

## **Benchmark**

- Does money buy you happiness?
- Insight will change your view of things
- Your first 100 days: what retirement will look like
- Tech and finance: how integrations have revolutionised banking
- Coronavirus has forced world governments to make positive changes for life after the pandemic



# We will meet again

**Summer 2020**

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a fresh approach to a **financially independent lifestyle**

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## Introduction

As it has been for everyone else, the experience of lockdown has been characterised for me by good and bad days.

Really, there is no difference with how we lived our lives before Coronavirus, but in the microcosm of our own four walls, things are magnified. A day of perfect behaviour from your children falls very obviously into the good day category. Sometimes, a surprise parcel from a friend may be all it takes to put a smile on your face until it is time to turn in for the night.

There is enough out there covering the bad days, which I am sure we have all been through in varying degrees, without my taking you back to them in any depth.

It is impossible to just turn a corner from how the world has been during the COVID-19 pandemic to how we wish it to be. We must look to the future: socially, economically, mentally and otherwise. The world has changed for all of us, but it does still turn.

As The Queen said so memorably in her speech to the nation: “Better days will return. We will be with our friends again, we will be with our families again and we will meet again.”

In this edition of Benchmark we look forward to what your first one hundred days of retirement could look like, if you are yet to start that phase of life. We look forward to how the world has been forced to confront its new reality and what good may come out of it. We look at future innovations being driven by technology in the finance and banking sectors, whilst unveiling our own new client app, “Insight.”

We hope you enjoy the content as usual, even if life is still anything but.

Please know that we remain here to help and answer any questions you may have at any point. We wish you and your families all the best

With kind regards,



Dacre Staines

A handwritten signature in black ink, which appears to be 'D. Staines', written in a cursive style. The signature is positioned to the right of the portrait.

## Does money buy you happiness?

The old saying is that money cannot buy you happiness. But how far does that statement really go?

A study published in the *Journal of Public Economics* back in the early 2000s found that many people do not classify themselves as wealthy or well-off when they compare themselves with other people who are the same age, have a similar education, are part of a similar demographic and live in the same region. It says that, “individuals are happier the larger their income is in comparison with the income of the reference group.”

Another more recent study, conducted in Canada, found that the neighbours of lottery winners are at an increased risk of running up large amounts of debt and going bankrupt.

Seeing results like this brings the words of award-winning finance guru, Robert Kiyosaki, to our minds. He says that: “It is not how much money you make, but how hard it works for you.”

If you are earning well and your investments are making returns, but your money is not being used in a way that brings you happiness, it may be time to reassess your outlook on your finances.

One study, published in 2017 in the *Proceedings of the National Academy of Sciences*, found that people who chose to spend their money on time-saving services, such as a house cleaner or gardener, reported greater life satisfaction than those who did not.

Time is an incredibly valuable thing and this study highlights the importance of spending your money in a way that allows you to focus on the things that are important to you such as your hobbies, your family, or your business, whatever it may be. It is easy to focus solely on growing your wealth and making your finances flourish. What is important is finding the balance between the two.

That is where your financial plan comes in.

Chief Executive of Momentum Global Investment Manager, Ferdi Van Heerden, says that: “Those who start with more of a plan will be more financially well.”

Setting short-term and long-term goals for your finances helps to bring you financial purpose and peace of mind. This is more than just setting a target to hit or a return to obtain. It also relates to the lifestyle goals you wish to achieve.

Taking the time to work out what you want your money to achieve will help to give you a greater sense of clarity. Your defined plan is able to then serve as a measuring stick to help you to gauge your progress and improve your emotional and financial well-being for the future.

## Insight will change your view of things

In our 2019 client survey, we discovered that only 32% of respondents were using the DBL client portal. We have listened to your feedback and decided it was time to introduce a brand new app that really delivers value. We are sure that some of you are already familiar with Insight, but we wanted to take the opportunity to shine a light on some of the most beneficial aspects of this new and exciting app.



### Everything in once place

Insight has the capacity to host all of your accounts in one place. This includes bank accounts, credit cards and your pension accounts. The balances of your various accounts are all updated in real-time so you do not have to worry about checking everything across multiple apps.

Of course, Insight helps you to monitor your investments, showing how much you have accrued alongside the percentage increase and decrease over time. No longer will you have to call or email for an update - it will be right there for you to see.



### Stay organised

The financial events calendar helps you to keep track of all the important financial dates in your diary, such as insurance renewal dates and the maturity of saving plans. All the dates will update automatically, based on the information within the app, so you are able to plan your time appropriately.



### Access documents when you need them

All your important documentation is hosted within the app, so you are able to access them securely at any time. The documentation you are able to store ranges from general documentation surrounding your financial plan to your "In Case of Emergency (ICE)" pack.



## Your financial plan

You are also able to actively track whether you are on target to hit your savings goals, allowing you to make adjustments or increase your savings if you need to. This will enable you to stay on course to achieving your financial milestones.

You are able to categorise your transactions within the Spending page on Insight, tracking where your biggest outgoings are over different time periods. For example, you are able to predict which months result in increased expenditure, allowing you to prepare in advance without deviating from your financial plan.



## Design your financial view

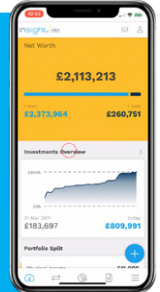
Your dashboard is modular and entirely customised. If you want your net worth or your investments at the front or centre, please feel free to move each item around.



## Keep in contact

Using Insight's messaging system, you are able to send queries over to us quickly and easily. You are then able to view your sent and received messages at your discretion. You will always be responded to promptly, though now you do not have to worry about logging into your email account to see responses.

**Should you require any information about a specific aspect of Insight, there is a dedicated tutorial page containing a series of videos that delve into all the aspects of the app. Look at the Insight webpage for more information.**



With everything collated into one customisable space, you are able to make more informed decisions surrounding your finances. Search DBL Insight in the Apple store or in Google Play to download the app and upgrade your finances.

# Tech and finance: how integrations have revolutionised banking

Open banking has been a bit of a hot topic over the past couple of years. There have been many opinions both for and against this bold new technological integration: what does open banking mean for you?

In this article we wanted to take the chance to help you familiarise yourself with the concept of open banking. Some of you may already be familiar with the term, others may have interacted with a product of open banking in one way or another, but not have known it. Here is what you need to know.

## What is open banking?

Open banking is a secure way of giving service providers access to consumer banking, transaction data and financial data from banks and other financial institutions. It allows third parties to build apps and services around such financial institutions. The main focus is to help customers pay for products and services entirely through your app or website.

## How does it work?

Under open banking regulations, your transaction information is shared with third party companies through the use of Application Programming Interfaces or APIs, for short. APIs make it possible for the software at one company to access information from the software of another company. For example, when you order a

taxi through an app like Uber, the Google Maps API helps you track the car's progress towards the pickup.

The same then applies to open banking, though with a little twist. The data collected by APIs still interacts in a similar way, namely different pieces of software interacting with one another. The end goal is providing data which could be used to help to refine customer experiences in the future.

## What is the point?

According to a study carried out by the Competition and Markets Authority (CMA), only 3% of people switch to a different bank each year, often because it appears to be quite inconvenient and the administration a heavy process. There is also no attractive incentive to do so. As a result, banks do not really see a reason to deliver better products for lower prices, meaning the customer loses out in the end.

Open banking makes it easier for challengers to enter into the financial market and stand a chance of growing and thriving without as many barriers to entry. In the end, open banking is helping to stimulate competition within an industry which has been dominated for so long by larger financial institutions.

## Is it safe?

Naturally, when it comes to the exchange of personal financial data, concerns of security have arisen. Usually, you will have to give consent for your data to be shared with third parties. In the unlikely event that your data is accessed by malicious third party

software, your bank will protect you, provided that your data is shared with an authorised company.

Authorised providers offer two types of services and require different authorisations for each of the following:-

**Account information services** - these let you see all of your account information from different banks in one place, offering features such as budgeting help and product recommendations, for example, price comparison sites.

**Payment initiation services** - these allow you to pay companies directly from your bank account and not through a third party company like Paypal or Visa, such as retailers or tech companies.

You are able to visit the Financial Conduct Authority's (FCA) register or the Open Banking Directory to see if a company is authorised or not. We highly recommend that you only share your data with authorised companies as they will only be able to access data needed for their service and no more than that.

Is this a fair price to pay for innovation? Let us take a look at open banking's progress up to this point.

## A brief history of open banking

Open banking is originally a British experiment and has since sown seeds across the globe. It had a slow start in 2018, with many banks seeing it as little more than a compliance exercise. However, open banking gained momentum in 2019, leading to a 150% increase in the number of conferences and

events where open banking was a topic. Many countries outside the U.K, such as Canada and Brazil, launched white papers and began developing their own open banking models. Banks in the U.S began researching open banking and developing APIs, similar to those used in the U.K. Mastercard has launched its own open banking platform, with VISA laying the groundwork to follow suit.

## What does the future look like?

As open banking continues to gather momentum, we will no doubt see new and exciting integrations of finance and technology. With demands coming from younger generations asking for instant finance and digital ease of access, companies will be looking to carve out more of a market share in this quickly growing industry.

In fact, you may already be familiar with DBL's own integration of finance and technology. Insight is a great example of how your financial information now has the ability to be collected into one dashboard, making it more accessible and valuable to you, the client.

With that said, we are looking forward to seeing what the future has for the world of financial technology and investment. We will make sure to keep you informed of any valuable developments in the sector.



# Your first 100 days: what retirement will look like

Breaking away from your regular routine and heading out into a new life in retirement comes with a number of different benefits and challenges. Here we outline the six emotional stages involved before and during the first one hundred days of retirement.

## Stage 1: Pre-retirement

Before your first one hundred days even begin, you will have spent years working and building towards retirement.



## Stage 2: The Big Day

So begin your first one hundred days of retirement. Your exit from the world of work is by far the shortest stage. There will be dinners, parties, pats on the back or all three together. Then you are off.

## Stage 3: The Honeymoon Phase

Often referred to when two people enter into a relationship together, your relationship with retirement will go through this phase. This is where temptation to spend will be at its greatest. However, when your plan is aligned with your goals you will have forecasted appropriately for this increase in spending.



## Stage 4: Disenchantment

The disenchantment stage is where the emotional highs from leaving the job begin to wear off. You may have pursued many things which you enjoy or have always wanted to do, up to this point. Then reality begins to set in.



Many retirees deal with a feeling of letdown, similar to newlyweds after they return from their honeymoon. Retirement certainly comes with a range of benefits, but it is important to also be aware that it may come with feelings of boredom, loneliness or disillusionment.

There will always be an emotional impact after giving up the 9 to 5 routine. But it is important that you are not daunted by this and you make steps to fix this at stage 5.



### **Stage 5:** The New You

Fortunately, the disenchantment phase will not last forever. You will eventually get to grips with your new normal and begin to navigate your new-found freedom accordingly. But it will take a conscious effort to accomplish it. Finding new answers to: “Who am I now?” and “What is my purpose at this point?” is both difficult and exciting, but it is all part of the journey.

### **Stage 6:** Moving Forward

By this stage you will have your new schedule, your new ground rules will be laid out and you will have a semblance of your identity. Eventually, your new normal will become familiar territory and you will be able to enjoy your new sense of purpose.

Retirement is both an ending and a new beginning. It is a time where you have the freedom to make new decisions and pursue new things. The transition may not be easy, but your plan will help to map out your financial well-being during retirement, so you are able to focus on rediscovering yourself.



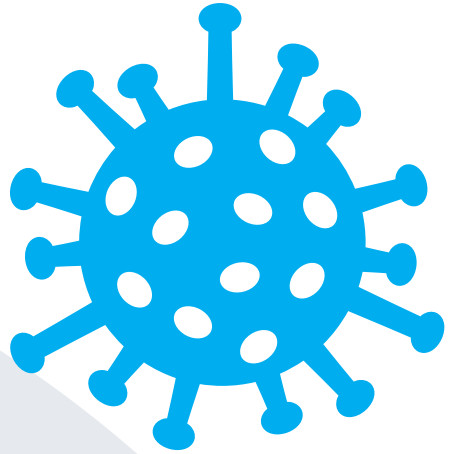
## Coronavirus has forced world governments to make positive changes for life after the pandemic

At the time of writing this article (towards the end of May), it seems likely that the government strategy on exiting lockdown will follow a phased, possibly regional, approach. Periods of relative freedom, such as the recently introduced ability to exercise away from home multiple times a day, may be followed by periods of further lockdown, possibly in areas where more significant outbreaks have been detected.

Whatever the approach, it is clear that, at some point, a number of us will be going outside more, travelling more, getting the economy moving again and engaging in some level of social interaction.

The world that we do that in, however, seems set for change and, thankfully, some level of the changes we experience will be positive ones.

For those living or working in our cities, for example, travel seems set to become healthier, greener and safer. Money already allocated in the government's budget is being dedicated at a faster pace to widen and extend footpaths and bicycle lanes. We are being asked to travel on public transport less and walk, cycle or use electric scooters more.



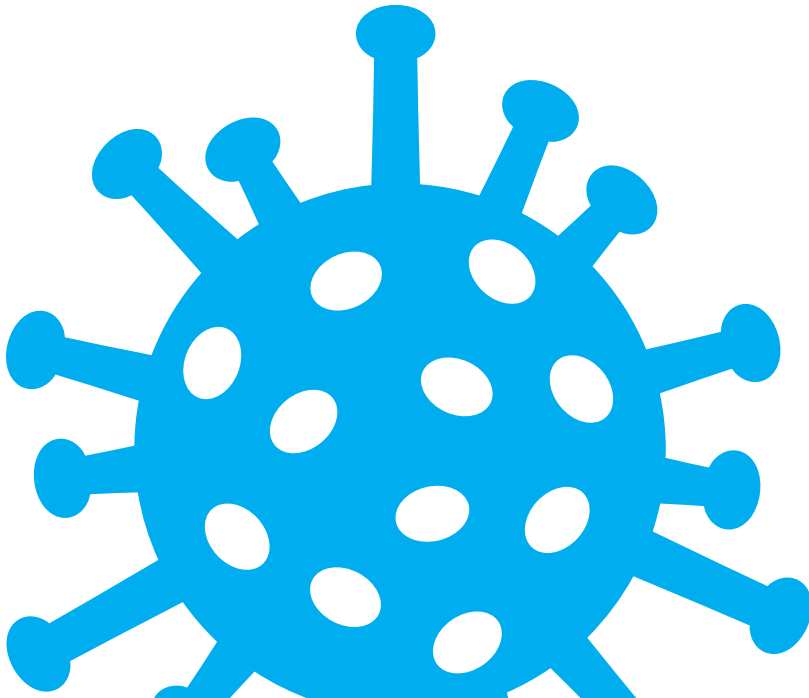
As a result, our nation's air quality is better than it has been for years. During the early weeks of lockdown, some cities across the UK saw nitrogen dioxide (NO<sub>2</sub>) levels fall by up to 60%. The lack of traffic in towns such as Llandudno has seen wildlife, goats in this case, become more active and visible. This is good news, unless you are the owner of a previously pristine hedge in a Llandudno front garden!

The lack of travelling is benefitting us as well. The lack of the rush hour commute has meant many of us now have extra time to spend with our families. Whilst the stress of making it into work for the 9am meeting has been replaced by worry about what our background on Zoom says about us, in general, the pace has been slower and better for our mental health.

The distanced nature of living entirely at home has been a struggle for us all, but how many of us before lockdown wished for more 'family time'? When it comes to those within your household, many of us have enjoyed the time together, the time to be more involved with our children's schooling and development. Whilst we have not been able to see those who live separately from us, many of us have found ways to use new technology with older relatives. We have connected with neighbours in a communal and socially distant manner, which we would never have thought possible in today's modern society.

As we have been allowed to by the lockdown restrictions, many of us have shown our support for local businesses and the local people who run them. Restaurants which were once full now sit empty, but have delivered 'date night' meals to residents. Public houses and breweries have given away stock to key workers and invited us to collect their produce to enjoy off site.

The economic, mental and social impacts of the COVID-19 pandemic will be both felt and largely unknown for years into the future. As we ponder what that might mean, it is important to remember that a few of the things that might result from this crisis will see us emerge into a world where positive change has continued, or even been accelerated. Just ask those goats!



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