

## Profile

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JACK MCVITIE

# ‘Advisers must change the way they let people interact with them’

## LEBC chief executive on learning from ‘click and collect’ to transform access to advice

AMANDA NEWMAN SMITH

It seems logical for businesses to consider widening access to their services if they want to grow. Some might explore a new region to broaden their reach geographically.

For others, offering a range of services that cater for different customer needs - and their pockets - sounds like a no-brainer.

But when you are in the advice business and looking to deliver different levels of advice cost-effectively, it is a hard call. How far do you rely on technology to create those much-needed efficiencies and what aspects of the human touch are beyond compromise?

National advice firm LEBC chief executive Jack McVitie thinks he has found the answer in “bionic” advice. This is LEBC’s alternative to robo-advice: a hybrid of technology, human knowledge and interaction with clients by phone or online.

The firm says it reduces the cost of traditional face-to-face advice by a third, speeding up basic data gathering and report writing. However, it differs from robo-advice in that human advisers are there to talk to clients about the ‘soft facts’ they may otherwise struggle with, like attitudes to risk.

As it stands, the service is only available for corporate retirement advice. It is delivered via 12- to 14-week “projects” with companies, during which their employees have access to the advice.

LEBC has undertaken more than 100 of these projects since they began in 2014, with some organisations as large as Philips and Goodyear.

All in all, McVitie estimates around 100,000 people have gone through the process.

The most recent project is the first where employees pay for the advice themselves and take-up has been impressive: 1,100 individuals have enrolled at a cost of £714 per head.

McVitie now hopes to use this experience to roll the proposition out more broadly to cover all areas of advice, at first to clients of its advisers, then eventually direct-to-consumer. He is currently working with former head of commerce at Argos and M&S, and inventor of click and collect, Andy Morrey, on what this could look like.

Acknowledging robo-advice “got a kicking” from the FCA in the regulator’s recent review into automated investment advice, McVitie says: “Robo-advice isn’t advice, it’s just a fulfilment system; a way of getting a product. I’ve noticed a number of robo-advisers are trying to back-build a bionic

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system but that’s very difficult because it’s hugely expensive to acquire clients through advertising on the Tube and television.”

He believes a number of those firms will fail to make the transition, just as some online retailers have failed to build a physical presence.

“One of the things people miss is that the client who gets the report is different to the person who does the fact-find. People get educated when they come through the advice process, so they need someone to speak to again.

“An important part of the bionic piece is that you can help people with the soft facts and make sure the report you’ve given them makes sense to them. Some of it is just advice, so there is no product.”

Before starting out in financial services, Paisley-born McVitie trained to be a Catholic priest in Rome. But on deciding the priesthood was not for him, he returned to study philosophy at Glasgow University.

By the time he had graduated, he was married with a young child and needed a job. Many of the university’s “milk round” employers were financial services firms and eventually McVitie joined Alexander Stenhouse as a trainee IFA. He left in 1992 to join Bain Clarkson Financial Services - bought a couple of years later by Hogg Robinson.

Hogg Robinson’s financial planning business was subsequently acquired by Towry in 2000. However, McVitie and some



### FIVE QUESTIONS

**What is the best bit of advice you’ve received in your career?**

**Consistently strive to make yourself redundant. If someone else can do what you do as well as you, let them do it and find something else to do.**

**What keeps you awake at night?**

**In terms of the business, it’s excitement. You want to get up before you go to sleep.**

**What has had the most significant impact on financial advice in the last year?**

**British Steel. People now have opinions about financial advice that may not represent the general standard.**

**If I was in charge of the FCA for a day I would...**

**Set a minimum target for direct authorisation of 10 registered individuals and turnover of £2.5m, otherwise firms would have to seek authorisation through networks.**

**Any advice for new advisers?**

**It’s a great time to come into the profession, so enjoy it.**

### CV

**2000-present:** Chief executive, LEBC Group

**1994-2000:** Regional director, Hogg Robinson Financial Services

**1992-93:** Managing director, Scotland, Bain Clarkson Financial Services

**1986-92:** Trainee consultant to branch manager, Alexander Stenhouse Financial Services

colleagues were unhappy with what they saw as a mismatch between the culture at Hogg Robinson and Towry, so they left to establish LEBC.

“My colleagues and I left Towry instantly. It chased us through the courts for breach of contract and we were waiting for an employment tribunal hearing. That went on for 15 or 18 months, so as well as starting the business we had that on the back burner. We won the case,” he says.

The firm grew organically at the start, but there came a point when they began contemplating “what next?”

McVitie recalls how the seeds of LEBC’s journey into bionic advice were sown during a four-day team-building event in a remote part of Scotland back in 2013.

“We thought: how do we transform access to advice? We could open another 10 offices but that would not transform access to advice,” he says.

“We asked ourselves how we could deliver advice differently, so that more people could obtain it. It’s not about more sites, but better systems, using telephony and online.”

McVitie has learned a lot from looking at how the retail industry has been transformed by internet shopping.

“I’d always had a lot of clients who are retailers. I’d watched what was happening to retailers in terms of internet shopping and how they’d had to transform their businesses. You have to do it differently. You still have your physical footprint - the retailers still had their shops - but you have an online experience too.”

In the early days of online shopping, retailers tended to have one or the other, so when they wanted to do both, they had to change their supply chains - fulfilling online orders from warehouses rather than the stock they had in their shops.

“There is more to an online business than setting up a website; it’s how you fulfil that,” says McVitie.

“You need to change the way you allow people to interact with you.”

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