

## **Annual Hearts & Wallets Financial Services Customer Satisfaction Ratings Unveils Top Performers that Win Customer Hearts** *Consumers Reveal What They Want, Are Willing to Pay For and How They Pay*

(Rye, NY) – Which financial services providers do customers love? The seventh annual Hearts & Wallets national customer satisfaction ratings are in, as customers share the brokers, banks and retirement platforms they love the most and why in a new report from **Hearts & Wallets**, the source for retail investor data and insights.

Over 5,000 U.S. households rate their top two financial providers on service and pricing performance in *Wants & Pricing*, the latest Hearts & Wallets insight module from the annual Investor Quantitative Database™ (IQ Database™). The rankings cover 25 attributes for five key service dimensions and three pricing dimensions. The report focuses on top-level national annual satisfaction ratings for the top 24 providers most often cited by their customers. The IQ Database is the broadest and deepest single dataset of consumer financial behaviors and attitudes, encompassing 35,000 consumers since 2010, with the most recent wave surveying over 5,000 consumers. In the report, Hearts & Wallets analyzes how consumers perceive value in relation to pricing, what prices they believe they are paying, and how well they understand how providers earns money – the factor that Hearts & Wallets has proven is the major driver of trust.

“Hearts & Wallets congratulates the top performers in this comprehensive rating of customer satisfaction,” Laura Varas, founder and CEO of Hearts & Wallets said. “Over the past seven years, our research has demonstrated most consumers are willing, and in fact, expect to pay more for higher service levels or bundled offerings. Consumers of savings and investing solutions are comfortable with tradeoffs between value and pricing, just as they are with car, clothing and other shopping experiences. Providers have an opportunity to help current customers and prospective shoppers understand what they are paying for and how their store fits into easy-to-understand categories for comparison.”

### **Top Performers**

Hearts & Wallets ratings published in this report encompass all customer types and are weighted to national assets and age to be comparable across stores and years (*see methodology at the end of this release for more information.*) Ratings from specific customer types, such as brokerage customers, retirement plan participants, or even personas such as women who value advice, can be different than national ratings. Although ratings from specific groups are also measured in the IQ Database,™ the report focuses on the top-level national ratings because they are most comprehensive and provide an easy-to-understand overview. A sampling of Top Performers (with ratings distinctively higher than other stores) for selected attributes include –

- For “*unbiased, puts my interests first*” – **USAA** and **Ameriprise Financial** (NYSE: AMP), are top performers, with **Prudential** (NYSE: PRU) most improved.

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- For “*understands me and shares my values*” – Ameriprise, **Edward Jones**, and USAA are top performers. **Scottrade** shows the most improvement.
- For “*explains things in understandable terms*” – USAA, Edward Jones and Ameriprise are top performers, with **TIAA** the most improved.
- For “*on-line tools and research*” – **Charles Schwab** (NASDAQ: SCHW), **J.P. Morgan Chase** (NYSE: JPM) and USAA are top performers with VOYA Financial, Inc. (NYSE: VOYA) showing the most improvement.
- For “*well-trained staff*” – Ameriprise, Edward Jones and USAA are top performers with **T. Rowe Price** (NASDAQ-GS: TROW) being most improved.
- For “*offers personal financial advice*” – Ameriprise, Edward Jones, **Merrill Lynch (Bank of America Corporation)** NYSE:BAC) and **Wells Fargo Advisors (Wells Fargo)** NYSE: WFC) are top performers with TIAA being most improved.
- For “*fees are reasonable for the service provided*” – USAA and Edward Jones are top providers with Prudential being most improved.

## Who’s Paying and Where

Nationally, the number of Americans who don’t know what they pay for their investments or how they pay for them declined from the previous year, dropping 7 percentage points from 31% to 24%. Of those who do know, more people (46%) pay through products, in contrast to those who pay a store for help when selecting products, which remained steady at 29%. Hearts & Wallets defines “stores” as retail and defined contribution providers that work directly with investors, or places consumers go to buy investments.

“Stores make a range of products available and provide a variety of services. Products solve problems,” Varas said. “It’s like walking into a well-lit CVS (the store) and choosing Colgate Sensitive toothpaste (the product) or asking the dental hygienist at the end of an appointment which toothpaste is best for sensitive teeth and getting a recommendation for a less well-known brand. Investing has gotten so vertically integrated that it can be confusing, so remembering these basic concepts helps to simplify the dynamics.”

Of the 29% who pay stores, the most popular way is by percent of account (60%). The percentage for this mechanism is unchanged as consumers continue to express a preference for flat fees, even though flat fees remain rare. Of the 46% who said they pay through products (through which their stores are compensated), 74% say their products cost nothing.

Americans continue to have a poor understanding of how providers earn money, which Hearts & Wallets regression analyses have shown is an important trust driver. In the most recent report, 41% of customers have a poor or no understanding of how the firm earns money, as compared to 59% who understood it somewhat or very well.

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“No one payment option is superior,” Varas said. ““It’s all in how the consumer prefers to pay. For many, the answer may be a combination of options in both stores and products. Any of the models can be subject to conflicts of interest or bad actors. The ideal solution is consumers knowing what they’re getting and what they’re paying to make informed choices. Clear-cut competitive categories that create consumer choice architecture will empower transparency in service, products and pricing.”

### Methodology

*Wants & Pricing* is drawn from the section of the Hearts & Wallets Investor Quantitative Database (IQ Database) that analyzes consumer service dimensions, the price-value dynamic and captures customer satisfaction ratings of the 24 big banks, brokerages, employer and mutual fund firms cited most often by over 5,000 IQ Database participants. To be cited as a Top Performer, firms must be rated distinctively higher by their customers by five percentage points. Most improved providers from the prior year are rated five to 10 points more than other stores.

### About Hearts & Wallets

Hearts & Wallets is a data and consulting firm focused on understanding the drivers behind retail investor decision making. Combining a consumer marketing framework with financial services operating experience, the company’s mission is to be a catalyst for consumer-driven innovation in retail investing and saving. Hearts & Wallets works with leading financial providers to improve the effectiveness of their marketing communications, solution design and service delivery. For more information visit [www.heartsandwallets.com](http://www.heartsandwallets.com).

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