



## Press Release

### **J.D. Power and Associates Reports: Overall Satisfaction with Self-Directed Investment Firms Increases, despite a Continued Decline in Satisfaction with Trading Charges and Fees**

#### Charles Schwab & Co., Inc. Ranks Highest in Self-Directed Investor Satisfaction

**WESTLAKE VILLAGE, Calif.: 14 June 2012** — Although self-directed investors' overall satisfaction with their investment firm has improved from 2011, satisfaction with trading charges and fees has decreased for a second consecutive year, according to the J.D. Power and Associates 2012 U.S. Self-Directed Investor Satisfaction Study<sup>SM</sup> released today.

The study, now in its 11th year, measures [customer satisfaction with investment firms](#) based on performance in six factors: account information; account offerings; information resources; interaction; problem resolution; and trading charges and fees.

Non-trading fees continue to be the primary contributor to dissatisfaction. The study finds that satisfaction averages 723 (on a 1,000-point scale) when investors do not pay a non-trading charge, compared with 613 when they are aware of maintenance fees and 628 when they are aware of inactivity fees. Overall, satisfaction with trading charges and fees is 697, down from 703 in 2011.

However, overall satisfaction with investment firms has increased to 768 in 2012, compared with 764 in 2011. The increase is due to increases in satisfaction with interaction, information resources and account offerings.

“Overall trading volume has dropped during the past couple of years, and similar to banks, investment firms are looking to compensate for lost revenue with fees,” said David Lo, director of investment services at J.D. Power and Associates. “Contrary to what some believe, this is not necessarily a bad thing, providing that firms are showing value to their investors in terms of resources and tools and ensuring investors clearly understand how and why they’re charged these fees.”

The study also finds that using tools and resources to aid in investment decisions is closely associated with higher levels of satisfaction and more frequent trading activity. Among moderately active traders (one to 35 trades per year) who use real-time quotes/alerts, overall satisfaction averages 826 and the number of trades per year averages 9.6. Satisfaction among moderately active traders who are not aware of the tool averages 749, and the number of trades per year averages 5.3.

“Providing the tools and resources that enable investors to make better decisions is really a win-win for the investors and investment firms,” said Lo. “We see that overall satisfaction and loyalty are much higher and trading activity is higher as well.”

Research conducted by J.D. Power's Consumer Insight and Strategy Group<sup>1</sup> to track social media activity finds that investors, as well as potential investors, are particularly interested in the availability of mobile platforms and apps that allow them to access account information or makes trades on the go.

"While adoption is still relatively low, we see a lot of positive interest with mobile platforms in social media," said Lo. "In many respects, social media can be viewed as a leading indicator of the importance of mobile platforms in the near future."

### **2012 Self-Directed Investor Satisfaction Rankings**

Charles Schwab & Co., Inc. ranks highest in self-directed investor satisfaction with a score of 801 and performs particularly well in account information, account offerings and information resources. Vanguard follows in the rankings with a score of 799, followed closely by Scottrade at 798.

The 2012 U.S. Self-Directed Investor Satisfaction Study is based on responses from 3,733 investors who make all of their investment decisions without the counsel of an investment advisor. The study was fielded in February 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](http://JDPower.com). J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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NOTE: One chart follows

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<sup>1</sup> Research conducted by J.D. Power's Consumer Insight and Strategy Group to track social media activity includes information gathered online between July 2011 and June 2012, which consisted of more than 73,000 online communications across various social media.

# J.D. Power and Associates 2012 U.S. Self-Directed Investor Satisfaction Study<sup>SM</sup>

## Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



**Power Circle Ratings Legend**

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

Source: J.D. Power and Associates 2012 U.S. Self-Directed Investor Satisfaction Study<sup>SM</sup>

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