

UK IFA M&A Update

A look back at 2020-2025



We see things
differently.

Executive summary: 2020-2025 overview

Over the period from 2020 to 2025, the UK IFA sector experienced a sustained phase of consolidation as larger platforms and wealth management groups continued to acquire smaller advisory firms.

The market remains highly fragmented, with thousands of owner-managed practices across the UK, making it well suited to buy-and-build acquisition strategies. As a result, well-capitalised buyers, particularly **private equity-backed consolidators** and **vertically integrated wealth advisers**, have played an increasingly significant role in driving transaction activity and building national advice platforms.

Several structural factors have underpinned this trend. Many advisers are approaching

retirement age and are seeking succession solutions, while rising **regulatory, compliance and technology costs** have made it more challenging for smaller firms to operate independently. At the same time, investors have been attracted to the sector due to its **recurring, fee-based revenue** models and **strong client retention**, making advisory businesses attractive acquisition targets. Together, these dynamics have accelerated consolidation and gradually shifted the market towards a smaller number of larger, scaled advice groups.

Private equity investment and regulatory change have driven consolidation in recent years, and the market shows little sign of slowing as US investors continue deploying capital into larger wealth platforms.

Greg Easter
Partner, Corporate Finance



Looking ahead

1

PE led consolidation will keep overall prices high for some time

Regulatory change and significant private equity investment have driven rapid consolidation and rising valuations in the UK advice market. While capital continues to flow into scaled platforms, current valuation levels may reflect elements of a valuation bubble, which could correct as the market develops and greater emphasis is placed on delivering organic growth.

2

Valuations will become less uniform

Currently, buyers, particularly large consolidators, tend to offer broadly standardised valuations with limited flexibility. As the market matures and buyers focus more closely on efficiency and integration, this may shift toward a more differentiated pricing environment, with premiums paid for high-quality businesses and discounts applied to less attractive opportunities.

3

Premium valuations will be driven by clearly articulating an attractive equity case

As the buyer market matures, premium valuations will increasingly favour firms with scale, strong organic growth and clear earnings visibility. Sellers will need to articulate their unique value drivers, including client demographics, sector / segment focus, use of technology and differentiated product offerings. Demonstrating how these align with buyer strategies will maximise value.

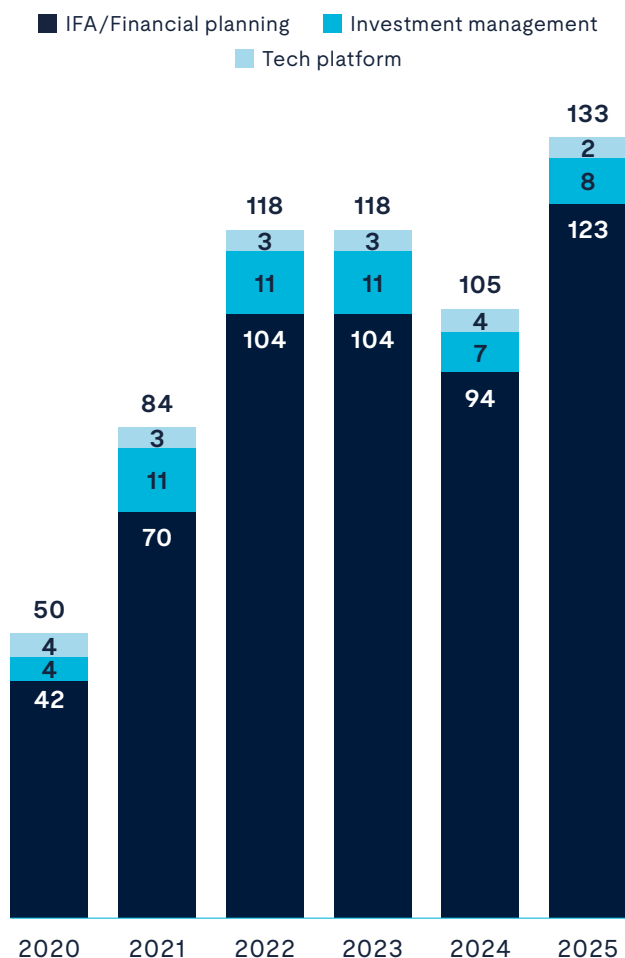


Transactions from 2020 - 2025

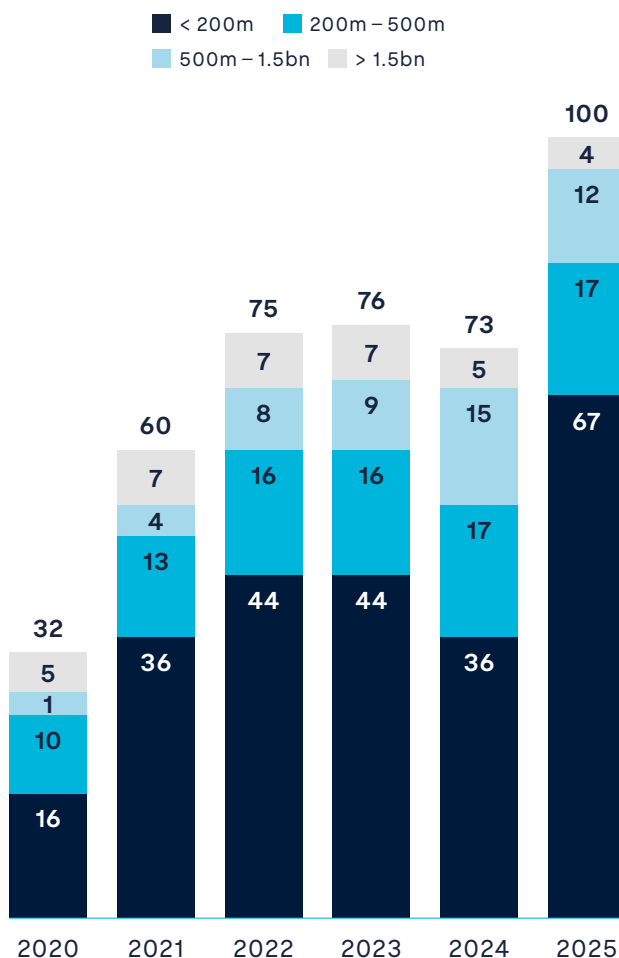
Transaction activity increased significantly between 2020 and 2022, rising from around 50 deals in 2020 to over 115 deals in 2022, reflecting a surge in consolidation following the disruption caused by the pandemic. Activity remained elevated through 2023 and 2024 before reaching a new peak in 2025, fuelled by new private equity entrants during the last three years.

The AUM breakdown of targets shows that sub-£200m AUM firms account for the largest share of acquisitions each year. This highlights the ongoing roll-up strategy pursued by many consolidators, where buyers acquire smaller regional advisory businesses and integrate them into larger platforms, with multiple arbitrage at its greatest in these deals.

Gross* no. of deals by sub-sector



Net* no. of deals by AUM



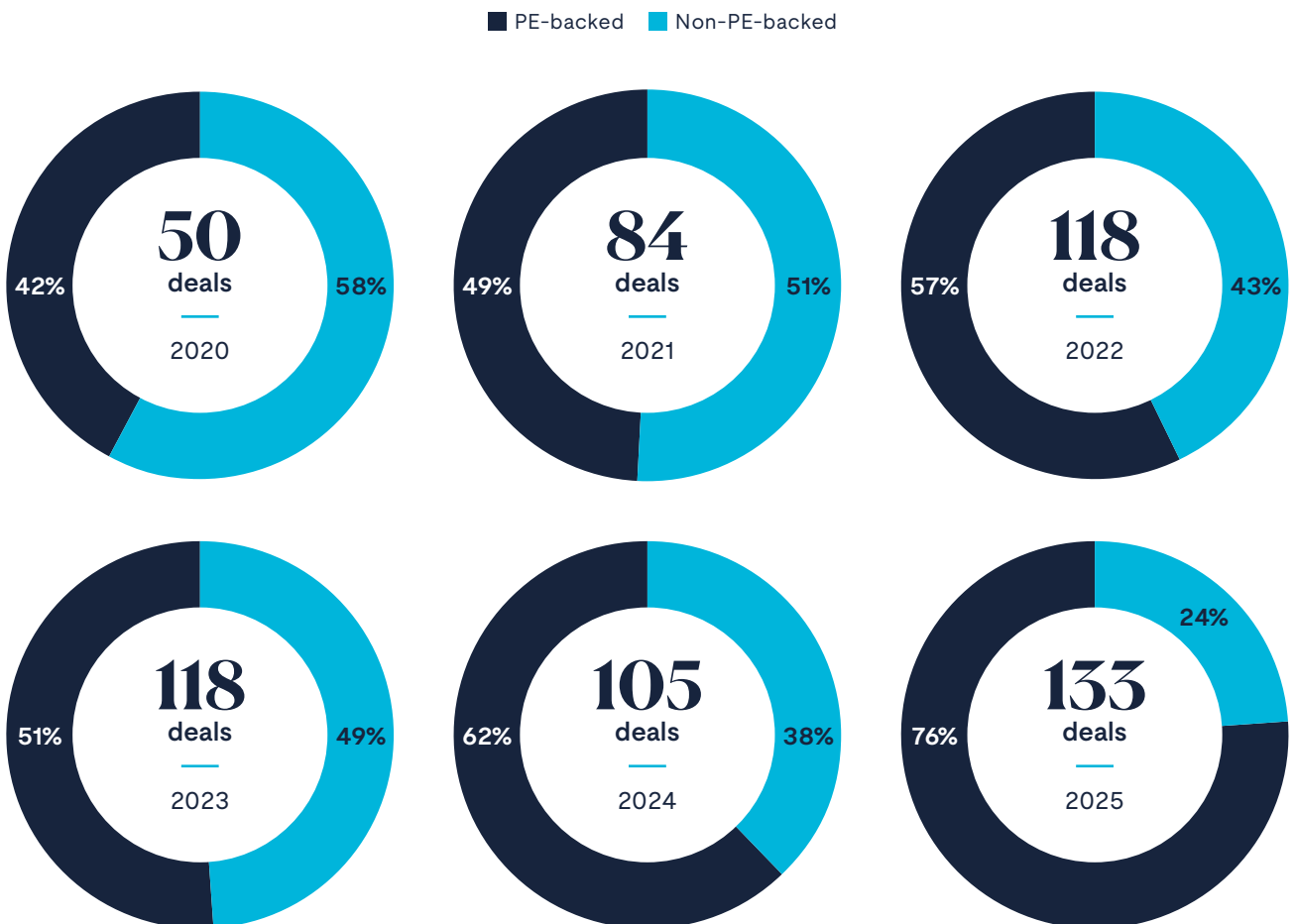
*Gross refers to total number of deals, net refers to deals with a disclosed AUM value

One of the most notable shifts over the period is the growing influence of private equity-backed platforms. In 2020, PE-backed buyers accounted for around 42% of transactions, but by 2025 this had risen to 75% of deals.

This trend highlights the increasing role of institutional capital in driving consolidation across the UK wealth sector. Private equity-backed platforms benefit from access to significant capital and pursue buy-and-build strategies, acquiring multiple advisory firms to rapidly scale assets under management and distribution capabilities.

PE-backed vs. non-PE backed

Number of PE-backed buyer deals have increased nearly five-fold in last 5 years.



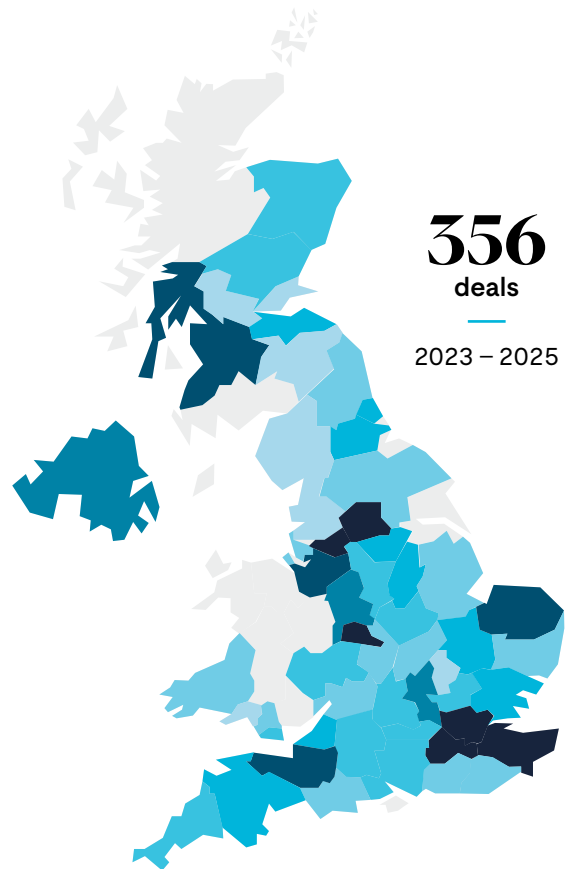
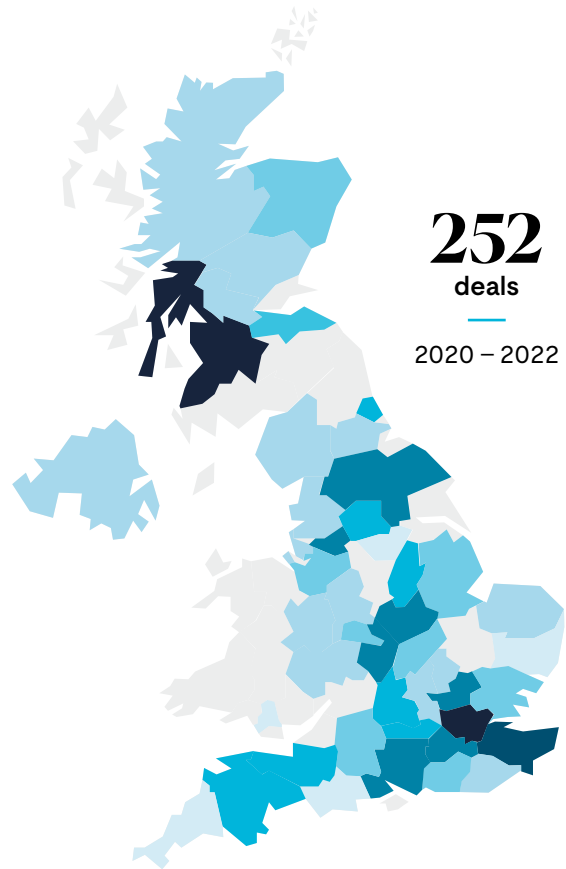


Geographic evolution of targeted firms

While activity remains concentrated in established wealth centres, such as London and the South-East, the Midlands, and parts of Scotland, the later period (2023–2025) shows broader geographic dispersion of transactions across the UK. Deal activity appears to have expanded into areas that previously saw relatively limited consolidation activity, including parts of Wales, northern England, and the South-West.

The map also suggests the emergence of regional clusters of deal activity, particularly around major cities such as Manchester, Birmingham, and Glasgow. This is consistent with the strategy adopted by many consolidators, which often involves building regional hubs and acquiring nearby advisory firms to expand their local presence.

Regions that remain relatively light in deal activity, particularly parts of Wales and northern England, may represent potential areas for future consolidation. As larger advisory firms in core markets become scarcer, consolidators may increasingly look to secondary markets to continue scaling their platforms.



Who’s buying what?

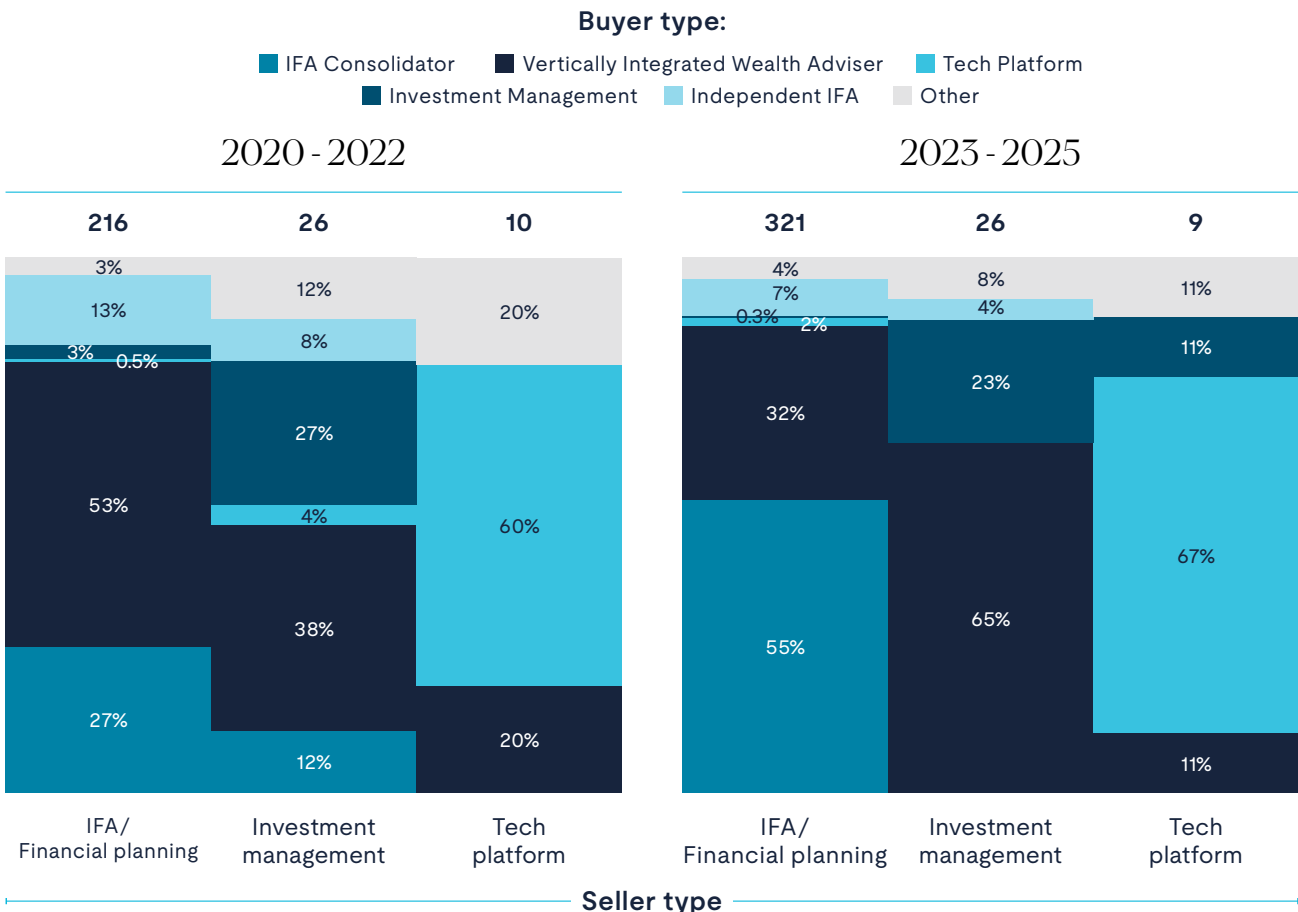
The data shows that acquisitions of IFA / financial planning firms are now overwhelmingly driven by IFA consolidators, increasing from around 27% of buyers in 2020–2022 to 55% in 2023–2025. This reflects the continued emergence of large consolidation platforms whose core strategy is to acquire smaller advisory firms and integrate them into a centralised operating model.

Another important trend is the increased role of vertically integrated advisory firms acquiring investment management businesses. The share of investment management firms acquired by vertically integrated advisers rose significantly, reaching around 65% in the later period.

This suggests that advice platforms are increasingly seeking to control the entire value chain, from financial advice through to portfolio management and product manufacturing. By internalising discretionary fund management (DFM) or investment capabilities, these firms can capture a larger share of client revenue and reduce reliance on third-party providers.

Technology platforms appear to be primarily acquired by vertically integrated wealth advisers, accounting for around two-thirds of tech acquisitions in the later period. This indicates that technology is increasingly viewed as a strategic capability rather than a standalone investment opportunity.

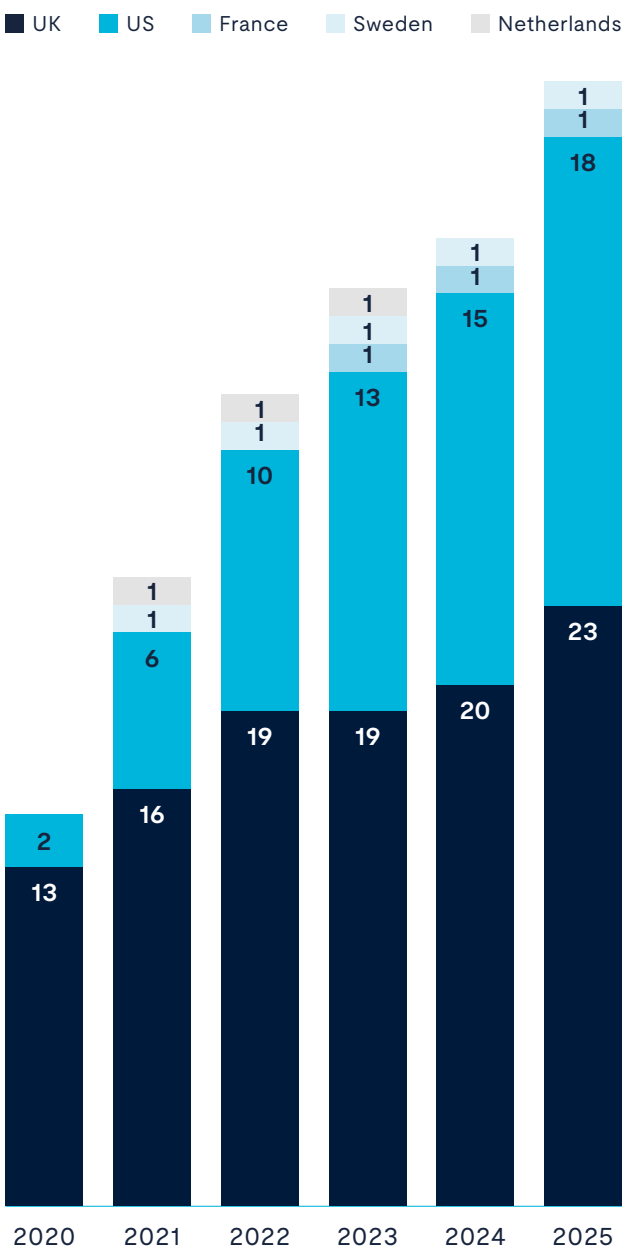
Advice platforms are investing in technology to improve scalability, automate back-office processes and enhance client servicing. As consolidation increases the size of these platforms, proprietary technology becomes a key differentiator in improving operational efficiency and supporting further acquisitions.





Private equity-backed consolidation

Origin of PE firms invested in UK IFA platforms



US-based private equity firms have deployed mass amounts of capital, fuelling growth.

The chart shows a clear increase in the number of private equity firms investing in UK IFA platforms, rising steadily from 2020 through to 2025. The data highlights the growing presence of US investors, who now represent a significant share of PE sponsors active in the sector.

Although the number of UK PE firms still exceeds that of their US counterparts, the level of capital deployed by US firms is significantly higher. Using the AUM of the platforms as a proxy for capital invested, **US-backed platforms are estimated to represent approximately £222bn of AUM, compared with around £165bn for UK-backed platforms.**

Additionally, the total assets managed by private equity firms provide a useful indication of the capital available to support further acquisitions. As of the end of 2025, the combined assets managed by US private equity firms invested in the UK IFA sector are estimated at approximately £2.5tn, compared with around £170bn for UK-based private equity investors.

This disparity suggests that UK PE firms may be closer to their capacity in terms of capital deployment, while US investors retain significantly greater firepower to support future consolidation. As platforms continue to scale and acquisition sizes increase, this could result in a growing share of ownership shifting toward larger international investors.

Top acquirers in 2025

Buyer	No. of acquisitions	PE sponsor	Year of entry	PE country of origin
 Perspective MANAGING WEALTH	26	 Charlesbank	2024	
 Finli	20	J.C. FLOWERS & Co.	2022	
 Clifton Asset MANAGEMENT	10	 cbpe	2024	
 TITAN Wealth	6	 PARTHENON CAPITAL	2023	
 MKC Wealth	5	 CABOT SQUARE CAPITAL <small>INTELLIGENT CAPITAL CONCEPT TO COMPANY</small>	2021	
 CORBEL PARTNERS	5	N/A	N/A	N/A
 WREN STERLING	5	 LIGHTYEAR CAPITAL	2021	
 Söderberg & Partners	4	KKR	2019	
 Shackleton <small>Britain's financial adviser</small>	3	 LEE EQUITY	2025	
 AZETS	2	 Hg  PAI PARTNERS	2023	

Corporate Finance IFA team

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