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Brewin
Dolphin

Four big issues facing advisers in 2026

Financial advisers will be guiding their clients through choppy waters in 2026. The outlook for the UK economy remains fragile, while the outcomes of a turbulent Autumn Budget season include rising tax liabilities for many. At a business level, new advice streams are set to open, but some firms may choose to focus on retaining existing clients.

Here's our round-up of the most important challenges and opportunities for the industry in the coming year.

Stay ahead of creeping tax hikes

The impact of November's Budget on investors was lighter than many had anticipated. But several measures will require attention and planning – notably the increased tax on income from dividends (from April 2026) and on property and savings (from 2027).

“Together with the freezing of income tax thresholds until 2031, these changes will significantly hike up tax liabilities for many clients over the next few years,” notes Ian Kloss, Head of Intermediaries at RBC Brewin Dolphin.

“Many clients won't have grasped the incremental impact on their funds. They'll benefit from far-sighted advisers who can draw their attention to restructuring opportunities – perhaps making use of ISAs, international bonds or VCTs.”

Cuts to the National Insurance benefits related to pension contributions made via salary sacrifice schemes won't come into effect until 2029. Again, advisers can

alert high-earning clients to get on the front foot, by aligning contributions in line with tax brackets or diversifying investments into more tax-efficient structures.

Other changes requiring close analysis and planning for affected individuals include the halving of capital gains tax relief on shares sold by business owners, and the restriction of cash ISA allowances.

Capture evolving advice streams

In theory, 2026 will see the long-discussed advice gap start to close, with the rollout of targeted support from the spring, and simplified advice to follow.

Targeted advice could offer opportunities for clients to get better outcomes and allows advisers to activate and engage with future clients by introducing them into an “advisory” framework. Initially, though, it seems likely that only firms with extensive resources will have capacity to deliver to this broad market of unadvised consumers in a cost-effective way.

Will the changes lure existing clients away? “Unsurprisingly, targeted support has wide public appeal,” says Kloss. “But in a practical sense, the FCA estimates that less than 1% of the existing advised population will switch. Firms will want to keep close tabs on this and use it as an opportunity to make sure their client base understands the value, they're receiving from a more personalised advice service.”

A greater risk to retention in 2026 may be the intergenerational transfer of wealth. Of advised clients aged over 65, fewer than a fifth expect their heirs to continue to work with their financial adviser, new research reveals².

“Part of this is an inevitable result of location, or the heirs having their own financial advisers,” says Kloss. “But firms need to work proactively to achieve visibility with the next generation and find ways to establish communication and trust while addressing client satisfaction.”

Meanwhile, there’s an acquisition opportunity in the form of a substantial group of investors that firms may want to pursue. A study² suggests there are 2.5 million UK adults with at least £100,000² in assets or income who want financial help over the next three years, and are willing to pay for it. Attracting this group will demand careful messaging, Kloss says.

“When clients are asked about the benefits they get from advice, they often mention peace of mind and confidence, alongside the obvious returns and growth,” he notes. “These emotional benefits are often overlooked – emphasising them in communications and marketing could be fruitful for firms.”

Harness tech – and keep it in its place

The impact of artificial intelligence (AI) will only accelerate in 2026. At a time of adviser shortages, a rising admin and regulatory burden, and pressure on margins, tech’s ability to produce swift meeting summaries and suitability reports is invaluable.

“AI is now delivering tangible efficiencies for progressive firms,” says Kloss. “At the same time, we must keep hammering home the value of trust and human relationships in personalised advice.

“Consumers’ use of generative AI tools like ChatGPT – not to mention the advice of unregulated social media ‘finfluencers’ – is highly risky and worrisome for anything beyond the most generic information. Any public-facing AI offering must explicitly demonstrate its value and difference over universally available information.”

Keep pace with regulation

Consumer Duty remains high on firms’ agenda. One important aspect is the requirement to identify clients who may be vulnerable – an issue for all firms, but perhaps especially relevant in the light of the wave of potential new clients set to interact with the profession.

“For those firms preparing to offer targeted support, it could be worth auditing your services to check for gaps, improving accessibility, and looking to adopt best practice guides,” Kloss suggests. “That might require new systems, processes or staff training.”

How we can help

It’s clearly going to be an eventful year for the advice industry. Take some of the heat off your business by partnering with us. We’ll focus on delivering performance, freeing you to concentrate on giving your clients the best possible advice and experience. Benefit from regulatory peace of mind, powerful research, and an expert voice on the phone whenever you need it.

Find out more about how we can work together at <https://www.brewin.co.uk/intermediaries>.

(1) Research Note: Reading between the lines: Understanding of targeted support in pensions; (2) Source research material: Boring Money – Advised Investors – Acquisition and Retention.



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