

## CASE STUDY

## A study on personal financial planning in UK and India with the help of case studies

Aabha S. Singhvi<sup>1\*</sup>, Harshit Chetanbhai Solanki<sup>2</sup> and Parth S. Kansara<sup>3</sup>

<sup>1</sup>GIDC Rajju Shroff ROFEL Institute of Management Studies, Vapi, India

<sup>2</sup>GIDC Rajju Shroff ROFEL Institute of Management Studies, Masters in Business Administration (Finance), Valwada, India

<sup>3</sup>GIDC Rajju Shroff ROFEL Institute of Management Studies, Masters in Business Administration (Finance), Bilimora, India

**\*Correspondence:**

Aabha S. Singhvi,  
aabha.singhvi@gmail.com

**Received:** 01 August 2023; **Accepted:** 15 August 2023; **Published:** 28 August 2023

Financial planning is becoming one of the most important parts of life in the world. In this study, we discuss about personal financial planning, financial literacy, and software applications. We have done this by examining two scenarios: India and the UK. For this study, we took cases of personal financial planning done in the UK and India to gain clarity. We had joined an organization to understand this topic and prepare this research paper. We tried to find out how financial planning is done in the UK and what type of software is used by UK people to invest and plan their future. Similarly, we have studied which type of software and method was used to invest and plan future by Indian people; we also found out how Indian and UK organizations provided financial services and which method they used, as well as how the different government rules and regulation effected personal financial planning in both countries. We have done this topic based on case study by using real-time case. We also try to study the differences between Indian people and UK people toward future planning and investment.

**Keywords:** personal financial planning, financial planning done in UK, financial planning done in India, financial literacy

### Introduction

To understand this work, one needs to understand the concepts of financial planning. A financial plan acts as a guide on your life's journey. Essentially, it helps you be in control of your income, expenses, and investments so that you can manage your money and achieve your goals. Thus, financial planning is a step-by-step approach to meeting your life's goals.

Financial planning includes all the activities that apply general management standards to the financial resources of a firm, such as planning, directing, organizing, procuring, investing, and returning the funds. In this article, students will learn about the meaning, objectives, and features of financial planning.

### Research methodology

This study is based on case study, which is real-time cases, and we have not done any type of survey or questionnaire

because we are not able to take surveys in the UK, and without that data, we are not able to do any analysis. We take five Indian cases and three UK real-time financial planning cases. But in this study, we are presenting only two cases.

### Findings

This study aimed to understand the financial planning industry in India, how financial planning is done in India and the UK, and study factors that affect financial planning. This study is totally based on case studies and existing UK clients.

Steps for financial planning in the UK are as follows:

Step 1: Collect Information: Collect information from the client, i.e., personal information, medical information, and many more.

Step 2: Excel Sheet: After collecting information, the next step is preparing Excel sheet. In Excel, we put the data

that are obtained from the client. Excel makes work easy. Information include

- Policy number
- Existing fund value
- Amount of investment
- Name
- Transfer value
- Risk profile of client
- Charges
- Existing portfolio (allocation, active and passive fund, and charges).

Step 3: DEFAQTO: DEFAQTO is a tool used for fund research. This is obtained from the client and has all the details of the fund. Details like fund name, fund invested in, where invested, how much invested, charges levied, and fund return are obtained. If this is not obtained, then we have to find out everything including charges and projection (future value of investment).

Step 4: Illustration: The existing fund details and their projection are checked.

Step 5: Genovo: Genovo is a software used for creating the final report. In this software, we add every detail of a client and make final reports. We also add some sections that are important for the report.

The main sections include Introduction, Review of Existing Plan (Plan Summary, Add details of Existing Plan), New Investment Recommendation, Recommended Investment Strategy, and Important Information.

Step 6: FE Analytics: With this tool, we produced a pre-sale cost and charge report. The charges include platform charges, on-going adviser charges, on-going charge figures, and transaction charges.

Note: The name and other sensitive details are changed due to privacy protection.

## Case 1: pension fund switch

S. No	Particular
01 Name	Mrs. Yasin Arthur
02 Marital status	Married
03 Country	United Kingdom
04 DOB	20-12-1971
05 Gender	Male
06 No. of dependents	2 (1 son and 1 daughter dependent till age 18)
07 Resident tax	United Kingdom

S. No.	Particular	
08	National insurance number (NI number)	AA123456C
09	Employment status	Employed
10	Occupation	Lawyer
11	Desired retirement age	70
12	Highest rate to tax paid	45%

## Results

From these cases and other information, we found the following.

- (1) In the UK, there is a proper process for personal financial planning. They have used some software to prepare financial plans. For example, they use the Genovo software to prepare the final plan report; they also use FE Analytics to calculate charges that are related to funds; FE Analytics helps fund managers collect, store, and share their fund data.
- (2) In India, there is a different way to do financial planning. Indian people are not aware of how to invest, where to invest, or what products are there for investment. There is no proper structure for financial planning. For example, people only believe in their portfolio manager, and they invest their money in the products that are suggested by their portfolio manager.
- (3) Every individual has different needs to achieve in their life; some have short-term needs and some have long-term needs. Depending on that, an individual makes the saving and investment decision. It is up to the individual to decide whether they want a retirement plan, hazard management plan, long-term investment plan, a tax saving plan, or a real estate plan. According to the needs, plans are given to the individual; this will help solve their needs.
- (4) According to our study, we find that there are various factors that affect the financial planning of an individual, like risk, return on investment, age, goals and objectives, dependences, and health.

## Steps in INDIA

In India, there is no financial planning structure. The policy is mostly taken by agents who chose the policy that gives them better commission. The policy that the public selects is due to influence from their friends or relatives or through agents. Following are the steps that are followed by the public:

**Step 1:** Gets the information from friends.

**Step 2:** After getting information without any research, the client goes to the agency that provides that company's policies.

**Step 3:** The knowledgeable agent will take advantage of his knowledge and give the policy that is best for him.

## Case of India 1

1.	Name	Mr. Abhishek Patel
2.	Address	A-12, Harsiddhi colony, Bilimora, Navsari
3.	Gender	Male
4.	DOB	21/01/1987
5.	Age	35
6.	Pan number	KJHPK5252H
7.	Aadhar number	2654 5615 8466
8.	Salary	Rs. 150,000 per month
9.	Dependents	Yes
10.	Unmarried/married	Married
11.	Working	Job
12.	Medical history	No problem
13.	Mobile number	+91 9979975846

## Personal information

**Mr. Abhishek Patel** is a salaried person. His monthly income is 150,000, and his monthly expense is 40,000. His age is 35 years. He is a married person, and his wife's name is Geeta Patel. Her age is 31 years. He has two children: son's name is Marmik (5 years old) and daughter's name is Dhruti (2 years old).

### Goals

(1) Emergency fund (1.5 lakh * 6)	900,000	
(2) Children education	Son	Daughter
	2,000,000	2,200,000
(3) Daughter marriage after 24 years	9,500,000	
(4) Retirement goal after 25 years (age of 60)	93,000,000	

### Emergency fund (Rs. 900,000 investment)

We use FD for their emergency fund, so 900,000 is transfer to their emergency fund

### Results

Invested amount	624,000
Est. return	879,725
<b>Total value</b>	<b>1,503,725</b>
Lump sum amount	500,000
<b>Total investment value</b>	<b>2,003,725</b>

### Son education (Rs. 2,000,000 investment)

For son education, they start 4000 P/M SIP and 500,000 lump sum investment from MF/STOCKS

### Daughter education (Rs. 2,200,000 investment)

For daughter education, they start 3000 P/M SIP and 500,000 lump sum investment from MF/STOCKS

### Sip calculation

Monthly sip	4000
Expected interest rate	12%
Time period	13 years

### Sip calculation

Monthly sip	3000
Expected interest rate	12%
Time period	16 years

### Results

Invested amount	576,000
Est. return	1,168,135
<b>Total value</b>	<b>1,744,135</b>
Lump sum amount	500,000
<b>Total value</b>	<b>2,244,135</b>

### Daughter marriage (9,500,000 investment)

For marriage, they invest his 700,000 FD in equity and we assume that return is 12% per year, it will be double in 6 years, so calculation is

700,000	1 year
1,400,000	6 year
2,800,000	12 year
5,600,000	18 year
11,200,000	24 year

### Retirement plan (9.3 cr investment)

Currently their expense is 40,000 but in future the inflation rate is 7% so actual expense is increase 75,000, 150,000, 300,000, 450,000  
So according to calculation they need 9.3 cr for them after his retirement  
So, they start 49,000 SIP P/M and it will be increase by 10% every year and remaining 1,000,000 EPF fund is attached with this goal

### Sip calculation

Monthly sip	49,000
Expected interest rate	12%
Time period	25 years

Assets				Remaining	
EPF	1,000,000	Retirement	1,000,000		0
FD	2,000,000	Emergency fund	900,000	700,000	400,000
MF/Stocks	1,000,000	Son education	500,000		0
		Daughter education	500,000		

According to their needs and objectives, we give the best plan to fulfill their future goals. We prepare an Excel presentation for our client and present it.

## Limitations

1. In our study, we have no in-depth information on the topic.
2. Unwilling to reveal financial position.
3. There is also time bond for the project.
4. Company is a Start-up Company, so they do not have many clients.
5. In India, this business is still in the growing stage, so there is not much information about the topic.
6. This study is based on case study rather than a survey.

## Conclusion

The comprehensive study about every aspect of this topic shows that financial planning is a dynamic and flexible concept that involves regular and systematic analysis,

proper management, judgment, and actions. It can also be concluded that clients or investors should start planning soon, set measurable goals, look at the bigger picture, not expect unrealistic returns on their investments, and that the value of the plan lies in its implementation. It accurately reflects what you are personally trying to accomplish. With the combination of different stocks, we can reduce the risk and increase the returns of a portfolio. By constructing a portfolio, we can only minimize the unsystematic risk; we cannot minimize the systematic risk.

## Author contributions

All authors have been putting forth their best effort to finish this article, joining a group that has already been working in this field, job with that organization as preplanning, and we are solving the investment problem for clients in the UK, India, and Australia, creates their own article, which we then compile and finish.

## Acknowledgments

We are very appreciative of our guide, AS ma'am, for her continuous help in preparing this article. We are also appreciating our external guide, which is our organization where we are working as employees. In addition, this publication organization agreed to publish our article.

## References

1. Case Study. *Srividya nair family financial planning*. Available online at: <https://fpgindia.org/2011/03/financial-planning-case-study.html>
2. TheCaseSolutions. *Smith family financial planning harvard case solution & analysis*. Available online at: <https://www.thecasesolutions.com/smith-family-financial-plannin-g-37670>
3. Bustamante Financial Solutions. *Young married couple with children-Planning their future*. Available online at: <https://bustamantefinancialsolutions.com/case-studies-and-results>
4. Delpachitra S editor. *financial literacy and financial planning: evidence from India*. (Vol. 5). (2010).
5. University of South Florida. *Financial Literacy and Financial Planning in France*. (Vol. 6). Tampa, FL: University of South Florida. (2003).
6. Microsoft Word. *A study on financial literacy and financial education: an overview of scenario in India*. (Vol. 5). (2016).
7. ResearchGate. *A model for integrated analysis of generation capacity expansion and financial planning*. Berlin: ResearchGate.
8. ResearchGate. *A Study of financial planning and investment of individual*. (Vol. 9). Berlin: ResearchGate (2020).