



Adviser Voice

A lens on financial adviser sentiment
Q2 2025

Key headlines

1

Economic Overview

Confidence in the UK economy remains low, with only 22% of advisers expecting improvement over the next 12 months, though this represents a modest recovery from earlier in 2025. Advisers are showing renewed confidence in the UK as a buying opportunity, with advocacy rising to 31% in Q2 from 22% in Q1. Supporting clients through economic uncertainty remains a big challenge for advisers amid continued market volatility.

2

Investing in 2025

Advisers have a more positive view about investment opportunities than earlier in the year and are also more optimistic about future prospects. However, over half (57%) of advisers expect clients to become more risk-sensitive and engaged, with a longer-term investment approach. Foreign equities have rebounded to pre-tariff levels as confidence in this asset class recovers, while domestic equities also shows increased appeal.

3

Business confidence

IFA business confidence has marginally dropped this quarter, however there is more optimism for the future. The recent FCA review on guidance may allow targeted support without full financial reviews. Two in five advisers (40%) expect this to increase advice demand, with 43% believing it will help clients plan better financial futures. However, only 21% think it will encourage clients to take more investment risks

Economic Overview

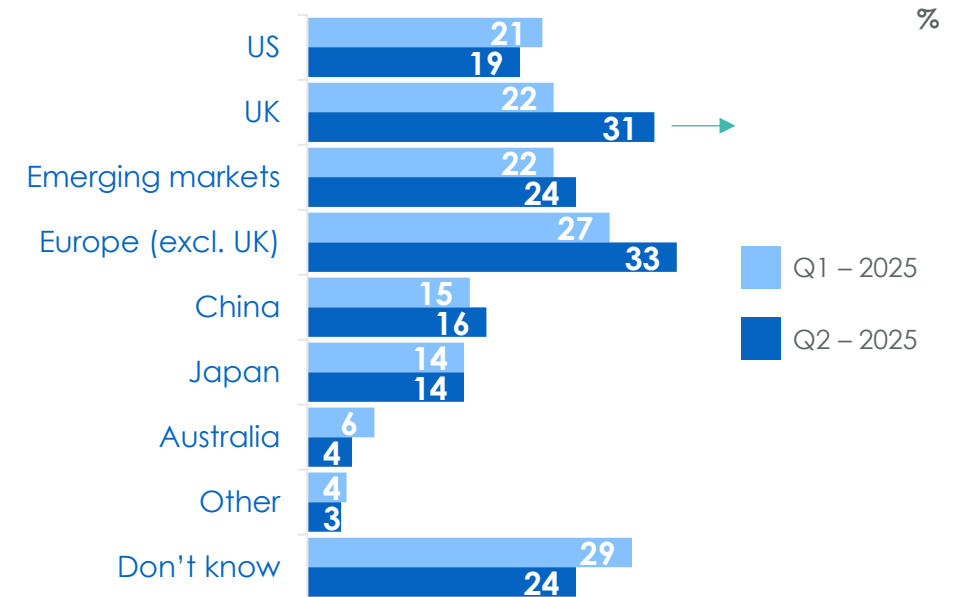
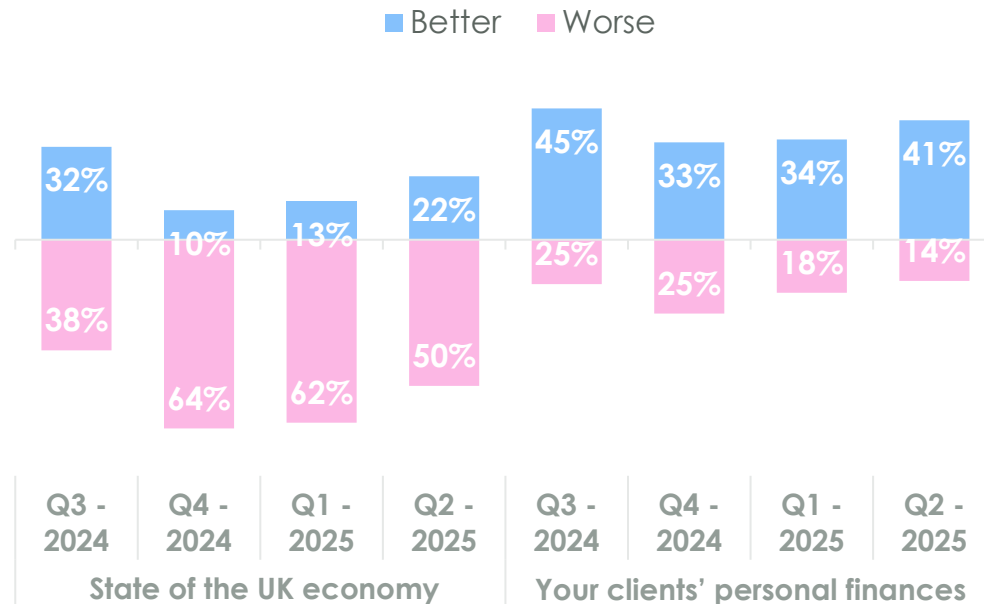
Advisers are beginning to show confidence in the UK as a buying opportunity again, though economic confidence remains at Autumn 2024 levels

Advocacy for the UK market has improved significantly, rising to 31% in Q2 from 22% in Q1 2025 following shortly behind Europe and ahead of emerging markets.

Despite this, only just over one in five (22%) IFAs expect improvement to the UK economy over the next 12 months while half (50%) expect it to worsen. Though this represents a modest recovery relative to the end of 2024, confidence levels remain well below the more optimistic sentiment seen in Q3 2024.

Q - Over the next 12 months, do you expect the following to get better or worse?

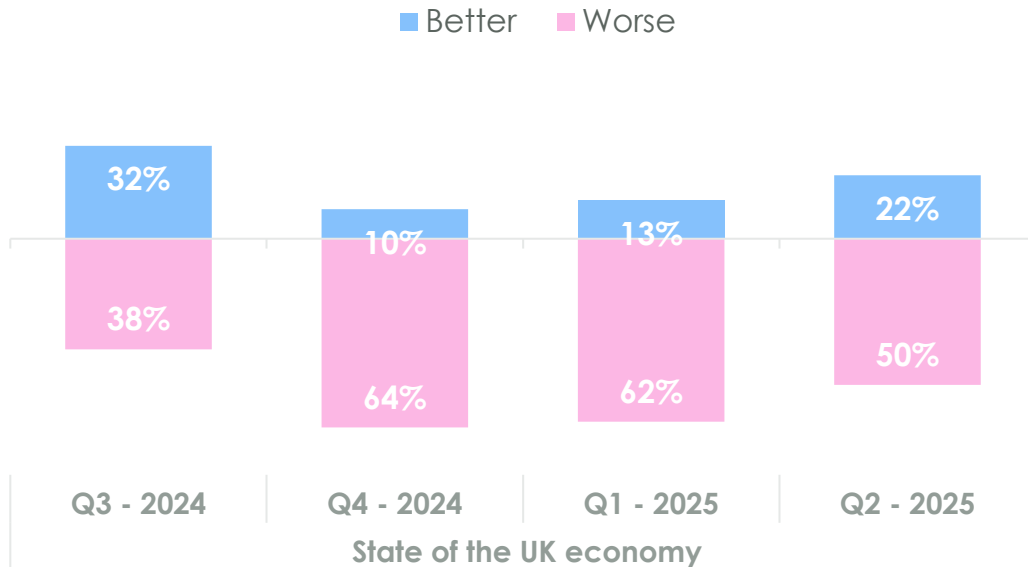
Q - Which markets do you think present the best buying opportunities for the next 12 months?



A majority of advisers still think interest rates are too high, despite incremental drops in the past year

Interest rates at the time of the survey in June 2025 were at 4.25%, unchanged from May 2025, but lower than the 5.25% seen in August 2024. With rumours of continued rate drops in the future, two thirds of advisers (67%) think the current interest rate is too high, compared to a quarter (26%) who think it is currently right.

Q - Over the next 12 months, do you expect the following to get better or worse?

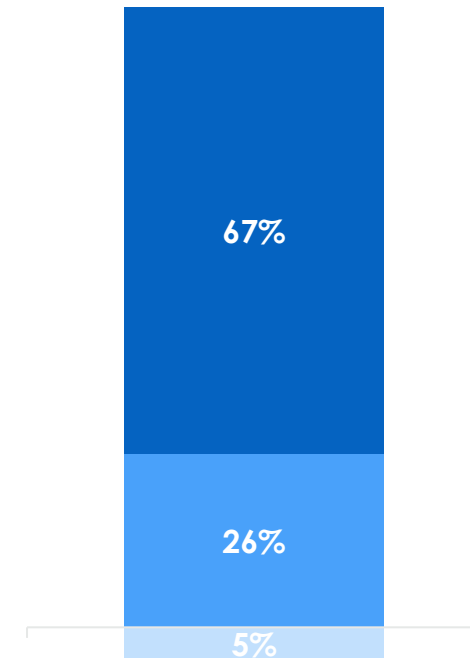


Opinions of current interest rates

Too high

About right

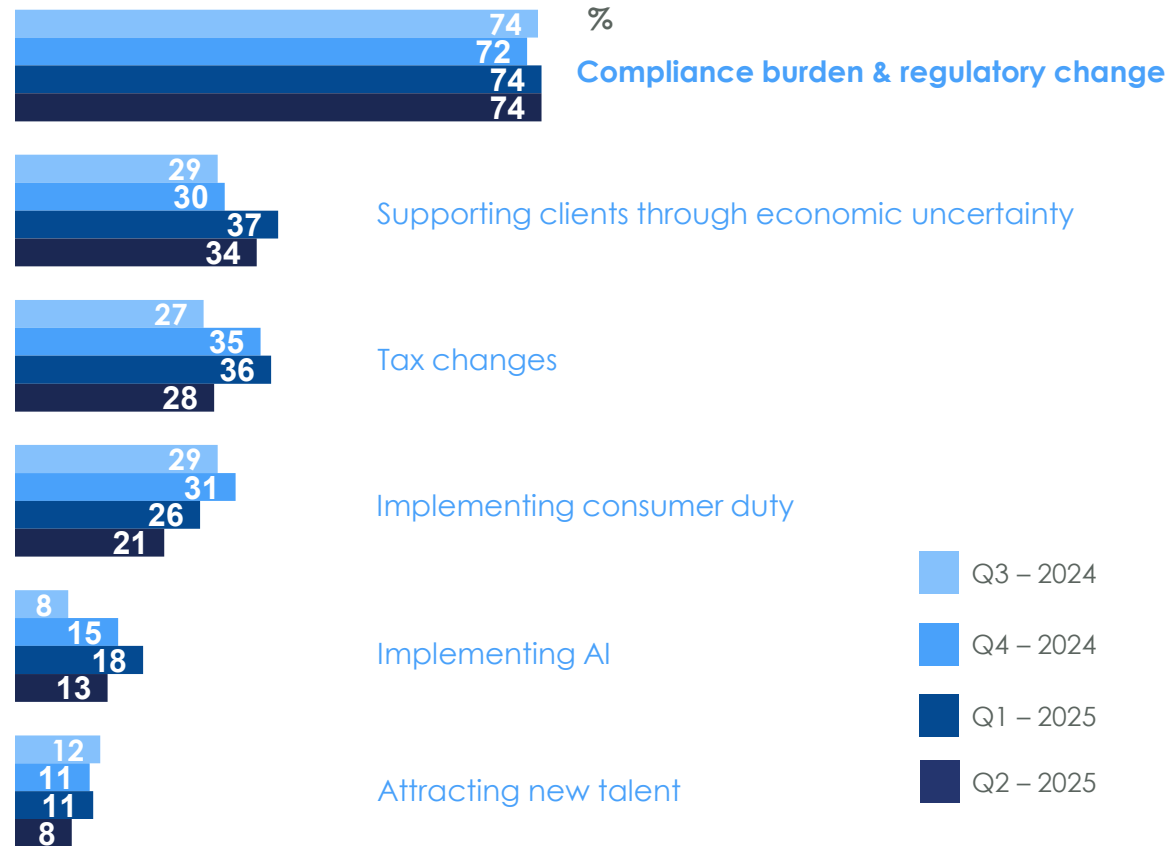
Too low



Q - Do you think that interest rates are currently too high, too low, or about right?

Compliance and regulations remain the greatest challenge, followed by supporting clients through economic uncertainties

Q - What are the biggest challenges your firm is facing at the moment?



"Increased regulatory burden makes it hard to scale quickly and efficiently"

"Although I expect turnover and sales to increase the effect of Tax, NICS & corporation will hinder."

"Feels like a global recession may be on the cards"

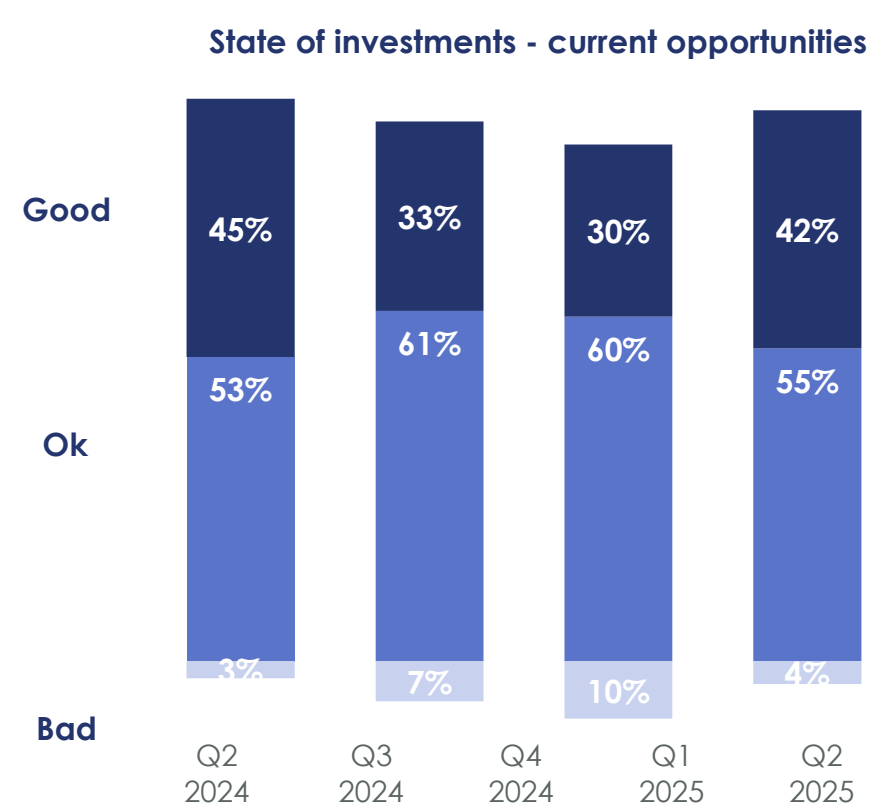
"Taking a pragmatic view, with much uncertainty around but still expecting some opportunities."

"At the moment it seems as though we are in limbo and no one is sure what is the best thing to do."

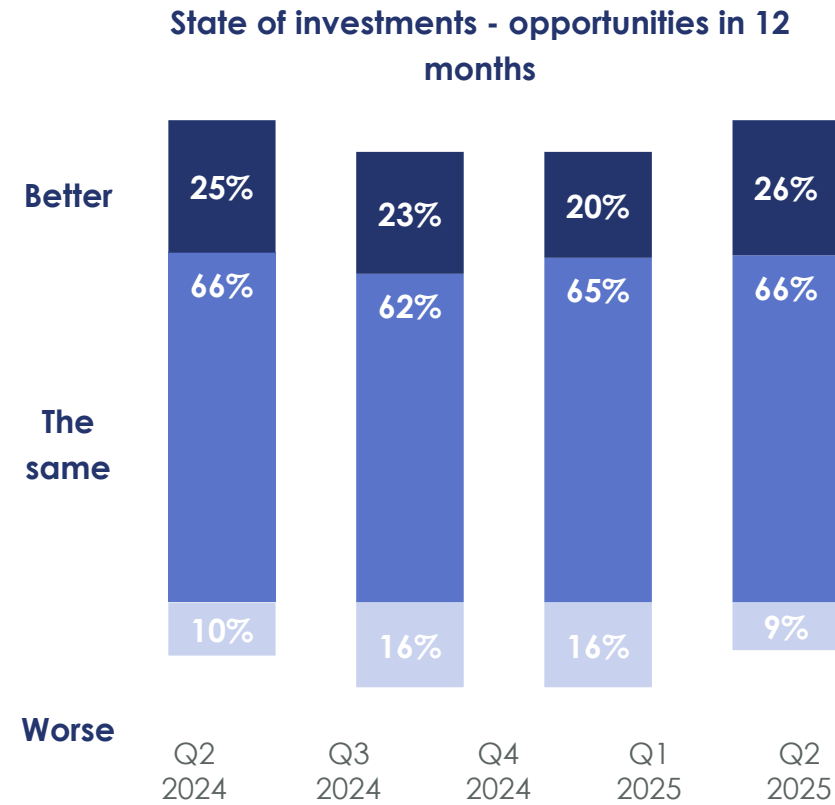


Investing in 2025

Advisers have a more positive view about investment opportunities than earlier in the year, and are also more optimistic about future prospects



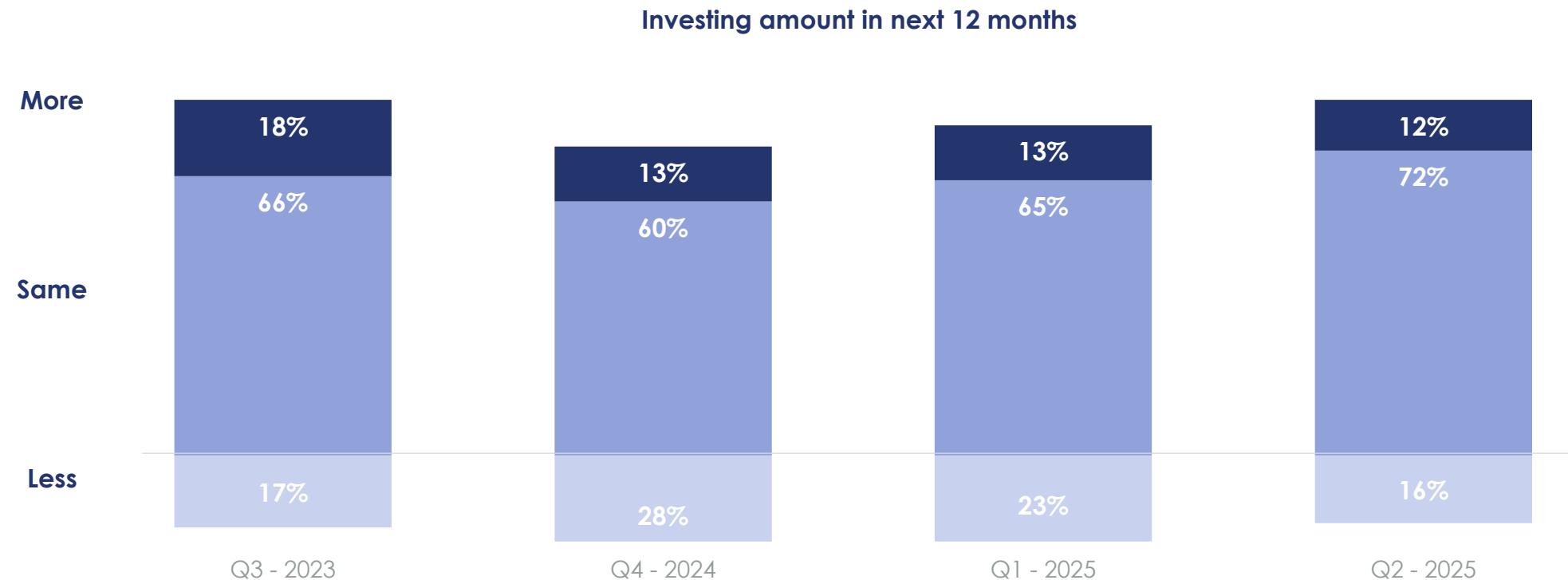
Q - How would you rate current investment opportunities?



Q - How would you rate investment opportunities to be in next 12 months?

Despite this, a majority don't expect clients to change their investment amounts, though fewer expect the level to decrease

IFAs think investment amounts will marginally stabilise, with over seven in ten expecting investment amounts to not change. One in six (16%) think investments will drop, marginally higher than the one in eight (12%) who expect this to rise.

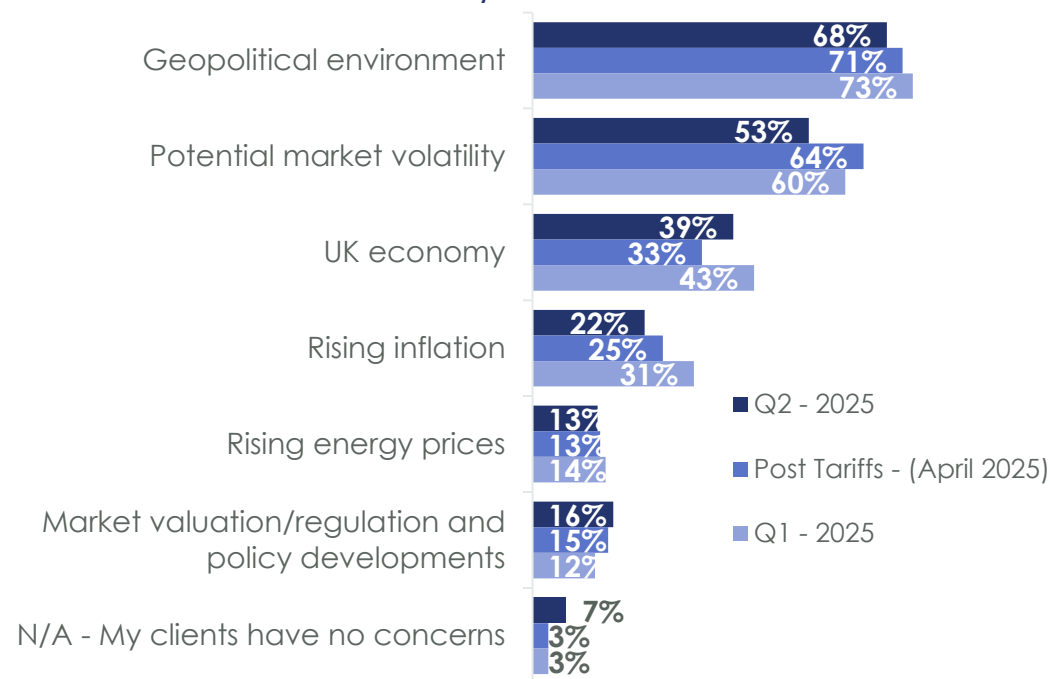


Q - Do you/ your clients expect to invest more or less over the next 12 months?

Over a third of advisers anticipate heightened market volatility in the coming year, with geopolitical tensions identified as the primary driving factor.

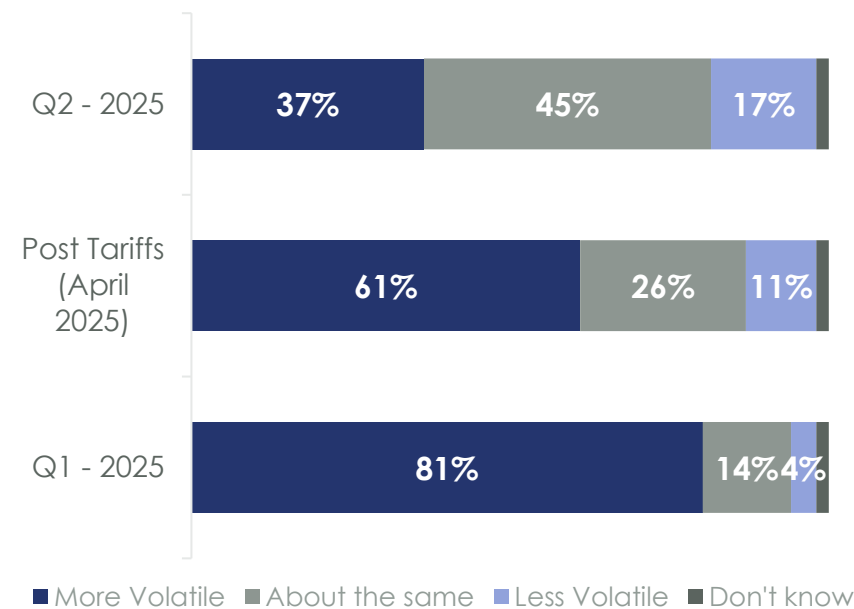
Geopolitical tensions and economic uncertainties in the past 12 months have driven a lot of volatility in the markets – and while this has dropped since Q1 this year, remains the clear top concerns for advisers. While fewer than two in five advisers now expect volatility to get worse, only 17% expect less volatility, even after the turbulence of the past six months in particular.

Concern over events impacting investments of clients/investors



Q - Are you concerned about any of the following having an impact on the value of your clients'/investors' investments?

Volatility of investments in the next 12 months vs the previous 12 months

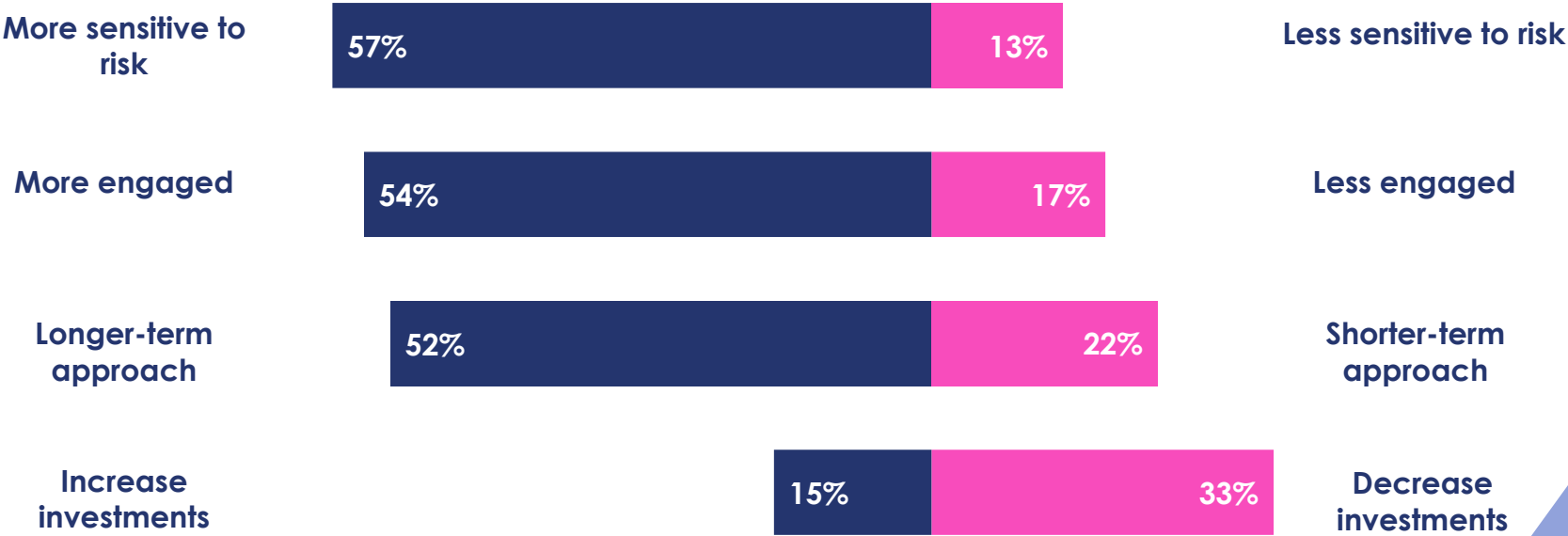


Q - How volatile do you expect investments to be in the next 12 months compared to the previous 12 months?

In the midst of market volatility, advisers expect investors to be more engaged and sensitive to risk

Over half (57%) would expect investors to have more sensitivity to risk, be more engaged (54%) and have a longer-term approach of their investments.

However, a third expect clients/investors to decrease their investments

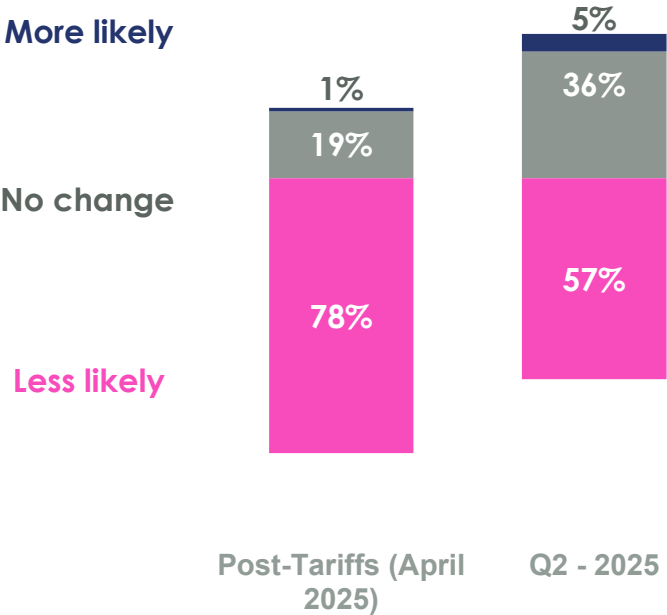


Q - How will clients/investors respond if market volatility increases in the next 12 months?

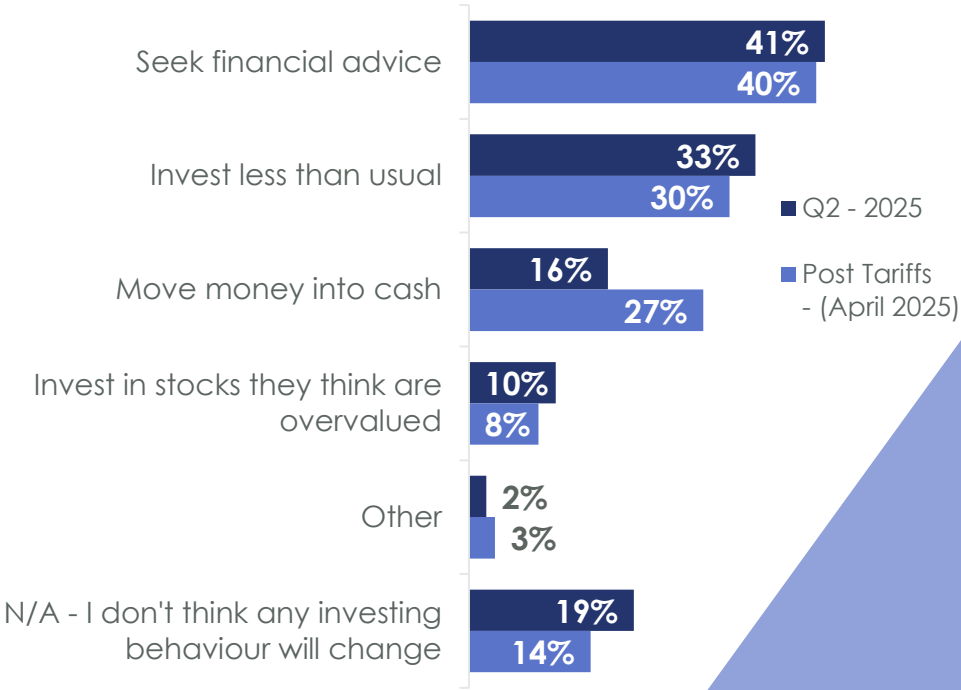
US tariffs have in part contributed to this, with over half expecting clients to reduce their investments as a result.

Over half (57%) in June think the announcement has made clients/investors less likely to invest as a result of the 'liberation day tariffs', though this is lower than the three quarters who thought the same shortly after the announcement in April.

Amidst this, advisers think that investors are more likely to seek their advice because of this, one potential silver lining for the industry.



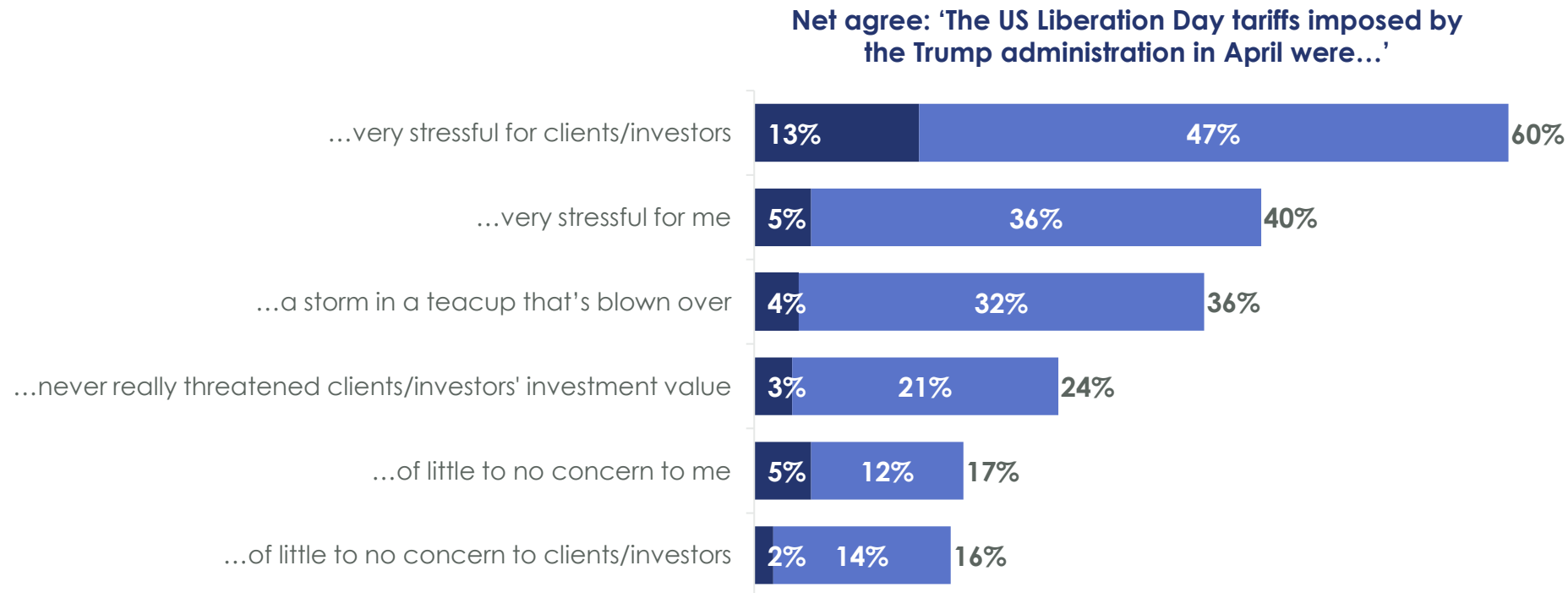
Q - Thinking about tariffs, do you think their introduction has made clients/investors more or less likely to invest as a result?



Q - And what actions, if any, do you think clients/investors are likely to take as a result of the tariffs announced by the US administration?

Looking back at the tariff announcement, while most agree it was stressful for their clients, over a third believe it has now blown over

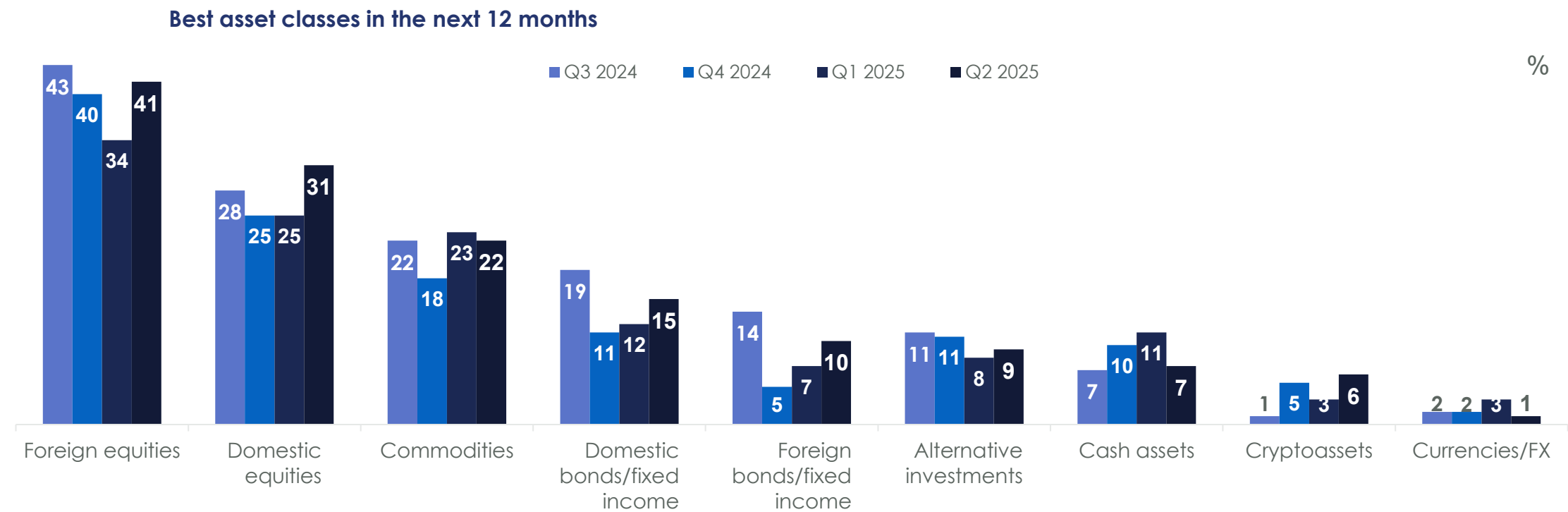
Three in five (60%) agree the tariff announcement was stressful for clients/investors, while two fifths were personally stressed (40%). However, over a third believe the tariffs have been a storm in a teacup that has now blown over, marginally higher than those who disagree with this viewpoint (32%).



Q - To what extent do you agree or disagree with the following statements. The US Liberation Day tariffs imposed by the Trump administration in April were...

...And confidence in foreign equities has recovered

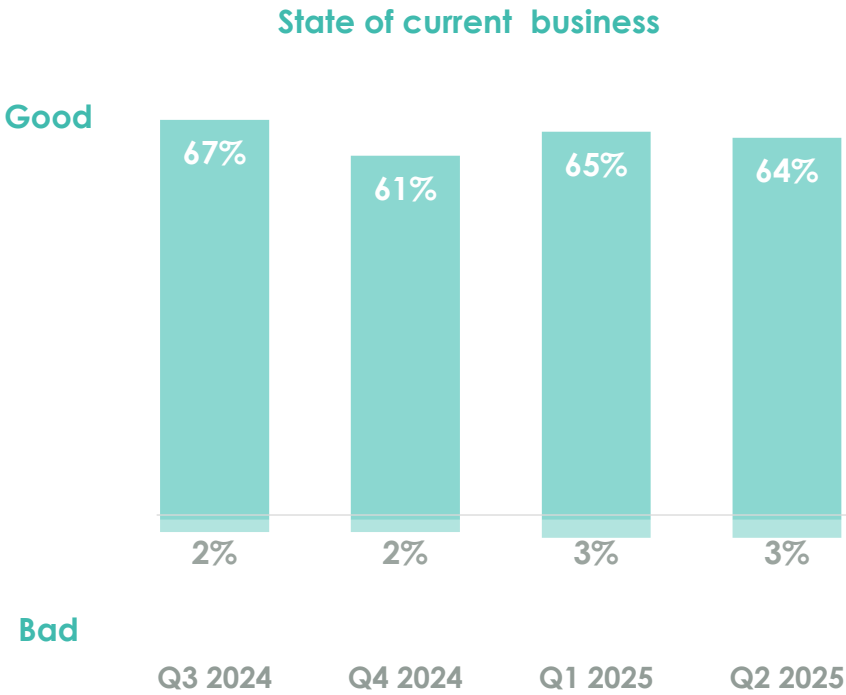
Foreign equities rebound to pre-liberation day levels showing signs of confidence in this asset class recovering. In line with the UK market being increasingly attractive as a buying opportunity, domestic equities are up.



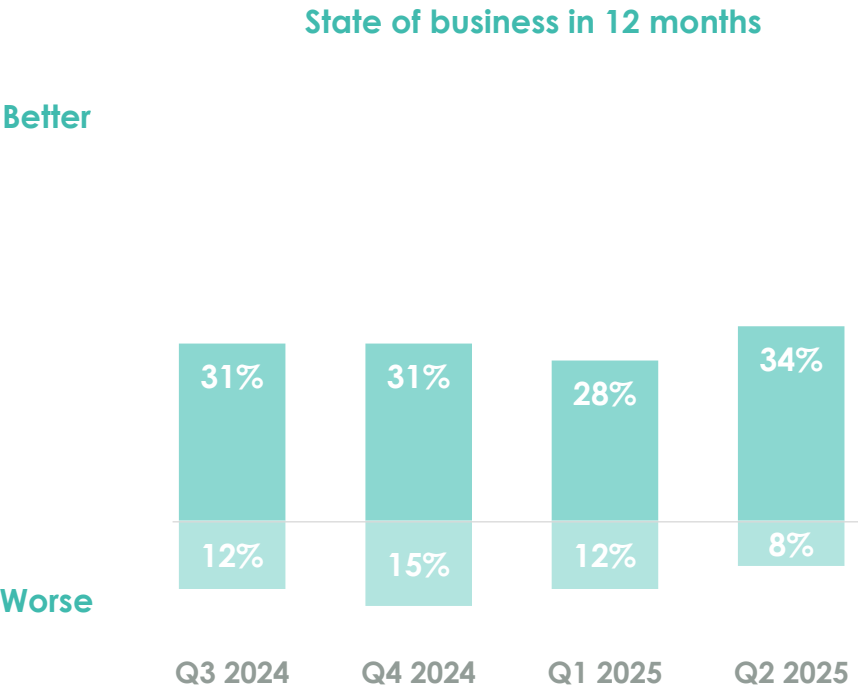
IFA business confidence

IFA business confidence has marginally dropped this quarter, however there is more optimism for the future

Just under two in three IFAs feel their current business is good, in line with last quarter. However, over a third feel their company will be better in the next 12 months, higher than at any point since the start of last year.



Q - How would you rate the current state of your business?

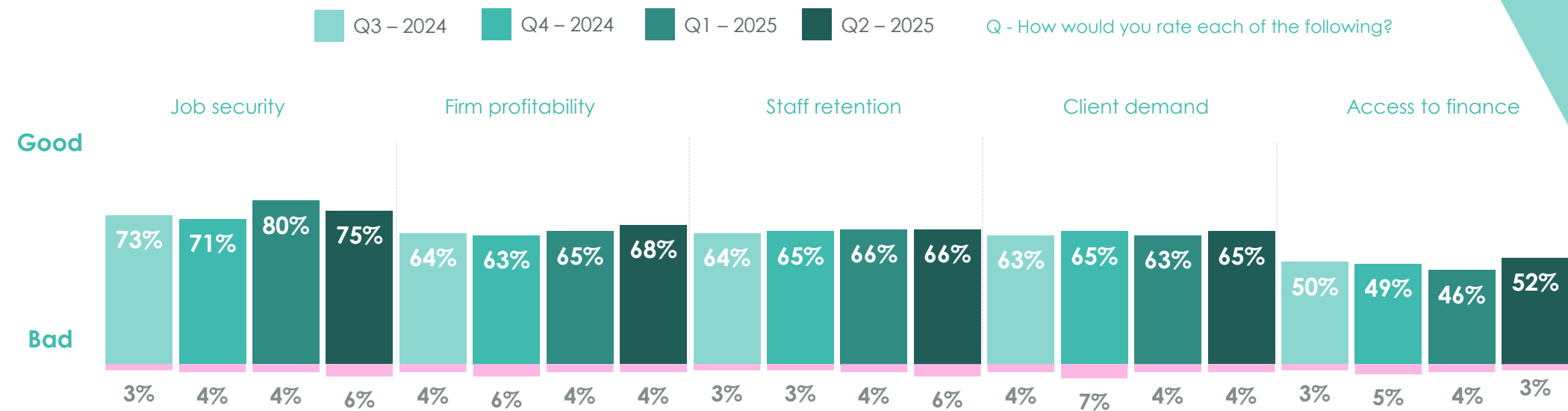


Q - How do you expect business to be in the next 12 months?

While job security has fallen, profitability and access to finance have both improved this quarter

Three quarters of IFAs are confident about their own job security, lower than in Q1, however over two thirds feel good about their firm's profitability, higher than any point in the last year.

Two thirds of IFAs say they are open to new clients, but are not actively seeking them, with a further fifth actively looking for new business. With 65% feeling client demand is good, new business efforts may be effective at this time.

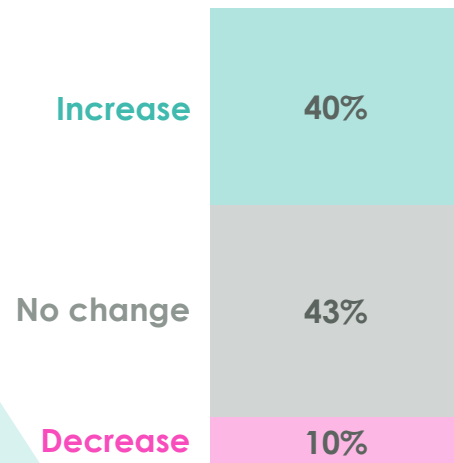


FCA guidance changes could boost adviser demand, but risk appetite remains cautious

The recent FCA review on guidance may suggest adviser firms will be allowed to offer targeted support without conducting a full review of a client's finances. Should this be the case, two in five (40%) expect it to result in an increase in the number of people seeking advice.

Advisers are more mixed about its impact on clients however, while over two in five agree it could help clients better plan their financial futures, only 21% think it will make clients more likely to take more risk with their investments

Q – Do you think having easier access to personalised advice for the general public would result in an increase or decrease in the amount of people seeking advice from yourself/your firm?



...Help clients to better plan their financial futures

Disagree

20%

Agree

43%

...Increase interest in investing

20%

38%

...Increase client confidence in managing investments and personal pensions

24%

36%

...Encourage clients to move money into investments

22%

33%

...Encourage clients to consider more sophisticated investments products they wouldn't have previously considered

33%

23%

...Encourage clients to take more risks with their investments

32%

21%

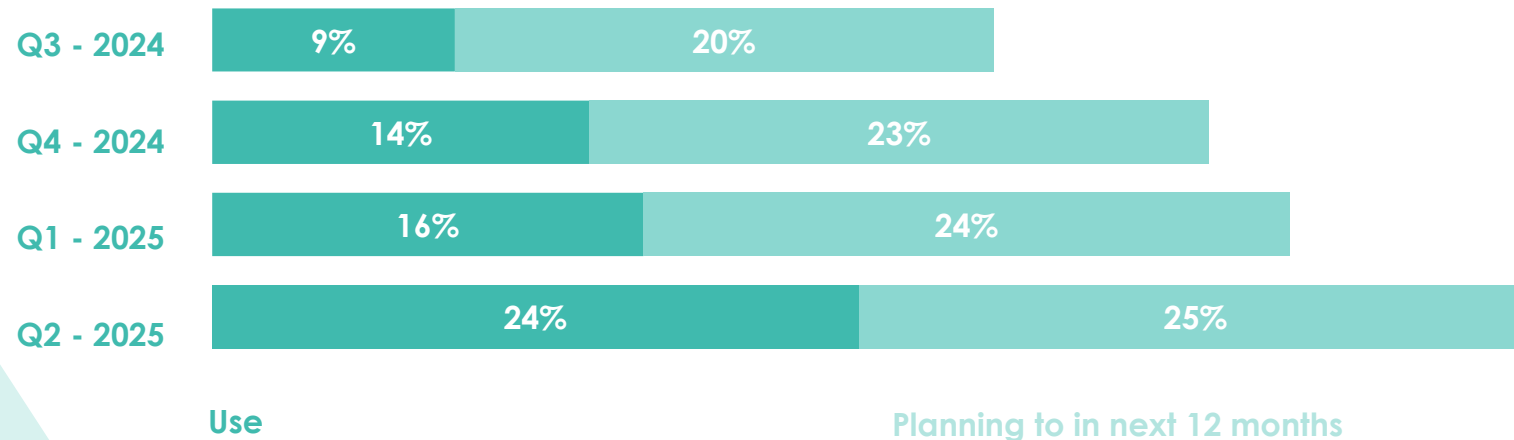
Q - To what extent do you agree or disagree with the following statements? Access to targeted pension and investment support would...

AI usage increases for the sixth straight quarter

Almost half of IFAs (48%) are beginning to introduce AI into their work, with 24% currently using it and a similar among (25%) planning to, a number that continues to increase each quarter.

Around one-fifth (21%) see AI as a risk, the same as last quarter and the lowest score we have tracked. However, fewer than half see AI as an opportunity (46% vs 44% in Q1) remaining lower than the 56% we saw at the end of 2024.

Q – Do you plan on using/ implementing (AI) in the next 12 months?



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