
RBC Wealth Management ranks first in "satisfaction" survey

By Editor Test *Wed, Jun 22, 2011*

The annual J. D. Power and Associates U.S. Full Service Investor Satisfaction Survey also found that most people don't understand the difference between the "fiduciary" and "suitability" standards of advisor conduct.

The newly released *J.D. Power and Associates 2011 U.S. Full Service Investor Satisfaction Study* shows that RBC Wealth Management has the most satisfied customers. (See chart below.)

The study also found finds that "85% of full service investors either have not heard of or do not understand the difference between a suitability standard (where advisors are required to make investments they deem suitable for their clients) and a fiduciary standard (where advisors are required to act in the best interests of their clients and disclose all conflicts of interest)."

Among those full service investors who are currently in a fiduciary relationship, 57% say this increases their comfort level with their advisor, while 42% say that it decreases their comfort level.

"Legislating all advisors to this standard carries an unintended consequence of additional compliance oversight, which could translate into significantly higher costs—likely to ultimately be passed back to investors," said David Lo, director of investment services at J.D. Power and Associates.

From a client satisfaction perspective, the ethical standard that an advisor follows isn't nearly as important as whether or not the advisor follows key client management practices, such as (in order of importance):

- Clearly communicating reasons for investment performance
- Clearly explaining how fees are charged
- Proactive advisor contact regarding new products and services or accounts four times in the past 12 months
- Returning client calls/inquiries within the same business day
- Reviewing or developing a strategic plan within the past 12 months
- Providing a written financial plan
- Discussing risk tolerance changes and incorporating into plan where appropriate in the past 12 months

The J. D. Power study, now in its ninth year, measures [overall investor satisfaction with full service investment firms](#) in seven factors (in order of importance): investment advisor; investment performance; account information; account offerings; commissions and fees; website; and problem resolution.

RBC Wealth Management ranks highest in investor satisfaction with a score of 814 on a 1,000-point scale and performs particularly well in investment advisor and account information. Charles Schwab & Co. follows with a score of 805, performing particularly well in account offerings and website. Fidelity Investments ranks third with a score of 796.

Investor Satisfaction Index Rankings (Based on a 1,000-point scale)		
<u>Firm</u>	<u>Index score</u>	<u>JDPower.com Power Circle Ratings For Consumers</u>
RBC Wealth Management	814	5
Charles Schwab & Co.	805	5
Fidelity Investments	796	4
LPL Financial	794	4
Edward Jones	788	4
Raymond James	785	3
Ameriprise Financial	779	3
UBS Financial Services	778	3
Industry Average	772	3
Merrill Lynch	758	3
Morgan Stanley Smith Barney	754	3
Wells Fargo Advisors	746	3
Chase Investment Services	704	2
Citigroup (CitiCorp)	670	2
Source: J. D. Power & Associates.		

The study also finds that usage of online communication channels has increased compared with previous years:

- 59% of full service investors have visited their firm’s website in the past 12 months, up from 52% in 2009.
- 51% of full service investors have exchanged an email with their advisor in 2011, compared with 19% in 2008.
- Among investors who visit their firm’s website, those older than 64 years average more than 35 visits to their firm’s website per year. In comparison, investors younger than 45 years average 12 visits per year and investors between the ages of 45 and 64 average 23 visits per year.

- Reviewing documents posted by an advisor and reviewing tax information are among the most common tasks performed by investors visiting their firm's website.

The 2011 U.S. Full Service Investor Satisfaction Study is based on responses from more than 4,200 investors who make some or all of their investment decisions with an investment advisor. The study was fielded in March 2011.