

**Verona Smith Platform Blog: Competition keeps us all on our toes**

*7IM's Verona Smith looks at what's on the horizon for platforms – she sees flashes of creativity amid a fog of uncertainty.*

Platforms are the disruptive technology of the millennium that have continued to challenge and change – qualities that will be as important as ever in the year ahead.

They have transformed the experience of investors and their advisers, enabling them to see the value and performance of portfolios. They have opened up access to investor choice, helped to improve transparency on costs and, for many people, helped reduce those costs quite significantly.

Excitingly, changes to the pension landscape will change the game for those platforms who can support clients, not only in the savings phase but also during retirement.

And yet a fog of uncertainty is hanging over the industry in the shape of the FCA Investment Platforms Market Study. The study is designed to ensure that investors are given the full potential benefits of the technology. The interim report, expected by this summer, is expected to highlight issues to be addressed.

We all want the best outcome for consumers, and eagerly await the outcome, but uncertainty hangs in the air. This is an industry where failure could be catastrophic. It is not an option. Planning is critical to success, and planning requires certainty.

Pension freedoms have changed the nature of the game for platforms. Whereas once we were focused on helping people to **save** and invest more easily, more cheaply and perhaps more wisely, now we also have to think how to help them **spend** and invest more easily, cheaply and wisely too.

We are no longer thinking about just the build-up to that big retirement date when the pot accrued was used to buy an annuity. Now, we have to think beyond that and the challenges that drawdown poses for millions of people.

This requires us to evolve the entire customer experience with new reporting and planning tools to help ensure that investors don't withdraw too much (or even too little) money and that they take on the appropriate level of risk (which we all know may be different to the level of risk they are most comfortable with).

Our free app, 7IMagine, is a big step towards that and is being used now by many investors and their advisers to help graphically show how small changes to saving, spending and investing habits can hugely improve retirement outcomes.

I predict that in the next few years, we will see the customer experience become richer with many more tools like this, using gamification expertise to enhance investors' engagement with and understanding of their finances. Bring them on! Here I am in full agreement with the regulator: competition keeps us all on our toes, and this should be – and I am sure will be – good for the consumer.

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