The British Money Mindset 2026

The tipping point of
an investor-curious nation

Contents

Summary

The UK is reaching a tipping point in becoming an investor-curious nation.

Millions of people are now actively considering investing, with strong intent across all age groups and particularly high levels among younger generations.

This creates a significant opportunity. A large pool of "ready-to-act" savers already hold surplus cash that could be put to work for their long-term financial goals. Our analysis shows that new investors account for around £60bn in investment value today, and a 10% increase in this audience could unlock a further £6bn.

However, despite this momentum, many are still not taking the next step. This research shows that the key barrier is not access or awareness, but confidence. We identify a clear "confidence gap", driven by misconceptions around risk, effort and guidance, which continues to hold people back. Vanguard commissioned this research at a moment of growing interest in investing, to understand how this gap can be closed. Based on a survey of 2,000 UK adults, it shows that unlocking participation will require coordinated action across industry, policymakers and individuals to turn intent into action.

	Favouring the familiar	**Risk Distortion**	**Effort Inflation**	**Guidance Gap**
Misconceptions	Savers treat investing as fundamentally different to saving. Its perceived complexity drives anxiety and reinforces a preference for cash.	Many non-investors feel investing risks "losing everything". Economic uncertainty reinforces the belief that all investments are high risk.	Savers overestimate the time and effort investing requires. Jargon, complexity and too much choice create friction and choice paralysis.	Many non-investors lack trusted guidance and feel they must navigate investing alone. Conflicting, jargon-heavy information fuels uncertainty.
Industry Unlocks	**Reframe investing** as a natural extension of saving. **Promote investment products that feel like saving.**	**Improve understanding and awareness of managed risk,** highlighting benefits like diversification and how risk diminishes over time.	**Reduce complexity and friction,** simplify language in comms and client experiences. **Make investing more visible in familiar channels.**	**Work with trusted voices** and partner with familiar, dependable sources. **Provide clear starting points** and simple explanations.
Individual Unlocks	**Focus on long-term goals** to make investing feel more relevant and intuitive. **Use different accounts for different goals** and direct existing regular savings into simple investment products.	**Start small:** this helps reduce anxiety and build confidence incrementally. **Confidence grows through action,** through investing, not before it.	**Start simple** as low-effort products are easier than expected. Adopt the mindset that investing is about **"time in the market, not perfect timing".**	**Normalise money conversations** among peers and family. **Use judgement-free tools** to build confidence like AI.

Foreword

Ben Summers, Head of UK, Vanguard

I can remember my first step in investing. I was finishing up my final year of university and preparing to enter the military. To be honest, I was a little embarrassed that I hadn't started saving for my future. I knew the merits of investing for the long haul. But I was still on the sidelines. Was now really the right time to get started? If so, how would I do it? These are easy questions to put off – especially when you're starting something new. Inertia was getting the better of me.

Eventually, I turned to some friends and asked how they got started. They walked me through the mechanics – how to open a tax-advantaged account, set up a small regular payment into a diversified fund, and let compounding take care of the rest. With a few simple steps, I was no longer just thinking about investing – I had started.

My story is not unique. **Our research suggests that millions of people across the UK are waiting to take that first step.** Investing is something they think about, but often put off – not because it feels unimportant, but because it doesn't feel straightforward.

Nearly seven in 10 savers say they plan to start investing in the next two years, and interest is growing, especially among younger generations. More people are thinking seriously about their financial future and the role investing can play in supporting long-term goals. That is real and encouraging progress.

Yet the research is clear that intention alone is not enough. For many, turning that intent into action still feels harder than it should. Traditionally, this gap has been explained in practical terms – access, information or affordability. This research suggests we need to look at it through a more human lens.

At the heart of this report is a clear insight: confidence plays a defining role in whether people take their first step into investing. In today's environment – shaped by economic uncertainty, market volatility and cost-of-living pressures – it is perhaps unsurprising that many people feel hesitant. **More than half cite risk as a key barrier, and 81% see saving and investing as fundamentally different activities.** Yet there are encouraging signs of progress: **only 13% of savers say that "investing is not for people like me"**, the lowest barrier identified in our research.

People don't hold back because they don't care about their future. They hold back because investing can feel overwhelming or intimidating.

Understanding why it feels that way is crucial. That's why this research starts with people, not top-down market analysis. By listening closely to savers and investors across the UK, it explores the lived experiences behind financial decisions and identifies the beliefs and misconceptions that influence behaviour.

Importantly, it does not stop at naming those misconceptions. It focuses on what actually helps people move forward, presenting a set of unlocks at both an industry and individual level, showing how greater confidence, support and understanding can help more savers turn their intentions into action.

One of the most encouraging findings is that confidence is not fixed. **More than 70% of investors say investing turned out to be easier than they expected, and nearly three-quarters say they wish they'd started sooner.**

Small, tangible actions – simpler starting points and trusted support – can make a meaningful difference.

Confidence rarely arrives all at once. It builds through clarity, support and experience. My hope is that this report helps accelerate that process – for people taking their first step, and for those of us working to make investing feel like an everyday part of planning for the future.

Our approach

This research focuses on the lived experiences of UK savers and investors, exploring the motivations and misconceptions that shape investing behaviour. By grounding analysis in people's experiences rather than macroeconomic trends alone, it highlights both the growing appetite to invest and the confidence gap that prevents many willing savers from taking the next step. The findings point to a significant opportunity: with the right support, information and encouragement, more people could feel empowered to put their savings to work through investing.

Research methodology

The findings are based on a mixed-methods study conducted with PA Consulting between February and March 2026.

This included:

- a nationally representative online survey of **2,000 UK adults** with at least **£1,000 in investable assets**, spanning a broad range of ages, incomes and savings levels
- **in-depth qualitative research**, including semi-structured interviews with savers and investors, to understand motivations, barriers and decision making in people's own words

Combining quantitative scale with qualitative depth allowed us to identify not just how many people are held back from investing – but *why*.

A New Wave of Investors

The UK is becoming an increasingly "investor-curious" nation. Participation in investing (excluding pensions) has risen over recent years and our research shows that 11% of investors began investing within the last 2 years, marking significant growth in investing behaviour.

Intent is at high levels, especially among younger generations. **68% of savers without investments say they plan to start investing in the next two years**, rising to over 90% among Gen Z and more than 80% among Millennials. This paper provides evidence of the erosion of traditional barriers: the view that investing is reserved for the wealthy and social elites is no longer a major factor. Only 13% of savers agreed that "investing is not for people like me", the lowest score across all 10 barriers tested in the research.

While significant progress has been made over the last decade, there remains a very substantial growth opportunity. New analysis by Vanguard has identified **£218bn of surplus cash**[1] held by people who have sufficient emergency savings and who could benefit from shifting more money to long-term investments.

This includes more than one in four employed adults or **5.7mn people** with an average surplus of nearly £17,000 being held by each person; much of it sitting in cash accounts where returns have lagged inflation.

The UK's strong saving culture means many people default to cash, even when investing could better support long-term goals. That instinct now carries greater risk: inflation has eroded the real value of cash savings, yet only 15% of savers recognise any risk in holding Cash ISAs.

For the wider economy, increasing household investment is seen by the government as a key lever for long-term growth. Made even more important by the backdrop of increased global instability and economic uncertainty.

Positively, this research shows that, even in these uncertain times, people across the UK remain resilient rather than discouraged. Uncertainty is increasingly the "new normal", and people in the UK are choosing to actively seek greater stability and control:

- **85% of savers agree** they are seeking stability in an uncertain environment
- **68% of savers remain confident** in achieving major financial goals

"I'm very interested in investing in the near future. I'm looking to invest soon."

Saver, Female, 45-54

1 Source: *Assessing the investment opportunity of UK savers*, Vanguard, December 2025. Calculations based on data from the Office for National Statistics' Wealth and Assets Survey, 2018-2020, and Costs of Living and Food Survey, 2015-2019. Most recent available data where responses not impacted by Covid pandemic.

The Vanguard New Investor Index

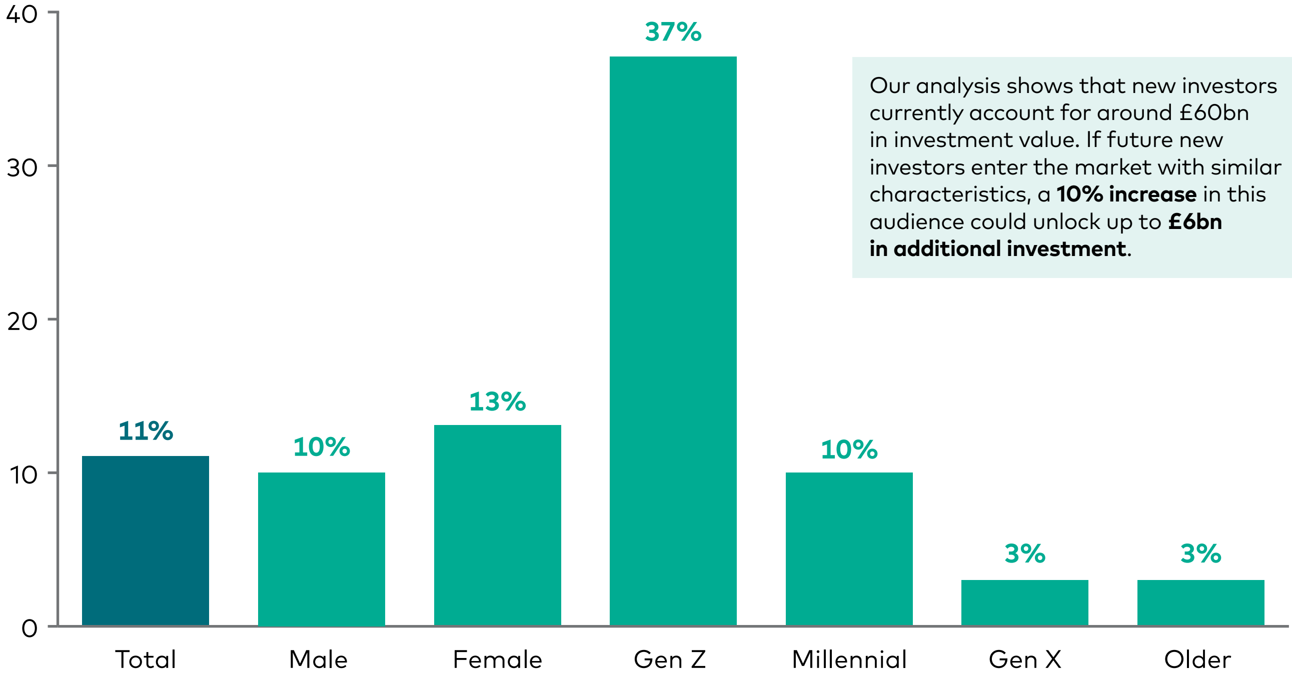
At a time when industry initiatives, regulatory change and public policy are increasingly focused on expanding access to investing, the key question is whether this is translating into real behavioural change.

To measure this, we have created the Vanguard New Investor Index, capturing one of the most important shifts in the UK investment landscape: the growing share of people starting to invest for the first time. The Index measures the proportion of current investors who have begun investing within the last two years, providing a clear indicator of new market entry and participation momentum. By tracking this over time, it offers insight into the pace of change and the demographics driving new participation. Already, the Index points to progress.

Our data shows that:

- **11% of UK investors began investing within the last two years**, signalling steady growth in first-time participation
- **13% of women** started investing within this period (compared with 10% of men), indicating a gradual narrowing of historical gender disparities
- **37% of Gen Z investors** entered the market within the last two years, highlighting how younger adults are increasingly driving new investment activity

Percentage of UK investors who started investing in the past two years



Our analysis shows that new investors currently account for around £60bn in investment value. If future new investors enter the market with similar characteristics, a **10% increase** in this audience could unlock up to **£6bn in additional investment**.

Base: All UK investors (500), Male (284), Female (216), Gen Z (75), Millennial (226), Gen X (111), Older (88)

Gen Z and first product choice

Gen Z are eager to invest early, driven by long-term goals, but find the landscape overwhelming without clear guidance. Their challenge isn't motivation, but navigating where to start, which platforms to use and how to invest with confidence. While individual shares remain the most common first step into investing, younger investors are far more likely to begin with cryptocurrency investments.

"I'm very interested in building up my finances a great deal in the next few years... I just need to know where to start and how to get a move on."

Saver, Male, 25-34

How first investment choices vary by generation

	Gen Z	Gen X
1	Cryptocurrency (Bitcoin, Tokens, etc)	Shares in individual companies
	Shares in individual companies	Investment funds (e.g. investment trusts, mutual funds)
	Investment funds (e.g. investment trusts, mutual funds)	Bonds e.g., government or corporate bonds
	Exchange-traded funds (ETFs)	Cryptocurrency (Bitcoin, Tokens, etc)
	Bonds e.g., government or corporate bonds	Private ownership in a company that is not listed on a stock exchange
	Money market funds	Exchange-traded funds (ETFs)
	Non-fungible tokens	Non-fungible tokens
	Private ownership in a company that is not listed on a stock exchange	Derivatives / Certificates
9	Derivatives / Certificates	Money market funds

Base: Gen Z (75), Gen X (111)

This reflects a greater comfort with risk among younger groups, which contrasts sharply with older generations' preference for more established products such as diversified funds or shares. There is, however, a risk that less experienced younger investors may be disproportionately exposed to the volatility of crypto-assets.

Negative early experiences can discourage participation and reinforce misconceptions about investing. Ensuring that younger participants are supported to understand and benefit from lower-risk, longer-term investment options is hugely important for the future of the industry.

The Confidence Gap and Underlying Misconceptions

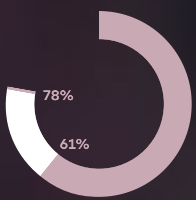
Our findings show confidence is the key barrier to investing in the UK.

While most savers want to invest, low confidence is stopping them from taking the first step.

Investing often feels intimidating; it triggers nerves and uncertainty, leading many people to default to cash savings accounts.

Why confidence matters most for women

Confidence is low across all groups, but the gap is stark for women:



78% say they lack confidence in their investing knowledge, compared with **61% of men**

However, our research shows that women are now often choosing to begin investing through small first steps, starting with modest amounts to build confidence before scaling up. This gradual approach is proving to be a confidence-building method that makes investing feel manageable and less intimidating.

"It's something that I want to do but I just don't feel confident because I don't know enough about it."

Saver, Female, 25-34

The four core misconceptions holding back greater participation in investing

The good news is that the confidence gap is solvable. Our research identifies four core misconceptions driving low confidence.

Tackling them could encourage millions of new investors into the market.

Favouring the familiar

Most people see saving as calm and reassuring, while investing feels complex and uncertain; an emotional divide that keeps many savers from taking the next step.

Risk distortion

Perceptions of risk stop many from investing; this is driven by misconceptions about loss, volatility and the impact of the cost-of-living crisis.

Effort inflation

Many savers see investing as time consuming and complex, with choice overload making it feel harder to start and manage than it really is.

Guidance gap

Many non-investors lack trusted guidance, leaving them feeling isolated and unsupported and investing seem inaccessible.

"I started with baby steps, putting in a small amount. I found that the automatic monthly transfers make it feel like a routine expense rather than a stressful decision."

Investor, Female, 35-44

Why these misconceptions matter

Together, these misconceptions create a strong emotional divide between saving and investing – one that deters action even among willing and able savers. By changing how the industry communicates, this confidence gap can be closed and more people empowered to invest for the long term.

Overcoming the misconceptions

To drive greater investment behaviour and unlock the surplus cash held in the UK, we need to close the confidence gap and dispel the underpinning misconceptions. The next section details each misconception in turn and offers a set of industry and individual level unlocks, providing guidance for banks, investment firms and regulators and practical advice for would-be investors.

MISCONCEPTION 1

Favouring the Familiar

A large majority of respondents (**81%**) see saving and investing as fundamentally different behaviours.

Saving feels intuitive, safe and emotionally reassuring, whereas investing evokes feelings of uncertainty. When thinking about saving, people are **2.5× more likely to feel calm** and **2.4× more likely to feel in control** than when thinking about investing, reinforcing the emotional gap that continues to hold savers back.

At a glance

- 81% of savers see saving and investing as fundamentally different activities
- When saving, people are 2.5× more likely to feel calm and 2.4× more likely to feel in control than when investing
- Only 15% of savers recognise risk in holding Cash ISAs, despite inflation eroding their value
- In reality, many forms of investing build on familiar saving habits – like regular contributions and long-term goals

Saving triggers the following emotions:

Calm	Relaxed	Relief	In control
2.5x	**2.5x**	**2.5x**	**2.4x**

...more than investing

Investing triggers the following emotions:

Unsure	Anxious	Curious	Cautious	Overwhelmed
7.8x	**7.2x**	**4.9x**	**3.9x**	**3.1x**

...more than saving

These contrasting emotional responses are most pronounced among those with no experience of investing and help explain why many remain in cash, despite having surplus savings and a desire to improve their long-term outcomes.

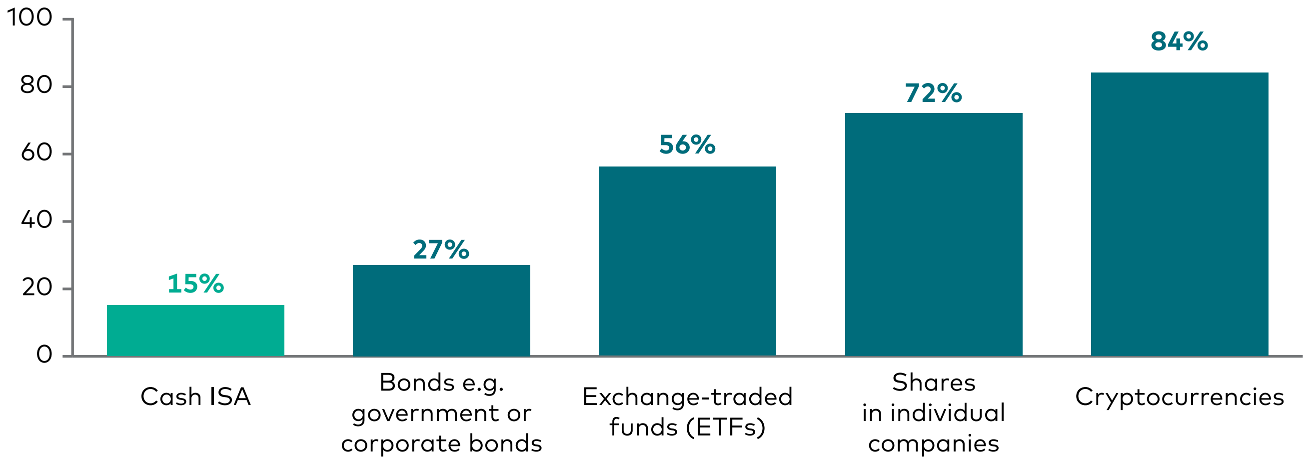
Barrier #1: Unrecognised risk of cash

While savers are highly attuned to the risks of investing, far fewer recognise that holding money in cash also carries risk, particularly during periods of high inflation. Many feel they are being prudent by staying in cash, unaware that the real value of their savings may be gradually eroding over time. This imbalance reinforces the emotional comfort of saving and strengthens the instinct to avoid investing, even though history shows it offers much higher returns over the long term.

"When I think about the prospect of investing, I get insecure. It's a scary area to go into. I'd rather stick with what I already know."

Saver, Female, 35-44

Percentage of savers who rate products as risky or very risky

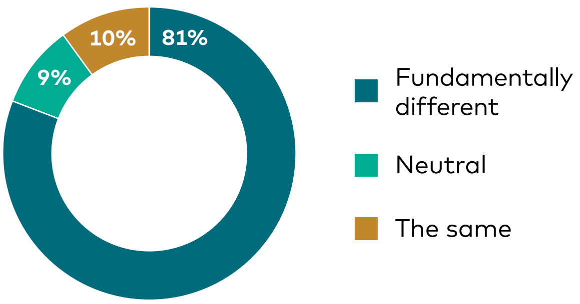


Base: All UK savers (1,500)

Barrier #2: Investing feels distant and emotionally unfamiliar

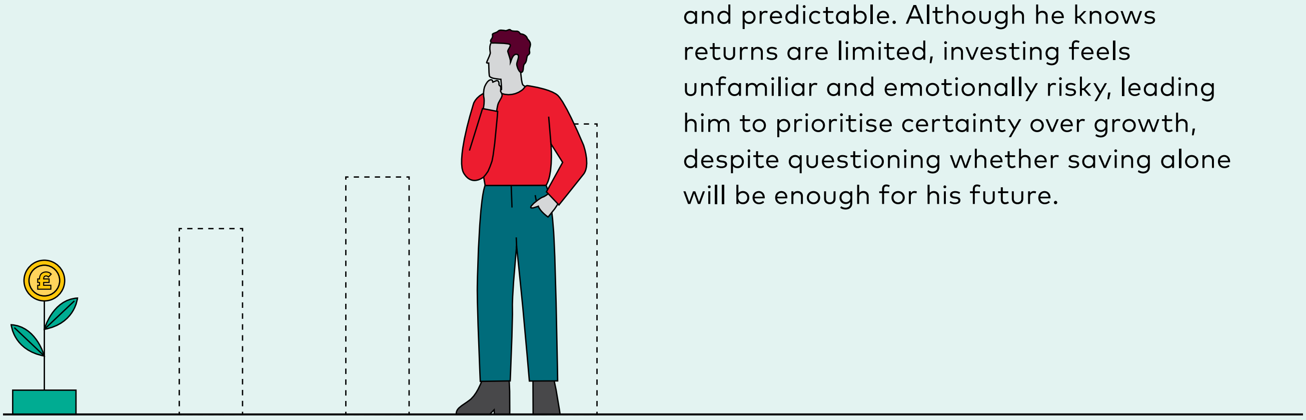
Saving is a behaviour people practice from childhood and associate with routine, responsibility and control. Investing, by contrast, feels unfamiliar and emotionally charged – something separate from everyday saving and suitable only for money people feel they can afford to lose.

Percentage of respondents who view saving and investing as fundamentally different activities



Base: All UK respondents (2,000)

"With savings, I don't really think there's a risk... it's safe, but it's slow. With investing, it feels like a bigger risk because I don't really understand it."



Meet Andy
Saver, Male, 42

Andy has built disciplined savings habits but remains in cash because it feels safe and predictable. Although he knows returns are limited, investing feels unfamiliar and emotionally risky, leading him to prioritise certainty over growth, despite questioning whether saving alone will be enough for his future.

Unlocks for the industry: favouring the familiar

1. Reframe investing

Reducing the emotional distance between saving and investing requires a shift in how investing is framed. Rather than presenting it as a separate activity, investing should be positioned as a continuation of behaviours people already trust.

Emphasising familiar concepts such regular contributions and long-term objectives can help make investing feel more intuitive and less intimidating. At its core, this is a reframing challenge; saving involves a spectrum of options, not just a Cash ISA, and many diversified investments can be understood as long-term saving in another form.

2. Develop and promote investment products that feel like saving

Investment options that mirror saving can make the transition from saver to investor feel more natural. We have already seen that ETFs and funds are some of the most appealing products to savers, second only to Cash ISAs. The reason behind this appeal is that they provide a sense of stability.

The strongest driver of appeal for ETFs and funds is they feel like "a safe and stable way to grow my money"

Germany's Sparpläne illustrate this approach in practice. By enabling small, regular, automatic contributions, they mirror everyday saving habits and make investing feel routine and accessible. Marketed as simple savings plans rather than investment products, they emphasise consistency, affordability and progress towards familiar goals. This framing has driven strong adoption, with ETF savings plans growing rapidly. In November 2025 it was reported that 5.3m new ETF investors had been acquired since 2022, becoming the country's second-most popular investment product[2].

Unlocks for individuals: favouring the familiar

1. Think long term

Shifting focus toward long-term financial goals makes investing feel purposeful rather than risky. Our research shows that people who prioritise long-term goals, such as retirement or supporting their children's future, are significantly **more likely to be investors** than those focused on short or medium-term goals.

Investor participation by goal time horizon

Base: All UK investors (500)

When money is framed around long-term outcomes, investing feels more relevant, useful and intuitive, becoming a practical necessity, not a discretionary choice.

"Saving feels like security. But investing feels like actively growing my money over time."

Investor, Male, 35-44

2 Source: *People & Money, The next wave of ETF investors in Europe*, BlackRock, November 2025.

2. Use different accounts for different goals

Moving from saving to investing is often a tweak in allocation rather than a major behaviour change. Many savers already put money aside regularly; the shift is to allocate those existing contributions across different purposes. Maintaining an emergency cash buffer while directing part of savings towards long-term investments allows people to build resilience without changing how much they save. Making these contributions automatic helps investing feel routine rather than daunting.

Many savers are already well placed to do this, with **38% saving monthly** and **70% putting aside at least £1,000 a year**, giving them scope to diversify how their money works for them.

"Investing now is just a normal part of my daily life because I have my payments going out by direct debit and I don't have to think about it."

Investor, Female, 35-44

Annual savings contributions among savers and investors

Base: All UK respondents (2,000)

Summary insight: Familiarity shapes behaviour

For many savers, the barrier to investing isn't a lack of interest – it's how it feels. Saving is familiar, routine and reassuring, while investing is seen as uncertain and emotionally distant.

This gap in perception matters. When investing feels fundamentally different to saving, it becomes harder for people to take the next step, even when they have the means and motivation to do so.

Closing this gap is less about introducing something new, and more about helping investing feel like a natural extension of habits people already trust.

MISCONCEPTION 2:

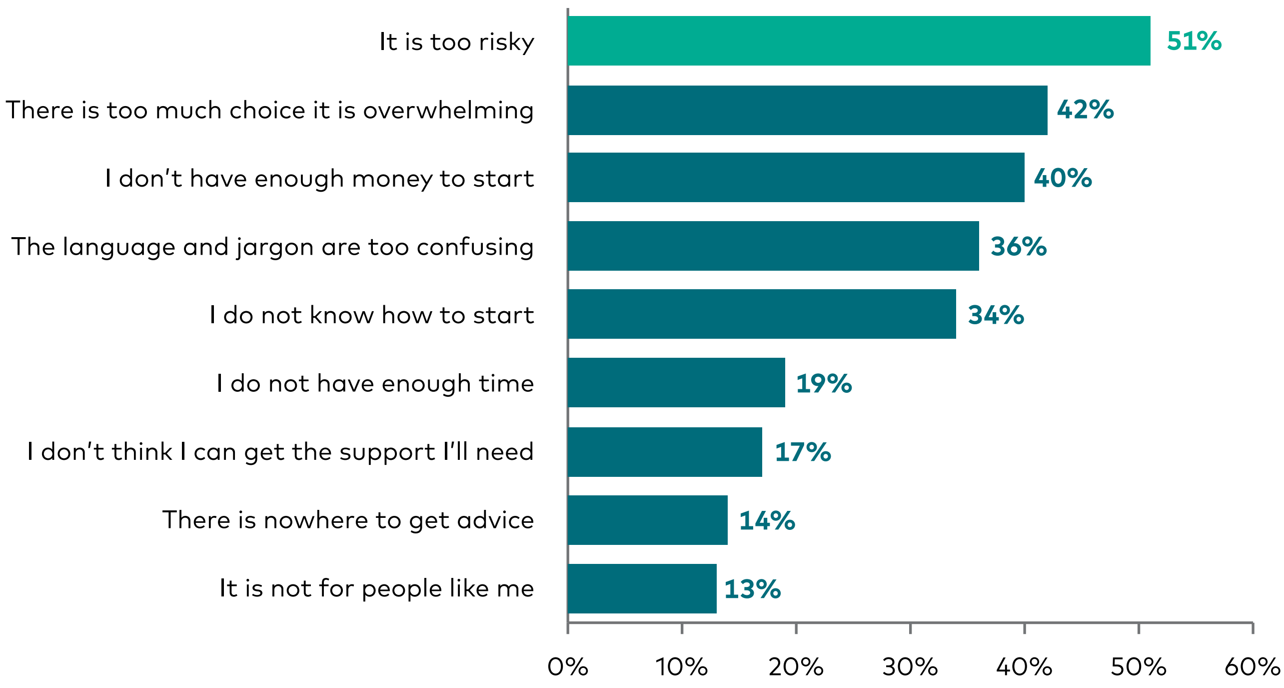
Risk Distortion

Perceived risk is the single-biggest barrier preventing savers from investing. More than half of non-investors cite it among their top three reasons for staying out of the market.

At a glance

- More than half of non-investors cite risk as a top barrier to investing
- 51% believe the cost-of-living crisis must improve before investing feels viable
- Many savers perceive investing as an "all-or-nothing" risk, while underestimating the risks of staying in cash
- In reality, risk can be managed over time, and many investors build confidence by starting gradually

The main barriers stopping people from investing | % ranking barrier in top 3



Base: All UK savers (1,500)

These fears are reinforced by current economic uncertainty: 51% believe the cost-of-living crisis must improve before investing feels viable. As a result, perceptions of risk are often skewed. Short-term market volatility is over weighted, while the longer-term risks of remaining in cash, particularly during periods of high inflation, are underestimated.

This distortion leads many savers to delay investing until conditions feel "safer", missing opportunities to build resilience and exposing their savings to real terms erosion in the meantime.

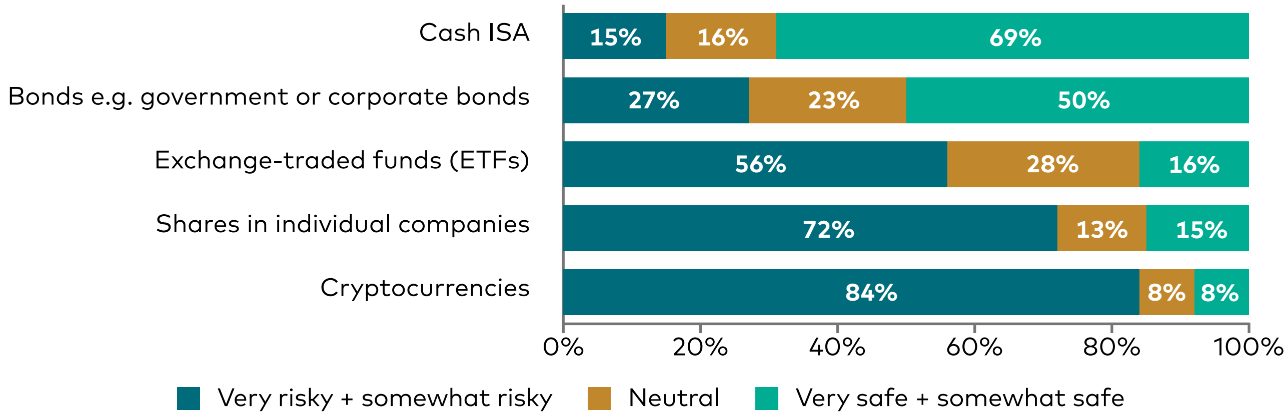
Barrier #1: Fear of "losing everything"

Many savers misunderstand how investment risk works, equating market fluctuations with the possibility of total loss. This fear turns investing into a perceived all-or-nothing gamble rather than a structured way of growing money over time.

"With investing, yes, you could earn more than with a savings account, but you could also lose everything you put in."

Saver, Female, 45-54

Perceived risk of investment products among savers



Base: All UK savers (1,500)

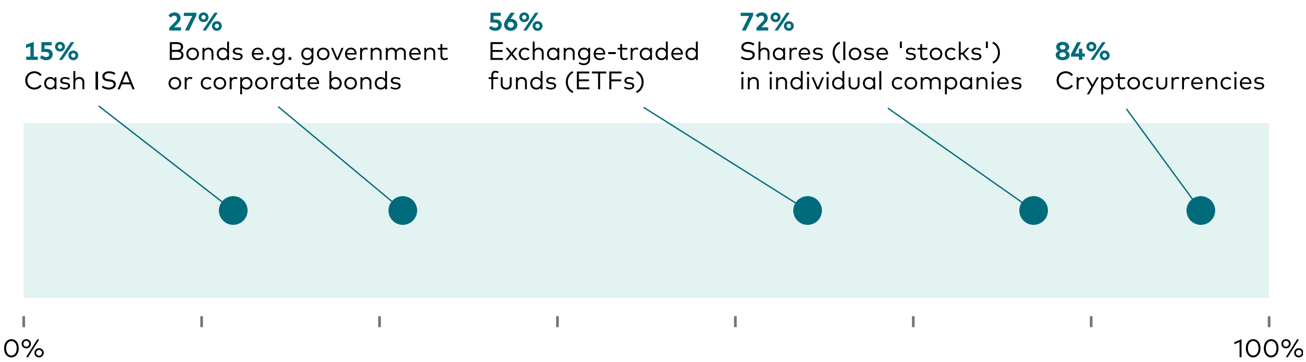
Barrier #2: Limited awareness of managed risk options

A lack of understanding about diversification and lower-risk investment products leads many savers to assume that most investments carry similarly high risk. As a result, they often avoid investing altogether or gravitate toward higher-risk entry points without recognising safer alternatives.

"I don't like taking risks, and investing feels risky to me, and I prefer stable, predictable returns."

Saver, Female, 45-54

Perceived risk across the saving and investing spectrum



Base: All UK savers (1,500)

Unlocks for the industry: risk distortion

1. Improve understanding and awareness of managed risk

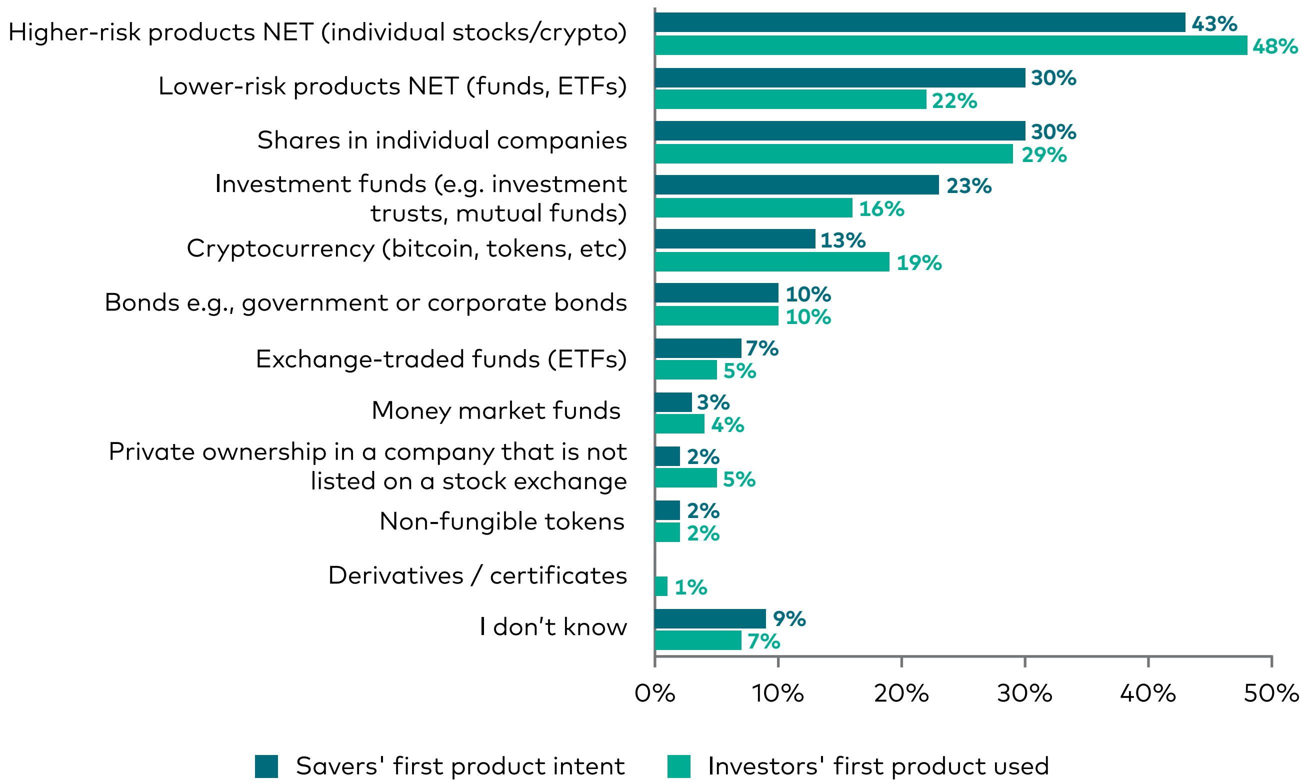
Many savers plan to bypass lower-risk options and jump straight into shares or crypto, with almost one in three expecting shares to be their first investment – the same path taken by **29% of current investors.**

This reflects a narrow view of investing as high-risk share buying. Clearer promotion of diversified products can show how risk is managed over time. Making these options easier to understand and more visible can give savers the confidence to take their first step into investing more wisely.

"Learning about diversification and long-term strategies made the risk feel manageable."

Investor, Male, 35-44

Savers' first product intent versus investors' first-product usage



Base: All UK respondents (2,000)

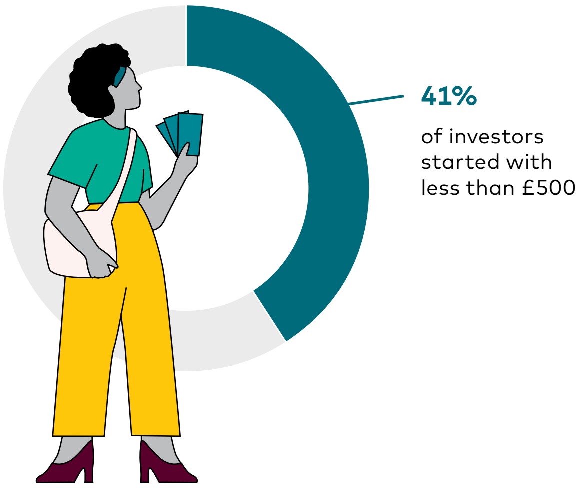
"There were moments when everything clicked for me. I remember reading about how compound interest works and realising that even small, consistent investments could grow significantly over time. That understanding shifted my mindset. I went from feeling intimidated and uncertain to feeling empowered... That moment gave me the clarity and motivation to take the first step and actually start investing."

Investor, Male, 35-44

Unlocks for individuals: risk distortion

1. Start small

Starting small helps new investors overcome the psychological barriers to getting started. Many investors began with modest amounts, using early experience to build confidence and understanding, before increasing contributions over time. Small starting points lower the emotional stakes, allowing people to test investing without feeling that their financial security is at risk.



For many, this approach reframes investing from high-risk decisions to a manageable first step, one that feels within their control.

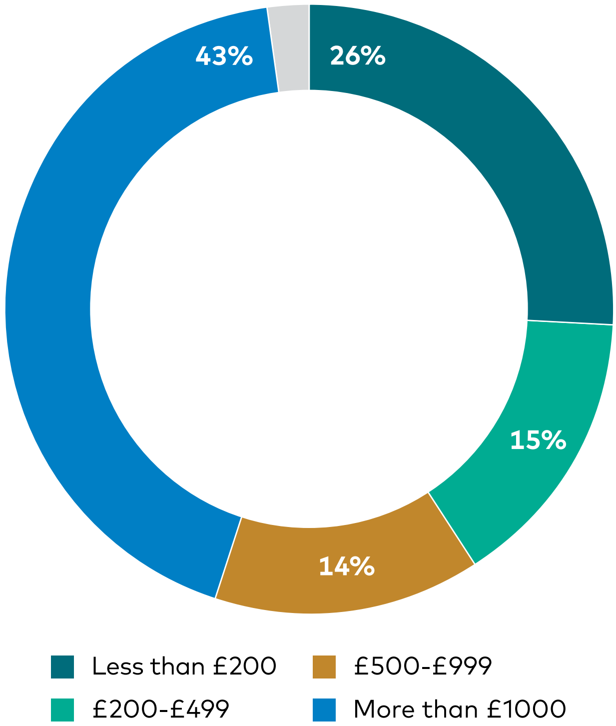
"I was nervous... so I started small. Once I understood it, I increased my investments."

Investor, Female, 35-44

2. Confidence grows through action

A common misconception among non-investors is that confidence must come before investing. In practice, many investors describe the opposite journey: they felt uncertain at the start, but confidence grew through experience. Taking the first step often reduces fear as people become more familiar with how investing works. Setting a clear budget and viewing early investments as a learning experience can help turn fear into momentum, rather than a reason to wait indefinitely.

Initial investing amount among investors

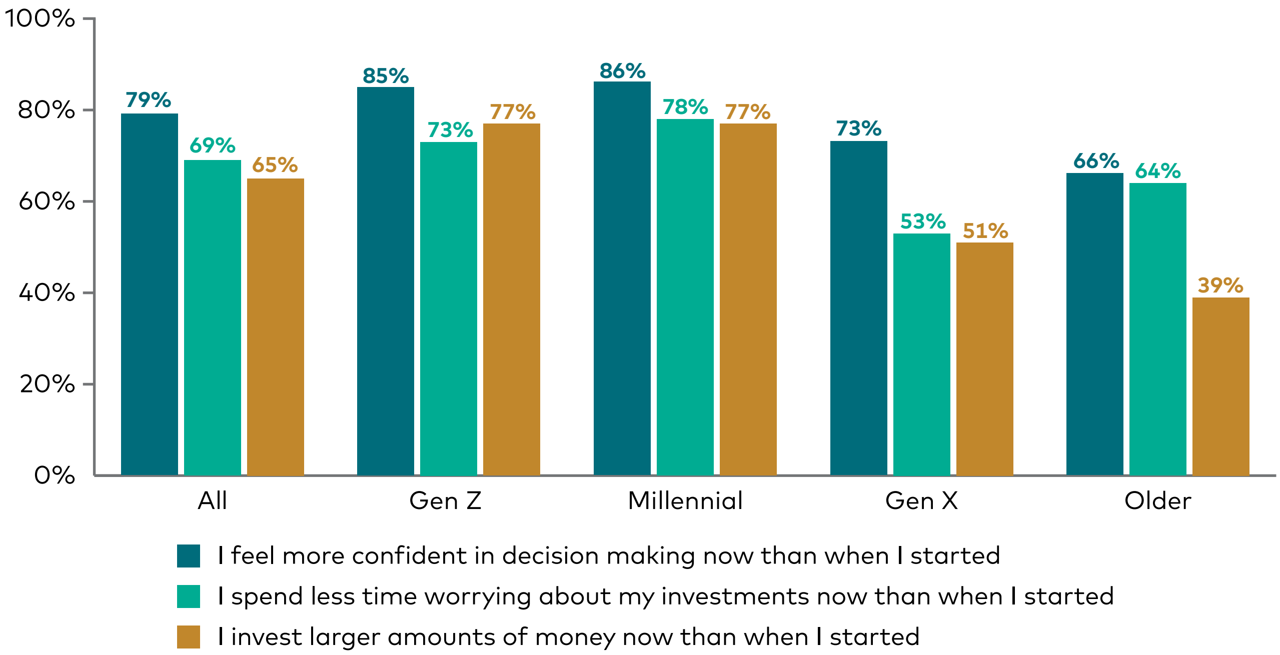


Base: All UK investors (500)

"At first, I was anxious about investing and didn't trust my decisions. Education and small steps helped – reading beginner guides and starting with a low-risk investment gave me confidence. As I learned more and saw progress, my fears faded and I felt ready to invest regularly."

Investor, Male, 35-44

How investors feel after they've started investing



Base: All UK investors (500)

"I was extremely nervous... it was a big move for me to begin investing because I don't understand stocks and shares. But I did it – and now I feel okay. Not totally 100%, but I feel okay."

Meet Elise

New Investor, Female, 63

Elise is a long-time saver and new investor. She had always avoided investing because it felt risky, unfamiliar and outside her comfort zone. When she unexpectedly found herself with money after selling a property, she chose to act despite feeling fearful and under-prepared; taking the plunge without waiting to feel confident and discovering that confidence only began to follow once she had started.

Summary insight: Risk distortion

For many savers, it's not risk that holds them back – it's how that risk is perceived. Investing is often seen as unpredictable and potentially catastrophic, while the risks of staying in cash are largely overlooked.

This imbalance leads people to delay action or avoid investing altogether, even when doing so may limit their long-term outcomes. Helping people better understand how risk actually works is key to building confidence.

MISCONCEPTION 3:

Effort Inflation

Many savers significantly overestimate the amount of time, knowledge and ongoing effort required to start investing.

Faced with a growing number of products, platforms and unfamiliar terms, investing is widely perceived as complex and burdensome – something that requires sustained attention and expertise rather than a simple first step.

This perception stands in sharp contrast to saving, which is viewed as intuitive, quick to set up and easy to maintain. As a result, even savers who are motivated and financially able often delay investing, assuming it will demand more time and mental energy than they can realistically spare in busy, everyday lives.

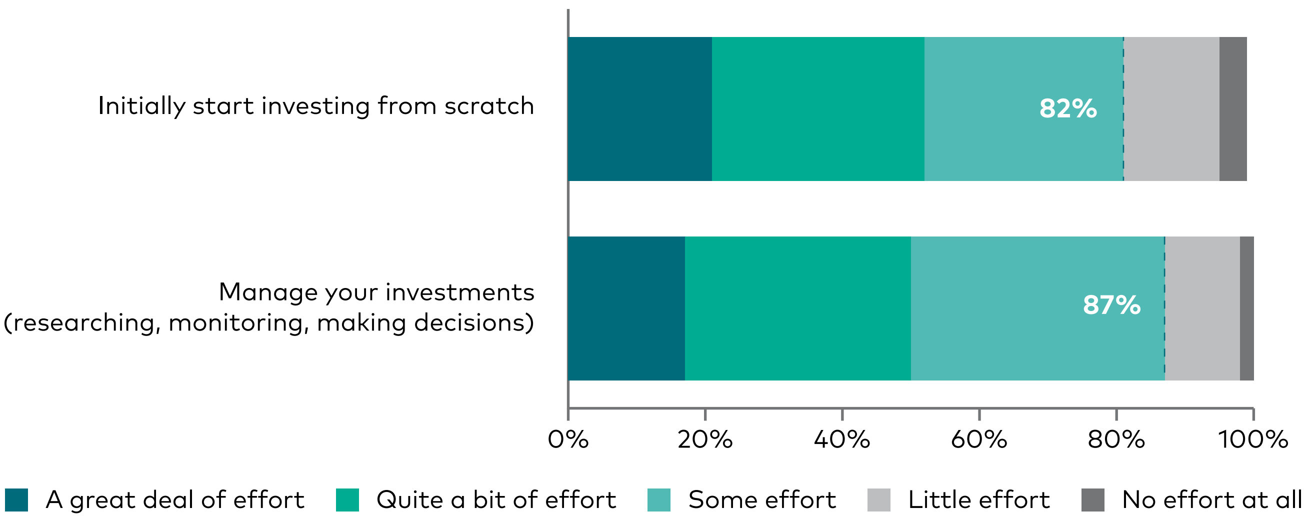
At a glance

- 82% of savers expect managing investments to require a great deal or quite a bit of effort
- 87% expect setting up investments to require significant effort
- 42% of savers cite too much choice as a key barrier to getting started
- In practice, many investors find it simpler than expected once they take the first step

"I think it's so boring looking up information about investments! I've always got something better to do."

Saver, Female, 55-64

Savers' expected effort to set up and manage investments



Base: All UK savers (1,500)

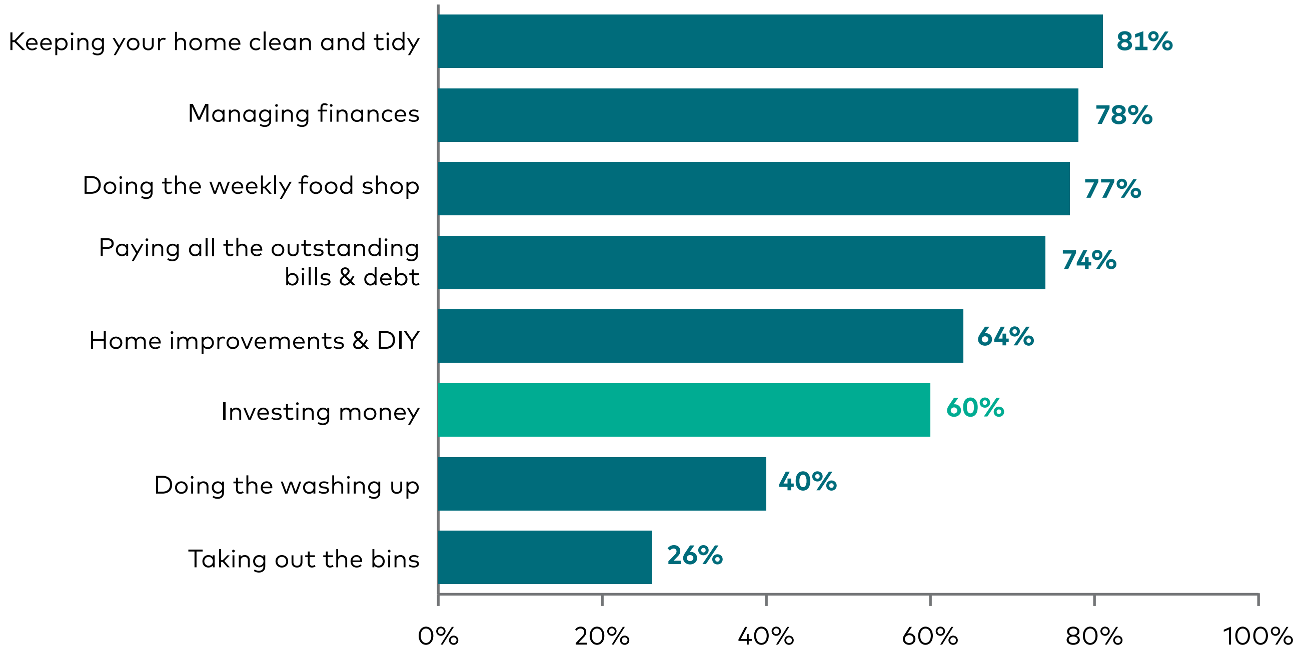
Barrier #1: Low bandwidth and competing priorities

Many people lead busy, time-pressured lives and assume investing will add another complex task to an already full mental load. As a result, investing is often postponed in favour of more immediate, everyday responsibilities.

"Life just gets in the way and I just forget. I'll see something and think 'that's a great idea,' but then it gets pushed down the list."

Saver, Female, 35-44

Where investing ranks among savers' everyday priorities



Base: All UK savers (1,500)

Barrier #2: Jargon, complexity and choice overload

The breadth of investment options and industry language can feel overwhelming, particularly for those with no prior experience. Many savers struggle to interpret product information, compare options or understand which decisions really matter at the outset. Rather than empowering action, this abundance of choice often leads to paralysis – reinforcing the belief that investing is inherently complicated and time consuming.

Our research shows that **42% of savers cite too much choice as one of their top barriers to investing**, while unfamiliar terminology further amplifies uncertainty. For many, investing feels like entering a "minefield" where making the wrong decision could have lasting consequences, making postponement feel safer than engagement.

"It seems like a minefield! There are so many different types of investment and so many different ways you can invest your money... it's all really unclear to me at the moment."

Saver, Male, 25-34

Clearer risk language increases likelihood to invest

To better understand how the language used in risk disclosures affects confidence and likelihood to invest, Vanguard tested two versions of risk warnings with 2,000 UK adults[3]: an existing statutory disclosure and a revised, more investor-friendly version written in plain English.

The research found that simplifying language and removing unnecessary complexity can have a meaningful impact:

- 54% said the reframed risk warning made them feel more confident to invest, compared with 44% for the existing statutory disclosure
- 51% said they were more likely to invest, compared with 40% for the existing statutory disclosure
- A comparison test between the two versions showed that the number of people who dropped out of the ISA onboarding process was 23% lower for the investor-friendly version.

This shows that when people receive clear, accessible information, they are more likely to feel reassured and capable of taking action.

3 In partnership with The Nursery, total sample of 2,220 nationally representative participants, October 2025

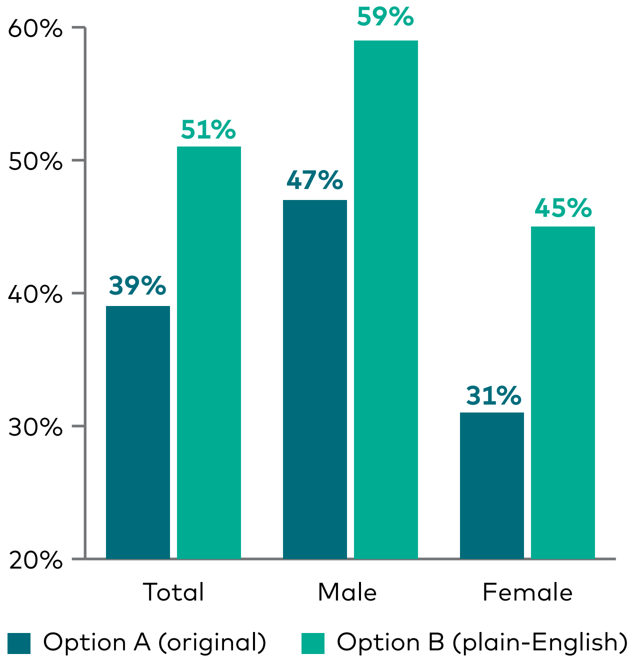
Unlocks for the industry: reducing effort inflation

1. Simplify language and remove unnecessary friction

The industry has a significant opportunity to reduce perceived effort by simplifying how investing is explained and presented.

Our testing shows that when the same investment offering is described using clear, plain English – stripped of jargon and unnecessary complexity – intent to invest rises sharply.

Likelihood to invest: original vs plain-English fund descriptions



Base: All UK savers (1,500)

Option A (original): The FTSE All World UCITS ETF is a globally diversified equity exchange-traded fund designed to give investors broad exposure to large - and mid-cap stocks across both developed and emerging markets. This fund seeks to track the performance of the FTSE All World Index, a market capitalisation-weighted index covering thousands of companies across more than 40 countries. The ETF aims to replicate the index as closely as possible before fees and expenses.

Option B (plain-English): The Global Stock Market Fund invests in thousands of companies from around the world, giving you a broad mix of global stocks. It includes businesses from both developed and emerging markets. The Global Stock Market Fund follows a global stock market index that includes thousands of companies from over 40 countries. The fund simply aims to mirror how this global market performs by investing in the same companies, so your returns closely reflect the overall market (before fees).

Simplified language increased intent overall by **133%**, and by **145% among women**, highlighting the disproportionate impact that complexity has on confidence.

Designing communications around how first-time investors actually interpret information, rather than how products are constructed, can make investing feel quicker to understand and easier to begin.

"Hearing it explained by normal people made it feel a lot less intimidating. Before that, I always thought investing was full of terms I'd never understand."

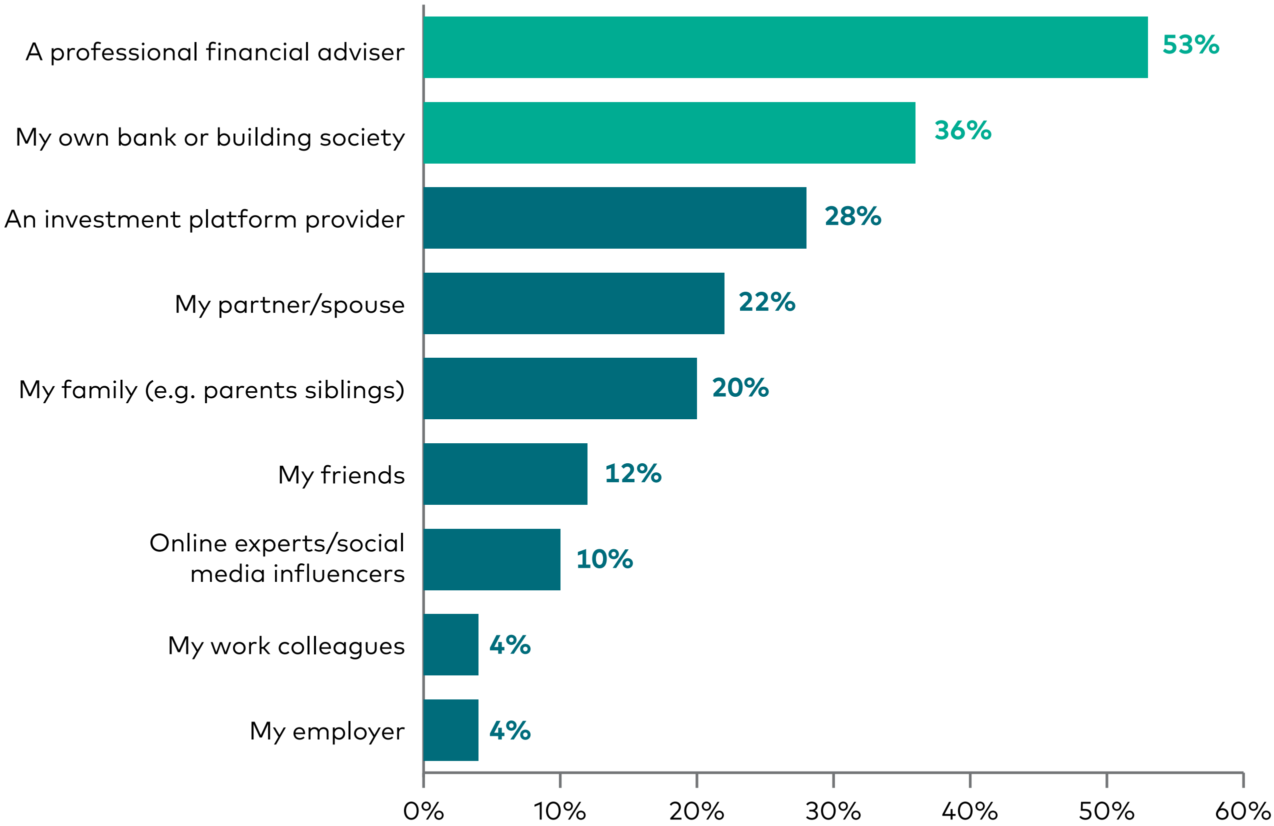
Investor, Male, 35-44

Meeting people "where they are", using familiar platforms and accessible formats, helps investing feel like something that can be done alongside everyday life, not as a specialist task requiring dedicated time and expertise.

"Just having it spoken to you in layman's terms is helpful… seeing a lot of people in Facebook groups or Reddit just talking about how they experiment and invest in funds; once you see people talk about how easy it is that just gives you that confidence to feel ready."

Investor, Male, 35-44

Most trusted sources of financial advice among savers



Base: All UK savers (1,500)

While people like to discuss investing with peers, they place greatest trust in recognisable, legitimate sources they feel are "on their side", led by professional financial advisers (53%) and their own bank (36%).

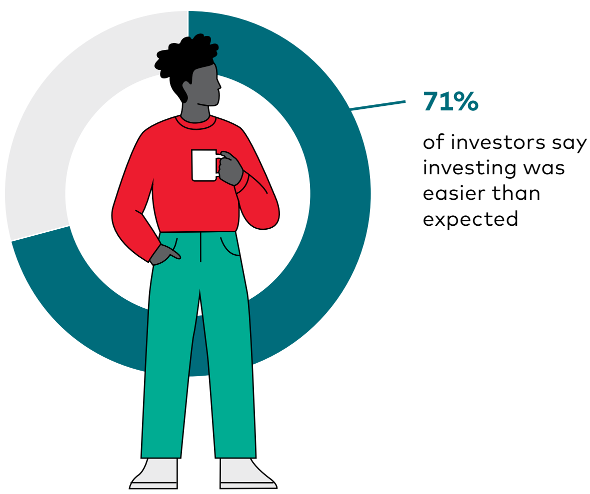
"I started with a low-cost index fund… simple, accessible and reliable as a first step."

Investor, Male, 35-44

Unlocks for individuals: effort inflation

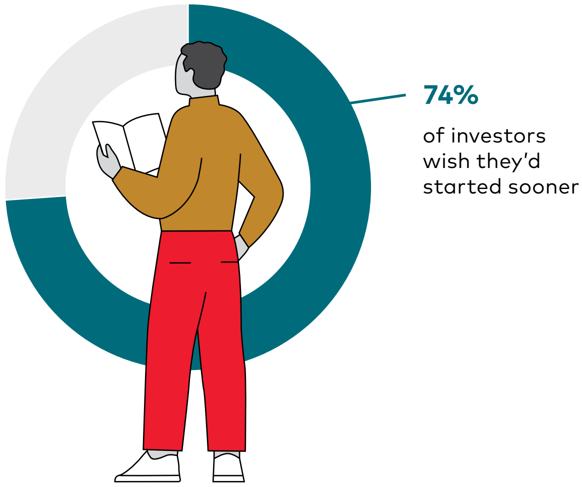
1. Start simple

New investors consistently report that investing was easier than expected once they began. Starting with straightforward options, like ready-made funds, reduces decision-making pressure and helps people move past the misconception that investing requires constant oversight or deep technical knowledge.



2. Time over timing

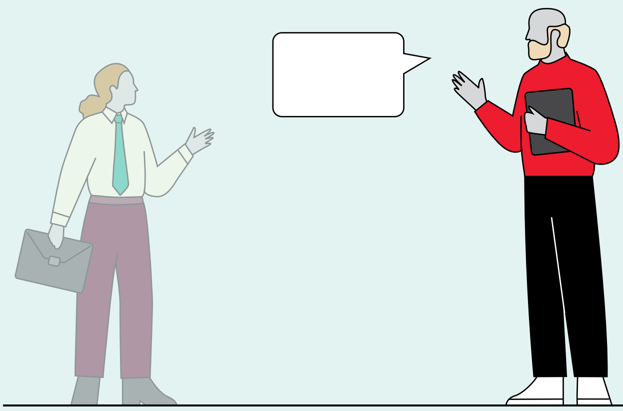
Many savers delay investing while waiting for the "right moment" or the time to fully understand every detail. In practice, confidence often builds through experience rather than preparation. Recognising that investing is a long-term process, and that starting matters more than perfect timing, helps overcome procrastination driven by perceived effort.



"My biggest regret is not investing earlier and planning for my future sooner. I would have invested as soon as I started working at 18. I could have done it with a lot less and had a lot more as a result."

Investor, Male, 35-44

"I would have invested sooner. I'd tell my younger self to be braver and start earlier. Even small amounts make a difference over time."



Meet Danesh

Long-time investor, Male, 48

Danesh, an experienced investor, reflects that one of his biggest regrets is waiting too long to start investing. Like many savers, he delayed while trying to line up the "right moment", only later realising that time in the market mattered far more than perfect timing.

Summary insight: Effort inflation

Investing is seen as complex, time-consuming and difficult to navigate. In reality, many investors find it far simpler than they expected once they get started.

This gap between perception and reality creates unnecessary friction, causing people to delay or deprioritise investing. Reducing complexity and making investing feel easier to engage with can help remove a key barrier to action.

MISCONCEPTION 4:

Guidance Gap

Many non-investors lack clear, trusted guidance when taking their first step.

Regulatory boundaries and industry caution have widened an existing "advice gap", making professional support feel inaccessible. At the same time, informal guidance is unevenly distributed: those without friends or family who invest are left without the peer reassurance that often make investing feel possible. Together, this leaves many savers feeling they must navigate investing alone.

"I don't really know where to turn for trustworthy information, and it feels like I have to figure it out completely on my own."

Saver, Female, 35-44

The issue is not a lack of information, but the absence of trusted, confidence-building guidance that makes investing feel credible and attainable.

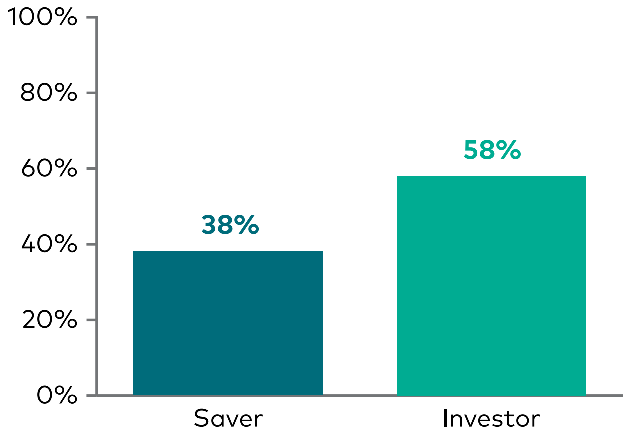
Barrier #1: Lack of social exposure to investing

This lack of guidance is compounded by the continued discomfort around talking openly about money in the UK. Those without early exposure to investing conversations face a steeper path to participation, while individuals who grow up discussing investments are far more likely to become investors themselves.

At a glance

- Investors are 53% more likely to have grown up in households where money was openly discussed
- Many feel they must navigate investing on their own, without trusted guidance
- In reality, accessible, beginner-friendly support already exists – making it easier to get started than many expect

My parents/guardians talked openly about investments during my childhood



"You almost need a mentor. Someone to guide you through the first steps. But I don't know anybody who invests, so there's no one who can really support me or tell me what to do."

Saver, Male, 45-54

Barrier #2: Limited access to trusted guidance

Many prospective investors feel that while online information is abundant, it is often conflicting or unreliable. When it comes to professional guidance, many prospective investors feel that they cannot afford to pay, especially when the value of advice is unclear and concerns about losing money are front of mind.

"A fully supported account would help... but obviously not paying a financial adviser to do it, because that would give them too much of a large percent of what I make."

Saver, Female, 55-64

"No one was talking about investing. There wasn't the confidence, there wasn't the language – we couldn't articulate what we wanted."

Meet Ian
Saver, Male, 50s

Ian, a long-time saver, had never seriously considered investing because no one in his immediate social circle talked about it.

Without anyone to ask or learn from, investing felt inaccessible and hard to navigate, reinforcing his instinct to stick with familiar savings products until he encountered trusted, plain-spoken guidance.

Unlocks for the industry: guidance gap

1. Work with trusted voices
People are most open to guidance when it comes from sources they already trust. This includes established institutions such as banks and financial advisers, as well as independent voices who are seen as credible, transparent and accessible.

By working with these trusted intermediaries, the industry can help investing feel more relatable. Clear, plain-English explanations, delivered on familiar platforms, can significantly reduce the confidence that holds many savers back.

Trusted voices have an impact

Martin Lewis stands out as one of the few financial voices people instinctively trust. Valued for his open, independent and plain-English approach, many turn to MoneySavingExpert as a first port of call. In a landscape marked by confusion and mistrust, he acts as a trusted anchor, helping people feel confident enough to engage with investing.

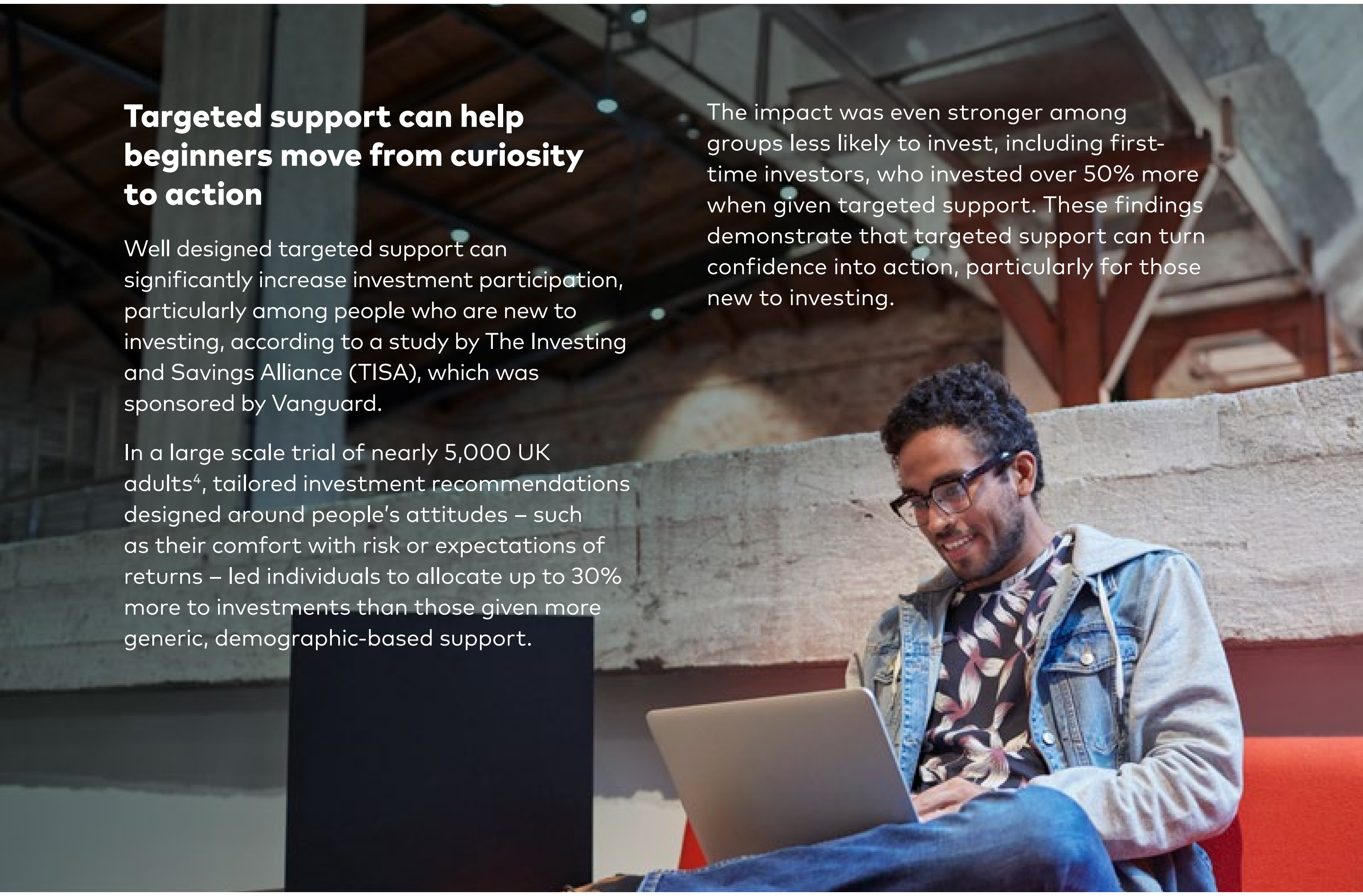
"When I'm looking for support on financial decisions, I will look at Martin Lewis' website MoneySavingExpert because they're a really good source for information on what's best to do."

Saver, Male, 25-34

2. Provide clear, beginner-friendly support

Many of the tools new investors need already exist, from simple explainers to starter portfolios. This challenge is less about creating new support and more about organising existing resources more clearly.

Presenting support in a way that explicitly is designed for beginners, with clear starting points, can help savers move from curiosity to action without feeling overwhelmed.



Targeted support can help beginners move from curiosity to action

Well designed targeted support can significantly increase investment participation, particularly among people who are new to investing, according to a study by The Investing and Savings Alliance (TISA), which was sponsored by Vanguard.

In a large scale trial of nearly 5,000 UK adults[4], tailored investment recommendations designed around people's attitudes – such as their comfort with risk or expectations of returns – led individuals to allocate up to 30% more to investments than those given more generic, demographic-based support.

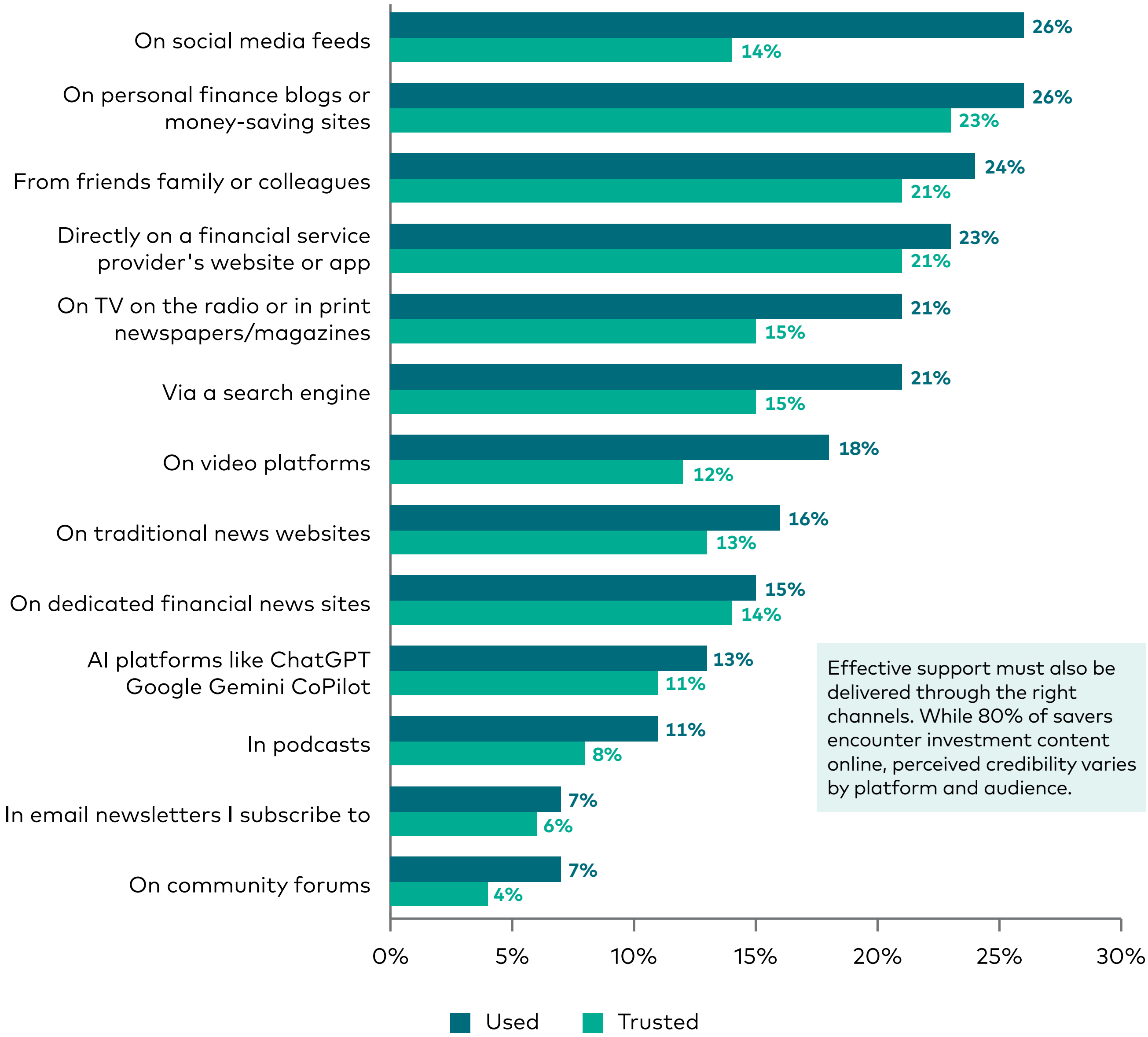
The impact was even stronger among groups less likely to invest, including first-time investors, who invested over 50% more when given targeted support. These findings demonstrate that targeted support can turn confidence into action, particularly for those new to investing.

"Rebel Finance School's website and Money Saving Expert's community forums were really helpful for me. It broke down investing and when is the best time to invest. Making sure you've got some money saved for an emergency fund, and then any extra is where you can invest. It explained what the best type of investment is...and it was all just very easy to understand in simple language for ordinary people."

Investor, Female, 45-54

4 *Designing Targeted Support for Attitudes to Investing,* A report for TISA by the University of Nottingham, April 2026

Most used and trusted digital sources for investment information



Effective support must also be delivered through the right channels. While 80% of savers encounter investment content online, perceived credibility varies by platform and audience.

Base: All UK savers (1,500)

Unlocks for individuals: guidance gap

1. Normalise money conversations

Many people start investing after a single conversation with someone they trust. Open discussion with friends, family or peers helps make investing feel more normal and less intimidating, providing social reassurance that information alone cannot offer.

"My parents taught me... they said it was time for me to try investing."

Investor, Female, 35-44

Who savers prefer to talk to about investing

	Savers
Peers (total)	**60%**
My partner / spouse	34%
My family (e.g. parents siblings)	24%
My friends	21%
My work colleagues	8%

Base: All UK savers (1,500)

Encouraging these conversations can help break down the idea that investing is only for experts or certain types of people.

2. Use judgement-free tools

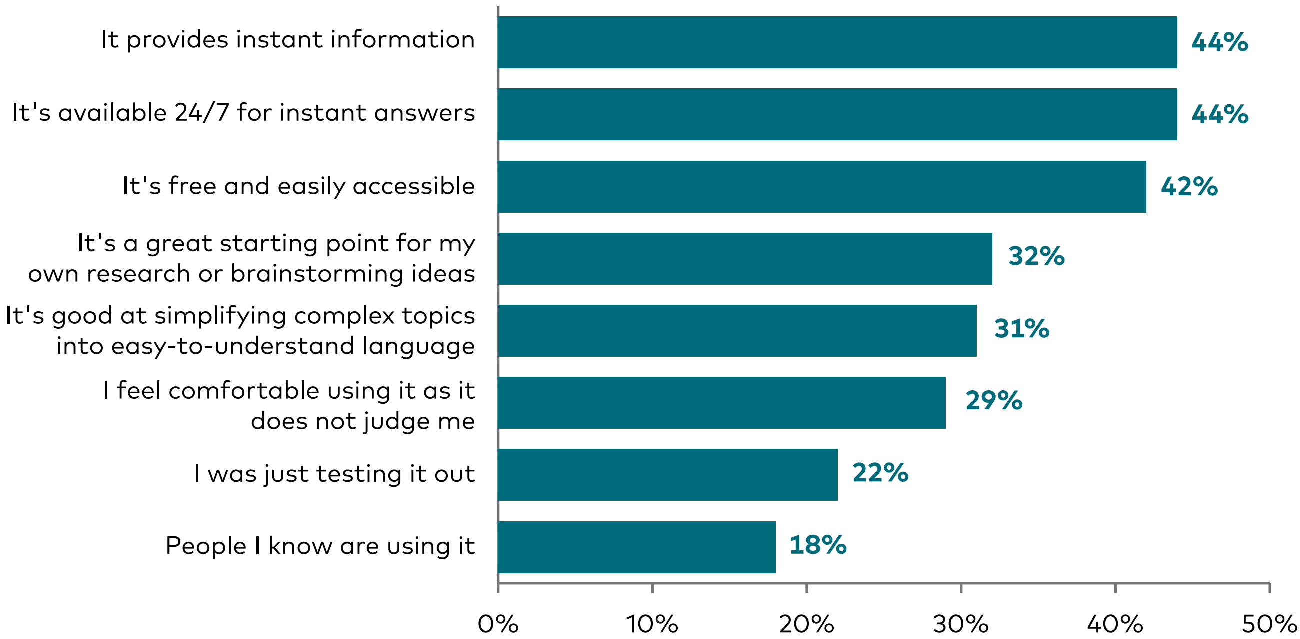
For those who feel unsure where to start, non-judgemental tools can provide a low-pressure entry point. Increasingly, savers are using digital tools, like AI, to explore basic questions privately, helping them build understanding without fear of getting things wrong.

When used appropriately, these tools can give them the support needed to allow them to ask simple questions, clarify terminology and gradually build their confidence before seeking further support.

"I've asked AI to summarise information... it saves time and gives clear points."

Saver, Female, 55-64

Why savers and investors use AI tools for financial information



Base: All UK respondents (2,000)

Summary insight: Guidance gap

Many prospective investors don't lack information – they lack confidence in where to turn. Without clear, trusted guidance, investing can feel isolating and difficult to navigate alone.

This gap is particularly evident for those without exposure to investing through peers or family. Making support more accessible, relatable and trustworthy can play a critical role in helping people move from curiosity to action.

Conclusion

This research paints an encouraging picture of the future of investing in the UK.

While confidence barriers remain, the findings consistently show that a lack of interest is not the primary challenge. Across the country, many savers recognise the importance of making their money work harder over the long term.

What holds many people back is not a lack of motivation, but a gap between intention and action. Investing is often perceived as unfamiliar, riskier than it really is, more complex than it needs to be and difficult to navigate without trusted support. These perceptions can make taking the first step feel daunting, even for those who are financially able and willing to invest.

The encouraging finding is that these barriers are not insurmountable. Throughout this report, we have identified practical unlocks that can help build confidence, understanding and engagement.

From helping people see investing as a natural extension of saving, to improving perceptions of risk, simplifying the experience and increasing access to trusted guidance, there are clear opportunities to support more people on their investing journey.

This creates a significant opportunity for both the industry and individuals. The challenge is not simply to convince more people that investing matters, but to ensure they feel confident, supported and empowered to get started. By closing the gap between intention and action, the UK has the potential to unlock a new wave of investors and enable more people to benefit from the long-term value that investing can create.

The intent is already there. The next step is turning that intent into action. The following section sets out practical steps that individuals can take to build confidence, get started and begin their investment journey.

Getting started: simple steps to begin investing

For many people, the hardest part of investing is getting started. But our research shows that it doesn't need to be complicated and that confidence often comes after taking the first step.

Here are four simple ways to begin:

1. **Start small**
   You don't need a large amount to begin. Many investors take their first step with a modest sum, building confidence over time rather than all at once.

2. **Keep it simple**
   You don't need to understand everything upfront. Starting with straightforward options can make it easier to take that first step.

3. **Focus on the long term**
   Investing is a long-term journey. Short-term ups and downs are part of the process, but staying focused on future goals can help keep things in perspective.

4. **Build confidence through action**
   Many investors start out unsure. Confidence tends to grow once you get going, as experience makes things feel clearer and more manageable.

Remember, it's not about having all the answers – it's about feeling comfortable enough to begin.

Investment risk information

The value of investments, and the income from them, may fall or rise and investors may get back less than they invested.

Important information

Vanguard only gives information on products and services and does not give investment advice based on individual circumstances. If you have any questions related to your investment decision or the suitability or appropriateness for you of the product[s] described, please contact your financial adviser.

This is designed for use by, and is directed only at, persons resident in the UK.

The information contained herein is not to be regarded as an offer to buy or sell or the solicitation of any offer to buy or sell securities in any jurisdiction where such an offer or solicitation is against the law, or to anyone to whom it is unlawful to make such an offer or solicitation, or if the person making the offer or solicitation is not qualified to do so. The information does not constitute legal, tax, or investment advice. You must not, therefore, rely on it when making any investment decisions.

The information contained herein is for educational purposes only and is not a recommendation or solicitation to buy or sell investments.

Issued by Vanguard Asset Management Limited, which is authorised and regulated in the UK by the Financial Conduct Authority.

Vanguard