

AJ Bell boss warns on 'gamification' of share trading

The boss of [AJ Bell](#) today hit out at the new breed of share platforms that the [City](#) regulator warns are encouraging rapid-fire [trading](#) from inexperienced investors.

On Monday the [Financial Conduct Authority](#) said some of the new breed of share app are giving [customers](#) "in-app points, badges and celebratory messages" for making trades, turning investing into a video game.

This "gamification of trading" is worrying the watchdog.

Unveiling strong full -year results, AJ Bell chief Michael Summersgill told the Standard: "What people have been doing in the fintech disruptor space is trying to engage customers more. That's fine. But some of the ways they have done that are slightly misguided."

He says AJ Bell's own app Dodl gives no incentives for quick fire trades.

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“They are definitely not talking about us,” he said of the watchdog’s concern that traders are encouraged to “invest in products beyond their risk appetites”.

He added: “The fear of the regulator is that people are being encouraged to over trade. That is not the way we have structured products. We are trying to appeal to the long-term investor by encouraging a ‘buy and hold’ mentality.”

During lockdown a “meme-stock” trading frenzy saw amateur traders pump up the prices of stocks including GameStop in what some say as revenge against hedge funds. Most small investors who deal like this lose money, all research shows.

AJ Bell saw £5.8 billion flow into its platforms taking the total under administration to £64 billion.

Overall revenue was up 12% to £164 million, with profits beating City forecasts, up 6% at £58 million.

The full year dividend of 7.37p a share is worth nearly £7 million to founder Andy Bell, who stepped down as CEO. He wanted to stay on as chairman, a move the regulator refused. The company is looking for a new chairman.

Summersgill, the former CFO, praised AJ Bell’s “strong growth in a difficult market”.

He added: “There are challenges, but we have been able to grow.”