

Consumers and Financial Advice - Canada - May 2016

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“The introduction of CRM2 and the rise of digital advice channels (including robo-advisory services) are two major forces that are likely to have a significant impact on the financial advisory industry in Canada in the coming years.”

– Sanjay Sharma, Senior Financial Services Analyst

This report looks at the following areas:

- Women non-users are more likely to cite insufficient assets while males are more likely to self-manage investments
- Bank advisors most commonly used
- Older and higher-income Canadians trust independent financial advisors most
- Satisfaction levels are high particularly among older women

Financial planning is a process towards achievement of personal goals, needs and priorities through the proper management of a client's financial affairs. The Canadian financial advice industry is undergoing significant changes with the introduction of new regulatory structures. While there are a plethora of financial planners, advisors and counsellors in the market, there is always demand for quality financial advice. Also, free online tools and robo-advisory services have gained traction in the market, as consumers become more digitally engaged in the search for sources of information and advice.

Canadians, particularly older consumers, are experiencing a huge financial windfall in terms of inheritances and acquisition of financial assets. There is a pressing need for comprehensive portfolio management solutions. But there are issues surrounding trust and quality of financial advice that may prevent some consumers from seeking professional advice. There are also ongoing concerns about the lack of clarity on professional standards required for various types of investment advice.

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This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Canada's economy starts well in 2016

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CRM2 and its impact

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Bank of Montreal starts robo-advisor offering its ETFs
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Robo-advisory services in the US dominated by two major brand names

Who's Innovating?

Wealthsimple reaches \$400 million in assets
Bank of Montreal starts robo-advisor offering its ETFs
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Bank advisors most commonly used
Majority of clients unaware of the specifics of advisor compensation
Older and higher-income Canadians trust independent financial advisors most
Satisfaction levels are high particularly among older women

Use of Financial Advisors

Around half of Canadians have used some type of financial advisor/planner

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