The new retail investors: A portrait

Who retail investors are, how they invest and how dramatically the profile has shifted

By Neil Shah, executive director and market strategist, Edison Group

A decade ago, the typical UK retail investor was straightforward to describe: older, male and almost certainly a Hargreaves Lansdown customer. Today, the profile is far more varied, considerably younger and markedly less certain about where to find investment information. Understanding who the new retail investors are – and how dramatically they have changed – is essential for any company with shareholders on its register.

A market growing faster than most people realise

The UK direct-to-consumer investment market reached £471.7bn in assets across 12 million accounts in Q1 2025, according to the *Boring Money Market Monitor*, Q1 2025. A record 2.75 million UK adults are now active online investors, driven by commission-free platforms, ISA expansion and the normalisation of investing among younger adults. The competitive landscape is also shifting: Hargreaves Lansdown's decision to cut fees for the first time in over a decade triggered a significant redistribution, with rival platform interactive investor reporting net inflows up nearly 90% year-on-year and AJ Bell adding 50,000 new customers in a single quarter. The UK retail investor base is growing and, increasingly, investors are willing to shop around.

Exhibit 1: UK retail investing – scale, behaviour and the savings gap

£471.7bn	56%	7m
UK direct-to-consumer investment market, Q125 (Boring Money)	UK retail investors who used social media for a financial decision in the past two years	UK adults with £10,000+ in cash savings who have not invested

Sources: *Boring Money Market Monitor*, Q1 2025; Fidelity International *Be Invested Global Study 2026*; St James's Place/Ipsos survey, Oct-Nov 2025

The 'third wave' and the gender gap that persists

Boring Money's *Online Investing Report 2026* describes a 'third wave' of investors, who are aged 35 to 44 and are comfortable with digital platforms but are taking a more cautious approach than their younger counterparts, with transparency of pricing emerging as a genuine differentiator.

The gender gap, however, remains one of the most stubborn features of the UK investment landscape. 38% of men aged 18 to 44 invest compared with only 22% of women, and the FCA's *Financial Lives Survey 2024* found that men are 69% more likely than women to hold a Stocks and Shares ISA. Scottish Widows' Women and Retirement Report 2025 puts the consequences in stark terms: women are on track to retire with an average annual income of £13,000, compared with £19,000 for men – a 32% gender pension gap driven significantly by career breaks, with half of women having taken at least one compared with just one in five men. Perhaps most telling is that 50% of women say investing is not for them, yet women are just as likely as men to invest via a workplace pension (48% compared to 47% of men) – they simply do not see themselves as investors. The opportunity to close this gap begins with communication.

Meanwhile, an estimated seven million UK adults hold more than £10,000 in cash savings without having invested a penny. The gap between saving and investing remains one of the defining challenges of the UK's financial culture.

Where investors find information

This is where the portrait shifts most dramatically. A Fidelity International study published in 2026, covering 1,000 UK retail investors, found that 23% now use generative AI tools such as ChatGPT to support investment decisions, rising to 36% among those aged 18 to 34. More than half (56%) had used social media to inform a financial decision in the past two years, with YouTube (36%) and Facebook (22%) the most used platforms, followed by Instagram, LinkedIn and X (20% each). YouTube's dominance among these platforms suggests short-form video has become the primary format through which younger investors first encounter investment content.

This is a fundamentally different information landscape to the one that shaped previous retail investor generations and it comes with significant risks. In 2026, the FCA led an international crackdown on illegal finfluencers and identified more than 1,200 unlawful financial promotions on social media. Barclays data show investment scam claim values have doubled in two years, reaching a typical £3,400 per claim.

The new retail investor is more connected and more informed than ever, but also more exposed to misinformation.

The participation gap: A UK-specific challenge

UK retail investors are growing in number, sophistication and diversity, but from a significantly lower base than comparable markets. In the US, 62% of adults own shares; in the UK, the equivalent figure is closer to one in four. Two structural factors explain much of the gap: housing accounts for 50% of personal wealth in the UK compared with 26% in the US, and the auto-enrolment pension system in the UK means that for many people, equity exposure is indirect and invisible. The Pension Schemes Act 2026, which received Royal Assent in April, is designed to begin redirecting some of that capital into productive assets.

The retail investor base is growing, but the portrait of the typical UK retail investor, as painted by the data, looks very different today. The investors arriving on registers over the next decade will be younger, more gender-diverse and more digitally native than any cohort before them. They will find investment information on social media platforms and through AI tools before they find it on company IR websites. They will not engage with quarterly filings, but they will respond to clear, direct, accessible communication on the channels they already use. For listed companies, understanding who these investors are – and meeting them where they are – is no longer optional. It is a capital strategy.

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