Designing products for the next generation of clients

For proposition directors at wealth managers, platforms and pension providers: the two groups who will make up the next generation of clients, what changes for them from 2026 to 2030, and the design questions to settle now.

IN BRIEF

The problem

Propositions tend to be built around today's clients, while the assets they hold will pass to people the firm has never met, and new savers arrive with different needs.

Why it happens

The current client pays the fees and gets the attention, so beneficiaries and younger savers are designed for, if at all, as an afterthought.

What to do

Plan around the dates already known, from pensions entering inheritance tax in April 2027 to the planned start of small pots consolidation in 2030, and design for the beneficiary and the new saver now.

01 Two routes to the next generation

The next generation of clients arrives by two routes.

The first is inheritance. Research by Cebr for Kings Court Trust in 2017 forecast that inheritances in the UK would rise from £69bn a year to around £115bn a year by 2027, and the Resolution Foundation estimated in 2022 that the value of inheritances would double over the following 20 years. Part of that wealth sits in pensions and investments run by the firms that serve today's clients. Whether it stays depends on whether the beneficiaries see a reason to keep it there.

The second is a generation of savers building wealth through workplace pensions, digital platforms and, for some, shares from their employer. They tend to hold several small pots, contribute irregularly and expect to see and manage everything online. Relatively few people take full advice: across all adults, only 8.6% received regulated financial advice in the previous 12 months, according to the FCA's Financial Lives survey for 2024.

02 Dates to plan around

Several changes will shape these clients' needs. Two are already live or in law, and the later dates are the government's stated timetable.

TIMETABLE

Changes that shape the next generation's needs

Date	Change	What it affects
6 April 2026	Targeted support went live	Help for savers without full advice
6 April 2027	Unused pension funds and most death benefits enter inheritance tax	Estate planning and death claims
2028	First value for money results for workplace pensions	Which schemes savers stay in
2030	Small pots consolidation begins	Savers with many small pots
2030	£25bn scale for main default funds	Which providers savers end up with

Sources: FCA PS25/22; Finance Act 2026; Pension Schemes Act 2026 and the Department for Work and Pensions' July 2026 roadmap. Dates from 2028 onwards are the government's stated intentions and may move.

From April 2027, personal representatives become responsible for reporting and paying inheritance tax on unused pension funds and most death benefits, with exclusions including death-in-service benefits and dependants' scheme pensions from defined benefit schemes. They will need information from pension providers quickly. A provider that can supply it promptly, and explain it plainly to a grieving family, will be making its first impression on the next generation of clients.

03

Design questions to settle now

Who do we know in the family? Beneficiary nominations, permission for a family member to see an account, and contact details for the people who will deal with an estate all help a firm meet the next generation before it inherits, with the client's consent.

How long does a death claim take? Measure it from the first call to the last payment, from the family's side. The claim is often when a beneficiary decides whether to stay.

Does the product work for small, irregular amounts? Minimum contributions, charges that bite on small pots, and the ease of combining pots all matter to younger savers, and the fair value assessment should look at them separately.

What help is there short of full advice? Targeted support, guidance and clear tools can serve savers who won't pay for advice, provided they are designed for those savers rather than adapted from advised processes.

Does it handle what employers pay in? Workplace pensions, share schemes and other employer benefits are where many younger savers start, and a proposition that can't see them may miss the largest part of what the saver owns.

FROM EXPERIENCE

In my own advice firms I designed corporate benefit frameworks for technology firms. Earlier, between 2016 and 2017, I chaired an Institute and Faculty of Actuaries working party on defined contribution saving and retirement income, the Defined Contribution Participation, Accumulation and Decumulation Working Party.

Both taught me to design from the saver's circumstances outwards: how they are paid, how often they will look, and what they will need when something changes.

Questions for the board

01 What share of our assets belongs to clients over 75, and what are we doing now to meet the people who will inherit it?

02 How quickly could we give personal representatives the information they need from April 2027, and who in the business owns that process?

03 How long does a death claim take from the family's side, and what does a beneficiary experience along the way?

04 Does our proposition work for small, irregular contributions and for savers with several pots?

05 What can a saver get from us without paying for full advice, and is it designed for them?

06 Which of the dates from 2026 to 2030 could change who our clients are, and are they in our plan?

The next generation of clients is already partly on the books, as beneficiaries and younger savers. Designing for them now means meeting them before they decide where their money goes.

If this is on your table, a 30-minute conversation is usually enough to tell whether I can help.

Talk to Mark

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ABOUT THE AUTHOR

Mark Woodruff is a Chartered Actuary (FIA) and Chartered Financial Planner (FPFS). He spent 15 years pricing and building products at Aviva, Prudential, Partnership and St. James's Place, then more than seven years founding and running advice firms through to a substantial sale. Through Mark Woodruff Consultancy he works with financial services firms on product, pricing, distribution and governance.

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