

RBC Wealth Tops J.D. Power Investor Survey of Full Service Adviser Firms

By Elizabeth Ody - Jun 16, 2011

RBC Wealth Management, the unit of Toronto-based [Royal Bank of Canada \(RY\)](#) that oversees almost \$200 billion for more than 350,000 households, won the highest satisfaction ranking in a [survey](#) of full-service investment firms' customers, according to J.D. Power & Associates.

RBC earned a score of 814 on a 1,000-point scale this year compared with 793 in 2010, with strong marks for brokers' customer service and account information, said the survey of about 4,200 investors released today. The average score was 772.

Communicating well with customers, including explanations of [investment performance](#) and fees, are key contributors to customer satisfaction, said David Lo, director of investment services at J.D. Power, a [Westlake Village](#), California-based marketing-information company.

"One of the big things coming out of the recession we've seen is the expectation for proactive communication has increased," Lo said yesterday in a telephone interview. "People want more touch, more contact from their adviser."

The 2011 U.S. Full Service Investor Satisfaction Study measured companies using seven criteria such as investment performance, account information, website, offerings and fees. The report is based on responses in March from investors who make some or all of their investing decisions with a full-service broker, according to [J.D. Power](#), a unit of [New York-](#) based McGraw-Hill Cos.

Market Share

Full-service brokers managed about \$8.7 trillion in client assets, or about 70 percent of the \$12.4 trillion wealth-management market, as of the end of 2009, based on the most recent data from Aite Group.

Charles Schwab & Co., a unit of San Francisco-based [Charles Schwab Corp. \(SCHW\)](#), was ranked second with a score of 805, jumping from fourth place last year on higher marks for its website and range of investment products, Lo said. Boston-based [Fidelity Investments](#) rose to third place from seventh in 2010.

Last year's winner, St. Louis-based Edward Jones slipped to fifth place as its rating on investment performance declined.

"The competition is catching up with us, and in some instances have passed us by a little bit," John Beuerlein, a general partner at Edward Jones, who is responsible for client satisfaction, said in a

telephone interview.

Last Place

The lowest scoring firm was New York-based [Citigroup Inc. \(C\)](#), at No. 13 with a score of 670. Citigroup wasn't ranked in last year's survey.

"We take the feedback we receive from our clients very seriously," Will Howle, chief operating officer of North America Consumer and Commercial Banking for Citigroup, said in an e-mailed statement. "Our aspiration is to lead in client satisfaction."

Chase Investment Services Corp., a unit of New York-based [JPMorgan Chase & Co. \(JPM\)](#), was next to last with a score of 704, after taking the bottom spot in the 2010 survey.

[Bank of America Corp. \(BAC\)](#)'s Merrill Lynch rose to ninth place with a score of 758, from its ranking of 11th last year. [Morgan Stanley \(MS\)](#) Smith Barney and [Wells Fargo & Co. \(WFC\)](#)'s Wells Fargo Advisors also scored below the industry average, coming in 10th and 11th, respectively.

More than half of Americans surveyed said their retirement portfolios haven't yet recovered from the 2009 market lows, according to a study released earlier this week from Edward Jones.

Managing Expectations

"What we've seen is it's not the dollar-for-dollar performance, it's the ability of the adviser to manage the expectations of the investor," that contributes more to a positive rating, said Lo of J.D. Power.

About 40 percent of Americans surveyed are less trusting of financial planners than they were three years ago, according to a [report](#) released today by the Certified Financial Planner Board of Standards Inc., which administers the Certified Financial Planner designation.

The J.D. Power report also found that 85 percent of full-service investors haven't heard of or don't understand the difference between a fiduciary and a suitability standard. Brokers generally are held to a suitability standard that calls for advice that meets their clients' needs when a product is sold, instead of the fiduciary duty followed by registered investment advisers to put their clients' best interests first.

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