



Press Release

J.D. Power and Associates Reports: Despite Improvements, Canadian Discount Brokerage Firms Still Trail Their United States Counterpart in Investor Satisfaction

Disnat Ranks Highest in Investor Satisfaction among Discount Brokerage Firms in Canada For a Fourth Consecutive Year

TORONTO: 20 September 2012 — Although overall investor satisfaction with Canadian discount brokerage firms increases year over year, closing the satisfaction gap with U.S. firms, large gaps in the investor experience remain, according to the J.D. Power and Associates 2012 Canadian Discount Brokerage Investor Satisfaction StudySM released today.

[Overall investor satisfaction with discount brokerage firms](#) in Canada averages 700 (on a 1,000-point scale), an increase of 21 points from 679 in 2011. In comparison, investor satisfaction in the United States averages 768, according to the J.D. Power and Associates 2012 U.S. Self-Directed Investor Satisfaction StudySM. Further, satisfaction in the Canadian discount brokerage industry trails satisfaction in the Canadian full service brokerage industry by 20 points and in the retail banking industry by 53 points.

The study finds that the largest gaps in satisfaction between brokerage firms in Canada and the United States are with problem resolution (568 vs. 648, respectively); trading charges and fees (622 vs. 697, respectively); and interaction (752 vs. 817, respectively). Among the best service practices that drive satisfaction with discount brokerage firms, Canada significantly trails the United States in contacting investors regarding products, services and seminars; website accessibility; and the usage of asset allocation and financial planning tools.

“In the discount brokerage business, high-performing firms provide tools and resources that assist their investors in making better investment decisions at a fair and transparent price,” said Lubo Li, senior director and financial services practice leader at J.D. Power and Associates in Canada. “In the United States, competition has driven trade commissions much lower, forcing high-performing firms to compete in the value they provide their investors in terms of tools and resources. At this point, the Canadian investor experience falls short, compared with what U.S.-based investors are getting.”

The perceived gap in value has a long-lasting effect as well. Only 19 per cent of Canadian investors say they “strongly agree” that they feel loyal to their primary investment firm, compared with 28 per cent of U.S. investors. Additionally, 23 per cent of Canadian investors say they “definitely will” recommend their primary investment firm, compared with 36 per cent of U.S. investors.

“All major Canadian banks have a discount brokerage to service their investors’ diverse needs in one location. Failure to deliver services that their investors have come to expect, based on their banking and advisory services, may lead to an inconsistent experience, detract from the value of the corporate brand and, worst of all, result in higher levels of attrition and loss of assets under management,” said Li.

The study, now in its fourth year, measures investor satisfaction with their primary discount brokerage firm across six key factors (in order of importance): interaction; trading charges and fees; account information; account offerings; information resources; and problem resolution.

Disnat ranks highest in discount brokerage investor satisfaction for a fourth consecutive year with a score of 768, and ranks among the highest-performing firms in all factors. Following in the rankings are BMO InvestorLine (720) and National Bank Direct Brokerage (719).

J.D. Power and Associates offers the following tips to investors selecting a discount brokerage firm:

- Consider the full range of services beyond the per-trade commission. In typical transactions, a \$5-\$10 difference in commission is a very small percentage of the overall value of the trade. The value provided beyond the cost in terms of offerings, tools and resources may be much more compelling.
- While more convenient to invest with the same financial institution as your primary bank, exploring the offerings from other, sometimes smaller investment firms may be worthwhile. Although they do not have as robust a branch network as the larger financial institutions, smaller discount brokerage firms often have a positive image among their investors.
- Read the fine print regarding the fees you will be assessed. Often times, fees vary by the size of your account, as well as the frequency of your transactions.

The 2012 Canadian Discount Brokerage Investor Satisfaction Study includes responses from nearly 2,900 investors who use investment services with discount brokerage firms in Canada. The study was fielded from June 2012 through July 2012.

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company providing performance improvement, social media and customer satisfaction insights and solutions. The company's quality and satisfaction measurements are based on responses from millions of consumers annually. For more information on [car reviews and ratings](#), [car insurance](#), [health insurance](#), [cell phone ratings](#), and more, please visit JDPower.com. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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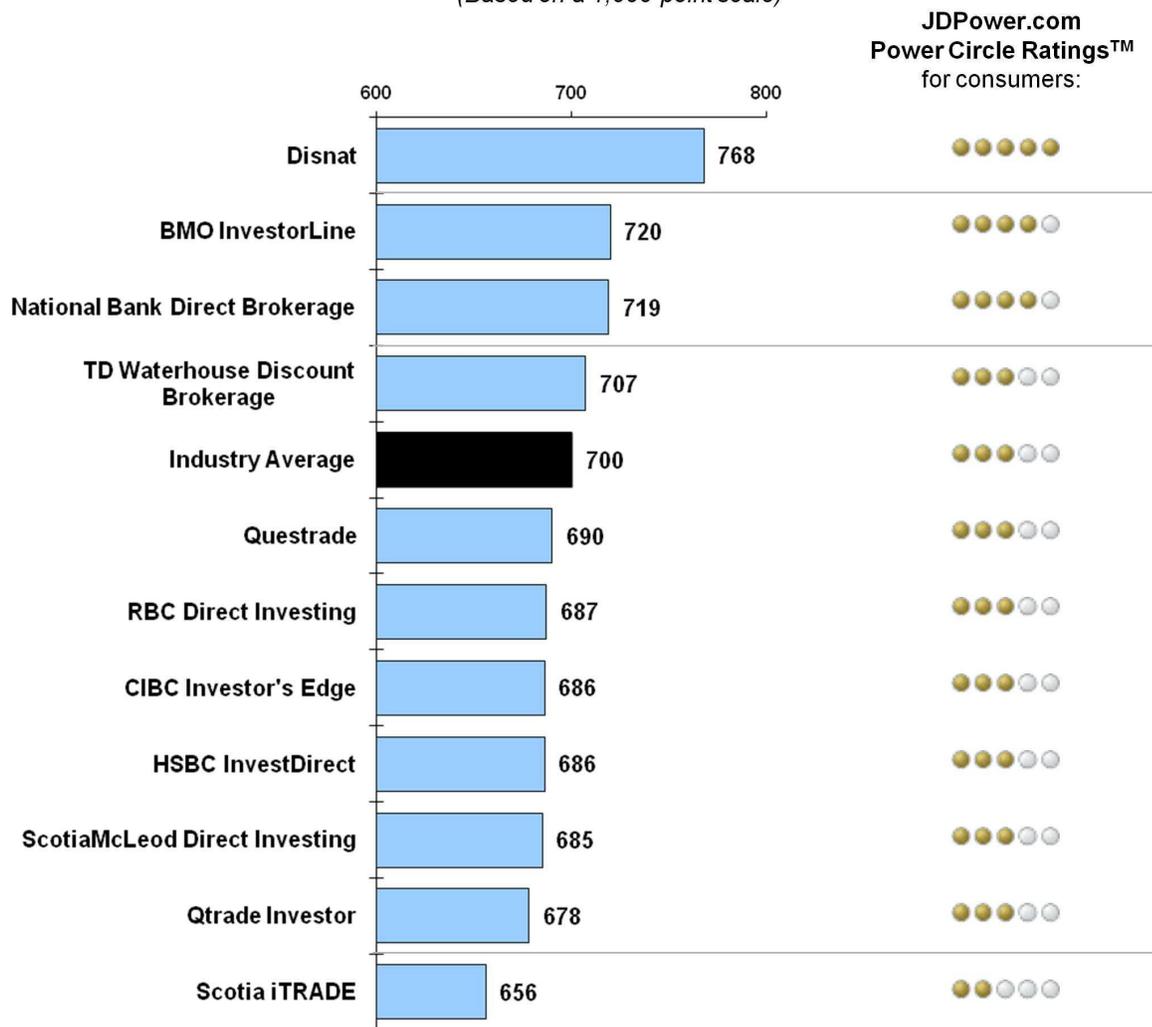
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NOTE: One chart follows.

J.D. Power and Associates 2012 Canadian Discount Brokerage Investor Satisfaction StudySM

Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



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

*Source: J.D. Power and Associates 2012 Canadian Discount Brokerage
Investor Satisfaction StudySM*

Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

Charts and graphs extracted from this press release must be accompanied by a statement identifying J.D. Power and Associates as the publisher and the J.D. Power and Associates 2012 Canadian Discount Brokerage Investor Satisfaction StudySM as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. JDPower.com Power Circle Ratings™ are derived from consumer ratings in J.D. Power studies. For more information on Power Circle Ratings, visit jdpower.com/faqs. No advertising or other promotional use can be made of the information in this release or J.D. Power and Associates survey results without the express prior written consent of J.D. Power and Associates.