



Supermarket threat ranks high, finds Opal survey

Story by: David Pawsey | Magazine: [FinancialAdviser](#) | Published Thursday , March 26, 2009

Supermarkets' foray into the financial services industry poses the greatest threat to traditional financial companies, according to Opal.

A survey, carried out on behalf by the financial outsourcing company, has revealed that traditional financial services companies fear that supermarkets could provide the greatest competition to their business in the next decade.

The survey was conducted among some of the largest top financial services providers, including high street banks and building societies, specialist investment providers and insurers.

Senior individuals in the organisations were asked to rank different sectors in terms of threat in the next decade, to which supermarkets came out on top.

According to Opal, consumer confidence in high street supermarket brands and the ability to source products from a broad range of providers meant they were in a position to increase the number of financial services they could provide.

Tony Collins, managing director of Opal, said: "The dynamics for distributing the standard financial products, that most people require, to meet basic protection, savings and investments, pension and insurance needs, have changed.

"While people do not necessarily want a one-stop-shop, they also do not want to trawl around different providers."

Peter Chadborn, principal of Colchester-based IFA CBK, said while supermarkets gave better access to financial products, such as protection, it could have a detrimental effect.

He said: "When people are left to their own devices they underestimate their needs. They may buy £100,000 of life insurance cover and think their protection is taken care of when it is not."

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