

## UK investors more open to robo-advice than Americans

By Editorial Staff      Thu, May 12, 2016

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Most wealthy people “recognize the potential of robo-advisors and automated investment services to add value to their wealth management services,” according to *Investors’ Attitudes towards Robo-Advisors - Evidence from the US and the UK*, a new report from MyPrivateBanking Research. The report is based on interviews with 600 affluent and high net worth individuals in the US and the UK.

In the US, Charles Schwab Intelligent Portfolios is the brand investors associate most with robo advice (43%). In the UK, [Nutmeg](#) leads the field, also with 43% brand recall, a MyPrivateBanking release said.

Rich investors evidently like their wealth managers to use digital channels. According to the release, more than 70% of those surveyed think that such tools can “positively influence their wealth manager’s advice and decision-making process and that automated advice potentially speeds up onboarding processes such as registration and account opening, making these processes more efficient and convenient.”

Possibly because they’re more engaged with investing, “the adoption of automated wealth advice is happening faster in the high-net-worth segment than mass affluent, with current usage of online wealth management tools at 43% and 17%, respectively,” said Carmela Melone, analyst at MyPrivateBanking Research, in a statement.

Only 34% of those surveyed consider robo-advisors are “not trustworthy,” but 56% worry that advisors who use or offer robo tools to clients might over-rely on them, and fail to think and do research on their own. Half of the respondents rated the quality of human based advice as unmatched by robo’s.

Overall, UK and US investors have similar attitudes toward automated/robo advice, with some differences. UK investors would pay 10 basis points more on average for robo (and human-only) advice. In the US, 28% of those surveyed said they don’t think they will use robo advice tools in the future, compared with only 12% in the UK.

MyPrivateBanking offered these conclusions and recommendations for wealth managers:

- Offer the right tools: Financial planning and tax optimization wizards are the most important.
- Know your target segments: The youngest discretionary investors are the early adopters of robo, but automated services also appeal to self-directed middle age clients.
- Use multiple channels: Face-to-face, telephone and e-mail still dominate contact methods but use of social media is increasing.
- Look for opportunities to automate any link in the chain, from onboarding new clients to delivering specific advice.

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