

Self-Directed Investors in Canada Increasingly Seek Advice, J.D. Power Finds

Research Spotlights Unmet Need for 'Hybrid' Self-Service Advisor Models

TORONTO: 14 Sept. 2017 — Self-directed investors do not necessarily want to go it alone, but advisory firms have yet to crack the code on the perfect hybrid solution, which effectively combines tailored advice with self-service tools and resources, a key finding of the J.D. Power 2017 Canadian Self-Directed Investor Satisfaction Study,SM released today.

“With about half of investors whose primary account is self-directed—indicating a current or imminent need for full-service advice—self-service brokerages have significant assets at risk of attrition if they are not able to meet this need,” said **Mike Foy, Senior Director of the Wealth Management Practice at J.D. Power**. “The trend is even more pronounced among Millennials,¹ who are clearly looking for self-service-with-benefits models that allows them to manage their accounts but also receive advice from professionals when they need it. Firms that can get that balance right—and offer it at a competitive price—have a huge opportunity to fulfill an unmet need.”

Following are some additional findings of the 2017 study:

- **High unmet need for professional advice among self-directed investors:** Half of self-directed investors either already have a secondary full-service account or plan to open one in the next 12 months. That number jumps to 60% among Millennials. Just 28% of all investors indicate a low likelihood of opening a full-service account.
- **Robo-advisor adoption still modest, but could pose threat to self-service:** Overall, robo-advisor usage among self-directed investors has declined in 2017 to just 19%, down from 24% in 2016. Despite that low utilization rate, however, 55% of Millennials and 48% of older investors rate their robo-advisor as high as or higher than their primary self-directed provider, suggesting that as awareness and adoption increase, robo options are well positioned to fill the unmet need for guidance.
- **Mobile trading continues to gain share:** Among the increasing number of investors who use mobile for trading, mobile now accounts for 63% of overall trades, up from 48% in 2015, making it the primary trading channel for these self-directed investors. Firms that are able to shift other investor interactions like reviewing performance and doing research to mobile enjoy higher levels of satisfaction.

Study Rankings

Desjardins Online Brokerage ranks highest in self-directed investor satisfaction, with a score of 785 (on a 1,000-point scale). Following are **Qtrade Investor** (778), **BMO InvestorLine** (763) and **Scotia iTRADE** (762).

¹ J.D. Power defines Millennials as those born between 1982 and 1994.

The Canadian Self-Directed Investor Satisfaction Study, now in its ninth year, measures investor satisfaction among those who do not work with an advisor for their primary account with their brokerage firm across six key factors (in order of importance): interaction; account information; information resources; trading charges and fees; product offerings; and problem resolution.

The study includes responses from 2,609 investors who primarily invest with self-directed investment platform providers in Canada. The study was fielded in May through June 2017.

For more information about the Canadian Self-Directed Investor Satisfaction Study, visit <http://canada.jdpower.com/resource/canadian-self-directed-investor-satisfaction-study>.

See the online press release at <http://www.jdpower.com/pr-id/2017154>.

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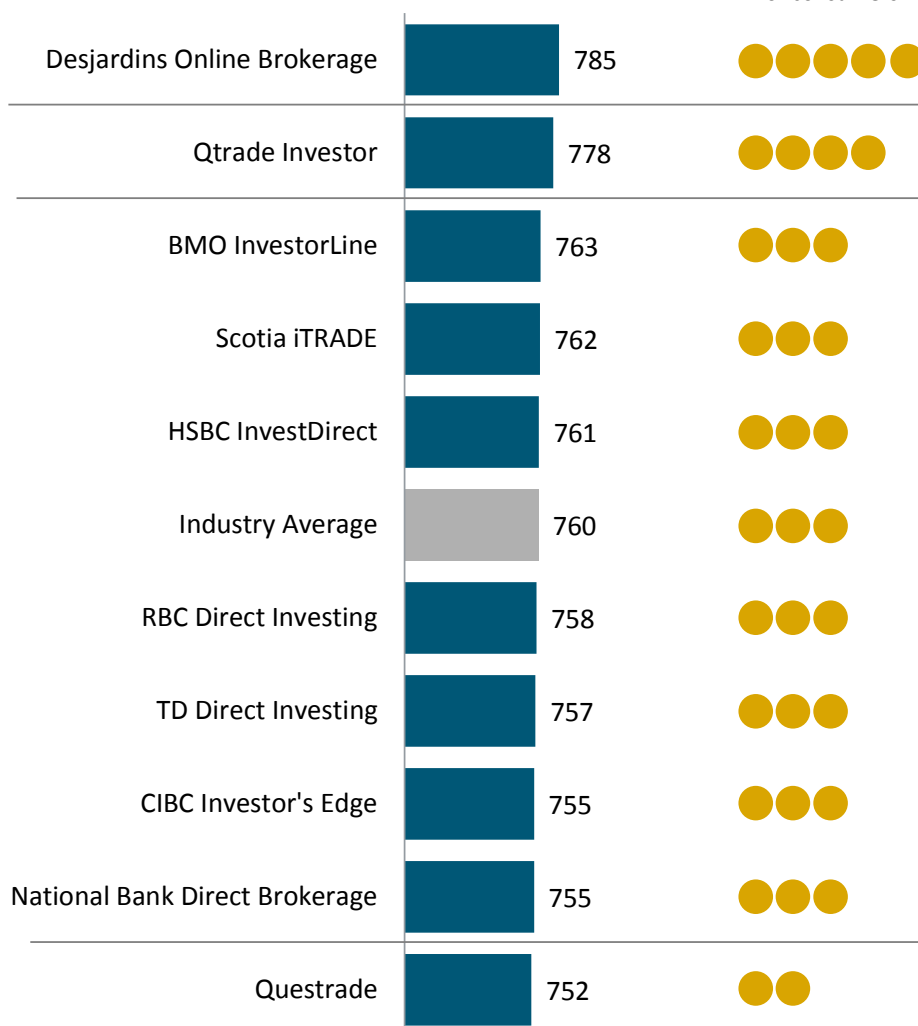
NOTE: One chart follows.

J.D. Power 2017 Canadian Self-Directed Investor Satisfaction StudySM

Overall Canadian Self-Directed Investor Satisfaction Ranking

(Based on a 1,000-point scale)

JDPower.com
Power Circle Ratings™
for consumers:



Included in the study, but not ranked due to small sample size, is Credential Direct

Source: J.D. Power 2017 Canadian Self-Directed Investor Satisfaction StudySM

Power Circle Ratings Legend
 ●●●●● Among the best
 ●●●● Better than most
 ●●● About average
 ●● The rest

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