

# The Private Wealth Industry & Tax

Politically Biased, Ethically Compromising  
& Failing Clients

Produced by the Progressive Advisors' Movement

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# Table of Contents

- Overview..... 2
- Service: The industry is failing to assess and respond to client views on tax..... 4
- Culture: There is an anti-tax culture within industry as well as within client services and communications..... 5
- Client Failure: Clients with tax positive views are being failed by the sector..... 6
- Staff: The ethical 'norms' of current behaviour on tax are costing the industry..... 7
- Politics: The industry is highly political in its views on tax and this informs government lobbying..... 8
- Recommendations..... 9
  - Tax Citizenship Assessment Tool..... 9
  - Tax Neutral Language Pledge..... 9
  - Progressive Client Training..... 10
  - Spirit of the Law..... 10
  - Further Ideas/Spaces for Future Exploration..... 12
- Conclusion..... 13
- About the Progressive Advisors' Movement..... 14
  - The Progressive Advisors' Movement..... 14
  - The Model for Change..... 14
  - Core Tenets of the Movement..... 15
- About the Research..... 16

## Overview

Progressive Advisors' Movement research has revealed major challenges in how the private wealth industry approaches tax – that it is politically biased, ethically compromising and failing clients.

The Progressive Advisors' Movement is a movement of current and former private wealth industry practitioners committed to transforming the industry to become an enabler - rather than a hindrance - to a more equitable and regenerative society. Facilitated by the Good Ancestor Movement, scores of private client lawyers, accountants, wealth planners, investment managers, tax advisors, private bankers and more have been gathering anonymously and collaboratively towards this aim and will continue to do so.

The research has been informed by:

- input from over 100 current and former practitioners;
- direct input from a number of private wealth industry clients; and
- a piece of communications analysis undertaken by linguistic experts into communications practices across 100 major firms.

The study calls for a wide-reaching series of changes to industry practice in order to uphold public trust in the sector and ensure that we better serve clients, staff and society.

The key findings of the study were:

- 1. Service: The industry is failing to assess and to respond to client views on tax.**  
Within industry, there is a presumption of client values and client intent. For many clients that do manage to communicate their values, there is a failure to adequately translate values into services. There is an insufficiency of assessment tools to understand client values and a lack of training in how to serve a broad client base.
- 2. Culture: There is a strong anti-tax culture within industry that impacts client services and communications.**  
The industry uses homogenous 'anti-tax' language in its communications and is too quick to default clients into products and services focused only on tax reduction and tax-led structuring.
- 3. Failing Clients: Clients with a stronger sense of citizenship are being failed by the sector.**  
There is a particular 'blind spot' within services provided to clients who see tax payments as part of a broader civic duty and a tool to reach a more equitable society. Many clients face active resistance from industry when trying to explore such approaches.
- 4. Staff: The ethical 'norms' of current behaviour on tax are costing the industry.**

Significant numbers of staff are considering leaving the industry or wish they could because of a feeling of being ethically compromised in the work they are doing.

5. **Politics: The industry is highly political in its views on tax and this informs government lobbying.**

There is a strong sense of 'anti-tax' politics within industry that informs relationships with regulators. The sector is seen as playing a role in lobbying government in pursuit of lower taxes for wealthy clients. It is also seen as failing to fulfil any potential role in supporting government to identify where tax loopholes exist, or where regulations are being used beyond their intended purpose.

These conclusions may not be universally true of all advisors or firms but each represents a definite pattern that needs addressing. It is clear that the private wealth industry has to change and to modernise in order to meet the expectations of its own staff and clients, as well as those of society more broadly.

We are calling for urgent action and have identified four innovations that we believe could make a transformational difference to the challenges identified above.

The key action areas are:

1. **Tax Citizenship Assessment Tool:** To launch a tool that assesses the sense of citizenship/tax pride felt by private clients and, with their informed consent, to use that assessment to inform what tax planning is offered.
2. **Tax Neutral Language Pledge:** To depoliticise the language used by firms to move from 'anti-tax' to a tax neutral approach.
3. **Values Based Client Training:** To train all private client advisors to be able to understand clients with a diverse range of attitudes towards tax and not default to pushing anti-tax behaviours on clients.
4. **Spirit of the Law:** To launch a dedicated service to inform and advise government on where tax regulations are being used by wealth holders outside of their intended purpose.

As well as these immediate actions, the research also prompts the need for a broader and more fundamental conversation about civic duty, professional standards within our work and the social contract that underpins our sector.

The next pages cover:

1. A more detailed breakdown of the key findings above;
2. A more detailed breakdown of the recommendations;
3. Additional ideas and a call for further research can be found towards the end of this document;
4. Some background on the Progressive Advisors' Movement and this research.

# Service: The industry is failing to assess and respond to client views on tax.

Our insight work has suggested a series of failures in the chain of client service. The failures spread across four critical areas.

## 1. A presumption of client values and intent

Our research – and particularly the input from wealth holding clients - suggested that there was a general presumption that clients would only be seeking support from private client firms in search of tax minimisation support.

This had consequences beyond simply failing to understand client intent and meant that clients were being 'auto-enrolled' in tax strategies that they had not fully understood or subscribed to.

As one respondent (an advisor) succinctly summarised: *"We will only add value to the client service if we provide tax efficient savings!"*. This sense shows that it is not just a presumption of client values but an intertwining of a self-perception of advisor 'value' and the type of service that clients receive.

## 2. A failure to undertake full client instructions

More than 50% of respondents to our survey answered that their new clients were not being asked about their attitudes towards tax ahead of tax planning.

Just 3% use tools to assess client tax attitudes.

## 3. An insufficiency of assessment tools

Detailed conversations with advisors made clear that the reason for not using assessment tools was primarily down to a lack of access to such tools. 67% of respondents to the survey said such tools would be useful.

## 4. A lack of training in how to serve clients based on their values

Only 1% of respondents had been on programmes that trained them on how to work with more progressive clients. 59% of respondents thought that this would be useful.

## Culture: There is an anti-tax culture within industry as well as within client services and communications.

Despite presenting itself as technocratic, client-led and apolitical, the industry uses homogenous 'anti-tax' language in its communications and is too quick to default clients into products and services focused only on tax reduction and tax-led structuring.

As linguistics expert, Kirstie Skates of Illume Linguistics summarised in her 'Language of Tax' report: "In years of linguistic analysis, I've never seen such uniform messaging coming from one industry."

The report went on to summarise that:

*"After analysing tens of thousands of words across 100 websites of leading private client firms we found only a single reference to tax that could be described as positive or 'pro-tax'..."*

*The rhetoric, framing and language used to talk about tax was almost uniformly negative.*

*We expected to see tax being positioned in a range of different ways by different private client firms, yet what we found was a set of startlingly consistent 'anti-tax' constructions.*

*It is very rare to have such homogeneity within an industry discourse. It indicates how normalised the negative framing of tax has become."*

This was backed up by our survey respondents who felt industry was 50x more likely to be seen as 'anti-tax' in how they talk about tax than 'pro-tax'.

It is clear that there are anti-tax biases within the profession and that these are culturally embedded and indeed embedded within client communications in ways that could have a significant impact on client behaviour.

The culture and politics of the sector are informing how clients are treated.

## Failing Clients: Clients with tax positive views are being failed by the sector.

There is a particular 'blind spot' within service for supporting clients who are interested in civic duty, citizenship and more equitable society building as it relates to tax rather than philanthropy. Many clients face active resistance from their advisors when trying to explore these approaches.

There was a clear failure reported in our survey with regard to how well the private client industry translates values into services.

A selection of answers to the question *'how well do you think the sector provides for clients who are tax proud and do not want to minimise taxes?'* are below. Whilst there were also a number of answers that balanced these insights, they show a real challenge within the sector:

**“Very poorly”**      **“not very”**      **“not well”**      **“not well”**      **“not well at all”**  
**“not well enough”**      **“not very”**      **“I don’t think this is done particularly well”**      **“not really”**      **“overall not well”**      **“not really”**      **“doesn’t”**      **“not well”**      **“not very well”**  
**“poorly”**      **“not really”**      **“appalling”**      **“at the moment, not well”**      **“not very well”**  
**“I think it is not even considered”**      **“I know of no firm that actively does so”**  
**“not that well”**      **“Such clients are considered rare and sometimes need to be “pushy” to get their point across.”**      **“(the) sector as a whole seems to have a bemused attitude to such clients”**      **“not currently discussed”**      **“poorly”**      **“very badly”**  
**“not very well”**      **“not very well”**      **“not at all well”**      **“hardly at all”**

As a reminder, every response to this survey – and therefore every quote above – comes from someone who works in the private client industry or has worked in it previously.

From our survey almost half (44%) did not feel their firm do a good job of translating client values into products/services they are offered. Whilst this is less than half of respondents it still represents a huge proportion of the sector who are failing to translate client values into services even when those values are effectively understood.

As one respondent answered: *“there is often a fundamental inability [amongst advisors] to translate tax proud values into positive tax practices.”*

More than three quarters of respondents saw fiduciary duty as a broader duty to encompass client values and the world they want to live in as well as finances. The ability to provide for this understanding of fiduciary duty is clearly undermined by the limitations to practice identified above.

## Staff: The ethical 'norms' of current behaviour on tax are costing the industry.

Significant numbers of staff are considering leaving the industry or wish they could because of a feeling of being ethically compromised in the work they are doing.

It is clear that the politics of the sector and the impact on client service and government relationships is having a profound impact on the workforce within the advisory industry.

From our survey, we found that 44% of advisors think about/have thought about leaving the profession because of their own values being compromised in the work that they are asked to do and the firms that they are a part of.

This number increased to 50%+ of female respondents, 25% of whom have their values compromised frequently at work.

Respondents included a number of people who had left the industry specifically because of the way in which their values have been compromised.

Of all the research findings this was perhaps the most shocking – that so many staff members felt compromised, and that it was so starkly worse on gender grounds – a fact that needs much more exploration.



## Politics: The industry is highly political in its views on tax and this informs government lobbying.

There is a predominant political attitude towards tax that informs both client service and also relationships with regulators.

Respondents saw Partners in firms as almost twice as likely to be seen as 'anti-tax' v 'pro-tax'.

The sector is seen as playing a role in lobbying government in pursuit of lower taxes for wealthy clients and failing to fulfil any potential role in supporting government to identify where tax loopholes are being used beyond their intended purpose.

Respondents suggested that firms are almost 5x as likely to share and support arguments that advocate against taxes on wealth holders.

25% of respondents believed that their sector lobbies government to benefit wealthy clients.

Meanwhile 80% of respondents believed that the sector has the insight to help government see where tax incentives/breaks/structures are being exploited beyond their intended purpose and 58% believed that the sector should support government in doing so.

# Recommendations

## Tax Citizenship Assessment Tool

To launch a tool that assesses the citizenship/tax pride of private clients and, with their informed consent, use that assessment to inform what tax planning is offered.

We see a major role for a values/citizenship assessment tool that helps clients explore their values, advisors to understand those values and then to clearly translate those values into products and services that are (and are not) offered.

An assessment tool, much like an investment risk assessment tool, would not just help advisors to understand values but would guide them in how to respond to those values.

We recommend the financing of a review into comparative tools and models and an analysis of any existing tools and emerging practice. This could lead to a further piece of scoping and piloting the development of a tool. Finally, we would look to establish a working group that supports the roll out of the tool across the sector.

## Tax Neutral Language Pledge

To depoliticise the language used by firms to move from 'anti-tax' to a tax neutral approach.

It is clearly outside the expectations and professional standards of the private wealth industry to present themselves as technocratic and apolitical and then 'push' political messages upon clients.

We hope that by having a light shone upon this important issue there will be a rapid change.

We believe that there would be power in an industry initiative to improve language practice by de-politicising it – a pledge for neutrality in all communications. We are calling for a Summit in order to kick-start this change, attended by senior Executives and Senior Partners across the industry.

The support and encouragement of clients and new awareness of this issue will, we hope, lead to a rapid transformation in practice around sector linguistics.

## Progressive Client Training

To train all private client advisors to be able to understand clients from a diverse range of attitudes towards tax and not default to pushing anti-tax behaviours on clients.

We believe that training of private client practitioners in better understanding the spectrum of approaches, values and beliefs connected to clients will help lead to improved client service.

We are calling on all private wealth firms as well as training institutions to roll out training and development for all practitioners to better understand the spectrum of wealth attitudes. This does not limit to working with outwardly identifying 'tax proud' wealth holders but also those who are interested in exploring tax and wealth in society.

Training that helps practitioners to understand the spectrum of wealth attitudes and, critically, how to diagnose and respond to that spectrum of attitudes will help the sector fulfil its role in society and the economy.

We hope that individual staff, leaders and clients will begin instigating this within their firms and seek to have all staff trained within 12 months. We believe that a consultation with higher education institutions and workplace training providers should lead to impressing upon them the importance of integrating this into the core professional training and development provided across the sector.

## Spirit of the Law

To launch a dedicated service to inform and advise government on where tax regulations are being used by wealth holders outside of their intended purpose.

Many see industry as currently only performing a role that advocates for further and additional tax breaks for wealth holders. However, the private wealth industry has the capacity to use their insight and expertise to help governments understand where tax regulations are being used beyond their intended purpose. The impact of it delivering on this potential could be enormous. The industry could perform a 'public good' in helping to ensure policy works in the way it is intended.

We are calling for the establishment of a new industry body that works to help provide insight and information to HMRC, government and policy makers in a structured and regular way. This body would provide the insight to would help make sure that policies meet their intended aims and objectives and would also help policy makers to understand the impact of these policies on wealth holders.

We understand that individual advisors already have individual links with HMRC, government and policy makers and some firms have relationships. However, we believe that a dedicated group that works transparently and across firms could have a major impact on the creation of an effective tax system that delivers upon its intentions.

This would not be a whistleblowing forum or involve any disclosure on individual clients but allow for those designing policy to get a broad sense of how it is being implemented.

## Further Ideas/Spaces for Future Exploration

During the course of this work a number of ideas and insights have surfaced that are connected to this study but not core to it. Whilst these ideas could be pursued in the future, we have decided not to prioritise in the shorter term.

These ideas include:

1. Sharing of (anonymous) data on tax practice with HMRC direct from advisory firms to allow real time analysis of the circumstance in which different tax provisions and regulations are being used
2. Improved materials to help private wealth clients onboard into the industry and understand the roles of their different advisors
3. A 'nudge' system to be introduced for clients that helps them understand when they enter different tax brackets, allows them to benchmark against others in society and alerts them when their planning means that they significantly depart from their 'headline' intended tax rate
4. An independent report to be developed to map and rate taxes according to their intention v use in practice
5. Integrate a 'tick box' for opting in to tax planning and a simple process to pay headline rates for those that do not 'tick' along with proper client consultation and education about what this means so that it can be carefully considered
6. A lobbying pledge for firms to stop lobbying government on behalf of tax breaks for wealth holders
7. All clients to be given their 'effective' tax rate against a series of benchmarks for 'typical' families.

## Conclusion

The private client advisory sector is in need of reform. It is highly political and those politics are feeding into the experience of staff, the quality of service given to clients and the lobbying of government.

There are a number of figures within the industry who have identified this challenge and are prepared to dedicate energy and resources in addressing it.

The industry needs to uphold public trust and put staff, community, clients over politics. The suggestions within this are intended to help the sector deliver on this promise.

We hope that they will be treated seriously, action will be taken urgently and further research will emerge from this.

*For more information or to register your interest in becoming part of the Progressive Advisors' Movement, please contact Sarah Mohammad on [sarah.mohammad@goodancestormovement.com](mailto:sarah.mohammad@goodancestormovement.com)*

*For a full copy of the Language of Tax Report, please visit: [https://static1.squarespace.com/static/6127ff51b5a0390e46a10c17/t/639aea43538e4d29b5336b26/1671096911231/llume-Linguistics\\_Language-of-Tax\\_Kirstie-Skates.pdf](https://static1.squarespace.com/static/6127ff51b5a0390e46a10c17/t/639aea43538e4d29b5336b26/1671096911231/llume-Linguistics_Language-of-Tax_Kirstie-Skates.pdf).*

# About the Progressive Advisors' Movement

## The Progressive Advisors' Movement

The Progress Advisors' Movement was launched in 2022 to help drive progressive reform within the private client industry. It is made up of individuals within the industry working together in an inter-disciplinary, anti-competitive way towards this aim.

It is based on the belief that the private wealth industry can and should play a more active role in supporting the just transition – and that practitioners within industry are best placed to identify those opportunities for change.

We recognize that this work will not be popular with all workplaces or indeed all clients. As such, all those involved are able to remain anonymous. Our processes are anchored in sharing insight, ideas and challenges as a Movement, rather than relying on individual professionals to act as spokespeople in their firms, networks or to their clients.

We work at a sector-level rather than within individual firms or client interactions.

The Movement is currently being hosted/incubated by the Good Ancestor Movement. Over 100 private wealth practitioners engaged with the Movement in 2022.

## The Model for Change

The model draws a lot of its concepts from that of the Grant Givers' Movement which has been working to do something similar in the philanthropy sector and has had a number of significant 'wins' along the way.

It works by leveraging the insight of industry workers to highlight challenges in practice and come up with solutions/recommendation changes to practice.

The sequence of work is:

1. Movement members agree focus area and key themes to explore within it;
2. Research process (e.g. questionnaire/polling) launched to get broad input from those working in industry on the focus area;
3. Research results reviewed and recommendations made as to how to overcome challenges/opportunities identified;

4. Report and press release issued with research/data and recommendations and key endorsements from senior industry figures, clients, Movement members or other actors;
5. Change process initiated that will support industry to evolve/transform;
6. Issues revisited after 12-24 months to highlight areas where there has not been progress.

## Core Tenets of the Movement

**Firstly**, people are invited to be involved as individuals not representatives of their firms. Individuals are invited to contribute regardless of the behaviour of their firms or their ability to personally influence that behaviour.

**Secondly**, we commit to pushing for active transformation to practice, culture and behaviours in the advisory space rather than simply analysing or justifying the status quo.

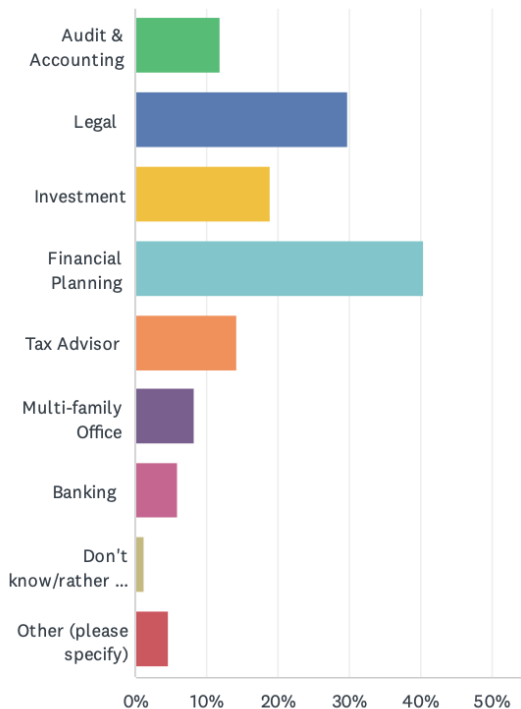
**Thirdly**, we recognize our role in helping create change and the opportunities for change within our own industries and work. Rather than focus on what others 'should' do, we concentrate on change we can collectively drive.

**Fourthly**, we understand that there will be many firms that do not want to change and many clients that are very happy with things as they are and that change is difficult and complex. All these things can be true whilst it also being true that there is an opportunity here to make a real difference.



## About the Research

The main input for this research was a survey filled out by 102 current and previous private wealth industry practitioners between December 2022 and April 2023.



It was supplemented by an innovation session with a mixed group of clients and practitioners and further informed by the Good Ancestor Movement Progressive Wealth Summit, held in December 2022.

Our second core input was a report undertaken by Illume Linguistics which involved looking at the website and public materials of over 100 top private wealth industry operators between September and November 2022. The report is available in full at:

[https://static1.squarespace.com/static/6127ff51b5a0390e46a10c17/t/639aea43538e4d29b5336b26/1671096911231/Illume-Linguistics\\_Language-of-Tax\\_Kirstie-Skates.pdf](https://static1.squarespace.com/static/6127ff51b5a0390e46a10c17/t/639aea43538e4d29b5336b26/1671096911231/Illume-Linguistics_Language-of-Tax_Kirstie-Skates.pdf).

The insight from our survey was designed to uncover challenges/opportunities around tax in the sector and to identify areas for potential action. As such, challenges and areas of poorer practice/service have been focused on more than areas of good/balanced practice.

As well as the results shared, the survey also revealed:

- a huge amount of tax pride amongst respondents;
- many instances of rounded, non-bias advice and firms;
- many advisors who are proud of their work, their firms & their sector;

- almost no reporting of 'aggressive' tax behaviours within firms;
- many instances of 'tax proud' stances that are just as 'political' as 'anti-tax' stances amongst partners, firms and respondents;
- clarity that many (most?) clients were driving tax minimisation through instructions.