

Investment risk communication across the customer journey

Research report for The Investment Association



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This Research Report sets out findings from the qualitative, in-depth interviews with 16 savers and low-confidence investors to examine how risk and reward are communicated across the customer journey, from initial exposure to investment content through to decision-making.

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Introduction to the research



Background & Objectives

The Investment Association (the IA) is exploring risk and reward statements within the UK investment landscape. The IA takes a view that we need a more balanced narrative around risk and reward, and that the investment management industry should be encouraged to revise its approach. Ultimately, the aim is to improve consumer financial decision making and therefore deliver good outcomes. This is because previous industry research has found that current approaches deter rather than inform investors.

The IA's work aligns with wider Government strategy to support more people in the UK to invest (the Leeds Reforms).

As part of this work, Boring Money has undertaken qualitative consumer testing, looking at risk and reward communication within the investment journey (focussing on new account opening), and where risk and reward is best presented across the saver to investor journey to ensure that messaging supports comprehension and engagement.

The IA has observed that poor sequencing and presentation turn compliance into friction. By fitting messages to the journey, the thought is that firms will support genuine understanding without deterring appropriate investment.

Risk messages are most effective when they appear at the right moment and in the right form. Placing blunt risk communications too early, or giving them undue prominence, can discourage consumers before they've understood the basics.

There is therefore a desire to shift from standalone compliance to journey-wide compliance. The IA has posed these questions to think about in terms of potential recommendations to firms when designing risk and reward statements along customer journeys:

- *Where in the customer journey are risk communications genuinely necessary to aid understanding, and where might they be redundant or distracting?*
- *Where might generic or shorter risk communications be useful, and where are more contextual or product-specific explanations preferable?*
- *How might these vary across different parts of the distribution chain?*

Who we spoke to

We set a pre-task exercise and then conducted 1-hour individual in-depth interviews via video call with x16 consumers:

- **Most are savers actively considering investing** or they've **considered investing in the past but felt it wasn't for them**. We also interviewed a **handful of low engagement / low confidence investors**.
- All are financial decision makers (either jointly or solely), and none have a financial adviser.
- Mix of gender, assets and region.

Category	Savers considering investing (x8)*	Savers that have considered investing but rejected it (x4)	Investors – low engagement/ low confidence (x4)
Definition	Keep assets in a savings or current account; may hold a Workplace Pension or crypto but do not actively hold a Personal Pension/ SIPP, Stocks & Shares ISA or GIA Considering investing in next 12 months	Keep assets in a savings or current account; may hold a Workplace Pension or Crypto but do not actively hold a Personal Pension/ SIPP, Stocks & Shares ISA or GIA Considered investing in the past but decided it wasn't for them	Actively hold a Personal Pension/ SIPP, Stocks & Shares ISA or GIA 0-4 confidence and don't buy investments daily, weekly or monthly
Gender	X4 Female x4 Male	X4 Female	X4 Male
Age	X5 18-34 x1 35-44 x1 55-64	X1 18-34 x2 35-44 x1 45-54	x2 35-44 x2 45-54
Personal Assets	X5 £10k-£25k x2 £25k-£50k x1 £50k-£75k	X1 £10k-£25k x2 £25k-£50k x1 £75k-£100k	X2 £10k-£25k x1 £25k-£50k x1 £100k-£200k
Confidence	X2 Low Confidence** (0-4) x3 Mid-Confidence (5-7) x 3 High Confidence (8+)	X3 Low Confidence (0-4) x1 Mid-Confidence (5-7)	X3 Low Confidence (0-4) x1 Mid Confidence (5-7)
Vulnerabilities	X2 Life Event***	X1 Health x1 Life Event	X2 Life Event

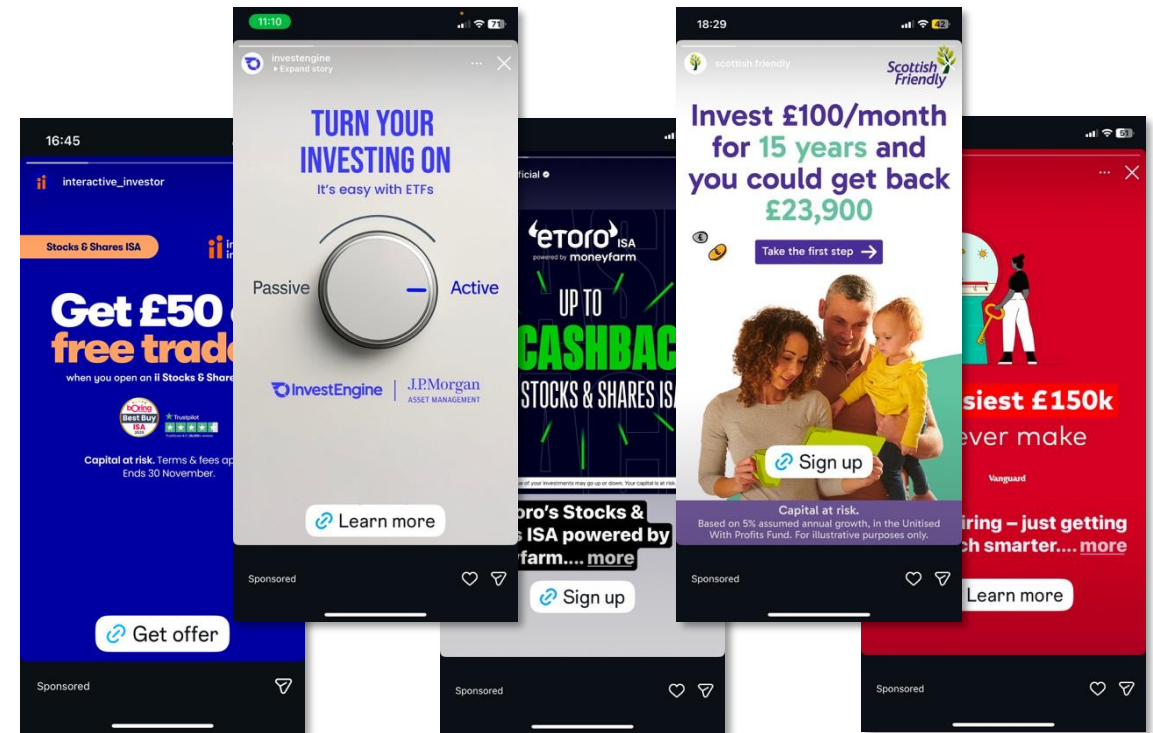
*One participant technically owns an ISA – originally a JISA opened for her by her parents – but does no investing outside of this. Looking to the future, she is curious to learn more about investing – and because she has not chosen to open an investment product on her own and does not engage with it at all – we have categorised her as a saver considering investing for the purposes of this research.

**Experienced a life event in the past 12 months, e.g. bereavement, divorce, job loss.

***Confidence: Stated confidence in choosing a new investment product, rated on a scale from 0 (not at all confident) to 10 (very confident).

What we did

- Prior to the interviews, participants completed a **pre-task exercise** to:
 - Note down what research into investing they have done – including sources used, what they thought / felt, etc.
 - Over a few days prior to interviews, observe, record, and photograph any investment content / adverts they see (e.g., on public transport, outdoor ads, newspapers, TV, podcasts, social media).
- During the interviews, we discussed the following with participants, using a range of stimulus material to support conversations:
 - Drivers and barriers to investing
 - Reactions to risk disclosures in marketing, including reactions to the pre-work tasks participants completed
 - Reactions to risk disclosures and risk communication in the saver to investor purchase journey, including examples from providers
 - Reactions to the current risk disclosure (capital at risk) and three alternate versions
 - How risk should be communicated across the purchase journey.



*Screenshots submitted by participants as part of their pre-task



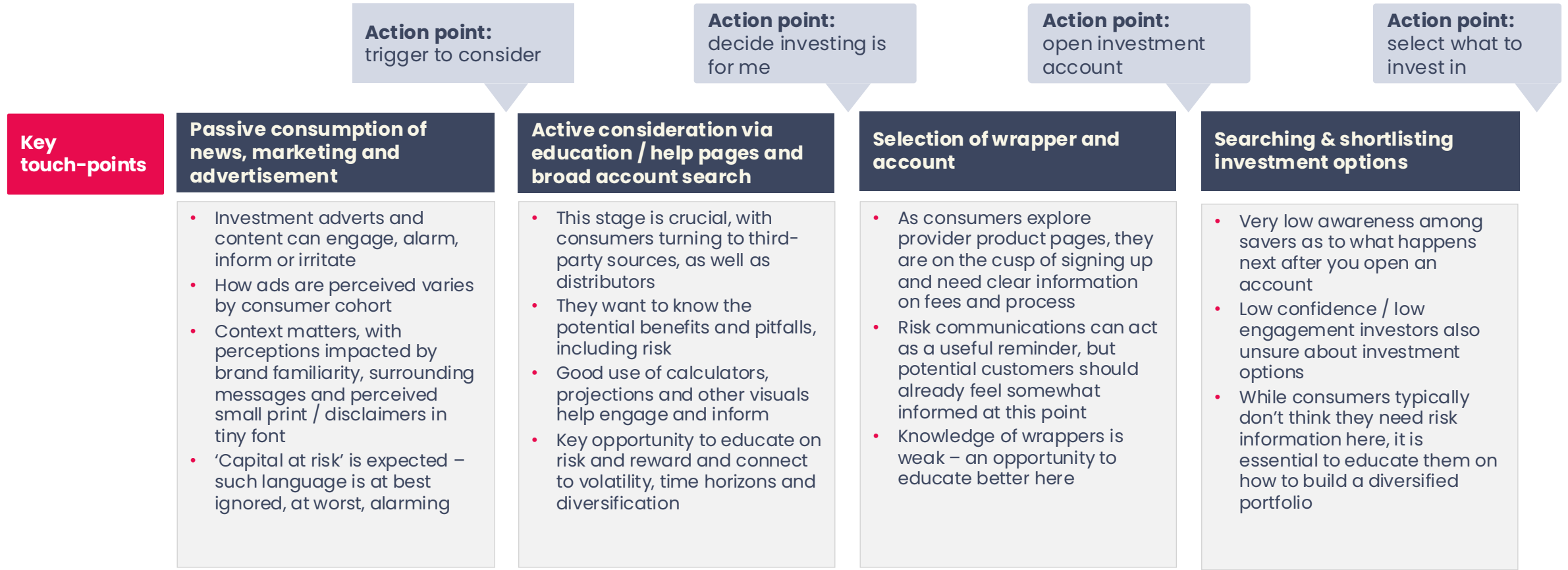
Executive summary



Key learnings from the research – risk perceptions & understanding

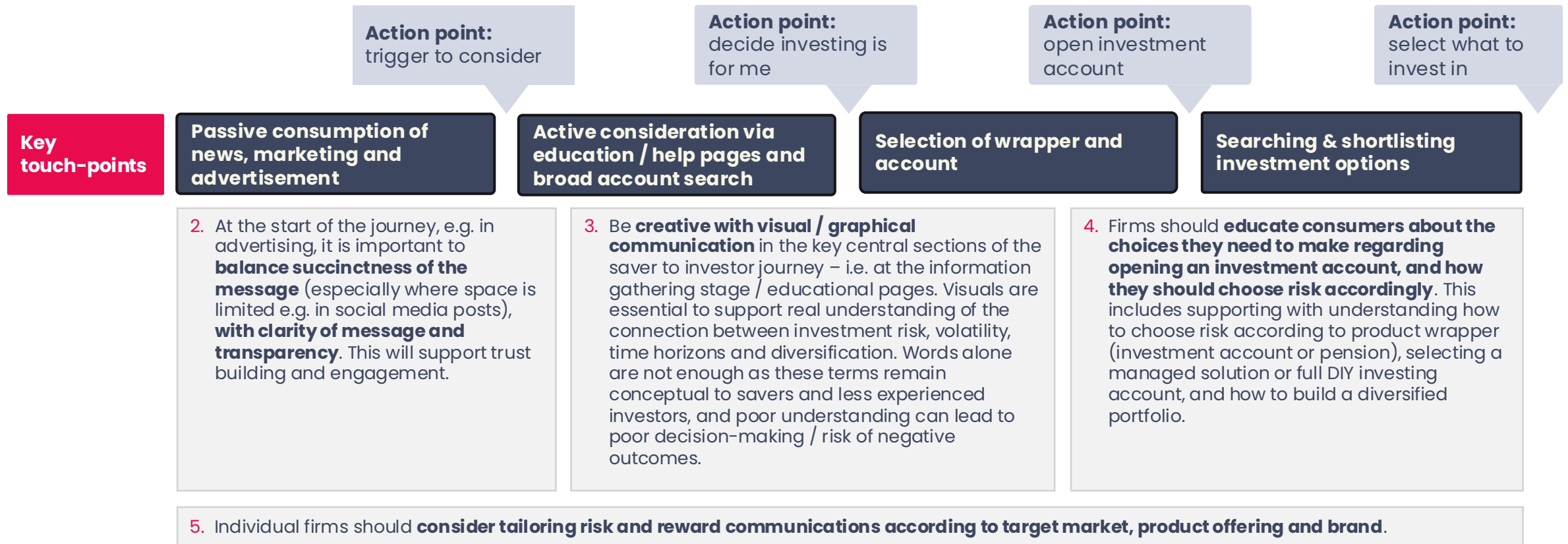
- **‘Risk’ has a broad interpretation among consumers, going far beyond investment risk** – it means the risk of scams / fraud, provider risk, individual risk of making mistakes / poor decision-making, and risks associated with not being able to access the money held in investments if it’s needed, loss of control and not knowing who to trust.
 - Risk perceptions are a major barrier to investing – with risk brought up spontaneously by all participants in conversations about nervousness to invest.
- **Understanding of ‘risk’ when considering saving vs. investing is typically binary** – with savings thought safe and investing risky, with the risk you can lose all of your money.
 - Even if it’s felt unlikely you would actually lose it all, consumers typically overestimate the potential downside.
- **‘Capital at risk’ reinforces the fear of loss and perception of high risk in investing.**
 - It is therefore not very helpful in engaging savers and less confident investors, with more balanced, softer descriptions preferred.
- **Risk isn’t naturally associated with time horizons, volatility or diversification – understanding is often surface level and behaviour varies.**
 - While savers are unconfident about investing, most feel they understand risk and even volatility and the impact of time horizons – but consumers often overstate their knowledge here, while missing the nuance.
 - A combination of misunderstanding / misconceptions, emotional decision-making and behavioural biases can lead to poor decision-making, including decisions not to invest, to under-invest, or to choose too low risk for the individual’s time horizon and product, e.g. pension.

Key learnings from the research – risk messaging across a customer journey



Recommendations for firms designing risk communication across a customer journey

1. Provide **balanced explanations of both risk and reward** that communicate the benefits of investing and the meaning and implications of investment risk to consumers. The need for balance is critical to support both engagement / consideration and consumer understanding of investing, and to support good decision-making and outcomes.



Savers and low confidence / low engagement investors

Case studies



Introduction to the three segments of participants

Savers considering investing

- Eight savers are currently considering investing, primarily because they want to earn better interest than their current savings and grow their money long-term.
- However, a lack of knowledge and confidence often prevents these savers from taking the next step – and most share misconceptions around investing (e.g., “I might lose all my money”).
- Though some are on the brink of investing – they just need the time to look at specific platforms and to clarify specifics e.g. the cost or process – others feel they need for more information and are not as close to making the ultimate decision to invest at this point.
- For an illustrative case study, please see [Eleanor](#).

Savers considered investing but recently rejected it

- Four savers have previously considered investing but ultimately rejected it because investing felt overwhelming and nerve-racking.
- Though the prospect of earning better interest piques their curiosity, they feel especially nervous and identify as risk-averse, meaning they ultimately decided the risk simply was not worth it for them.
- That being said, they would still be open to investing in the future but need significant reassurances and education in order to feel well-placed for investing – especially as a few worries specifically about scams, as well as other risks.
- For an illustrative case study, please see [Margaret](#).

Low engagement / low confidence investors

- Four low engagement / low confidence investors have already begun to invest, typically in S&S ISAs and/or LISAs, but still express uncertainty and confusion around investments.
- While the drivers to invest – again, primarily to earn better interest than savings – ultimately outweighed any obstacles, these participants are still relatively cautious and tend to prefer low-risk investments.
- Moreover, like savers, these investors share misconceptions around investing – specifically how to choose an appropriate risk level for the product and time horizon – and some have had negative experiences and made decisions that may not lead to good outcomes.
- For an illustrative case study, please see [George](#).



ELEANOR
Female, 34, £50k-£75k assets,
Saver considering investing

Life stage: No children, living with partner, has bought first home

Occupation: Senior Talent Acquisition Specialist

Financial goals: Upsizing & moving up property ladder

Investment confidence: 8/10
Never invested before
Never used an adviser



Drivers to investing

- ✓ Interest rates low, especially with the cost-of-living crisis (and fears around the recent Budget changes), meaning savings do not do as well
- ✓ As a current Chase customer, sees option for investing with JP Morgan Personal Investing



Risk perceptions & behaviours

- Risk = potential to lose money
- Opts for savings because although rates are low, it's 'guaranteed', 'protected' and you 'don't lose anything'
- Aware she invests through her workplace pension and has self-selected a less risky fund



Barriers to investing

- × Considers herself risk averse
- × Believes she lacks necessary knowledge to invest – and finds it difficult to find trustworthy information on investing
- × Fees and charges unclear
- × Dislikes needing to sign up for a platform to see their offerings



Risk within a customer journey

- Wants to see risk communications that will show transparency during first three stages (marketing, education pages and account opening)
- Wants final reminder on risk at final two stages – when exploring options and selecting what investments to buy



MARGARET
 Female, 42, £25k-£50k,
 Saver considering investing
 but rejected

Life stage:

Has children, living with partner

Occupation:

Manager

Financial goals:

Short-term saving for travel, new car, home reno; long term, saves for children

Investment confidence:

7/10
 Never invested before
 Never used an adviser



Drivers to investing

- ✓ Parents previously invested, which piqued her interest
- ✓ Wants to save money for her children
- ✓ Sees information on investing from Lloyds, who she trusts as a bank



Risk perceptions & behaviours

- Believes investing means she could lose everything, so she keeps her money in savings instead
- *"I wimped out because it's better to have what I have than lose something"*



Barriers to investing

- × Fear of losing money
- × Information on investments includes lots of jargon, which erodes her confidence
- × Heard of scams with investments, which makes her nervous
- × Partner had experience with crypto, which feels like gambling



Risk within a customer journey

- Unsure if risk communications are needed in ads - could build trust or make her more nervous
- Would like to see in educational content and before account opening (using softer phrasing than 'capital at risk')
- When choosing funds, wants to know which ones have more risk



GEORGE
Male, 50, £10k-£25k,
Life Event Vulnerability
Low engagement investor

Life stage:

Living with Partner

Occupation:

In HR – but recently made redundant

Financial goals:

Recover lost finances from housing project; invest to grow money

Investment confidence:

3/10
Currently investing
Never used an adviser



Drivers to investing

- ✓ Understands rates of return is better on investments than savings
- ✓ Partner's father lives off his investments, which he would ultimately like to do himself and sees as evidence that investing can work well when done right



Risk perceptions & behaviours

- To him, risk means you could lose all your money
- Pulls money out of investments when they go down, believing that you need to put them in cash if there is a dip and wait to re-invest until markets are doing better



Barriers to investing

- × Feels "terribly unconfident"
- × Does not fully understand how investments work, including some educational content/articles he reads, lacks time to do more research
- × Concerned about losing money and worries his investments will never actually go up



Risk within a customer journey

- Wants to see risk referenced in ads, when you decide to start investing, and when exploring investment options
- However, dislikes the word 'risk' and 'capital at risk' phrase because it is off-putting and evokes thoughts of high risk

Drivers and barriers to investing



There are psychological barriers that prevent the shift to accepting investment risk; these should be considered when developing risk communications

Expanding mindsets beyond saving is especially difficult when saving habits are well established. Savings habits form as:

- They may be passed down by and instilled early on by family
- Culturally it is considered important and desirable to have savings
- Because someone has been saving a long time and never experienced the alternative.

Savings mindsets become even more entrenched when:

- There is a perception of 'working hard' to build up disposable income to put into savings
- Someone is 'self-taught' i.e. their parents never had savings and the person wants better for themselves
- When a savings goal is successfully accomplished – demonstrates it works.

Several that we spoke to (savers and investors) also self-identify as 'risk-averse':

- This self-limiting belief becomes a self-fulfilling prophecy and reinforces pro-savings behaviour and fears of investing due to perceived high risk of loss.

"I think a lot of my experience of money in general has been self-taught. So, I think I've gotten to the point where I feel a bit more confident in picking out my own savings accounts and understanding of those products. But I don't feel confident investing in any kind of stocks or shares or anything like that."

Female, 18-34, Cash Saver Rejected Investing, Vulnerability: Low Confidence

"My brother is more of a high-risk person, and I think it's just my personality, in general, that I'm quite cautious."

Female, 35-44, Cash Saver Rejected Investing, Vulnerability: Low Confidence

There are a range of behavioural biases at play, which exacerbate investing attitudes and reactions to risk communications

Status quo bias & mental set theory

Savers stick with what they know because saving has previously worked well for them. Set in their ways and stick to what they are used to.

"I'm familiar with how [a cash ISA] works and I understand that the money that goes in is only going to grow. Like, there's no up or down."

Female, 18-34, Cash Saver Rejected Investing, Vulnerability: Low Confidence

Loss aversion

The psychological weight and impact of losing out exceeds the perceived potential for gains, even if the probability for loss is low.

"[I have] just been conscious that I could potentially lose a lot of money."

Female, 18-34, Cash Saver Considering Investing

Ambiguity effect

Consumers avoid investing because they feel they are missing information (i.e. don't fully understand what the risks are, don't know what potential for growth and loss could be).

"I'm scared of not knowing enough."

Female, 45-54, Cash Saver Rejected Investing, Vulnerability: Low Confidence, Health & Life Event

Negativity bias

The perception that bad things happen to 'me' and it would be just my chances that the market crashes as I start to invest.

"You know, the last hundred years of the market, [it's] given this kind of return. Great. But then I think, 'Oh, it'll be my luck now.'"

Male, 35-44, Cash Saver Considering Investing

Scarcity bias

The feeling of not having enough money to justify investing for the long-term, despite having a reasonable savings pot already.

"When I've accumulate[d] enough money, then I will start looking ... At the end of the day, it's difficult enough to save enough money to start with."

Male, 45-54, Investor, Vulnerability: Low Confidence & Life Event

Understanding of 'risk' when considering saving vs. investing is typically binary

Savings are considered **safe** and **guaranteed**

- Very **little perceived negative to saving**, despite acknowledgement that earning potential for investment can be higher
- There is a guarantee in getting money back, with some interest
- Little acknowledgement of **value erosion due to inflation** and long-term risks associated with holding cash.

On the other hand, **investing is considered risky - with a risk that you can lose it all**

- Consequently, many will only invest what they can afford to lose
- Feeling like when money is invested, it's never fully yours until you encash, and there's a lack of control with market fluctuation
- Some misperception you can't access money in case of unplanned needs
- Misperception that to invest successfully, the stakes must be high - i.e. investing a lot of money, being in very risky investments, or a need to make frequent trades
- Awareness of choosing risk levels within a managed product or building a portfolio is low.

Rachel associates investment risk with potential for loss

Adam compares risk 'chance' - it either goes up or down, no in-between

"A part of my brain just switches off and because, especially to me, the idea of putting our hard-earned money somewhere where it could go down just feels stupid ... I'd literally rather keep [my money] under my bed at that point. And I know that's silly, but I don't gamble."

Female, 18-34, Cash Saver Rejected Investing, Vulnerability: Low Confidence

Savers understand their money *could* grow more by investing, but ultimately fear and lack of knowledge prevent them from taking action

Drivers	Barriers
<ul style="list-style-type: none"> • Awareness that cash may not give best return • Saving rates not keeping up with inflation • Higher potential for growth with investing • Salaries not increasing, cost of living increasing & tax thresholds freezing • Desire for money to work harder • Built enough in savings • Recently achieved a savings goal i.e. buying a house, renovation • Getting older and wanting to be more sensible • Wanting wealth for the long term i.e. retirement, for children • Wanting to make use of tax allowances • Bank advertisement of investing accounts (Chase, Santander, Nationwide, Lloyds) • Friends and family have been investing successfully • Wanting to take-up an opportunity & hearing about certain sectors, commodities and assets performing well 	<ul style="list-style-type: none"> • Fear of partial or total loss of money • Fear of loss is heightened with: <ul style="list-style-type: none"> • Age - those who are older feel they have less time capacity for loss, i.e. less time to make up losses • Wealth - those who perceive themselves as not having enough money to lose • Fears of scams • Feels like a gamble, associations with crypto and day trading – high stakes activity • Not knowing enough – wrappers, products, jargon, is the money accessible, what could I get back • Not enough time – to self-educate, or some feel they'd need to be trading regularly, trying to beat the markets, and lack the time as well as expertise to do this • Can't compete with professionals and full-time traders • Saving for a house deposit • Already used tax-free allowance on cash ISAs • Fees – various fees generally confusing, unaware of what good fees are and worry about paying high fees

Drivers and barriers in the words of participants

Drivers

"The interest in the bank is rubbish ... you don't just get rich by just sitting in the, leaving in the bank."

Male, 35-44, Cash Saver Considering Investing

"I think the idea that you can take a small chunk of your money and potentially grow it substantially."

Female, 18-34, Cash Saver Rejected Investing, Vulnerability: Low Confidence

"Hopefully to get to the point of having saved up for a deposit for a house sooner, but mainly just having like a little safety net for the future, if you will."

Female, 18-34, Cash Saver Considering Investing

"It's just sitting in an account. It's not going up. I'm not making any money on this ... I complain and feel really frustrated that the savings I have are not growing or benefitting me in any hugely impactful way."

Female, 45-54, Cash Saver Rejected Investing, Vulnerability: Low Confidence, Health & Life Event

Barriers

"I wimped out because it's better to have what I have than lose something."

Female, 35-44, Cash Saver Rejected Investing

"I'm kind of in the middle ground where I know enough to know how out of my depth I would be."

Male, 35-44, Investor

"I feel like I have absolutely no clue what I would be doing ... I feel like I don't have enough information to do any of that confidently, and therefore I just don't."

Female, 18-34, Cash Saver Rejected Investing, Vulnerability: Low Confidence

"I guess it means losing money ... investments can go down as well as up ... For me risk is getting less money back than you put in."

Female, 35-44, Cash Saver Rejected Investing, Vulnerability: Low Confidence

While current investors found drivers strong enough to overcome barriers, they share some fears and misconceptions with savers

- Those who invest today **began as a result of the same drivers that savers describe: they want their money to work harder for them / to maximise growth.**
 - Individuals also mention that they worry their pension will not be enough for their retirement and see friends or family members successfully investing, which encourages them.
- However, while these **drivers were strong enough to overcome some of the barriers current savers describe** so that they began investing, these investors are still low-confidence/low engagement and **still exhibit similar fears and misconceptions:**
 - See savings and investments as binary, with saving safe and guaranteed and investments risky
 - Fear a partial or total loss of money
 - Feel they do not really know enough to invest well
- Additionally, some have had poor experiences / a **shock when they have seen money going down**, which can erode the confidence they may have had initially.
- And some have made likely **poor decisions**, such as to take money out when it is down even if they didn't need it.

"I'm very open, very aware that my money doesn't work very hard for me, and I work very hard for my money ... I feel like I should be in a position to actually invest to make my money work harder. When I think of investing, I think of investing as more part of broader money management ... I'm seeing what I'm doing now as being sensible and long-term plays."

Male, 35-44, Investor, Vulnerability: Low Confidence

"I don't want to lose money, particularly at this point in time, but also it's like, well what can I do to make money on the money I have sitting there that shouldn't be sitting there?"

Male, 45-54, Investor, Vulnerability: Low Confidence & Life Event

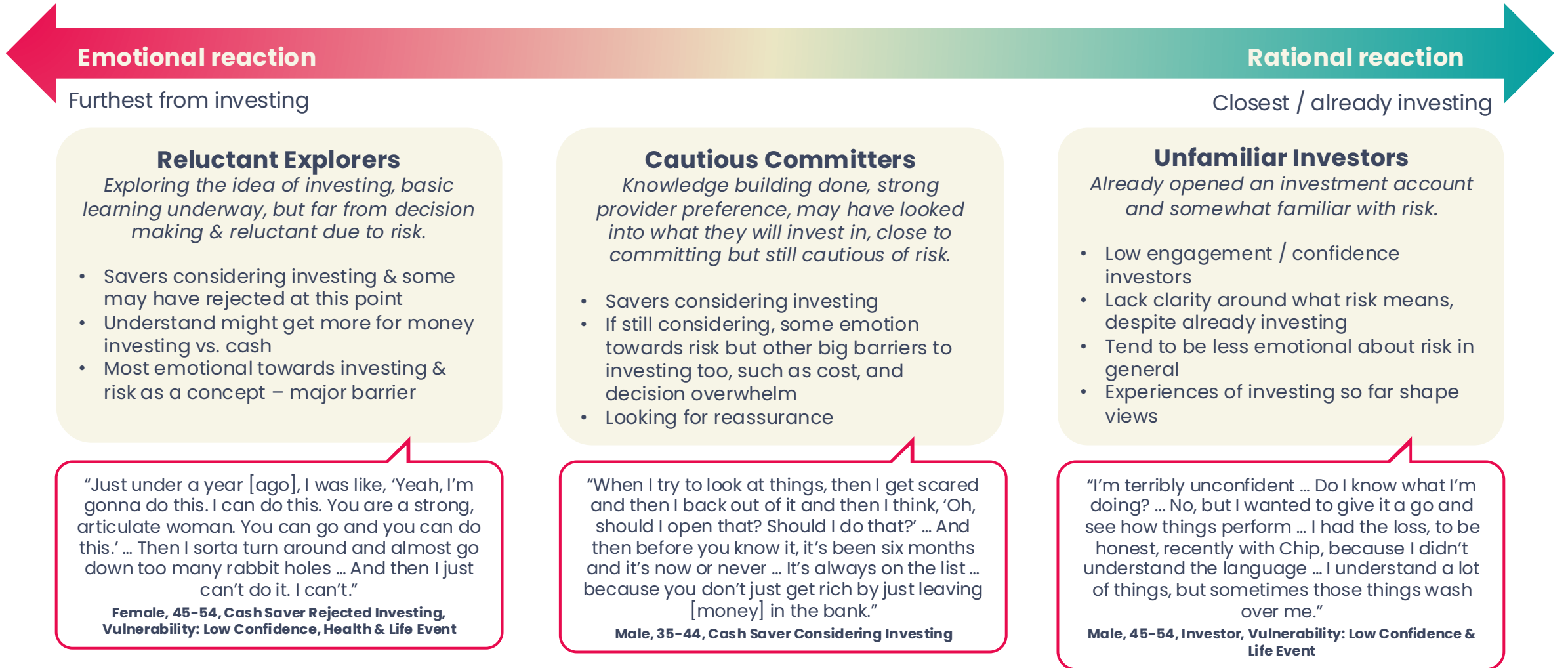
"When I'm [in my] 20s if I do lose all the money, it may not be a lot of money and at least I still have time to get it back. But if I am at my age now, if I lose all my money then I'll start worrying. How am I going to survive when I have to retire?"

Male, 45-54, Investor, Vulnerability: Low Confidence & Life Event

Understanding and reactions to risk warnings & messaging



Reactions to investment risk communications vary and can be tied to how close someone is to investing – the further away, the more potential for emotion



The 'risk' of investing is much broader in the minds of consumers than 'investment risk', as used within the industry

When prompted about what 'risk' means, or explaining why people think of themselves as 'risk-averse', it's clear 'risk' means more to consumers than just investment risk:

- **Provider risk** i.e. a new / unfamiliar brand may be seen as more risky - could it go bust?; FSCS protection is looked for
- **Scam risk** i.e. if it's a brand I don't know, I worry I'll be coerced or lose my money to an illegitimate provider; wary of social media posts from unfamiliar brands in particular
- **Personal risk** i.e. my knowledge may not be enough to make the right decision. Associated with this, savvier savers and investors may also distinguish risks of going DIY service vs. opting for a managed service
- **Asset type risk** i.e. savvier savers / investors can identify that there are high risks associated with crypto or individual stocks and shares – but they don't know that there are alternatives / what these might be

Ultimately, fear of losing money is the biggest perceived single risk, and in combination, 'risk', by consumer interpretation, is the biggest barrier to investing in the UK.

"When you say risk, basically, you could lose everything."

Male, 35-44, Cash Saver Considering Investing

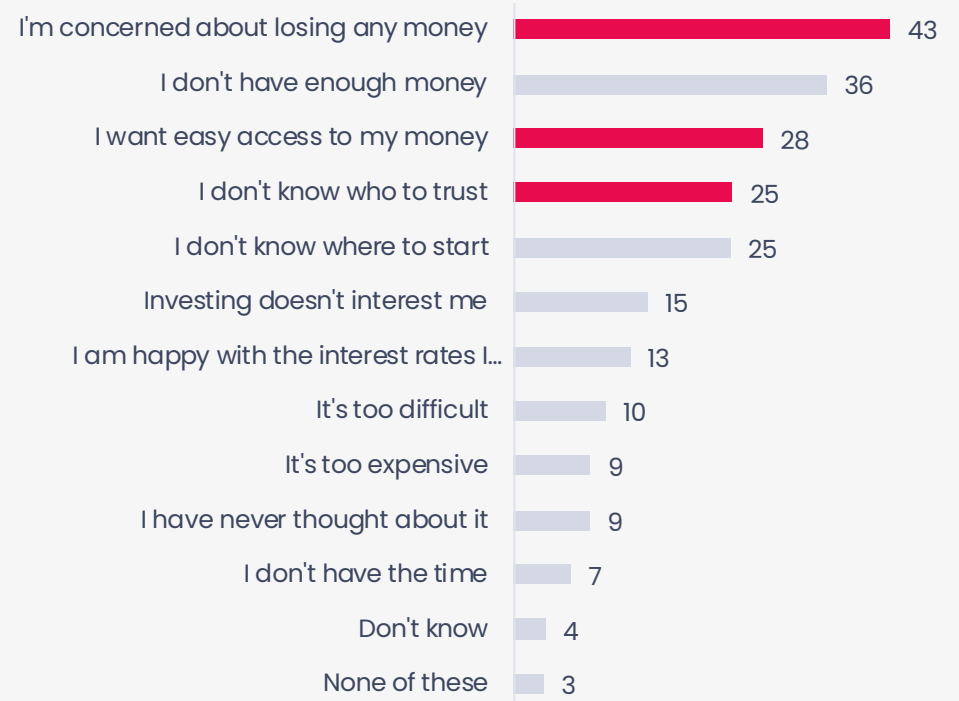
"You can Google all sorts, but I wouldn't have a clue what are reputable [providers], what's real, what's a scam."

Female, 35-44, Cash Saver Rejected Investing

Boring Money Data

Figure 1: Barriers to investing

Which, if any, of the following are reasons why you would not consider or do not currently invest?



Source: Online Investing Report, Boring Money, 2025
Base: 2,680 Savers, from a survey of 6,070 nationally representative UK adults Jan 2025

Risk isn't naturally associated with time horizons, volatility or diversification – understanding of investment risk is surface level and behaviours vary

- Consumers acknowledge they are uncertain and feel they lack the knowledge to be confident in their decision-making. But, on the other hand, most feel they understand risk and, when prompted, volatility and time horizons.
- However, in analysing what they say and do, it's evident that they often do not understand the nuances of risk, and what they say they think they know does not always translate into good investment behaviour / actions. Some of this is down to misunderstanding / misperceptions, and some is down to emotional decision-making and behavioural biases.

Volatility

- When people see 'Capital at Risk', most take it as meaning they could lose all their money; they don't think about ups and downs.
- When prompted that investments can go up and down, consumers tell us they know this.
- But they overestimate the likelihood of downturns and can make emotional / unwise decisions, such as taking money out when their investment falls even if they don't need the money.
- Some feel they need to try to time and beat the markets.

Time Horizons

- Sometimes mentioned, the more informed have heard that investing is for the longer term – these are the people tying investing to a goal such as retirement or for children.
- However, there is confusion here as some associate long term = can afford to take less risk whereas short term = need to take more risk.
- Interpretations of long term vary by age, with younger more likely to think shorter term.

Diversification

- Rarely, if at all, mentioned as part of investment risk – only by those closer to investing / already investing.
- Surface level understanding that crypto or stocks can carry high risk. Others have heard bonds or index funds might be something to consider.
- But consumers struggle to piece together what this all means – they don't know about diversification and how to build a diversified portfolio and the impact of diversification on risk.
- Low awareness / knowledge of investment selection or asset classes.

Participants demonstrate their surface level understanding of risk – and misconception around time horizons, volatility and diversification

"I just last week lost £600 because the downturn of things. So I actually took [my investments] out of the two stocks that I had and put them in the Cash ISA."

Male, 45-54, Investor, Vulnerability: Low Confidence & Life Event

"Just cryptocurrency, generally, it's so, so sketchy. So risky."

Female, 18-34, Cash Saver Considering Investing, Vulnerability: Low Confidence

"I would imagine I would be [investing] with the idea of it's going to be there for say at least 20 years ... Because I'm thinking longer term I would probably be going low risk with the idea that I'm willing to let it sit there for quite a while and mature."

Female, 35-44, Cash Saver Rejected Investing, Vulnerability: Low Confidence

"As an investor myself I'm very risk averse so I, I don't invest in things like crypto or even like I've got very few stocks and shares as well ... most of my money I keep in very like safe investments like ISAs and savings accounts."

Male, 35-44, Investor

Consumers want to know more about the probability of investment growth vs. losses, as they worry, they could lose most or even all of their capital

- **Consumers like to understand the probability of their investments growing over time**, as they otherwise worry that they may lose some or all of their money investing. Even amongst those who – when prompted – realised they might not lose *all* their money, they still believed it would be possible to lose *significant amounts* of money.
- **Consumers significantly overestimate the likely downsides.** Boring Money data further shows that cash savers are unsure if their invested money will grow over time, with just 1 in 5 cash savers believing there is a 75% chance or more that a £1,000 investment would be worth more than £1,000 after 5 years.

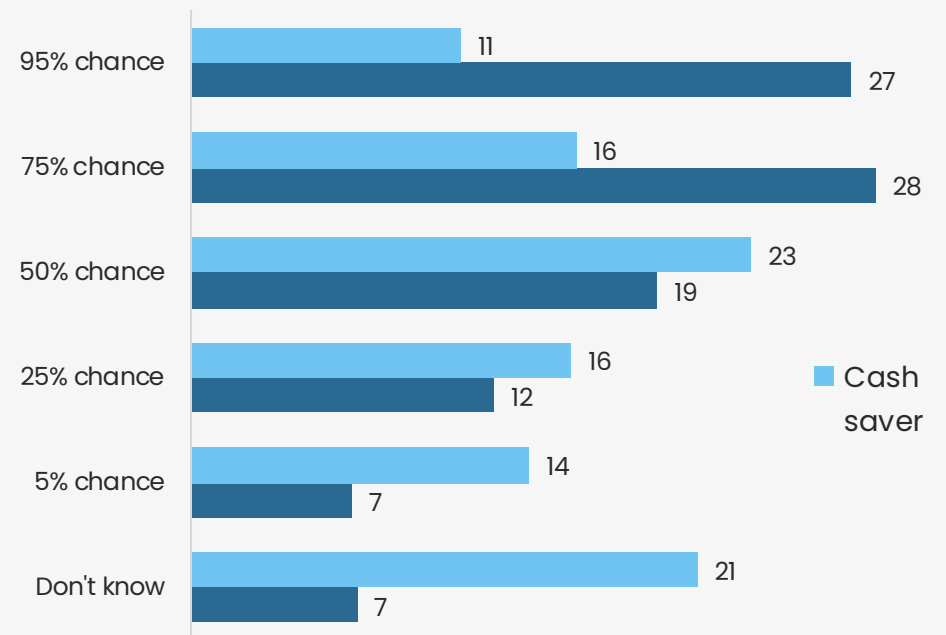
“I’d like to see that kind of thing. What the likely percentages are that I was going to get back.”
Female, 18-34, Cash Saver Rejected Investing, Vulnerability: Low Confidence

“I don’t know if it’s possible to get percentages, like the chances of that [money going up or down]. You know, how likely that [it] is to happen versus how likely it is that it’ll grow somewhat ... How likely is it that the money will go down?”
Female, 35-44, Cash Saver Rejected Investing, Vulnerability: Low Confidence

Boring Money Data

Figure 2: Perceptions of risk, savers and investors

Please imagine you were going to invest £1,000 today... Assuming that investing follow historical trends over the next five years, what do you think the likelihood is that your £1,000 investment would be worth more than £1,000 in five years’ time?



Source: Online Investing Report, Boring Money, 2025
 Base: Investors = 1,918; Savers = 2,680; from a survey of 6,070 nationally representative UK adults Jan 2025

Consumers have misconceptions and misunderstandings around risk and investment wrappers

In general, investment wrappers are not well understood – and there is added confusion around how risk works, and a lack of consideration as to what risk might be suitable for different investment wrappers. For example, we heard:

- A pension is an important pot of money, with significant money that is intended for retirement and that they cannot afford to lose – therefore, there is a desire to keep it safe and in low or medium risk
- A LISA has the guaranteed Government bonus attached, and so how does that work with investment risk?
- The risk level of a private pension may be different from other workplace pensions.

“With my pension, I picked the least risky one because I didn’t want to lose that money.”

Female, 18-34, Cash Saver Considering Investing, No Vulnerability

“Is it contradicting? I don’t know if that’s the right word because you get this big bonus of money ... and then it’s capital at risk ... It confuses me ... what type of risk would it be?”

Female, 18-34, Cash Saver Considering Investing, No Vulnerability

“I’ve got the Cash ISA, which is low risk, pension is medium risk because it’s long-term and it’s got a lot of money and then this [S&S ISA] is less money and I’m going for high risk.”

Male, 45-54, Investor, Vulnerability: Low Confidence & Life Event

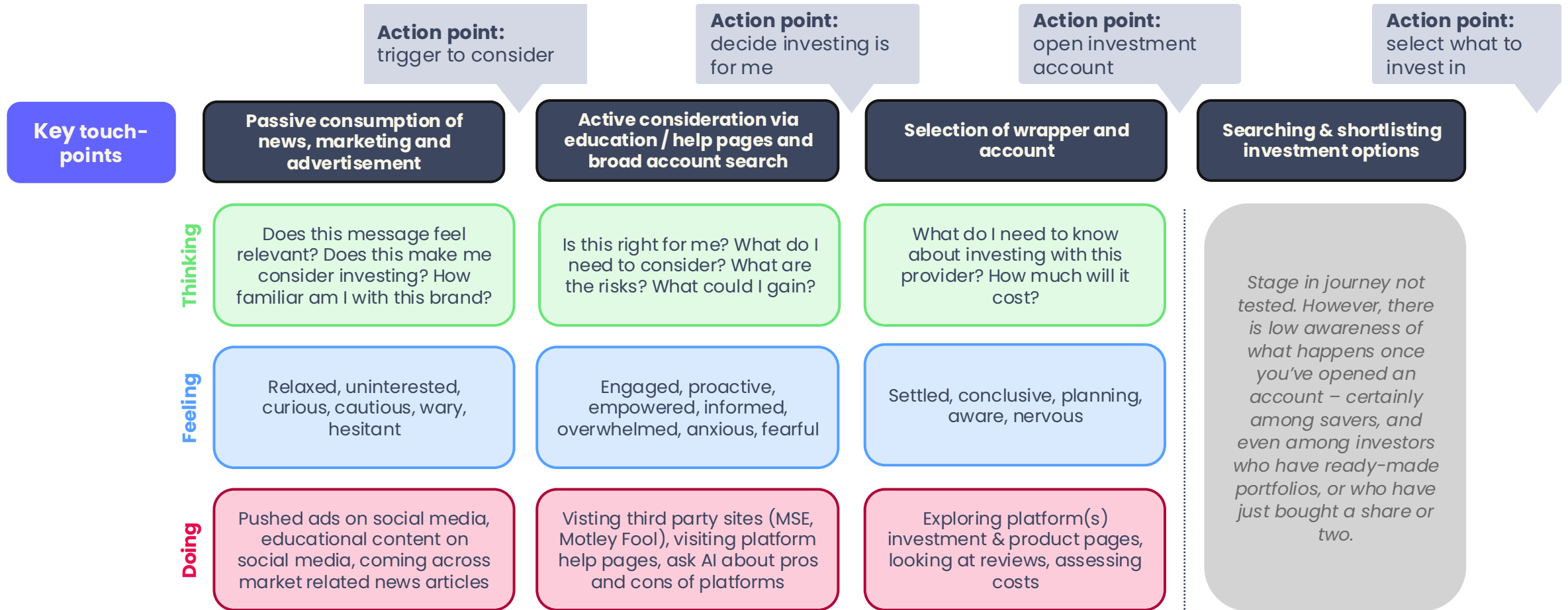
“Having explored all three [S&S ISA, pension, and LISA], the risk might be less for one of them ... I haven’t looked into private pensions, the risk might be slightly different?”

Female, 45-54, Cash Saver Rejected Investing, Vulnerability: Low Confidence, Health & Life Event

Risk and reward messaging within a customer journey



Overview of the consumer saver to investor journey



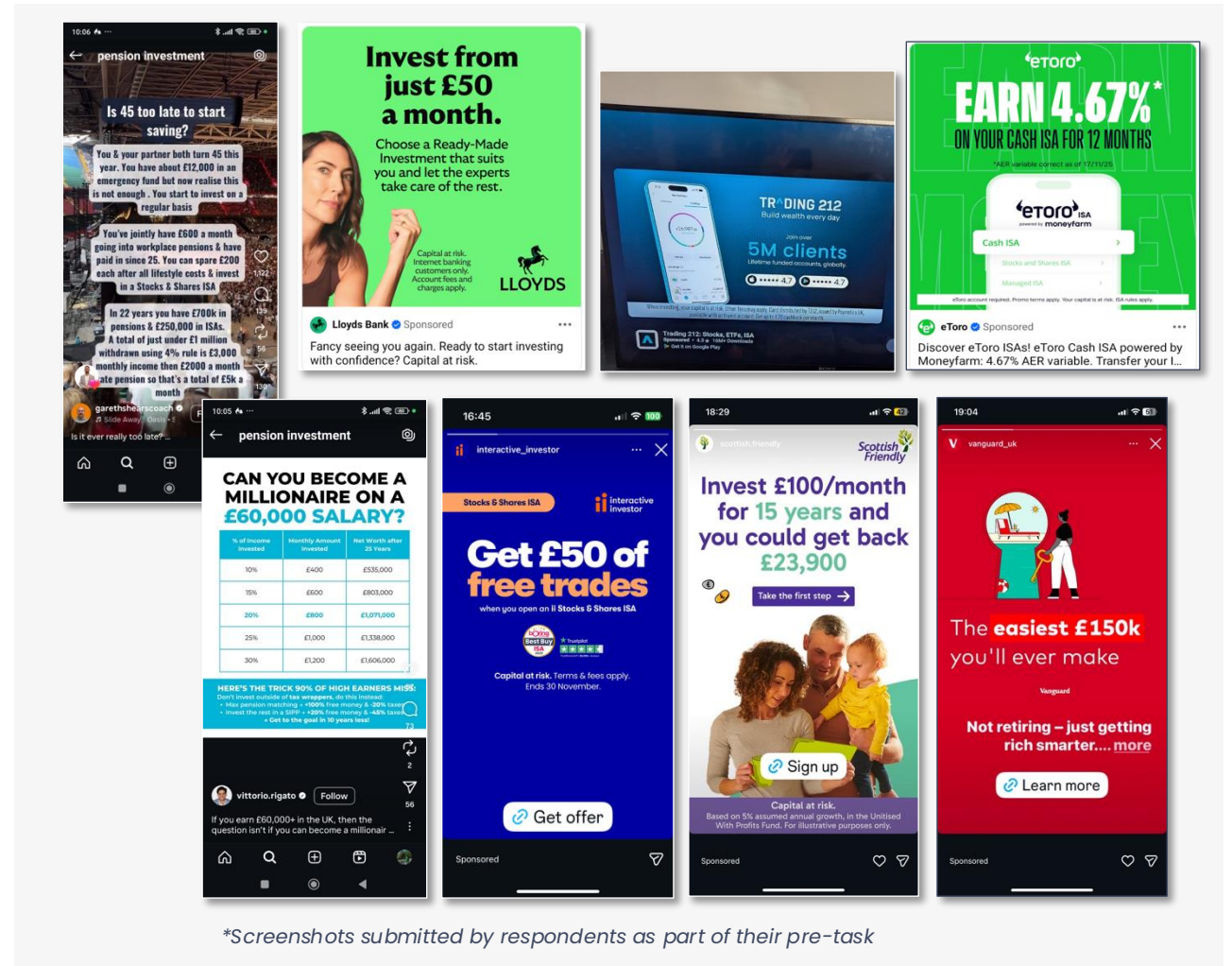
Consumers are also speaking with family and friends, and may speak with an adviser to support their decision-making

Investment adverts and content can engage, alarm, inform or irritate

- Participants shared a variety of materials they had come across:
 - Some were not investing
 - Property and gold
 - Educational content / insight pieces
 - Strong social media hooks
 - Platform and asset manager adverts.
- How adverts and brands are perceived varies by consumer cohort**
 - Some lean into well-known big-name brands, e.g. banks
 - Others are drawn to 'make it easy' solutions
 - Some look for 'trading' apps / brands they've heard about via word of mouth, e.g. family chats / forums.

The context in which risk communications are seen is influential – it is not only about the language. What can influence perceptions of risk messaging:

- Brand** – seeing 'Capital at Risk' against an unfamiliar brand is even more off-putting
- The surrounding messages** i.e. a message that seems overly positive and feels unattainable can feel like a scam vs. if it's more 'measured' and 'accessible'
- Size and style of font** – small print is off putting
- When coupled with other disclaimers** i.e. about advice or fees – can make it seem more like small print and therefore off-putting.



*Screenshots submitted by respondents as part of their pre-task

Brand familiarity and awareness play a role in how risk communications are perceived

Where a brand feels unfamiliar or new to market the potential for risk is perceived to be higher

- The previously highlighted provider risk and scam risk are what consumers fear at this point.

There are also some brand nuances among those considering investing and new investors:

- There are a group of savers who consider investing who have a strong preference for investing with well established brands, particularly banks, as the fear of provider and scam risk is diminished
 - Some of these savers are put off by share trading platforms – association with gambling sites, words that reference trading and incentives become off-putting
 - Some feel that ‘trading’ implies a required level of knowledge, confidence and time that they simply do not have
- On the other hand, we know many new investors start their journey by opting for share trading accounts – some of which have seen significant growth in new customer accounts in the past few years.

“I mean the only ones I would look at were banks and if anything else came and it said a risk, I don’t know why, I would almost be untrusting of it, like a gambling site almost. If I don’t know the company ... [it’s] almost as if I was going to go on like a betting site and bet my money away.”

Female, 18–34, Cash Saver Rejected Investing, Vulnerability: Low Confidence

“eToro, obviously they do loads of stuff in football, which is a sport that I follow quite closely. When I look at the advert, the focus is more on the cash back than the actual investment or quality of the investment which, again, based on what I know in the industry, for me, that’s a bit of a red flag.”

Male, 35–44, Investor, Vulnerability: Low Confidence

While engagement can be strong, there is scepticism over social media investment content, so risk communications can act as a reassurance of regulation / authenticity

Many participants sent us social media posts that were investment-related and people commented on some of the strong hooks that had stopped them scrolling past.

But **consumers highlight that when investment content is pushed on social media, it can feel riskier than if they had they seen this through other channels:**

- Social media feels less regulated
- Trusting social media adverts, particularly sponsored adverts that come up via the algorithm, is something to be wary of
- Fear of social media scams
- Some posts can feel like 'get rich quick schemes' and raise alarm bells.

Ultimately, it's a channel where consumers are most mindful of the need to 'vet' messages and consider if they feel the source is reliable enough to take action. Whilst social media marketing is effective, some consumers felt a strong desire for risk communications to be on all social media content.

- TV, radio, podcast adverts and posters etc. can feel more instinctively trustworthy.

It is important to note that having risk warnings / disclosures is normalised and entrenched in consumers minds, leading them to assume that something always needs to be there. Firms will need to decide what is required and helpful, particularly in adverts / on social media, where space and characters are limited – and to be careful in balancing engagement, information, compliance & reassurance.

[Commenting on Instagram posts]: "That channel is a younger audience these days than like a Facebook channel. They have less life experience, less investment experience so it's even more important for them to be made more aware of the potential risks".

Male, 35-44, Investor, Vulnerability: Low Confidence

"TV adverts I guess seem a bit more trustworthy than a social media advert that just comes by on Instagram ... I guess on TV, I feel like there are more regulations. You can't outrightly put a scam on the TV."

Female, 18-34, Cash Saver Considering Investing, Vulnerability: Low Confidence

Jacob expresses his scepticism over social media advert

Surrounding messages have an influence on how risk communications are interpreted

Advertising messages

- Whilst important to hook consumers in with an interesting advertising message, unattainable feeling messages with large sums involved / rapid growth expected, and overuse of jargon, can trigger feelings of gambling, risk & 'get rich quick'
- On the other hand, messages that you can contribute small amounts reframes investment risk – not as high stakes

"The easiest £150k you'll ever make' ... I just think making £150k in investment money is just completely beyond reach."

Female, 35-44, Cash Saver Rejected Investing, Vulnerability: Low Confidence

Managed accounts

- For savers considering investing who are also low confidence, seeing a message that highlights 'managed' accounts or 'ready-made' messaging can help reassure them about the risk
- Having a professional or experts managing things / providing support mitigates the potential for 'personal risk'

"I think the word reassured and managed are in there and experts, I think they kind of offset that a little bit more".

Female, 18-34, Cash Saver Rejected Investing, Vulnerability: Low Confidence

Seek advice or we offer financial advice

- For some, messages that reference advice or that financial advice are available soften feelings of risk messaging – indication that support is available
- However, for others, 'seek advice' coupled with a risk communication can reinforce the feeling that they can't manage investing successfully alone

"It's still talking about risk ... and it's offering some form of advice. Like, you should still check in. You know, 'We're not providing financial advice, so you might need to do that.'"

Female, 18-34, Cash Saver Rejected Investing, Vulnerability: Low Confidence

The formatting of risk communications and if the language is coupled with other disclaimers plays a subtle role in how they are perceived

Formatting & size of font

- There is acknowledgement that risk communications are not the core message, certainly in advertising – but consumers tend to say they should still have some prominence
- When formatted similarly to Ts & Cs / small-print, it is off-putting and doesn't provide information that actually informs people
- Small print is associated with something being hidden, a brand being untransparent and the consumer feeling like they might be caught out

"The font was absolutely tiny ... you wouldn't necessarily see it ... it's almost like you're being tricked in a way, because you might not see [it]."

Female, 18-34, Cash Saver Considering Investing, Vulnerability: Low Confidence

Coupling with other disclaimers

- Displaying risk communications within the same paragraph as other disclaimers such as fees apply, tax, that information on the webpage is not personal advice etc. detracts from the risk message
- Results in some people missing the risk communications completely, as they are focussed on another message
- It also heightens the feeling this is small print and therefore a message a brand is trying to hide

"I hate when I see a page that I think looks straightforward and then at the very bottom I see a whole lot of small print. Well, it's small print for a reason. You don't want me to really read that. That's why you've made it small."

Female, 45-54, Cash Saver Rejected Investing, Vulnerability: Low Confidence, Health & Life Event

Overall, risk warnings are seen as ‘wallpaper’ and off-putting; while it’s felt essential to understand risk before investing, repeating ‘capital at risk’ is not helpful

When exploring investment messaging with consumers, **many do not spontaneously mention risk warnings as useful information or off-putting.**

- When probed, consumers admit glossing over the information as they consider it ‘standard’ and ‘expected’ legal language.

When noticed, risk communications across a customer journey are often judged to be off-putting:

- Acts as a reminder of potential loss
- The word ‘risk’ in particular triggers preconceptions and fears of loss – unbalanced
- The direct and legal language (‘capital at risk’) feels cold
- Perceived like a get out clause for the provider.

Yet on the other hand, they are a necessary evil:

- Expected to be included, presumably for legal reasons
- Considered a necessity to understand there is a risk before committing to investing – so the risk should be made clear within the journey
- Lends credibility and trust if risks are displayed transparently and clearly.

The messages across the journey should:

- Be balanced i.e. reference value of investments can go up and down
- Provide different information at different stages – increasingly more educational and contextual as you go through the journey.

“To be clear about that you might lose money, that kind of thing. To be honest about it, I think that would make me feel a bit more confident that it’s my choice, not that I’m being pressured into it.”

**Female, 18–34, Cash Saver
Rejected Investing, Vulnerability:
Low Confidence**

“I guess it’s a necessary evil that needs to be there.”

**Female, 18–34, Cash Saver
Considering Investing, No
Vulnerability**

“Those kind of lines, I almost scan read them ... I don’t even normally read the whole thing.”

**Female, 35–44, Cash Saver Rejected
Investing, Vulnerability: Low Confidence**

Participants offered brief feedback on current and alternate risk disclosures – with most preferring A or B over the current version (aligning with other research)

Methodology

Participants shared feedback on the current risk disclosure – and three alternatives – during our interviews.

Findings are consistent with The Wisdom Council’s quantitative work which looked at alternatives to ‘Capital at Risk’:

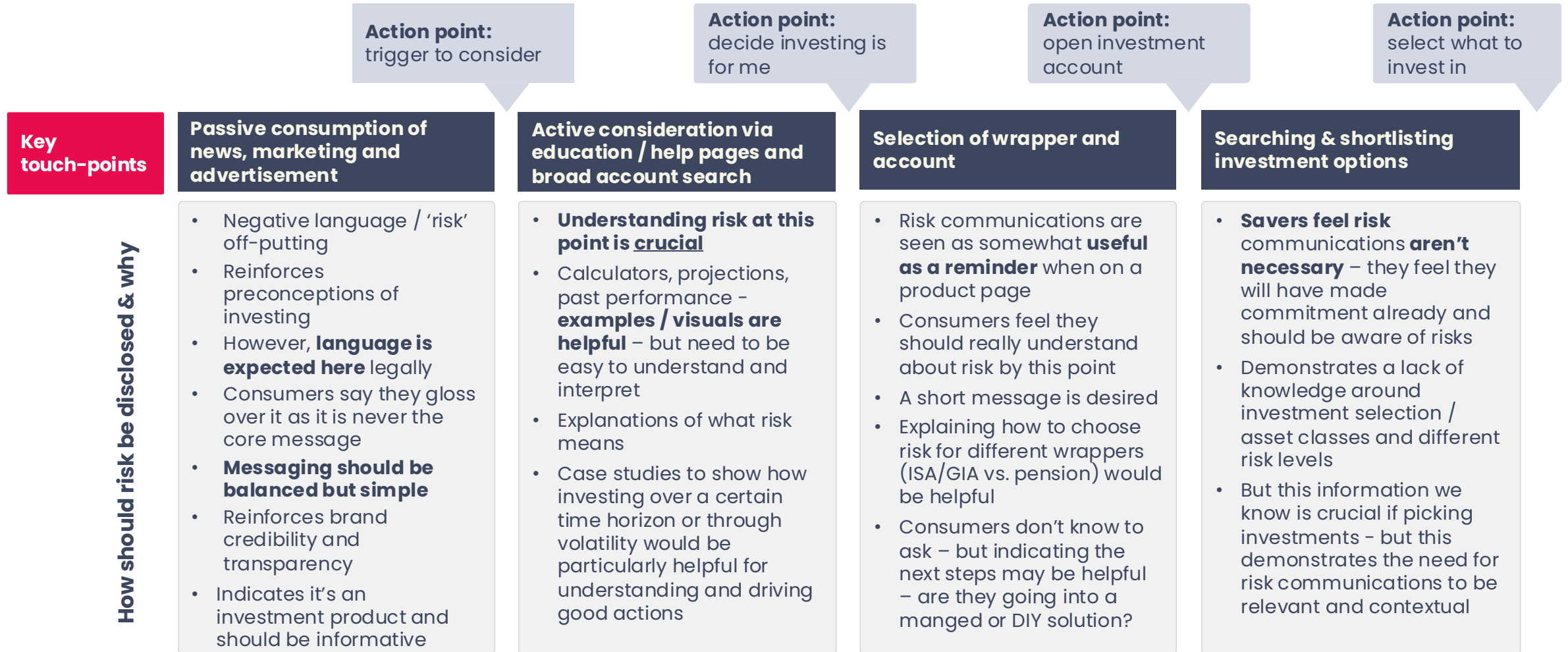
- Most feel the current risk disclosure is cold and blunt – and often makes participants nervous (particularly the phrase “capital at risk”).
- Participants tend to prefer one of the other options that they feel is softer and – especially in A and B – offers more context around investments (time horizons or cash comparison).
- Across participants, most preferred A or B because they explain how investments can build savings long term with a gentler reminder that investments can rise and fall.

Across these three alternatives:

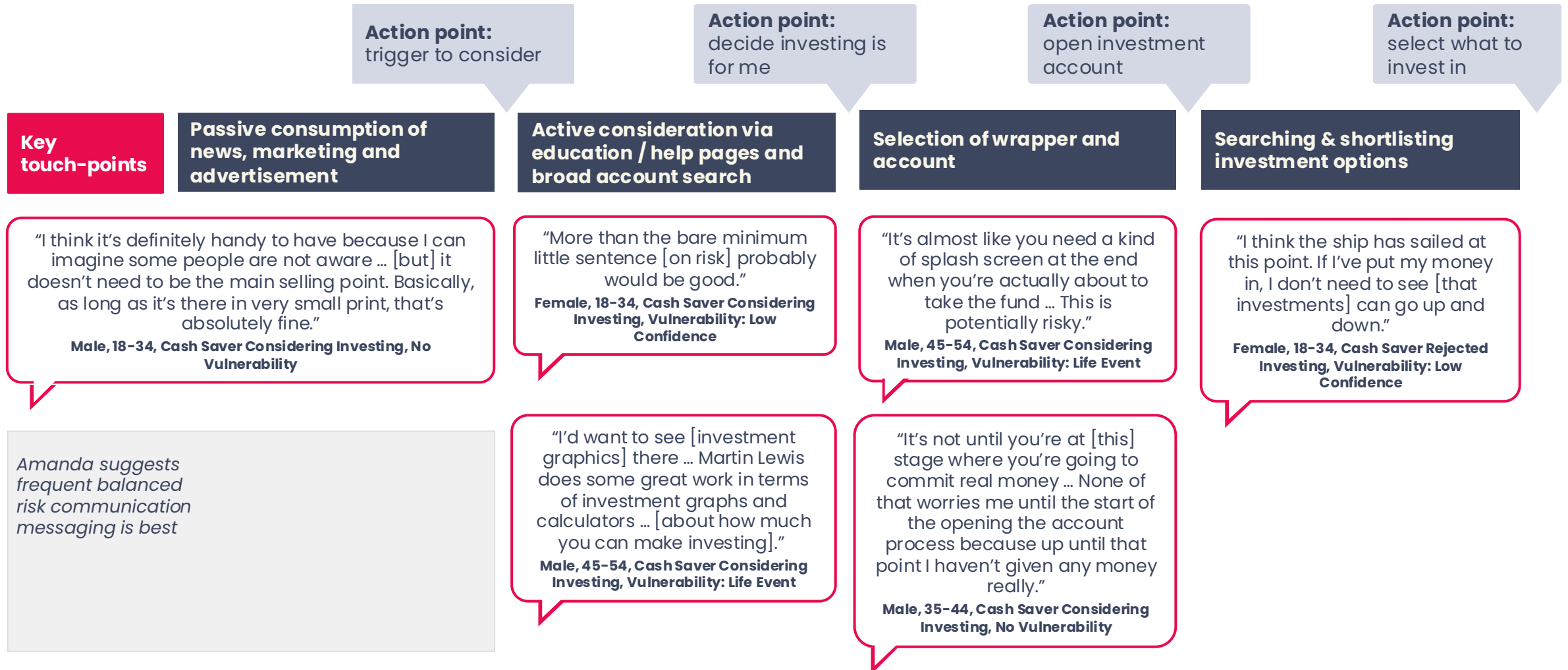
- Some like A because it reminds them that investments outperform savings with a gentler reminder that investments can rise and fall.
- Others like B as it highlights that investing should be for the long-term, and similarly the messaging about investment risk feels gentler.
- While some appreciate the brevity of C, some feel it is too blunt and negative (like the current version).

Current	Capital at risk. Past performance does not guarantee future returns.
A	Historically, money invested for more than five years grows more than cash savings. Your investments can also fall, so you might not get all of your money back.
B	Investing for 5-10 years or more can help you build long-term savings. Remember, investments can also fall, so you might not get back all of your money.
C	Remember, growth is not guaranteed. Investments can fall as well as rise.

Throughout the journey, more than just disclosures, balanced risk and reward messaging is useful – but it needs to be articulated appropriately to drive action



In consumers' own words...



Visuals draw consumers' eyes in and, when done well, are very valuable tools to utilise in central journey sections to support with improved understanding of risk

- Consumers are drawn to visuals – they help break up dense text and explainers and offer more tangible explanations than using words alone.
- Some people are more naturally visual and offering a combination of graphs, charts, tables etc. alongside simple jargon-free explainers, plus video content or podcasts, can help to convey complex information simply to different people across different media.
- Comparisons between investing and cash resonated well with this audience, who were quite well-informed on good cash rates and naturally made the comparison.
- Past performance charts that visualise the potential gains of regularly investing over time help to reassure about likely growth and to visualise compound interest
 - Similar charts could help to demonstrate volatility and this smoothing out over time
 - Some consumers also call for visual projections and sliders – whilst this is not industry practice, firms should be aware of this desire as ultimately it helps with tangibility
- Effective visuals are tools firms should use to counteract misconceptions of volatility, time horizons and diversification, and to compare investment returns to cash and potentially inflation – all of which would help to inform about risk and reward.



% of Income Invested	Monthly Amount Invested	Net Worth after 25 Years
10%	£400	£535,000
15%	£600	£803,000
20%	£800	£1,071,000
25%	£1,000	£1,338,000
30%	£1,200	£1,606,000

If you have £1,000 to invest, let's see what could typically happen over 5 years...

Saving keeps your money safe for today, investing can grow your money for tomorrow.

Saving	Investing
£1,025	£1,300

Based on the assumption your savings interest is 0.6% and your investment returns are 5.25%

[Tell Me More](#)

*Screenshots spontaneously submitted by respondents as part of their pre-task & spontaneously explored by respondents in interviews when browsing online

These examples aren't included here to suggest they are the ideal – but to show that a combination of visuals and simple explanations can help in effectively conveying risk and reward information to consumers, and in engaging them to consider investing.

**Boring Money x CommuniFund example shown to participants

Some examples of useful risk & reward messaging at different stages of the journey

Investing for 5+ years increases your chances of positive returns compared to cash savings. But investments rise and fall in value, so you could get back less than you put in. You're responsible for your investment decisions.



- ✓ Short messages, appropriate for an advert
- ✓ Balanced message – doesn't immediately raise a red flag in the same way 'Capital at Risk' does
- ✓ New wording explaining investing vs. savings growth, or 5-10 year's time horizons to build savings

Step 5: Are you ready to invest?

Before you make the next step to invest, please read the below statements and make sure you agree with all of them:

- ✓ You have a minimum of three to six months net income easily available to cover any emergencies and any planned spending over the coming years.
- ✓ You agree to take some risk in investing.
- ✓ You are ready to invest for at least 5 years.
- ✓ You don't hold significant short-term debts, because they could cost you more in interest than the amount of return you see on your investment.
- ✓ You've carried out your own research and feel confident that it's the right time to invest.

- ✓ Reminder / checklist, to nudge someone that risk is involved and they should already know it
- ✓ Tailored risk messaging appropriate to wrapper

Key touch-points

Passive consumption of news, marketing and advertisement

Active consideration via education / help pages and broad account search

Selection of wrapper and account

Searching & shortlisting investment options

If you have £1,000 to invest, let's see what could typically happen over 5 years...

Saving keeps your money safe for today, investing can grow your money for tomorrow.

Saving	Investing
£1,025	£1,300

Based on the assumption your savings interest is 0.0% and your investment returns are 5.25%

Tell Me More

**Boring Money x Communitify example shown to respondents



*Screenshots spontaneously submitted by respondents as part of their pre-task & spontaneously explored by respondents in interviews when browsing online

Warning: There are no guarantees when you're investing

Investing comes with risk, as the value of your investments can go down as well as up. If you go for it, it's recommended you invest for the long term (five years or more), as the longer you invest, the longer you have to ride out bumps in the market.

- ✓ Graphics, visualisations – to go beyond the conceptual, making investment risk more tangible
- ✓ Past performance charts are very helpful, but should be simple and clearly explained
- ✓ More information on time horizons and comparison to cash – helps deepen understanding of risk

- ✓ Even though savers don't typically understand they need risk information here, new fully DIY / brokerage investors will need support to build a diversified portfolio / choose ready-made options

Conclusions

- **For savers and low confidence / low engagement investors, perceptions of risk with investing is a major barrier to consideration, with a binary of risk resulting in a fear that you can lose all your money if investing.**
 - ‘Capital at risk’ reinforces preconceptions and is unhelpful as a repeated disclaimer across a customer journey.
- **Going beyond standard disclaimers with balanced risk and reward messaging that highlights the benefits and risks of investing could help to engage, reassure and inform consumers, helping them to consider if investing might be for them.**
 - Understanding of volatility, time horizons and diversification, and how these link to risk is poor – as is understanding of wrappers – so firms should look to support consumers here as part of risk and reward messaging.
- **Providing different information at different stages – increasingly more educational and contextual as a consumer goes through the journey – will be key.**
 - As space is limited in adverts and marketing, firms should be careful to balance engagement, information, compliance and reassurance.
 - Risk and reward information provided is critical once consumers are actively considering investing, e.g. using education pages / account browsing – so this is a key opportunity to use creative visuals and simple language to explain investment risk and support decision-making.
 - As consumers open an account, choose a wrapper and whether it’s a managed or DIY solution, firms should educate about these choices and how to choose an appropriate risk level for the product, i.e. S&S ISA, GIA or personal pension/SIPP.
 - Awareness about underlying investment types / asset classes is low among this audience, so firms should also support consumers with understanding these and educating them about how to build a balanced portfolio.

About Boring Money & the team who ran this work



Georgiana Brown
Head of Bespoke Research and Advisory

Georgiana has over 15 years' research and insight experience across agency and client-side roles, with specialisms in investment and pensions bespoke research and customer experience. Georgiana has worked with leading investment firms and industry bodies, supporting them to understand and adapt to consumer needs and regulation.



Zoe Davies
Associate Director

Zoe has spent most of her career to date running research for financial services providers. She specialises in qualitative methodologies and has experience engaging a broad range of audiences, from confident DIY investors to vulnerable customers. She has supported firms navigating regulatory change through delivering high quality, impactful consumer research services.

About Boring Money

Boring Money is an independent financial data and information business, founded in 2015.

Our mission is to help everyday people to make better choices with their savings, investments and pensions.

We support investors' choices with education, content and comparison tables, and track their actions, preferences, opinions and behaviours to power our research.

Since launch, our [site](#) has helped millions of consumers.

Boring Money is a full-service investment sector specialist research agency.

Our research and insights enable the investment and wealth management sector to understand the consumer – and develop better propositions, and manage critical regulatory and governance needs.

We provide a wide range of primary and secondary research and advisory services, including reports, syndicated tracking studies, bespoke research, competitor intelligence and market landscaping, and advisory services.



Thank you

For further information or to discuss this report,
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