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The rise of the digital investor; 1.5m Kiwis use, or plan to use, micro-investing platforms

New research from the Financial Services Council (FSC) has revealed the surprising number of Kiwis using platforms like Sharesies, Hatch and Stake, why they're using them, and what's stopping those who haven't yet jumped on the bandwagon.

The FSC research, *The Rise of the Digital Investor*, carried out by CoreData as part of the FSC's ongoing *Money and You* series, provides one of the most comprehensive pictures to date of Kiwis' views on micro-investing platforms.

"Over the past eighteen months we've seen the incredible rise of the digital investor, and our research has revealed that 38.2% of adult New Zealanders currently use, or plan to use, micro-investing platforms. That is about 1.5 million Kiwis and reflects a transformational shift in how we are choosing to invest our money," says FSC CEO Richard Klipin.

"This shift is particularly noticeable among younger New Zealanders with around 55% of Generation Y (39 years old or younger) likely to use them.

"The research shows that since early 2020 New Zealand has followed the global trend towards investing in shares, as well as more speculative assets such as cryptocurrencies. 21% of people are investing or have invested in cryptocurrencies – an increase of about 7% since March last year.

"Part of this is due to the rapid rate of tech adoption, which was turbo-charged by the pandemic. The ease of access that tech provides makes investment more appealing for people who previously didn't really consider it as an option.

"It's interesting to note the demographic differences; younger generations and men are more likely to use these platforms than older New Zealanders and women. Over 40% of men use or plan to use micro-investing or digital currency platforms, compared to 32% of women who use or plan to use micro-investing platforms and 20% who use or plan to use digital currency platforms.

"The research also shows over 90% of New Zealanders are using some kind of online platform for their banking, insurance and KiwiSaver, which points to a level of comfort and confidence in technology that has been around for a longer period of time."

However, despite the popularity of new technologies, New Zealanders remain wary of security and fraud.

“Most respondents were concerned with the risk of online fraud, identity theft or scams, that could result in financial loss,” says Klipin.

“Eighty per cent are concerned about online privacy; after a number of high-profile cyber-attacks and ransomware attacks it’s understandable and encouraging that many are wary about the privacy of their personal information and their finances when using online platforms.

“That’s why it’s crucial that the financial services industry, and the professionals who work in it, keep pace with these new ways of investing and managing personal finances, and provide the information to support considered financial decisions,” concluded Klipin.

Ryan Bessemer, CEO of Trustees Executors who supported the research, said it provided a unique insight into the ground-breaking and fundamental change that digital platforms are making to the way New Zealanders invest their money.

“Micro-investment platforms give consumers more control over their investments and will force better quality products to be available to the market. Nevertheless, given this enhanced level of control, the value of good financial knowledge and advice is more important than ever before, as we incorporate new tools and platforms into our personal financial planning.”

Money and You: The Rise of the Digital Investor can be found [here](#).

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Note to editors:

The research was conducted via an online survey developed and hosted by CoreData. Data was collected between 15 April and 26 April 2021. A total of 2,035 valid complete responses were collected, which formed the basis of the analysis and the report. 38.2% of respondents in this research indicated that they currently, have or plan to use micro-investing platforms. According to Stats NZ (<https://www.stats.govt.nz/topics/population>) in March 2021 there was an estimated resident population of 5,116,300. As this survey only included respondents aged 18 years old or over, the estimated resident population of the sample is 3,944,700 according to StatsNZ, indicating 1,506,875 New Zealanders use, have used or plan to use micro-investing platforms.

The sample is representative of the New Zealand consumer population in terms of age, gender and income based on the latest Stats NZ data. The purpose of this survey was to understand the financial confidence and wellbeing of New Zealanders.

About the Financial Services Council

As the voice of the sector, the Financial Services Council is a non-profit member organisation with a vision to grow the financial confidence and wellbeing of New Zealanders. FSC members commit to delivering strong consumer outcomes from a professional and sustainable financial services sector. Our 95 members manage funds of more than \$95bn and pay out claims of \$2.8bn per year (life and health insurance). Members include the major insurers in life, health, disability and income insurance, fund managers, KiwiSaver and workplace savings schemes (including restricted schemes), professional service providers, and technology providers to the financial services sector. www.fsc.org.nz , twitter: @FSC__NZ