

# IndustryVoice

Analysis, commentary and trends for the UK mortgage and protection industry | Edition 21 Summer 2025

## Changing nature – the transformation of Protection

### Articles from

Iress  
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Aviva  
National Friendly  
Legal & General  
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Vitality  
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# Welcome

The Summer Protection edition of Industry Voice is all about Change!

Change is the constant that now defines our industry. The Summer edition of Industry Voice is all about transformation - what's changing now, what urgently needs to change, and how we can shape a future where Protection remains relevant, resilient, and essential.

From economic turbulence and demographic evolution to tech innovation and shifting consumer expectations, we explore the forces reshaping Protection and ask: How do we stay ahead? How do we adapt our advice, our products, and our mindset to ensure the industry thrives and serves those who need it most?

We are always keen to hear your thoughts about this issue and the topics raised.

If you would like to get in touch, please contact the Advertising & Sponsorship Manager, Neal Ray.

Visit: [iress.com/industry-voice](https://iress.com/industry-voice) for more perspectives from our provider & lender partners about the issues affecting our industry.



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# Industry collaboration is reshaping the future of Protection

The world of Protection is changing fast. As consumer needs evolve and technology opens new doors, the industry must work together to deliver more connected, intuitive, and client-focused future.

That spirit of collaboration was on full display at Beyond Protection, Iress' sixth Protection Forum, held on 25 June 2025 at the AWS XP Centre in London.

Far from a typical industry event, the forum brought together some of the brightest minds and boldest voices in Protection to challenge convention and explore what comes next. Hosted by Iress as part of its year-round client collaboration series, the forum brought together thought leaders to challenge convention and unlock the next phase of innovation in Protection.

The program featured insights from several industry trailblazers, including:

- Vicky Churcher, representing the Income Protection Task Force (IPTF), who explored how shifting customer expectations are reshaping the market.

- Amazon Web Services (AWS), who shared a compelling vision of AI's transformative potential in financial services.

- Helen Croft, Head of Life &

Health Underwriting at SCOR, who discussed the future of underwriting and how emerging technologies are revolutionising the way risk is assessed.

## Turning insights into Action

According to Jacqueline Durbin, Head of Product – Sourcing at Iress:

"We created our Protection forums to drive real change, not just conversation. It's clear our clients' value having a say in shaping future innovations and it's rewarding to see their ideas turn into action. Some of our most impactful developments, like our integration with CI Expert, evolved from discussions at our forums and we're excited to see what emerges from this one"

Jane Irwin, Product Lead – Protection at Iress, echoed the sentiment:

"This forum isn't just about

showcasing what we've done, it's about working side by side with the industry to shape what comes next. Beyond Protection reflects our commitment to co-designing solutions with our clients that deliver meaningful outcomes for advisers and consumers."

## Why this matters now

Change is constant, but it's also accelerating. As the Protection industry faces new challenges and rising expectations, collaboration is no longer optional; it's essential. Events like the Iress Protection Forum and the stories in this edition of The Industry Voice are proof that progress happens when we work together.

We hope you enjoy this special edition, packed with insights from those leading the charge to modernise, humanise, and future-proof Protection



“We created our Protection forums to drive real change, not just conversation. It's clear our clients' value having a say in shaping future innovations and it's rewarding to see their ideas turn into action. Some of our most impactful developments, like our integration with CI Expert, evolved from discussions at our forums and we're excited to see what emerges from this one.”

**Jacqueline Durbin, Head of Product – Sourcing, Iress**





# From selling to safeguarding goals – How Protection advice is evolving



Matt Chapman  
The Protection Coach

Change is inevitable; but progress is a choice. In this very moment, advisers have a golden opportunity to shift the very nature of protection advice in a way that builds stronger engagement, better outcomes, and deeper client relationships

For too long, protection has often felt like an afterthought. A bolt-on option. A product sale that happens after the fact, rather than an integrated part of a client's financial planning.

That mindset no longer serves anyone: not the adviser, not the industry, and certainly not the customer. In today's world, shaped by Consumer Duty, cost-of-living pressures, and heightened expectations around value and personalisation, the rules of engagement are being rewritten.

So, what does "good" advice look like now?

I believe it starts with understanding. More specifically, understanding why a client is seeking advice in the first place. What's prompted the conversation? What are they trying to achieve; personally, professionally, and

financially? If we spend more time exploring that, we uncover the real drivers behind decisions. We get to the root cause. And that's where protection becomes meaningful.

When you link protection to goals, rather than policies, you flip the narrative from selling to safeguarding. Protection isn't a product on a shelf; it's a strategy to support what matters most to the client. Their family. Their lifestyle. Their ambitions. Their peace of mind.

This shift is more than just good practice. After all, it's exactly what Consumer Duty demands. The regulation compels us to act in good faith, avoid foreseeable harm, and support customers in achieving their financial objectives. That's not a tick-box exercise; it's a call to reimagine how we deliver protection advice.

And here's the truth: when we make protection the foundation of good advice – not the footnote – it stops being a hard sell. It becomes very easy to create value and demonstrate that your intentions are unquestionably in the clients' best interests.

Some advisers still struggle with this. They're confident in mortgages, investments, pensions – but, when it comes to protection, they hesitate. They focus on features, costs, objections. They assume the client won't be interested.

Worst of all, they defend this approach by claiming that the client came to them for another goal, such as the mortgage – when, in reality, no-one wants a mortgage – home ownership is the real goal. The mortgage is just a means to an end.

"Good" advice is recognising that protection forms part of the financial toolkit needed to both achieve and sustain the true goal.

When advisers act transactionally, they miss the bigger picture. That's why specialist coaching, consistent training, and behavioural change programmes are so crucial. Because this isn't just about process; it's about mindset.

Let me be clear: product knowledge and technical accuracy matters. But what moves the dial in real conversations is the ability to connect, contextualise, and create value. When we do that well, clients rarely ask about price first. Price is only ever an issue in the absence of value.

That's the magic of goal-led advice. It creates value by anchoring to what matters most to the client. For me, that's the only way we can produce

truly great customer outcomes. By making it all about them and what they really want from us.

There's no doubt that the industry is evolving. Advisers are adapting. Some are embracing protection far more proactively. Others are partnering with specialists. But across the board, the direction is clear: advice is becoming more holistic, more client-centred, and more purpose-driven.

As we look ahead, our collective challenge is to keep pace with change without losing the human element. To embrace innovation and technology but without losing empathy for the client we are serving. To use tech to streamline our processes and drive efficiency but not to replace the vital role of the adviser in educating, empowering, and protecting their clients.

Ultimately, we're not just advisers. We're coaches, advocates, and guides. We bridge the knowledge gap caused through a distinct lack of basic financial education in schools. We are vital in helping to simplify, demystify and disseminate complex financial matters for clients. That includes explaining the importance of financial resilience and the role that protection plays in safeguarding their financial goals.

If we reframe our conversations around what truly matters to our clients, protection becomes far more than a policy – it becomes a tool for financial resilience and, ultimately, the fulfilment of people's financial and life goals.

Let's help our clients protect their dreams, not just their debts. Let's make protection advice meaningful again.







**PDG** Protection Distributors Group



The FCA Financial Life Survey 2024 reinforced the challenges advisers have in delivering better outcomes in providing financial safety nets to their clients.

Protection take-up remains low, despite many consumers feeling in control of their finances. This demonstrates to me a low level of product understanding when less than half of UK adults have any form of Life cover, CI coverage is poor despite the increasing claims incidences and publicity linked to high profile cancer cases, and IP, despite growing over the past few years, remains undersold.

If advisers change one thing in their conversations with customers, it's to think about the purpose of the policy, not its product features. How do these policies improve client outcomes if they become sick, ill or die? What would the client want for their dependents if circumstances change for the worse? Become comfortable in embedding simple conversations about client resilience into your conversations.

**Neil McCarthy, Chair, Protection Distributors Group**



I am hopeful that we will see some significant and positive changes in the Protection world in the coming years. The adoption of AI will see us move away from the traditional underwriting models to a speedier data driven model and this is something I'm excited to see evolve. I would also like to see products develop to focus on flexibility, allowing a client's protection portfolio to change as their circumstances change. GIO's go some way towards this but outside of the standard life events, any other changes usually require new policies to be set up. When someone moves jobs their employee benefits change so being able to easily change deferred periods on their IP or being able to replace their death in service with a personal plan without underwriting. The final change I desperately want to see is the wider adoption from providers of beneficiary nomination.

**Phil Day, Senior Business Development Manager, Iress**



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As Protection awareness grows there needs to be an increased focus on the language being used when discussing Protection with customers. It was noted that single people are the fastest growing category of mortgage borrowers, yet we still use narrative around protecting families which can alienate a growing demographic of customer who are unaware of their protection needs.

We all know value added benefits are incredibly important so tailoring products aimed more at the single customer could help grow awareness and protect more people in the long run. I believe Providers are looking at this, as innovation is constantly being considered to bridge the gap in protection and we at Iress are always welcoming to discovery sessions to understand how we can help. It's about looking at how Providers, Distribution and Technology Partners can work together to produce inclusive products, display inclusive products and educate on inclusive products.

**Louise Sarsby, Head of Account Management - Provider/Lender, Iress**



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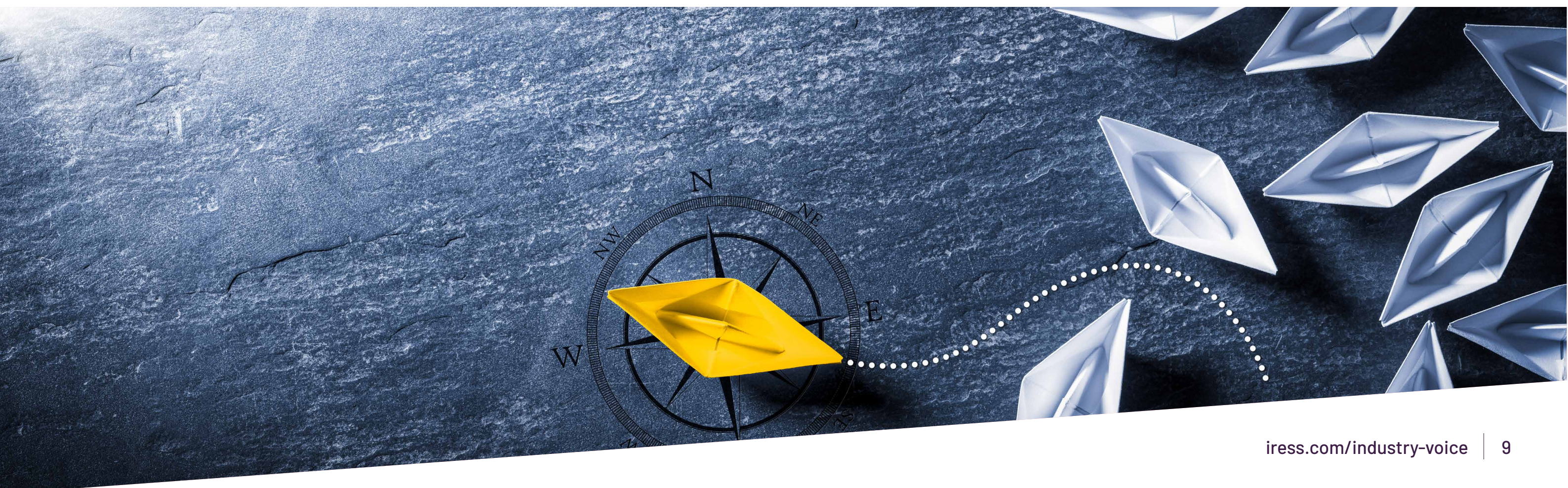


Our industry hasn't seen much change over the years - and you could argue - if it isn't broken, don't try and fix it. However, we believe in change for better consumer outcomes. Our technology has changed the way you can quote and source for products to help streamline the process of recommending what is right for the client. From filtering results based on 'factors considered' to integrating with CIEExpert - we are constantly looking of ways to change. Do not fear change, embrace it and you and your clients will thank you for it.

**Warren O'Connell, Head of Business Development - Sourcing, Iress**



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# Rethinking relevance: How you can shape the future of protection



Jim Hunter  
Protection National Sales Manager  
Aviva



What does it mean for protection to be truly relevant in 2025?

The protection gap in the UK is well documented. But behind the statistics are real people, many of whom don't see protection as something for them. Not because they don't care, but because they don't connect. They don't see how it fits into their lives, their priorities, or their sense of financial identity.

This disconnect isn't new, but it is becoming more nuanced. Younger generations, for example, may value flexibility, independence, and purpose over traditional financial milestones. Older clients may no longer see the need for cover after paying off their mortgage. Others are simply overwhelmed by choice, by complexity, or by the emotional weight of planning for the unexpected.

So how do we respond?

First, by recognising that advice is no longer just about information, it's about interpretation. That means moving beyond product features, to understand not just what protection is, but why it matters to them, personally. It means asking the right

questions, listening more deeply, and tailoring conversations to reflect not just financial needs, but human ones.

Protection is, at its core, a story about what happens when life doesn't go to plan. When someone experiences a major life change such as becoming single later in life due to divorce or bereavement, their financial resilience can be significantly impacted. In these moments, the need for support may become more apparent.

Sharing real case studies of recovery and reassurance can help clients see themselves in the picture. To shift the conversation from "what if" to "what matters."

This doesn't require dramatic

storytelling. Often, the most powerful moments come from the everyday: a parent able to take time off work to care for a child, a self-employed client who kept their business afloat during illness, a family who found stability in the midst of grief. These are not just claims they are outcomes and they speak to the real value of protection.

Of course, relevance also means clarity and as expectations around service and communication evolve, so too must our approach. Clients need advice that cuts through the noise, guidance that is not only accurate, but accessible in language, tone, and timing. It's about making protection feel understandable and achievable, no matter someone's background or level of financial confidence.



This is particularly important when engaging those who have historically felt excluded or underserved. Whether due to mistrust, misinformation, or simply a lack of relatable content, many potential clients remain outside the protection conversation. Advisers have a critical role to play in changing that, not by simplifying the message, but by humanising it.

And finally, we must remember that relevance is not static. It shifts with life stages, with economic conditions, with personal

experiences. That's why ongoing engagement is so important. A protection conversation isn't a one-off, it's a relationship. One that evolves as clients do.

So, what does it mean for protection to be relevant in 2025?

It means advice that is empathetic, not just efficient. It means stories that reflect real lives, not just risk profiles. It means accessibility, adaptability, and above all, authenticity.

If you're advising on protection, you're well placed to support this evolution not by reinventing protection, but by rethinking how it's framed and delivered. When protection feels personal, inclusive, and relevant, we don't just help to close the gap, we build lasting confidence in its value.

[Find out more](#)

# Meeting real life needs with real protection: Rethinking IP for a new generation



Oliver Jones  
Commercial Director  
National Friendly



With increasing numbers in self-employed and gig workers, and with clients facing unique financial pressures, the protection industry must move beyond traditional income protection. We explore how simplified, innovative products are closing the gap—and what advisers need to know to stay relevant.

Income protection (IP) has long been positioned as an essential financial safeguard—yet uptake remains stubbornly low. According to recent Mintel data (March 2025), just 8% of UK adults have an IP policy. For younger demographics, the numbers are even lower, and the barriers are growing.

63% of under-35s now view income protection as more appealing due to the cost-of-living crisis. But there's a disconnect: 24% of 18–34-year-olds don't understand what IP is, and 13% don't know how to go about arranging it. This signals a clear and urgent need for the industry to change—both in how we communicate protection, and how we design it.

**What's happening with traditional IP?**

For all its merits, traditional IP hasn't kept pace with today's lifestyles. Lengthy underwriting processes, jargon-filled policy documents, and a focus on long-term sickness often make it seem irrelevant or inaccessible to many younger people. When juggling freelance work, side hustles, childcare, and tight budgets, the average 30-year-old may not see how long-term sick pay cover fits their life or their wallet.

More than that, the reality of risk is different than it used to be. Our Bruised Britain research shows that 29% of adults, rising to 37% among under-35s, have experienced an accident in the last three years. These aren't just minor incidents. One in five had to change their daily routines, and 15% now live with long-term effects, such as chronic

pain or reduced mobility.

**Bridging the gap with simpler, innovative products**

The gap between need and action creates a clear opportunity for advisers to lead meaningful conversations. At National Friendly, we've developed non-traditional income protection options, like Accident Only Income Protection or Friendly Shield, that are quick to apply for with no underwriting, budget-friendly, and simple to understand—especially for occupations that typically struggle to access traditional cover.

Think of these as a stepping stone—not a replacement—for long-term protection. These products can help advisers say “yes” more often, particularly to first-time buyers or younger clients who want to



start small but meaningful. These moments of financial transition are an ideal time to introduce flexible options that match real-life risks.

**Value beyond payout**

Another critical shift: today's clients want more than just a payout. They want support, simplicity, and reassurance. That's why we include Friendly GP+, our 24/7 virtual GP service, as a free add-on with our protection plans. Clients can speak to a doctor any time, get private prescriptions, open referrals, counselling, physio, and even money guidance—and cover is available for family too.

This kind of wraparound support brings real value into everyday life and fosters the trust needed to build protection journeys that evolve over time. It's also a practical way advisers can show how protection helps beyond just emergencies and suit a “prevention rather than cure” approach.

**A new approach to advice**

We're entering a time where good advice means personalising for lifestyle, not just income. Younger clients need empathy, not just financial modelling. They want cover that reflects the unpredictability of gig work, solo parenting, or starting a business—not just a 9–5 salary.

By leading with accessible options and building from there, advisers can strengthen trust, increase take-up, and future-proof their client relationships. It's also fully aligned with the Consumer Duty—helping clients to make informed, needs-based decisions in a transparent and supportive way.

The protection industry doesn't need to reinvent itself—but it does need to evolve. That means listening to the next generation, designing for their real needs, and supporting advisers with tools that genuinely connect.

[Learn more](#)



# Change is here – And it starts with us



Vikki Jefferies  
Market Development Director  
Legal & General



Recently, I had the pleasure of chairing a panel discussion that tackled one of the most pressing questions facing our industry: how do we evolve advice to meet the needs of today's customer?

The session, titled Modern Advice: Customers, Conversations, and Culture, brought together a brilliant panel – Debbie Kennedy from LifeSearch, John Scrivens from Stonebridge, and Sean Philip from Legal & General. Each offered powerful insight into how advice is changing, and why embracing that change is now business critical.

## Customers Are Changing – Are We Keeping Up?

One of the clearest themes to emerge was just how much customer behaviour has shifted. As John pointed out, younger audiences are no longer relying solely on Google to research financial decisions – they're on platforms like TikTok. They're watching videos, listening to peers, and forming opinions before they ever reach an adviser's desk.

This echoes findings from AMI's recent research, which revealed that 21% of customers had to proactively ask about protection. That tells us something important: we still have work to do when it comes to proactive engagement. We need to

show up before customers come to us – speaking their language, on their platforms, in a way that earns trust.

## It's Time to Start Conversations Earlier

Debbie Kennedy shared some valuable insights from LifeSearch's research, highlighting just how long the customer journey can be – often many months. Protection decisions aren't always made in response to a product need; more often, they're triggered by life events, emotions, or personal stories.

This is where the role of advisers as storytellers and guides really matters. By showing empathy and sharing real-life scenarios, we can

create moments of connection that help customers move from interest to action. And that connection needs to start well before a quote is ever shared.

Even when customers receive a quote, they're still searching – looking at reviews, comparing providers, reading claims stats. That's a clear reminder that trust, transparency, and presence are non-negotiable.

## Digital Advice, Human Values

Sean Philip reminded us of how rapidly digital behaviours are accelerating. The pandemic has changed how all generations interact with content and advice – older clients are now more digitally

active than ever before. But with the rise of short-form content and influencer advice, we also face a challenge: how do we ensure customers get accurate, trusted information where they're already

The answer isn't to fight the platforms – it's to embrace them strategically. We need to find the balance between digital innovation and human values. Providing the right information, in the right place, with the right tone.

## Culture: The Engine of Change

Throughout the discussion, a recurring theme was culture. As John put it, technical knowledge alone isn't enough. At Stonebridge, adviser development now

includes training on empathy, communication, and relationship building – because that's what today's customers expect.

At Legal & General, we've been investing in internal culture change too. Initiatives like Customer Fest and behavioural resets are about more than reflection – they're about making sure everyone, from senior leaders down, stays connected to what our customers experience every day.

Debbie talked passionately about the purpose-led ethos at LifeSearch: a commitment to "protecting people properly" that guides every part of their business. That kind of focus on customer outcomes – rather than just hitting

sales targets – is what we need more of across the board.

## Advice Must Evolve

What struck me most about this panel was how aligned we all are on one truth: change isn't coming. It's already here.

Advisers and providers alike have a crucial role to play in shaping the future of protection. That means listening closely to what customers want, rethinking how and where we engage, and investing in the culture and skills that will take us forward.

The world has changed. Now it's up to all of us to make sure our advice changes with it.





# The evolution of claims – balancing advancements in technology with retaining a human connection



Robert Higgins  
Senior Claims Manager  
Cirencester Friendly



Protection used to be a business conducted exclusively on paper. Older customers will remember only too well the pain of filling in long, laborious forms to make a claim and then sending these off in the post, trusting they would arrive safely at the correct destination. Advances in technology have improved the customer experience massively, supporting slick, online processes that are far easier and quicker to complete.

There is no doubt that an investment in computer systems and enhanced web capabilities has benefitted customers, Advisers and Insurers hugely. They have also driven innovation and improved accessibility across the protection industry. The emergence of AI offers a wealth of new possibilities that could revolutionise the claims process even further.

For example, interactive voice response (IVR) systems that can understand requests and provide information without the need for any human engagement are evolving rapidly, getting ever more sophisticated. They have become much more commonplace and

can perform a very useful role, particularly if what is required is straightforward.

If someone needs to change their bank details or their address, then being able to do that online or over the phone, helped by a virtual assistant can fit the customers needs. However, in our world when someone is making a claim that relates to a very personal thing – their health – it is vital that they have an option to speak to someone to explain their problem.

Claims can be relatively simple, involving a common injury. For example, if a builder breaks their leg, the medical report will make it

clear that they will be unable to do their job until it is healed. However, a significant number of claims are not straightforward. A claim relating to mental health or cancer will be intensely personal. How the person feels, how they react to treatment and their rate of recovery can vary enormously depending on their background, the support available, their job and many other elements.

We are dealing with people in very challenging situations and instead of helping, technology can act as a frustrating barrier when all someone wants is to have someone to listen to their story and understand what they are going through.



Our Claims Consultants often talk to people when they are at their lowest. They are worried, fearful and sometimes in pain. They may not be thinking clearly and have all the information needed to hand. Teaching them how to deal with difficult or challenging conversations is part of our training as we realise how stressful this can be for both the claimant and our Consultants. The more empathetic they can be on these calls, the better the outcome for all concerned.

While it is important we have a process in place to manage

our claims, it's also vital that we empower our Consultants to not be completely driven by it. They must feel comfortable to show human concern when the person on the other end of the phone needs it. If they want to share what they are going through or just need a sounding board, our Consultants will give them that time.

Technology can be a very powerful tool. It can analyse huge amounts of data in seconds. This can identify anomalies and highlight trends in claims data that could easily be missed by the human eye. These can help us refine our processes, amend

our approach and ultimately provide a better service.

It is our responsibility to embrace innovation and explore how it can benefit Members. We are here to service their needs and adapt as expectation evolves. However, we cannot lose sight that people are at the heart of our business and supporting them both financially and emotionally is an essential part of the claims process. Using that technology to enhance the personal touch we can give is what we need to strive to achieve.



# As the world moves on, our industry musn't get left behind



Greg Levine  
Deputy CEO  
Vitality



To better meet the needs of today's consumer and grow the market, we must rethink the role of insurance in the 21st century, writes Vitality Deputy CEO Greg Levine

If you attended a live concert in the early 2000s, chances are most of the crowd with a mobile phone had a Nokia. But they weren't filming the show - they couldn't. At its peak, Nokia supplied 40% of the world's mobile phones<sup>1</sup> and was worth billions. Fast forward to today and smartphones are everywhere, with audiences capturing every moment on devices that bear little resemblance to those early handsets.

While brands like Apple embraced shifting consumer habits and technological innovation, Nokia clung to outdated designs and software. Phones evolved from simple communication tools - calls and texts - to lifestyle devices. By the time legacy brands tried to catch up, the world had already moved on.

## A rapidly changing world

But what does all this have to do

with us? The truth is, the world is moving fast and the health and protection industry needs to move with it, or risk being left behind.

The way people live and work, as well as consumer attitudes, values and expectations are all being impacted by rapid advances in science and technology.

We are also witnessing a revolution in the sophistication of data and artificial intelligence. Harnessing these new technologies is now critical for companies to move forward and stay ahead in the 21st century.

Our world is also experiencing far greater economic and health volatility, with global healthcare systems under immense pressure from declining population health and wellbeing, whilst households continue to face rising living costs and eroded incomes.

## Shifting consumer expectations

In this context, traditional models of insurance risk becoming outmoded, as the pace of change and shift in people's expectations calls for new and innovative ways of meeting consumer needs in 2025.

Consumers now rightly place a higher emphasis on seeing tangible value and are also much less loyal to brands than in the past. The growing demand for personalisation of products is also shaping how brands engage with consumers and deliver meaningful experiences, tailored to their individual needs.

There's also a growing prioritisation of health and wellbeing, particularly amongst younger age groups. Alongside the wider health



challenges we face as a society, it's clear that we must do more to help people live in better health for longer and ideally prevent illness from arising in the first place.

All of this has meant that people now expect far more, even from financial services. And, for many years now, it has no longer been enough for an insurer to just pay claims when things go wrong.

And yet, as an industry, we still overwhelmingly fall back on old arguments around offering peace of mind. To borrow Albert Einstein's famously misquote: we are doing the same thing over and over again and expecting the same results. We assume people will immediately see the value in insurance that only offers the intangible promise of a payout in the event of some

unforeseen future event.

This is despite the fact we know people's inherent psychological biases act as a powerful barrier when considering insurance. We either don't think it will happen to us or place an overwhelming emphasis on upfront reward over potential longer-term gain.

## Time for innovation

Given these trends and the changing customer needs and expectations, our industry must embrace new and innovative ways of thinking.

Yes, we must continue to offer high-quality, comprehensive cover for when things do go wrong. But that cover must go further to be more relevant and resonate with today's consumer.

Furthermore, products should no longer just be something that clients purchase, 'file away in a drawer' and forget about. By incentivising and rewarding healthy behaviour, alongside comprehensive cover, we can create more ongoing, meaningful engagement throughout the life of the plan.

We have a real opportunity to not just protect our clients but enhance their lives and strengthen their financial and health resilience, whilst harnessing technology and personalisation to deliver a better customer experience.

In short be customer-led, stay relevant, stay current and, unlike Nokia, don't get left behind.

Source:  
1. <https://www.bbc.co.uk/news/business-35807556>





 **Swiss Re**



Recent purchases of income protection have shown customers have a real desire to protect their income should they become long-term sick. Swiss Re's Term & Health Watch 2025 reported an 18.2% rise in Income Protection sales in 2024. This was driven by large growth in new products with a benefit which could pay to normal retirement age (NRA) and smaller growth in limited payment term (LPT) products. This is positive when considering the potential impact an insured person and the welfare state if an insured person is unable to return to work before the end of a policy's payment period.

The Government is on a mission to encourage people to remain in or return to work as part of its plans to boost productivity and keep people healthy. This has highlighted the role of both individual and workplace income protection in supporting people financially and medically while minimising Government spending.

**Joanna Scott, Technical & Industry Affairs Manager for Life & Health, Swiss Re**



In my 20 years in the industry one phrase always comes up, no matter whether it's internal discussions looking at the next propositional development, when I'm with clients, or more commonly, at an industry events. Protection Gap, Protection Gap, Protection Gap!!

So what do we do about it...While we all appreciate that Protection is sold and not brought, should we as an industry be doing, or should have done, more to ensure clients are protected? Is it down to advisers following a loose sales process and not ensuring the discussion is being had? Should Networks be doing more to ensure that the discussion is had with clients or do we need an industry body or government support to educate the general public and promote the benefits of protection to consumers? While there has been positive product innovation from Providers in the market and some brands should be applauded for being active on TV advertisements the concern is we still have the protection gap and its only increasing. So what will happen in the future of Protection, will AI come to the fore and support more clients being covered, could Mortgage Lenders work with Providers to formulate discounted products going forward? Or will we still see and be discussing the Protection gap in 20 years' time.

**Chris Hickman, Senior Business Development Manager, Iress**



 **iress**



One aspect of change we can do better, is meeting the changing circumstances of policyholders. Overall, product flexibility in our market is pretty limited. Guaranteed Insurability Options are restrictive and not well promoted, so utilisation is low. At our WIP Network events, we've discussed how financial abuse perpetrators can control victims through joint-life protection products, so we'd like insurers to make it easier to separate joint-life policies. Mothers are more likely than fathers to take career breaks and/or go part-time, reducing their income and potentially leaving them without income protection cover; we'd like to see more insurers provide effective 'house-persons cover' and implement more flexibility for changing incomes. We also applaud insurers who can remove exclusions where there's been an improvement to health, without full underwriting. Creating plans that can flex during the plan term will better meet the needs of customers, giving them a greater chance of being able to claim.

**Emma Thomson, Chair, Women in Protection Network**



 **wip** women in protection





# New age of Income Protection



Julie Thompson  
Protection Proposition Manager  
Scottish Widows

SCOTTISH WIDOWS

With statistics showing that the average graduate has debts of £45,600<sup>2</sup> and 52%<sup>1</sup> of Gen Zers (typically those aged 12 to 27) saying they are very or extremely worried about not having enough money<sup>3</sup>, there can be little doubt that younger people are under more financial strain compared to previous generations. A good example of this is in the housing market, a traditional 'milestone' for Protection needs, where an average deposit in England needed as a first-time buyer is taking up to 10 years to save for<sup>4</sup>.

All this means we need to start thinking differently when talking about income protection. Engaging younger generations about Protection, and in particular income protection, is a challenge but one that as an industry we should embrace and face into.

Relevancy really comes into play here as no one wants to feel like the odd one out. As an industry we appear to talk a lot about 'lack of cover' and in fact **only 1 in 10 have income protection cover**<sup>6</sup>. Instead, let's flip the narrative and focus on those that do have it, drawing out the positives using real life examples and relatable content, on

the right platforms, so it starts to feel like the norm and builds that FOMO (fear of missing out for the uninitiated) momentum.

**52%<sup>1</sup> of Gen Z say they are very or extremely worried about not having enough money<sup>3</sup>**

**44%<sup>5</sup> of Gen Z over the age of 18 consult social media as an initial source of information for things such as investments**

Staying relevant is hard, but it's important we do try to connect and engage with everyone, including those that may feel out of reach, particularly as 94%<sup>7</sup> of Gen Z

in the UK use social media. For them, social media is a key form of connection with the world which educates, inspires and bonds them.

Income protection is a valuable product, particularly for younger people who may not have a mortgage or dependants but do have a quality of life they want to maintain and financial aspirations. We have a duty of care to protect and educate them while being aware of how much the landscape has changed in terms of traditional milestones.

We need to work together as an industry and speak to as many

people as possible to get credible views on what's important to them, as well as keep one eye on future challenges and threats. Getting this right will allow better conversations around income protection as it brings that element of relevancy and authenticity which is arguably missing at the moment. As already stated, social media is a huge influence on the younger generation so how do we ensure as an industry that younger people are safe from misleading information?

I accept this is tough but ensuring your most important points are up front and easily digestible plays into this mindset, along with being trustworthy.

**But they still can't afford it**

Income protection is generally more expensive than life or critical illness cover, and we need to be mindful of this. However, the earlier protection is purchased, in general, the cheaper the cover payments will be. Plus, the fact we are witnessing a decline in risk behaviours such as smoking, drugs, and alcohol use in younger people, particularly those at the younger end of the Gen Z scale<sup>8</sup> should further assist with the price of cover.

The potential benefits cover can offer above and beyond a monthly payment can help with relevancy. The additional services most providers offer include therapy sessions, physiotherapy and GP appointments which are of particular value if people cannot

easily access a local health provider due to travel or regular moves - and we have all seen the headlines about the current NHS waiting lists and lack of NHS specialist referrals.

We have a real opportunity to provide that financial safety net, along with all of the above, to add true value that can help younger people not just live but thrive.

#### Sources:

1. Office for National Statistics, Job changers and stayers, understanding earnings, 2022
2. UK Parliament, Student Loan statistics, 2024
3. Ernst & Young LLP, Gen Z Segmentation Study, 2023
4. Generation Rent, July 3, 2023
5. FINRA Investor Education Foundation and CFA Institute, 2023
6. Scottish Widows YouGov research, 2024
7. Statista, Share of social network users, 2023
8. Ball et al, The great decline in adolescent risk behaviours, 2023



# The shift is social – Why advisors can't afford to stay silent online



Jo Miller  
Managing Director  
IPTF

iptf

Heraclitus is quoted as saying “There is nothing permanent except change” and whilst I can say with some authority that he wasn’t referring to social media, his words ring true today for advisers looking to stay close to existing and potential clients utilising all the tools at their disposal.

Change can be difficult to embrace but the reality is that change is nothing new in financial services whether that manifests via the number of insurers in the market, regulations that we are all required to follow or the demands and needs of clients. What advisers are required to do for clients has naturally evolved but perhaps more importantly the options that they have to explore how they do their job has also changed dramatically.

The pandemic necessitated a change in the way we work but the changes which were ushered in for health and safety reasons have stayed put, largely because they offer flexibility and convenience that wasn’t always part of the advice process before. Clients expectations have changed and embracing online meetings is now more the norm than meeting face to face to discuss their needs and plans.

While there are a range of online tools and calculators that advisers

can use during client meetings, the process of acquiring clients in the first place has also shifted and the result is that advisers find themselves having to embrace a new level of financial literacy for the benefit of their businesses and client pipelines.

Social media presents a huge opportunity for advisers to reach out to new and existing clients. Whilst the obvious opportunity may be to establish a profile and presence for advice businesses, the chance to educate audiences on the need for protection should not be overlooked. Demonstrating the impact that good advice and the right protection products can have builds trust which can take considerable amounts to establish in other more traditional ways. Well timed, regular posts on LinkedIn, Instagram, or dare I suggest it, even Tik Tok can help demystify concepts for clients, help showcase advisers’ personalities (the saying people buy from people rings true here) and reinforces credibility.

Furthermore, social media provides the opportunity to extend reach well beyond a traditional client base or geography.

There will always be a need to work within compliance boundaries, but this shouldn’t negate the opportunity that exists for those advisers who seize the chance to build a brand online and engage with their audience. Consistency is key with posts to build trust and recognition and video content helps to humanise the subject of financial advice which might otherwise feel like a dry prospect to clients.

Clients, depending on their age are highly likely to jump online to do their own research about protection – isn’t it important that advisers meet them there? Social media, AI and other online tools are not about replacing people in the advice process, they are about allowing us to connect with customers in new ways. Change is rarely comfortable, but the reality is that it’s necessary.





# A time to stand still and reflect



Stacy Penn  
Head of Policy  
AMI



“Everything changes and nothing stands still”. A quote attributed to the Greek philosopher Heraclitus, the push for change is everywhere. From a government driving a growth agenda, aiming to boost homeownership, to a regulator looking to simplify and streamline regulation making it easier for firms and consumers to do business.

Throughout May AMI's attention has been on the FCA's 'Mortgage Rule Review' consultation. On the face of it, the premise of making the mortgage process quicker and easier for consumers is a positive change. However, it goes wider and deeper than this.

An area with significant ramifications is the proposal to remove the advice 'interaction' trigger. The trigger requires firms interacting with a consumer in a new mortgage sale to provide advice and was introduced as part of the Mortgage Market Review (MMR) over 10 years ago. Fast forward to today, we have a market where 97% of mortgages are advised, with around 90% of mortgages transacted via intermediaries. The FCA believes the advised figure of 97% is too high and wants more consumers to have the choice to go execution only without being channelled into advice. It is difficult to comprehend how receiving advice is seen as a negative outcome of previous regulatory change that was put in place to protect consumers.

The current proposals undermine

the important role of advisers and risk consumers making an uninformed decision on what is likely the biggest financial transaction of their lives. There is a chance that loyalty penalties seen in the GI market – an area the FCA has attempted to address through regulation – becomes prevalent in the mortgage market. Customers going through an execution only route with their existing lender may believe they are getting the best deal and worse ongoingly stay with that lender, never once reviewing the wider market and other – potentially better – options available to them.

Encouraging a shift to increased execution-only sales fails to recognise that the role of an adviser extends far beyond the mortgage transaction itself. Advisers play a crucial role in protecting the customer and ensuring a holistic conversation about the role of different protection products.

A customer choosing to go execution only on their mortgage may instil false confidence on protection, such as potentially

foregoing advice and obtaining protection online or direct based on their belief of the right product and not what meets their needs. Furthermore, we know from AMI Viewpoint research that a house purchase is the main trigger for consumers buying protection, yet the FCA proposals risk creating a disconnect in the customer journey that will only widen the protection gap – an area of focus within the FCA's own pure protection market study.

It is important for industry to continue conversations on the proposals, to help deliver meaningful change. There is a risk that the protection industry is focussed on the pure protection market study, whilst overlooking a more imminent challenge. Change is to be embraced but not to the detriment of consumers. In AMI's view, innovation should enhance advice – not replace it. Change helps keep the world moving forward but standing still to reflect on the why and how is an important part of the process.



# Get in touch

Industry Voice is shared with an audience of over 15,000 people in the UK mortgage and protection industry. We produce four editions a year and target an online audience of mortgage and insurance brokers, product providers, financial advisers and individuals with a vested interest in Industry Insight.

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**Neal Ray**

Advertising & Sponsorship  
Manager

[Neal.Ray@iress.com](mailto:Neal.Ray@iress.com)



**David Kidgell**

Advertising & Sponsorship  
Executive

[David.Kidgell@iress.com](mailto:David.Kidgell@iress.com)



**Laura Newman**

Advertising & Sponsorship  
Design Assistant

[Laura.Newman@iress.com](mailto:Laura.Newman@iress.com)

[advertising@iress.com](mailto:advertising@iress.com)

[iress.com](http://iress.com)



Our partners:

