

Discover your edge

Thursday, 30 November 2017

Opportunity for financial planners to gain trust

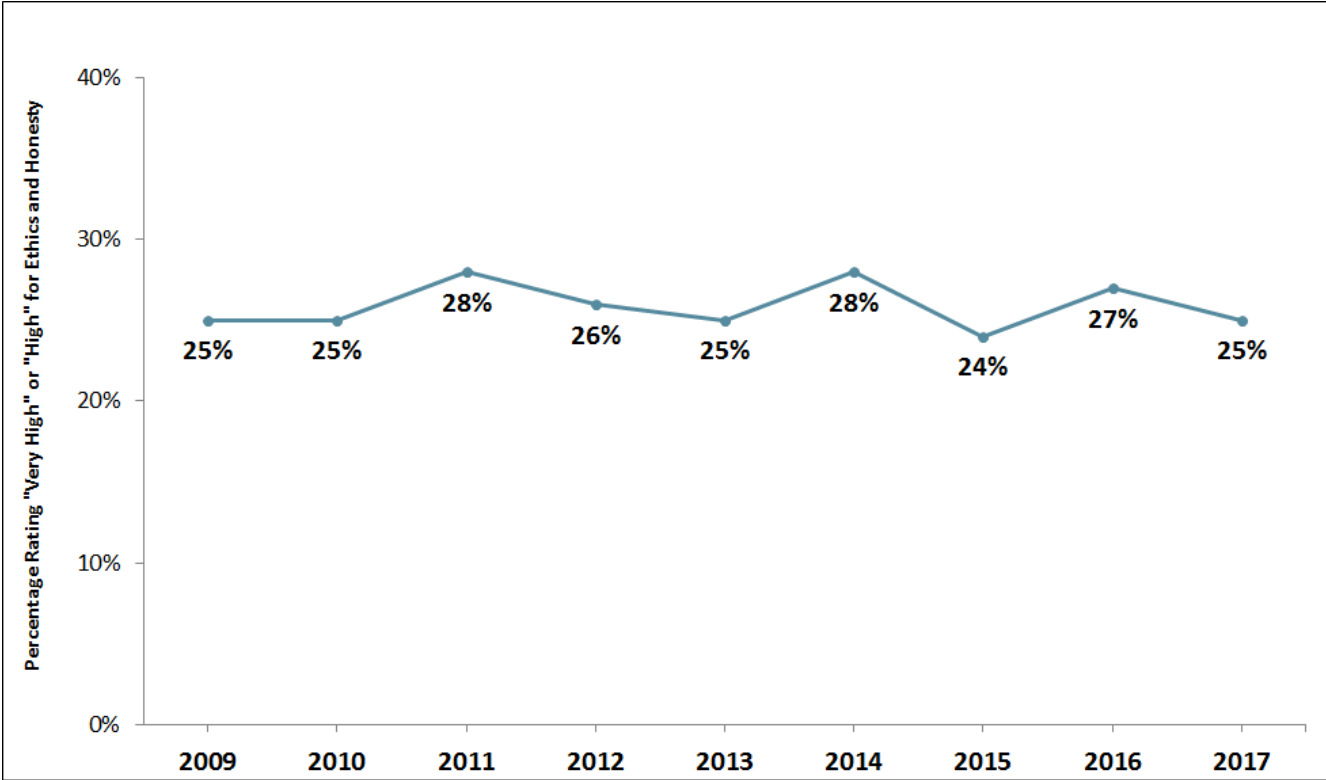
In a world where trust is in short supply, a need has emerged for financial planners to gain a greater level of trust among Australians.

This is one of the findings from the new 2017 edition of the Roy Morgan 'Superannuation & Wealth Management in Australia' report.

Financial Planners Rating for Ethics and Honesty

Overall, trust in financial planners for ethics and honesty has shown no real improvement since the survey began in 2009, declining by 2% points in the past 12 months to 25%, back to the 2009 level.

FOR IMMEDIATE RELEASE



Source: Roy Morgan Image of Professionals Survey 2009 to 2017 **Base:** Australians 14+; May 2017 survey, n = 648

Is independence the issue?

The latest findings from the Roy Morgan Superannuation & Wealth Management in Australia survey conducted in October 2017 suggest ongoing confusion about which financial planners offer independent advice may have a part to play.

Many of the major licensee groups, which are owned by one of the major financial planning groups but branded differently to their parent, continue to be largely viewed as independent by consumers despite their ownership.

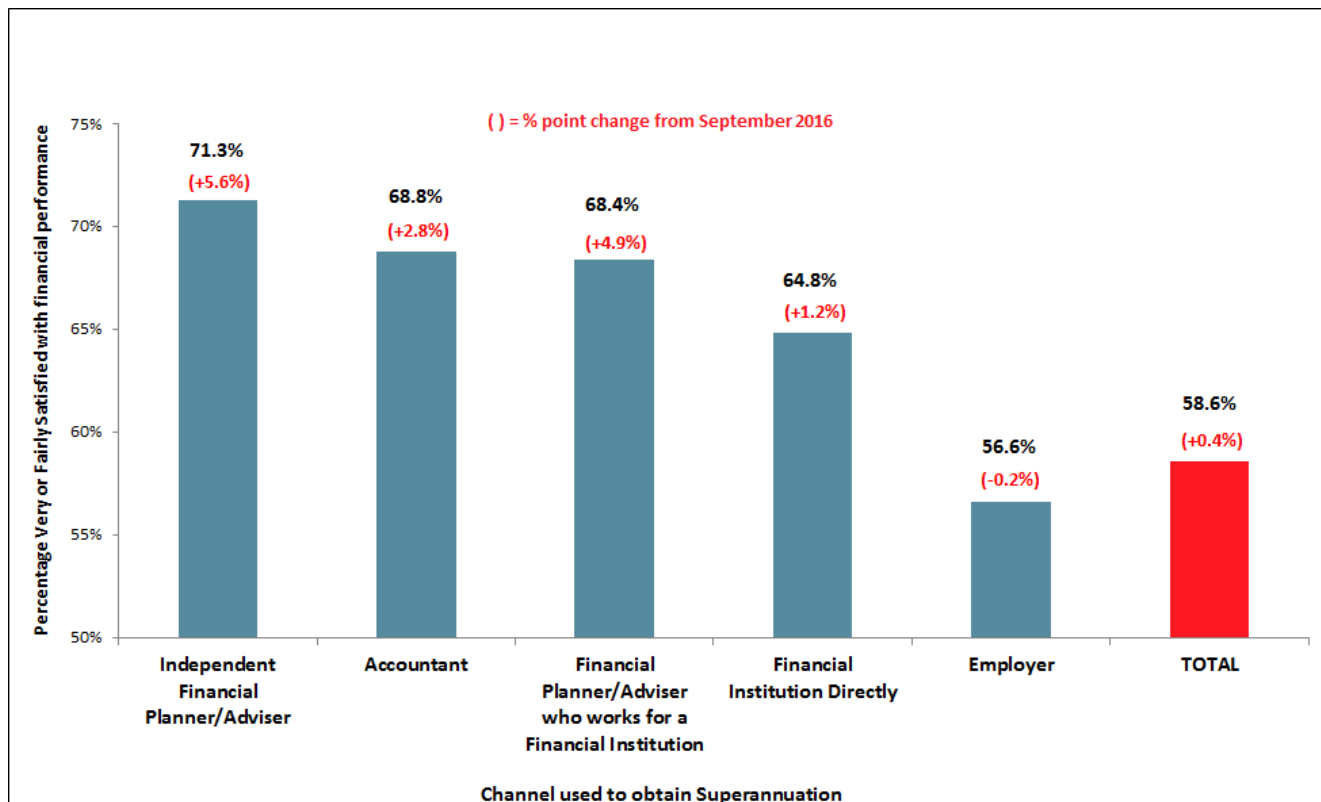
It is interesting to note that even when a planner came from a major fund manager there was often confusion over the issue of independence, with around a quarter of members considering them to be independent.

Advisers showing preference for their own company's products adds to the confusion, with 74.9% of advisors across all major financial planning groups selling their own products. This is a slight drop from the previous 12 months, but signifies an ongoing potential cause of mistrust with the industry.

High Satisfaction with performance

Despite low trust in the industry, those who purchase their superannuation through an independent financial planner/adviser are the most satisfied (71.3%). The next most satisfied group are those who purchased through an accountant, with a satisfaction level of 68.8% in the latest 12-month period.

Satisfaction with Financial Performance of Superannuation by Channel Used to Obtain



Source: Roy Morgan Single Source (Australia). 6 months ended September 2016, n= 18,311, 6 months to September 2017, n = 18,239 **Base:** Australians 14+ with superannuation

Those least satisfied with the investment performance of superannuation (56.6%) are those who acquired the product through their employer. This is a cause for industry concern considering employers are by far the most common channel used to purchase superannuation, accounting for 81.9% of products surveyed in the latest 12 months.

Norman Morris, Industry Communications Director, Roy Morgan says:

“Our research shows those who seek independent professional advice are much more satisfied with the performance of their superannuation. However, it seems confusion and mistrust cause many people to avoid seeking financial advice at all.

“This represents a major opportunity for financial advisors to find new ways to engage with the Australian public, especially younger audiences. If the advisers can find ways to overcome issues of trust and independence there is a huge potential market for their advice.

“Making financial advice more accessible to Australian’s should be a key focus for the industry, to improve investment returns, build wealth and grow member satisfaction.

“But the industry needs to examine this research very carefully and respond quickly.

“With more than 50,000 in-depth interviews conducted every year, over two decades, Roy Morgan is in the unique position to deliver a detailed understanding of all aspects of Australian’s financial behaviour and trends.

“The Roy Morgan ‘[Superannuation and Wealth in Australia](#)’ report brings a lot of this data together to identify areas such as understanding the highest value segments, customer profiles of all the major brands, the purchasing channels and their impact on satisfaction, the use of financial planners and their product bias and much more”.

For comments or more information about Roy Morgan’s banking and finance data, please contact:

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Related research reports

View our [Superannuation and Wealth Management in Australia Report](#).

About Roy Morgan

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan has over 70 years’ experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
7,500	±1.1	±1.0	±0.7	±0.5
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2