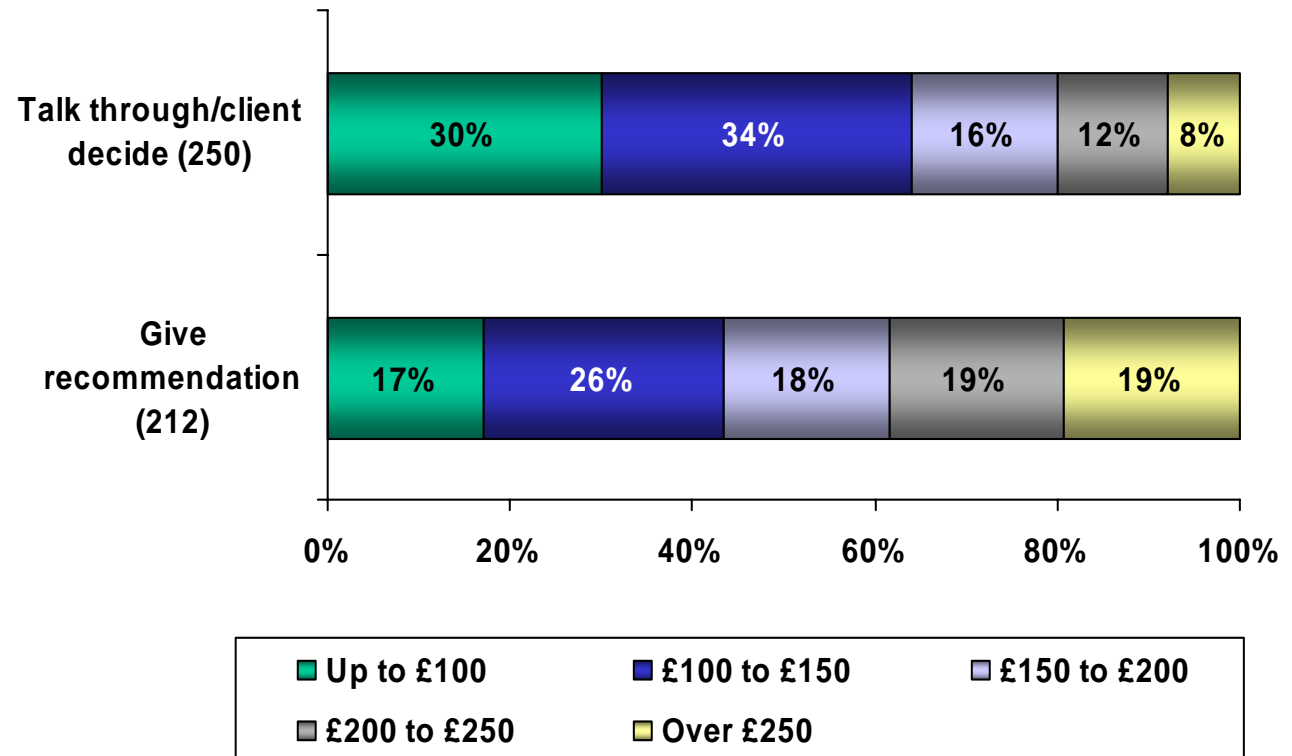




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## Amount IFA would charge for each service

IFAs would typically charge more for providing recommendations than for taking the client through a process where the client decides.



Base – Oct 2005 – All respondents that would offer a fee based service for each option  
Q.7 How much would you charge?

