



Adviser Voice

A lens on financial adviser sentiment
Q3 2025

Key headlines

1

Economic Overview

Confidence in the UK economy is once again declining, with only 15% of advisers expecting improvement over the next 12 months, dropping from 2022 earlier in the year. Advisers have lost confidence in the UK as a buying opportunity, with advocacy falling to 21% in Q3 from 31% in Q2. Supporting clients through economic uncertainty remains a challenge for advisers amid continued market volatility, while concern over tax changes are up in the lead up to the budget.

2

Investing in 2025

Advisers view of investment opportunities remains strong, with 40% saying they are good, however, there is pessimism about prospects compared to Q2. Almost three in five (59%) of advisers expect clients to become more risk-sensitive, with majorities saying they will be more engaged and hold a longer-term investment approach. Most also expect investments to be more volatile in the next 12 months, with economic indicators increasing in concern.

3

Business confidence

IFA business confidence has largely remained the same this quarter, and while optimism for the future is lower than Q2, scores remain higher than earlier this year. Job security is the most positive metric, with advisers stating improvement on Q2, however, in turn, there has been a marginal decline in staff retention. The implementation of AI has also remained the same as in the previous quarter, the first time this figure has not increased in the two years of this study.

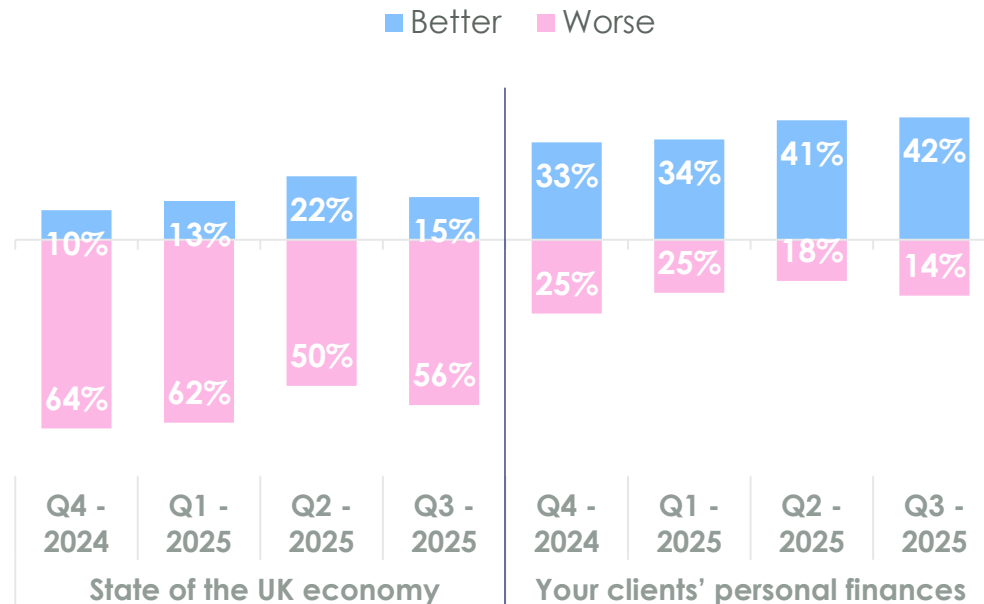
Economic Overview

Advisers are pessimistic about the UK amid low expectations over the country's economy; however optimism remains about their clients' personal finances

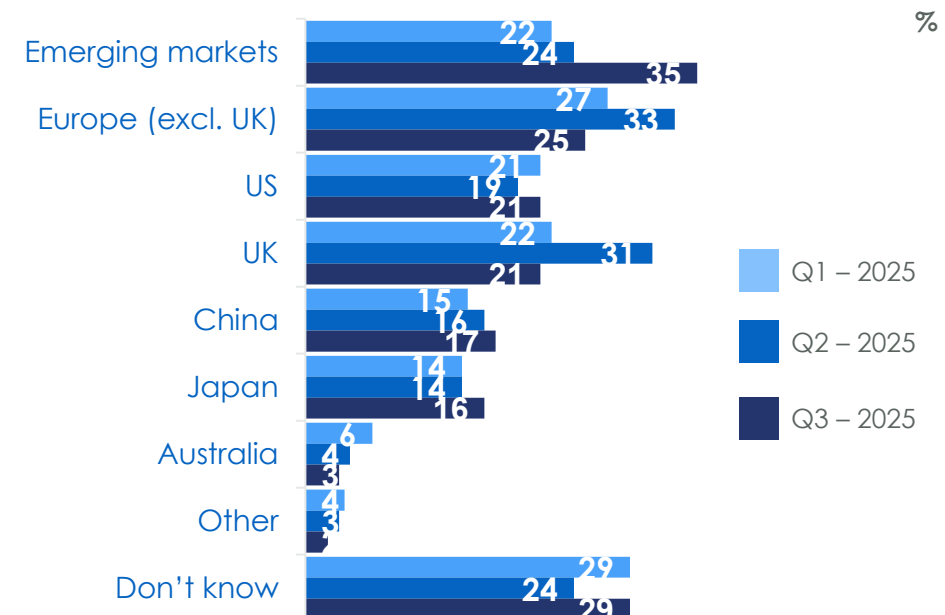
Only a fifth of advisers (21%) see the UK as a top buying opportunity, reversing the positive change seen in the middle of the year. In its place, emerging markets have grown to become the top choice for advisers, while mainland Europe has also become more attractive.

On top of this, fewer than one in six (15%) IFAs expect improvement in the UK economy over the next 12 months (22% in Q2) while over half (56%) expect it to worsen. Despite this, sentiment towards client's personal finances remain stable, suggesting an ability for their finances to weather the storm.

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



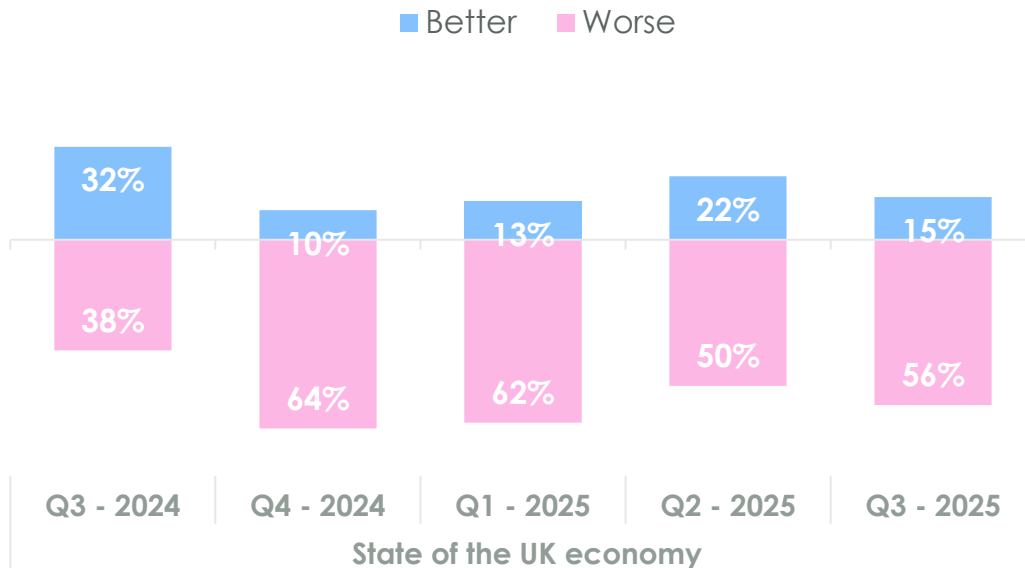
Q - Which markets do you think present the best buying opportunities for the next 12 months?



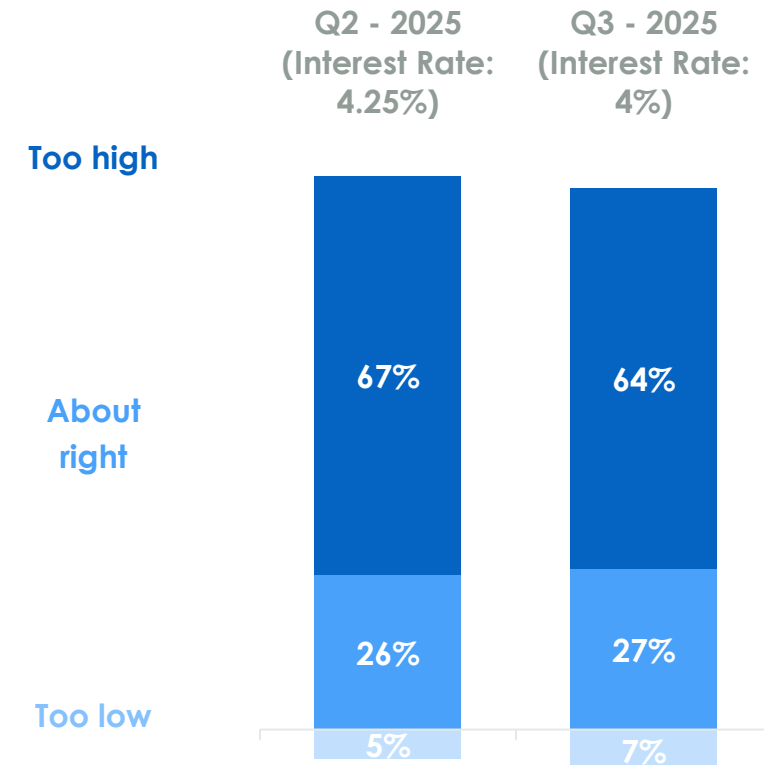
Most advisers still think interest rates are too high, despite a drop earlier this year.

Interest rates at the time of the survey were at 4%, a slight drop from 4.25% in the previous quarter, but lower than the 5.25% seen in August 2024. With rumours of continued rate drops in the future, over three in five advisers (64%) still think the current interest rate is too high, a slight drop from Q2 (67%). This compares to just over a quarter (27%) who think it is currently right.

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



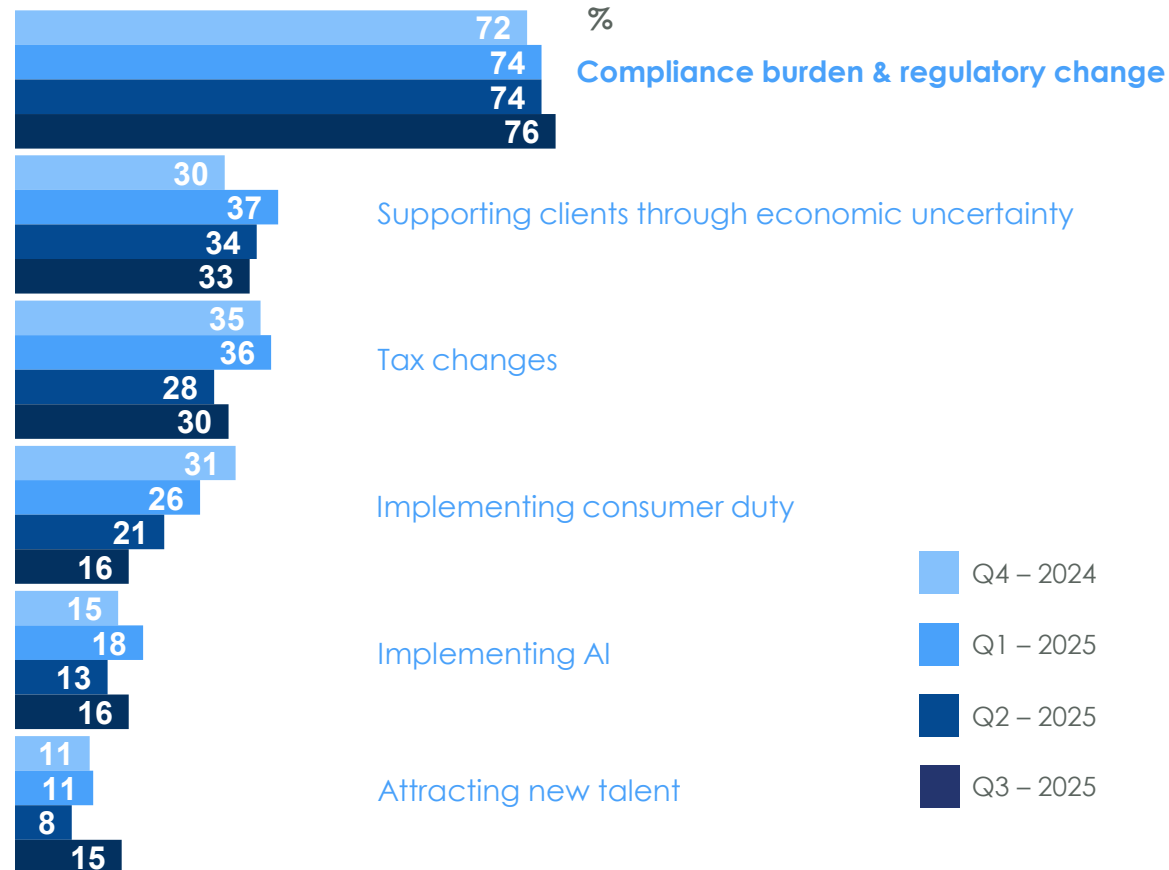
Opinions of current interest rates



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

Compliance and regulation remain the greatest challenge, other key challenges remain unchanged, with finding talent marginally more concerning

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



"Rates are gradually falling which sends more people into asset markets."

"The uncertainty caused by this government has almost killed the property market and businesses cannot afford to expand."

"So much uncertainty for clients re the UK economy."

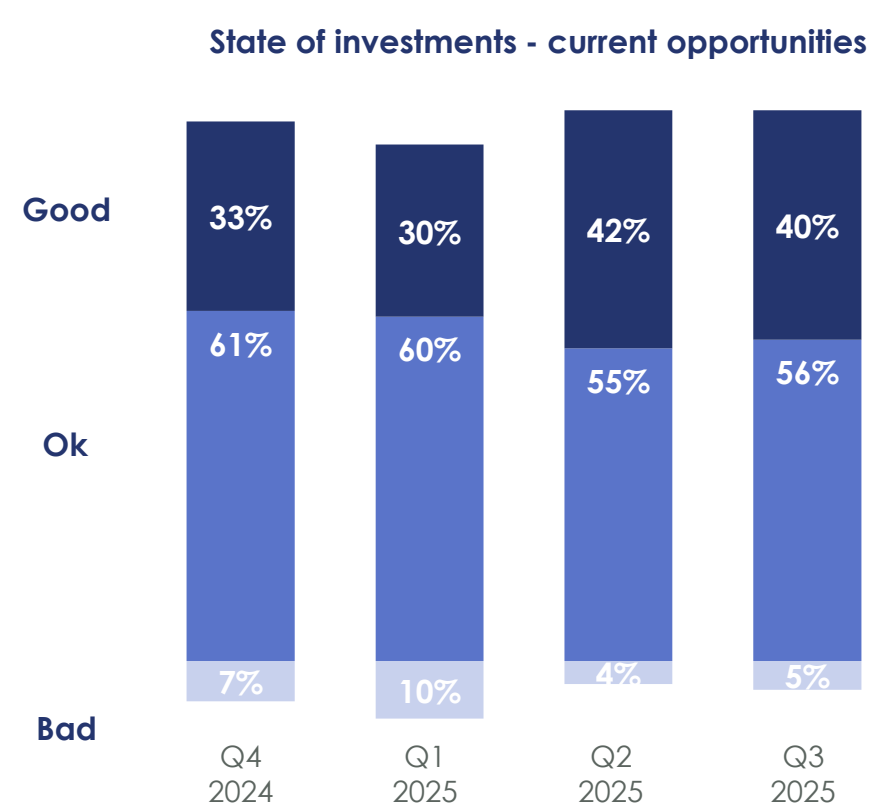
"Uncertainty re taxation and regulation. Economy suffering as a result."

"More clients needing IHT planning due to Pensions forming part of Estates."

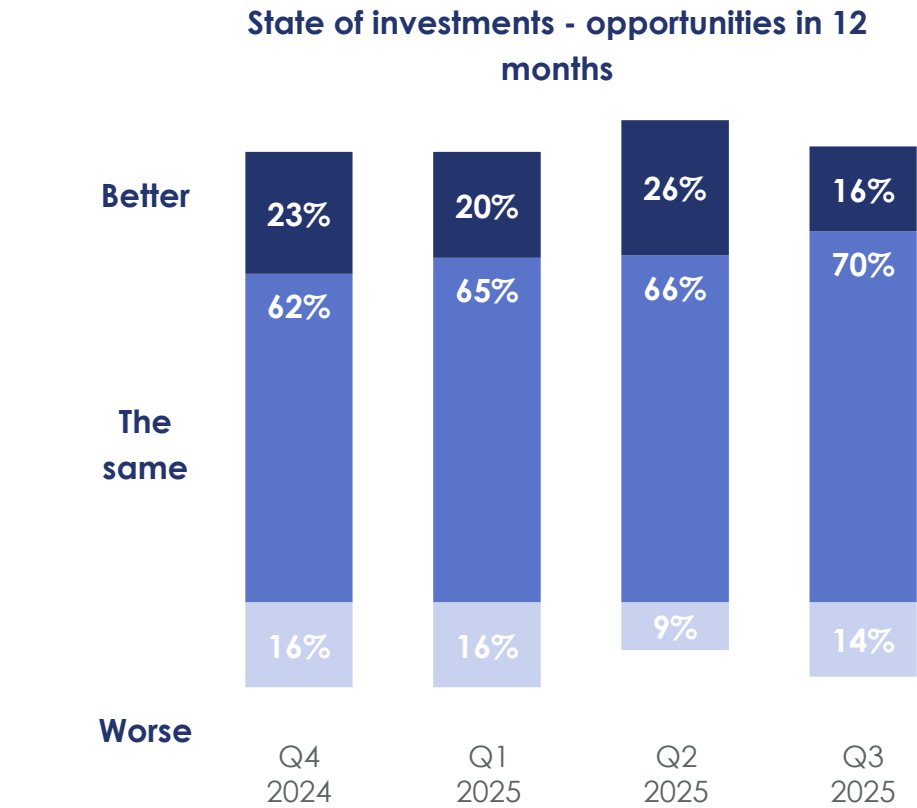


Investing in 2025

Though advisers are similarly optimistic about future investment opportunities than in Q2, more expect this to worsen and only a sixth expect improvement



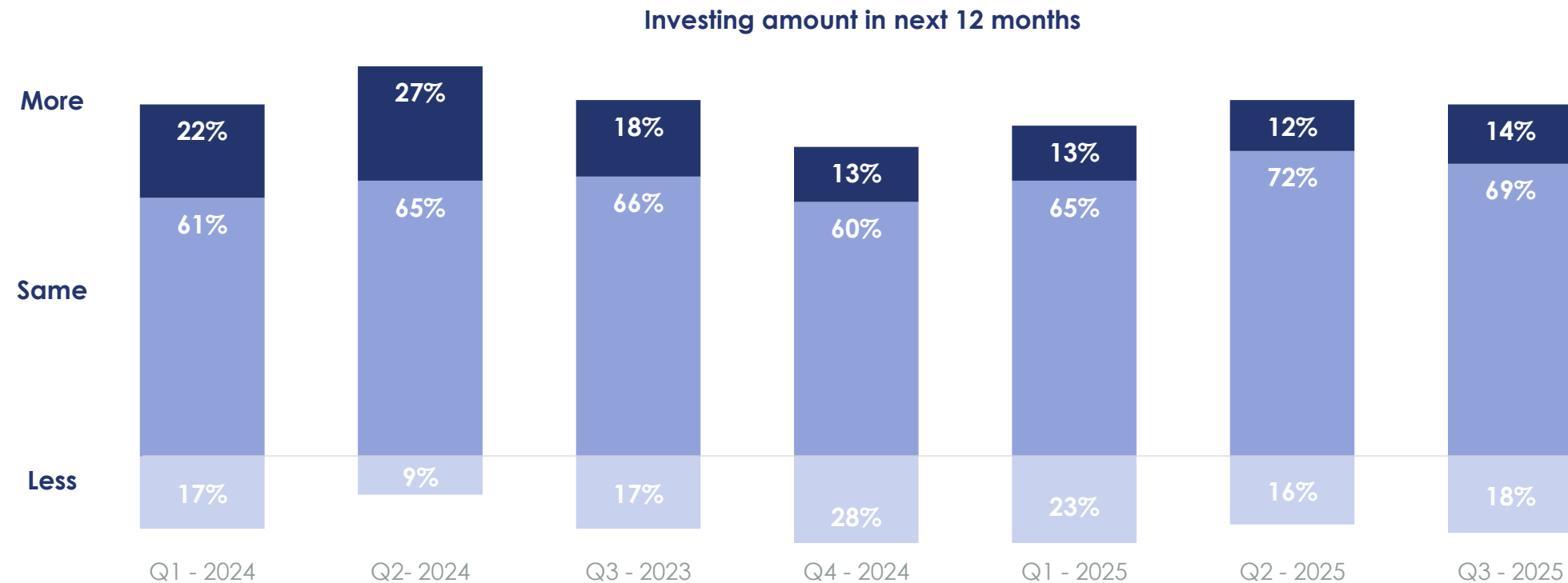
Q - How would you rate current investment opportunities?



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

Most advisers however still think clients will not change their investment amounts, though there is slightly more volatility in both opinions

IFAs don't anticipate much change to investment amounts, with nearly seven in ten expecting investment amounts to not change. Almost a fifth (18%) think investments will drop, marginally higher than the 14% who expect this to rise. Both of these numbers are higher than in Q2 however (12 more vs 16% less)

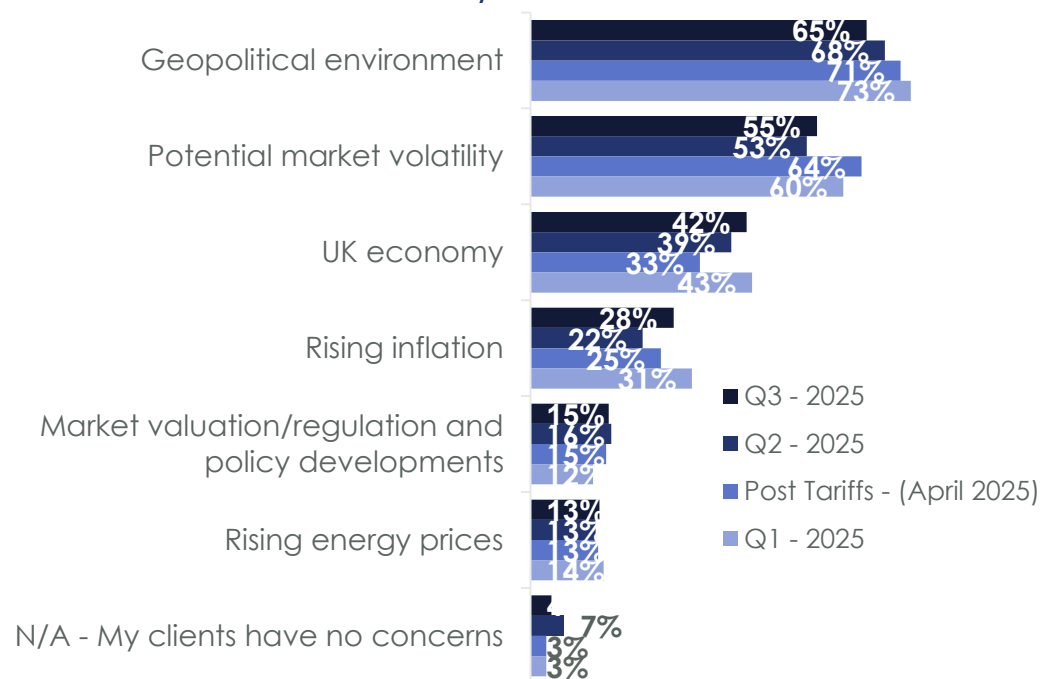


Q - Do you/ your clients expect to invest more or less over the next 12 months?

More than half of advisers expect volatility to increase in the next 12 months. Geopolitics remains the main reason, though the economy is an increasing concern

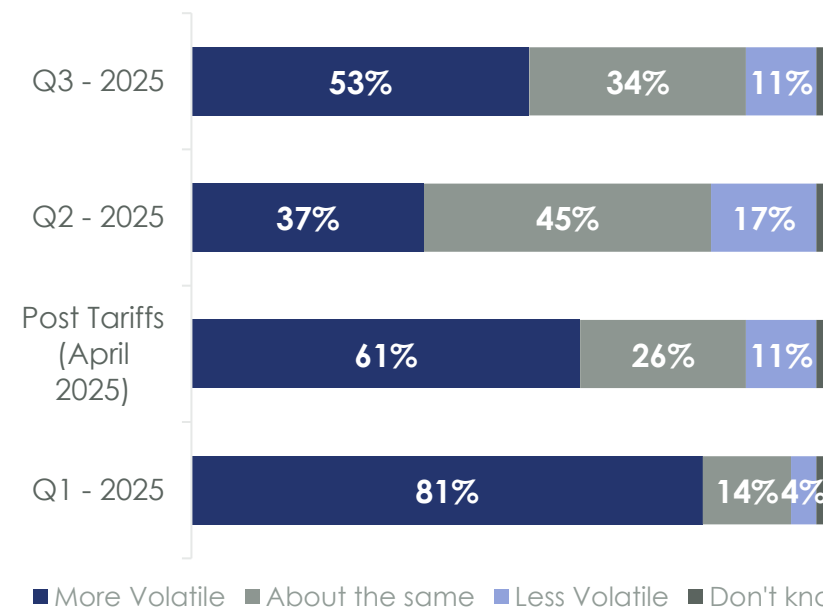
Geopolitical tensions and economic uncertainties in the past 12 months have driven a lot of volatility in the markets – and while this has dropped since Q1 this year, remains the clear top concerns for advisers. While fewer than two in five advisers now expect volatility to get worse, only 17% expect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



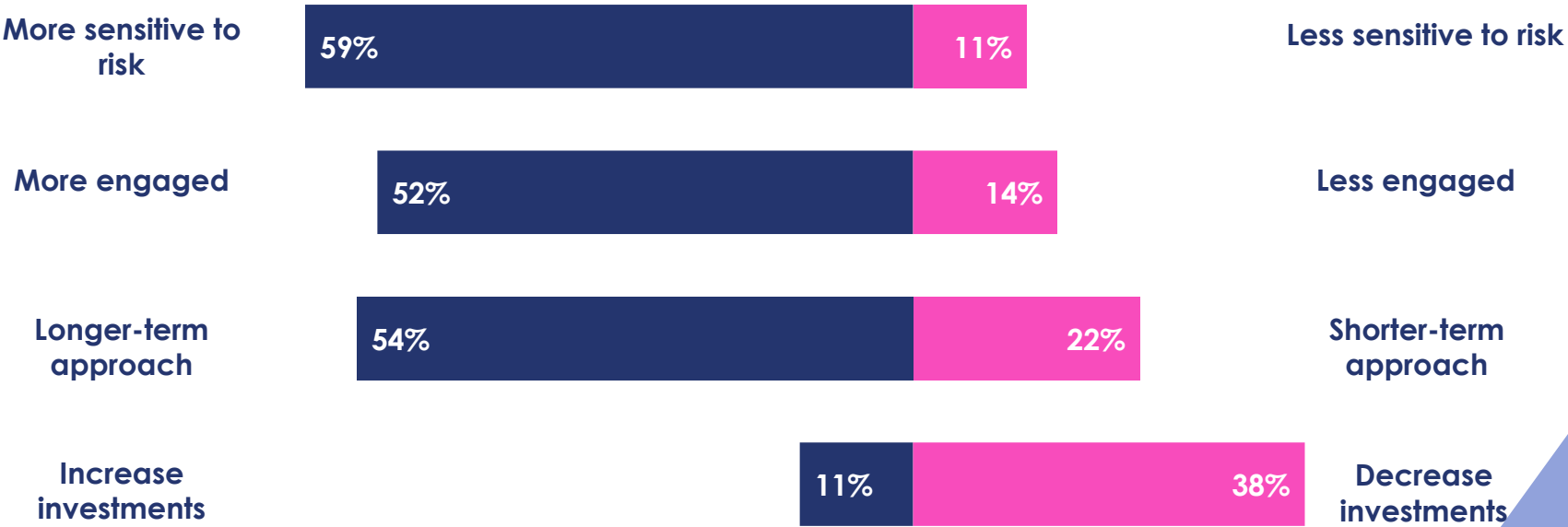
■ More Volatile ■ About the same ■ Less Volatile ■ Don't know

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 (59%) would expect investors to have more sensitivity to risk, be more engaged (52%) and have a longer-term approach of their investments (54%)

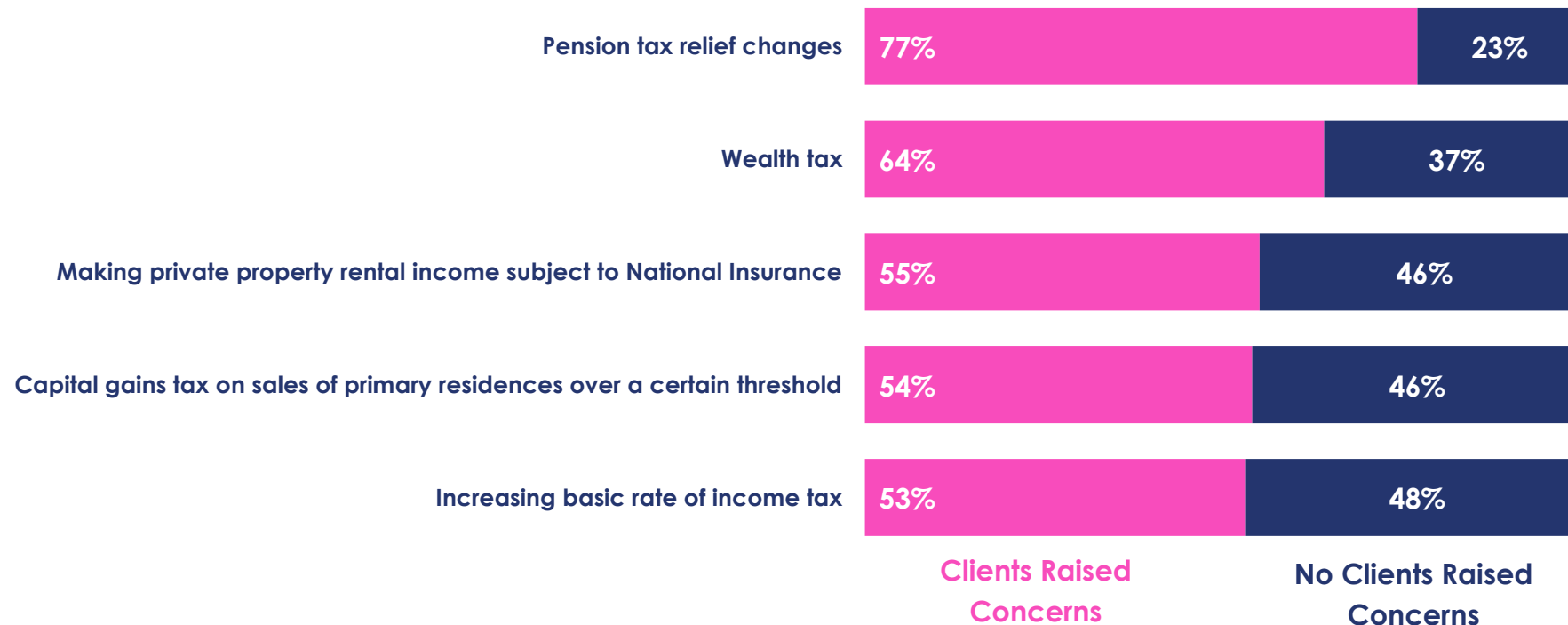
However, almost two in five (38% expect clients/investors to decrease their investments, up from 33% in Q2.



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

Advisers are noticing the most concern from clients about potential changes to pension tax relief, with wealth taxes also a worry.

“In the past month, how many, if any, of your clients raised concerns about any of the below potential measures in the upcoming Autumn Budget?”

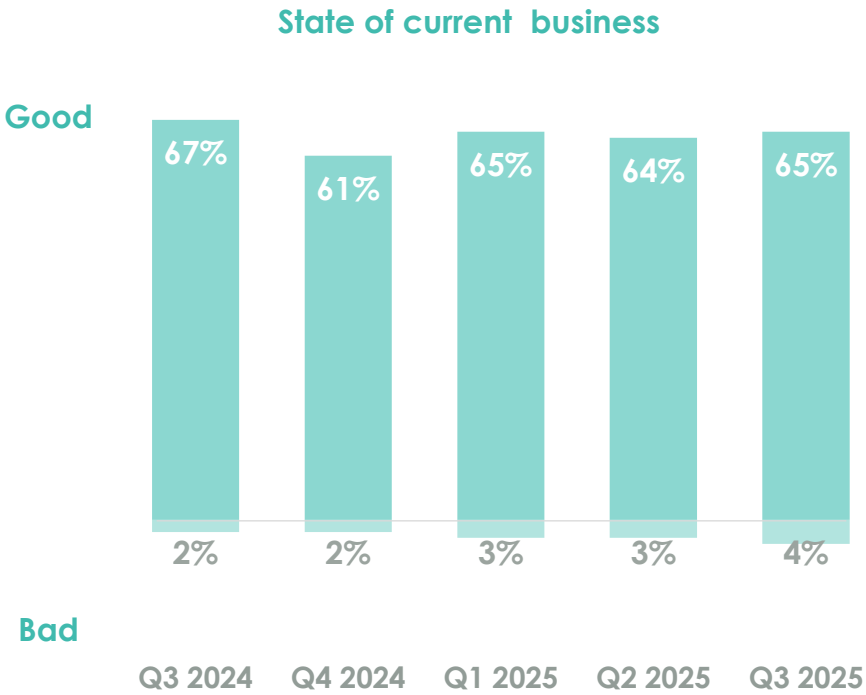


Q - To what extent do you agree or disagree with the following statements. The US Liberation Day tariffs imposed by the Trump administration in April were...

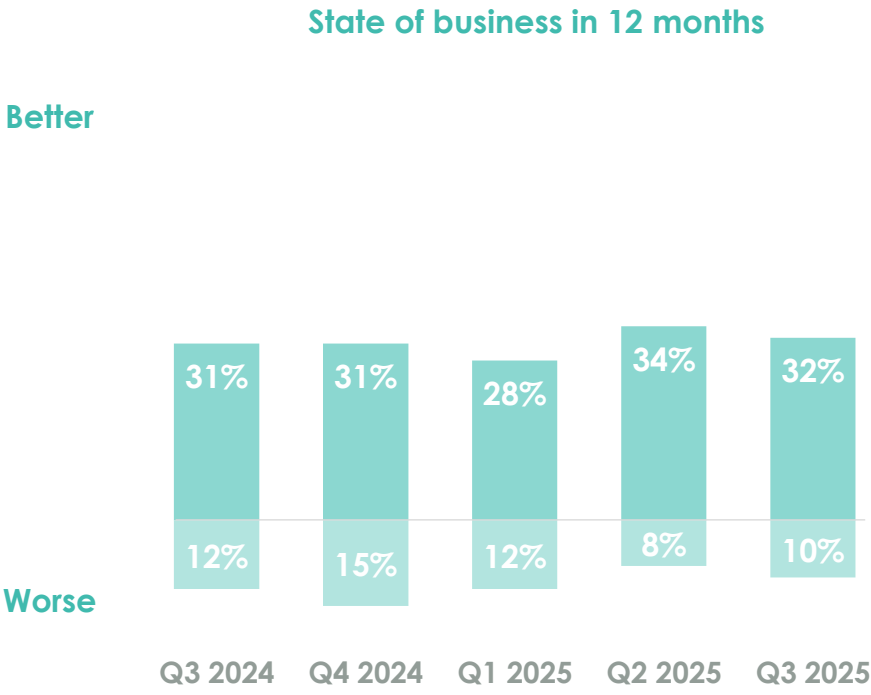
IFA business confidence

IFA business confidence has remained high this quarter, however advisers are slightly more pessimistic for the future

Just under two in three IFAs feel their current business is good, in line with most quarters of the past two years. However, just over a third feel their company will be better in the next 12 months, a modest drop since Q2, but still higher than the beginning of 2025.



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

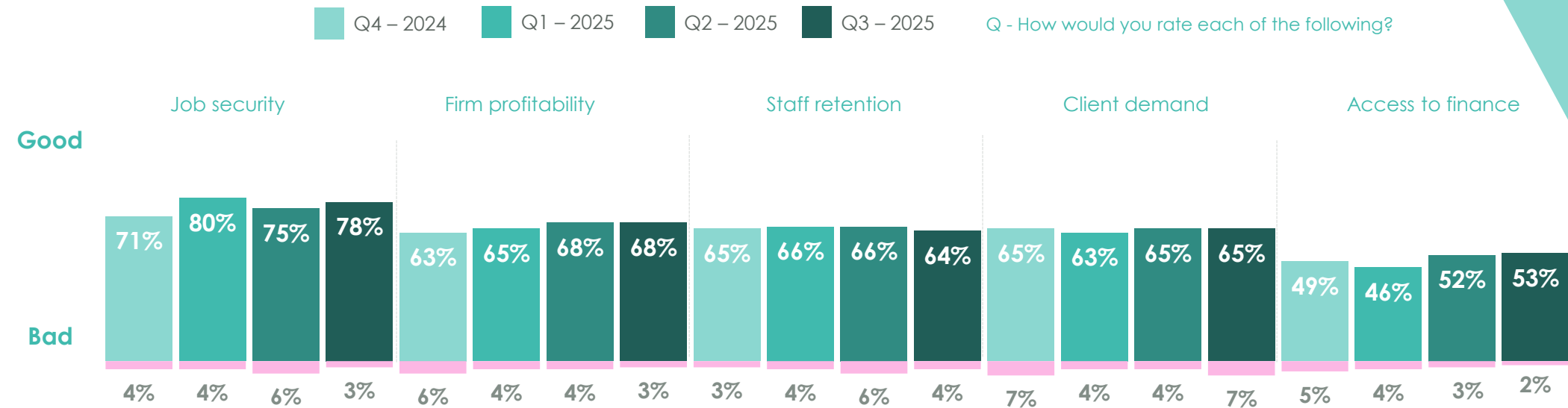


Q - How do you expect business to be in the next 12 months?

Adviser firms retain similar views to Q2 about specific aspects of their companies, however, job security is marginally higher

Over three quarters of IFAs are confident about their own job security, slightly higher than Q2. Sentiment towards their firm's profitability has reverted remained the same as before. Despite this, there has been a marginal drop in the state of staff retention.

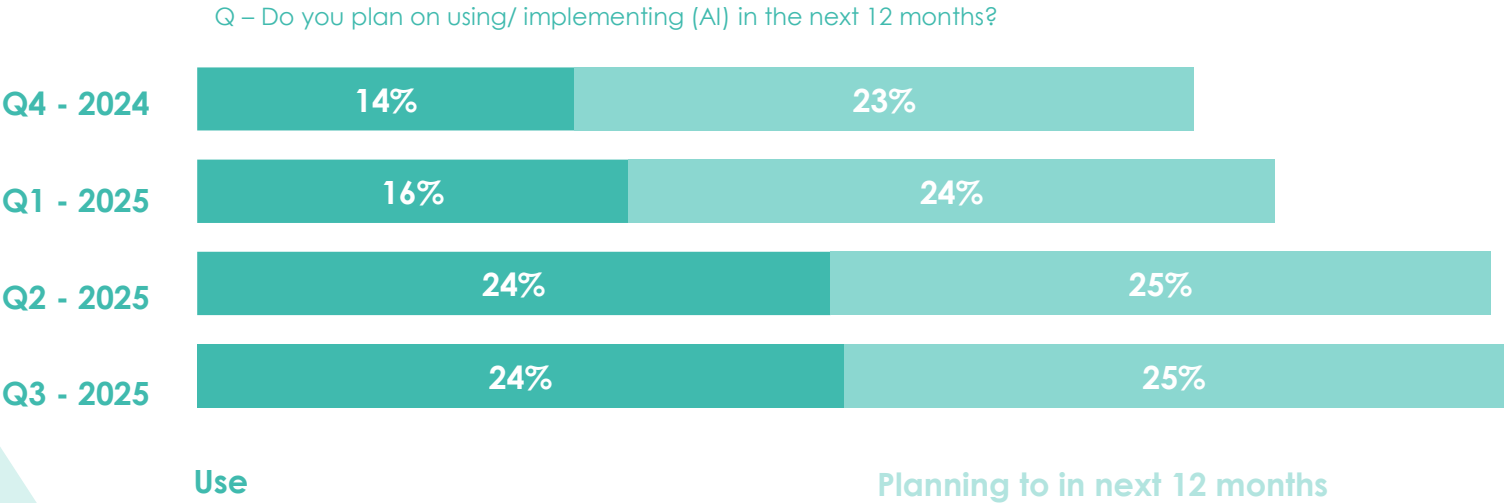
Just over a fifth (22%) say they are actively looking for new clients, higher than in Q2. However, this is offset by a drop in the number open to new clients but not seeking them (62% from 66% in Q2). Client demand is at the same level, with 65% feeling demand is good.



AI usage has stabilised in the middle of 2025

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, this is the first time these numbers have not increased in the two years of this tracker, though scores remain the same as in Q2.

One-fifth (20%) see AI as a risk, similar to last quarter (24%) and the lowest score since this has been tracked. However, fewer than half see AI as an opportunity (46% equal to Q2) remaining lower than the 56% we saw at the end of 2024.



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