

## Satisfaction with financial advisers on the upswing

Investor frustration with the people who managed their money was feverish during the brutal equity market downturn of 2008 and early 2009.

Michael Harding had just switched financial advisers when the 2008 stock market meltdown sliced his investment portfolio by 25 per cent.

“Everything I had been saving and trying to protect - all of a sudden it was under attack,” said the 56-year-old small business owner from Caledon, Ont.

Mr. Harding, the president of Inline Reference Check Inc., credits frequent communication with his new adviser as what kept him from panicking.

“My adviser was able to talk me through what was happening. If I phoned him, he would respond within 24 hours. He put out newsletters and e-mails, especially when things were going into the dumps. Without that regular contact, I would have worried myself sick.”

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Throughout the downturn, Mr. Harding says he never considered switching financial advisers. “I felt confident with where we were going. And clearly I have loyalty to him now.”

A wealth management survey released by Vancouver-based market research consultancy Vision Critical, the offspring of pollster Angus Reid, found that Canadian investors’ satisfaction with their financial advisers improved steadily last year.

### Firm Ranking

Investors’ satisfaction with their financial advisers has been improving since the stock market meltdown. Here’s a look at the firms with the most satisfied clients:

|   | Emerging affluent investors \$25,000 to \$100,000 | Mass affluent investors, \$100,000 to \$250,000 | Affluent & high-net worth investors, \$250,000 plus |
|---|---|---|---|
| 1 | Desjardins Securities                             | RBC Dominion Securities                         | ScotiaMcLeod  |
| 2 | Royal Bank of Canada                              | Desjardins Securities                           | RBC Dominion Securities                             |
| 3 | CIBC  | CIBC Wood Gundy                                 | CIBC Wood Gundy                                     |
| 4 | Scotiabank  | Dundee Wealth Management                        | Investors Group Securities                          |
| 5 | Bank of Montreal                                  | Royal Bank of Canada                            | BMO Nesbitt Burns                                   |

Source: Vision Critical



Investor frustration with the people who managed their money was feverish during the brutal equity market downturn of 2008 and early 2009, with record numbers considering ditching their advisers. Of course stocks and sentiment have since rebounded, so it's not exactly shocking that Canadians are again feeling increasingly warm and fuzzy toward their advisers.

"As sentiment improves, we also continue to see a decrease in per cent of investors investigating other adviser options," says Demitry Estrin, senior vice-president of Vision Critical's financial services practice.

As was the case with Mr. Harding, their research also shows that advisers who provided their clients with consistent reassuring advice were the ones who have inspired the most loyalty. Among those surveyed, dissatisfied investors say they spoke with their financial adviser four times a year, compared with nine times for satisfied investors.

Among investors who felt they received quality advice to help them weather the storm, only 6 per cent considered leaving their adviser. That number soared to 50 per cent among those who felt they did not get quality input.

"Last year was a tough one for the industry, especially the first six months. It was not enough to have one check-in, it was about frequency of contact and the quality of that contact," Mr. Estrin said. "Those advisers who have weathered the storm with their clients and gave them solid advice, the levels of loyalty are more cemented than ever before."

The Vision Critical survey also ranks Canadian wealth management firms, using three measures to define investor loyalty: overall satisfaction with a financial adviser, the share of assets allocated to that adviser and how long the investor has been with the adviser.

The online survey of 20,000 Canadians was conducted in four waves during 2009 and results are broken down by investor affluence. It found that among Canadian investors with \$25,000 to \$100,000 in investable assets, Desjardin Securities grabbed the top spot, followed by Royal Bank of Canada, Canadian Imperial Bank of Commerce, Bank of Nova Scotia and Bank of Montreal.

"Desjardin clients are very loyal and typically allocate 80 per cent or more of their share of assets with their financial adviser. But within this emerging affluent category, it is the major five banks that are really coming up strong," Mr. Estrin said.

RBC Dominion Securities was the top pick among investors with \$150,000 to \$250,000 in assets, while ScotiaMcLeod ranked No. 1 among Canadians with \$250,000 or more in investable assets.

