

‘Independent’ wealth advice is becoming a marketing label

By Andrew Ratcliffe, CFP® | 30 September 2026



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Consolidation, tied advisers and compliance costs are thinning the ranks of truly independent family offices - just as demand from Africa’s ultra-wealthy surges.

Family offices are increasingly influential in wealth management, as the ultra-wealthy seek out specific types of expertise to help manage and preserve their wealth and interests across generations.

While Deloitte research cites an estimated 8,030 single-family offices globally, this number is likely to be even higher when multi-family offices are included. These offer a lower entry point to clients and a more efficient service via shared resources and expertise. The same Deloitte report estimates that African family offices will grow their assets under management to \$37bn, up 164% from \$14bn in 2019.

Advising the wealthy across multiple jurisdictions and generations requires a very specific set of skills, particularly in increasingly complex compliance environments such as those of South Africa and the rest of Africa. As a result, the supply of genuinely unconflicted independent advice is shrinking at exactly the moment demand for it is growing.

A number of factors are challenging independence in wealth management — all of them visible in South Africa, which acts as a hub for ultra-high-net-worth African wealth management due to the sophistication of its financial services sector.

First, consolidation has reshaped the ownership map, with private equity-backed acquisitions of advisory firms hitting record levels globally in 2025. In South Africa, the pattern is similar. Of the country's 20 largest asset managers in 1994, 18 either no longer exist or have fundamentally changed.

When ownership changes, incentives change, and the client is rarely the beneficiary.

Second, vertical integration, where several of the largest wealth platforms are owned by life insurers or banks, is the dominant model in South Africa. These groups control the adviser relationship, the discretionary fund management layer, and the administration platform under one roof. This tied-adviser model is a uniquely South African form of vertical integration, where the adviser's income is structurally linked to the product house they represent. It builds a conflict of interest into the model itself.

Third, compliance costs are forcing consolidation. The Financial Advisory & Intermediary Services (Fais) Act, the Financial Intelligence Centre Act and the Protection of Personal Information Act all add to the regulatory burden. So does the Financial Sector Conduct Authority's (FSCA's) evolving Retail Distribution Review, now taking shape as the Conduct of Financial Institutions (Cofi) Bill. Together, they have driven up the fixed cost of running a compliant practice. Smaller independent firms face margin compression which larger platforms can absorb. The result is a gravitational pull towards consolidation.

"Independence" has unfortunately become a marketing term, with many firms that distribute proprietary products billing themselves as independent. The same goes for "family office". Both terms have been diluted to the point where clients cannot easily distinguish branding from structure.

True independence in wealth advisory rests on three things. First, there should be no institutional parent or owner — such as a bank, life assurer, asset manager or private equity firm — with a commercial interest or influence in the family office and its approach to wealth management.

Second, it must have an open architecture where wealth managers can exercise discretion when appointing and dismissing asset managers, banks and fiduciaries based solely on the family's needs. Essentially, it must sit above service providers, not alongside them.

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The third, and simplest, test is where the family office's revenue comes from. It should draw on multiple sources: asset managers, platforms, custodians, cross-border fiduciary and tax, accounting and banking.

Under the Fais Act, the FSCA already distinguishes between tied advisers and independent financial services providers (FSPs), while the Cofi Bill aims to address conflicts of interest more directly. Regulatory compliance is not the same thing as structural independence.

Most trade-offs are unfortunately invisible until the damage is done. Because vertical integration dominates in South Africa, where most of the largest wealth platforms are owned by asset managers, life insurers or banks, the same group advises, manufactures the products and administers the platform. This means there is a structural incentive to recommend in-house solutions, even when better options exist.

The model also lets providers capture advisory fees, platform charges and management fees under one roof. Each layer looks reasonable in isolation, but the cumulative drag compounds silently over decades.

In the UK, the Financial Conduct Authority's 2025 review of private equity-backed consolidation in wealth management found that decision-making often sat with unregulated parent companies, which led to "poor outcomes for consumers". The same risk exists in South Africa wherever advisory firms are subsidiaries of larger financial groups whose priorities are driven by group economics, not individual client outcomes.

Consolidation is not slowing, locally or abroad, and the pool of genuinely independent firms is shrinking. However, demand for what they offer is growing. Intergenerational wealth transfer means that, globally, more than \$84-trillion will change hands in the next two decades, and 70%–80% of heirs will switch advisers after inheriting.

In South Africa, more than 30% of high-net-worth individuals are now older than 60. Next-generation clients are not loyal to institutions, but to transparency, alignment and values.

Africa's ultra-high-net-worth population is also surging, with Knight Frank projecting nearly 4,400 more such individuals across the continent by 2026 — growth of 33%. This creates a growing pool of families actively choosing their advisers for the first time. Clients are better informed, too: AI tools now let them benchmark fees and flag conflicts in real time. The information advantage large firms once held is disappearing.

While consolidators win on product distribution, an independent family office wins on alignment, co-ordination and trust. Those don't require scale; they require clarity of purpose. In South Africa, independent FSPs already dominate by assets under advice, managing about R1.6-trillion — four times the R400bn managed by tied advisers, despite being fewer in number. So the question is not the efficacy of the model, but whether it can sustain itself as compliance costs rise and consolidators circle.

The sustainable model — the independent family office — will not necessarily be the largest, but the one families can trust most. Consolidators may continue to win on scale, distribution and operational efficiency, but truly independent family offices will endure where they can prove alignment, transparency and objectivity in every decision.