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AXA and Wealth.net split poses planner risk

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National Australia Bank stands to lose one of the most popular platforms among advisers if the bank decides to offload the North Wealth.net platform as part of its potential AXA buy.

Advisers who use the Wealth.net platform have the highest level of satisfaction with AXA's service, relative to other platforms, said Investment Trends analyst, Recep Ill Peker.

Currently around 12 per cent of the adviser market uses the platform, but the service garners a staunch -- and rapidly growing -- following among planners due to its capital guarantee offerings.

"On average, planners write 19 per cent of their new business through their second most-used platform, but planners using AXA North [write] 29 per cent," said Peker, quoting from the Investment Trends Planner Technology Report from September last year.

"Two-thirds of planners cite capital guaranteed investments as the main reason for using it, but 40 per cent also say it's because of its insurance offering."

NAB announced in a statement last Friday that it is continuing to pursue its options regarding the ACCC's decision to block the bank's proposed acquisition of the Australian and New Zealand business of AXA Asia Pacific Holdings (AXA APH).

The bank hopes to appease the ACCC by potentially divesting the North Wealth.net investment platform, one of the causes of the competition regulator's concerns.

NAB stressed that discussions are preliminary. "However, at this stage, there is no assurance that such a possible divestment will occur or that it will address the concerns raised by the ACCC."

Research house Roy Morgan, however, takes a different approach to the deal, and cites the AXA/NAB merger as not anti-competitive.

The firm recently released a report that shows a combined NAB/AXA or AMP/AXA would have the same impact on industry competition.

Regulatory concerns that a merged NAB/AXA would seriously undermine industry competition have been 'overstated', following the group's 34,000 interviews of managed fund providers in the year to February, said the firm.

The six largest players in funds management -- NAB, CBA, AMP, Westpac, ANZ and AXA -- account for 28.9 per cent of the market with the majority 70 per cent, in fact, shared between industry funds, government funds and self managed super funds (SMSF).

Norman Morris, the group's industry communications director, said that the analysis, to date, relied heavily on the impact of the merging of retail investment platforms when real competition will be driven by the industry funds, SMSFs and others if the takeover goes ahead.

Given this different set of metrics, a combined NAB/AXA would hold 8.5 per cent market share, only slightly more than a combined AMP/AXA at 8.2 per cent, it said.

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