

Advisers' soft skills delivering greater satisfaction among clients: Report

Independent Financial Adviser (www.ifa.com.au)

Shy-ann Arkinstall

Data from Janus Henderson's latest report, *2024 Investor Survey: Insights for a Brighter Future*, in which the firm surveyed 1,000 US-based mass affluent and high-net-worth investors, revealed clients are feeling slightly more satisfied with their financial adviser in 2024.

According to the findings, 67 per cent of advised investors report they are very satisfied, up from 65 per cent in 2023, and 31 per cent are somewhat satisfied, down from 33 per cent, with their relationship with their adviser, with only 2 per cent stating they were dissatisfied.

"Notably, when advisers address emotional needs, client satisfaction improves," the firm said.

Driving clients' feeling of satisfaction, the report found that 79 per cent of "very satisfied" clients stated their adviser provided them "peace of mind" by ensuring they stayed on track to reach their goals.

Additionally, 72 per cent felt their adviser cared about them as a person, beyond their finances, and 65 per cent stated they provided them important financial education.

Notably, the report also found that some investors exhibited signs of overconfidence in their financial literacy, with males, young investors, those with an aggressive risk tolerance, and those with assets greater than \$3 million, having the largest gap between their self-assessed knowledge and their actual knowledge when responding to financial literacy questions.

Speaking on the report's findings, the head of specialist consulting group at Janus Henderson Investors, Matt Sommer, said the feeling of uncertainty in the financial markets at the moment is an opportunity for advisers to highlight the value of their services.

"Growth-oriented financial advisers should view the challenges facing investors in this era of elevated uncertainty as an opportunity to strengthen their value proposition," Sommer said.

"Clearly, client satisfaction rates are very high among advised investors, however, with many advisers closing in on retirement, those who are able to build trust and differentiate themselves based on providing better client experiences will be rewarded."

Earlier this year, a Business Health report, developed in conjunction with the Financial Advice Association Australia, found that client satisfaction within the Australian market had remained high, with a reported satisfaction level of 4.3 out of five.

Business Health principal, Rod Bertino, said the overwhelmingly positive feedback from clients suggests they are truly happy with their advisers.

“This result is to the great credit of financial advisers who have grappled with a number of challenges in recent years,” Bertino said.

“However, it is important that they continue to focus on their clients and providing them with great service and advice.”

Clients concerned about AI

A primary concern for advised investors was the risk of financial fraud, with nearly three-quarters of the respondents (73 per cent) believing that AI “greatly increased the risk of financial exploitations”.

Notably, 56 per cent stated they were very or somewhat concerned that they or a loved one could fall victim to financial exploitation, with Millennials (66 per cent) and Gen X (63 per cent) appearing the most concerned.

Despite considerable concerns, respondents held mixed sentiments regarding the use of AI by their adviser, with 85 per cent of respondents noting they felt good or neutral about its use in creating educational content, and 83 per cent for administrative tasks.

On the other hand, more than a third (36 per cent) stated they would object to its use in making investment recommendations, and even more so (44 per cent) would be “upset if they learned their adviser used AI to respond to their texts or emails”.

“When it comes to the use of AI in advisers’ practices, most investors appear comfortable with advisers using the technology to assist with more ‘hands-off administrative tasks,” the report said.

“However, the large percentage of investors who objected to advisers’ use of AI for investment recommendations or direct communication is a clear indication that clients still strongly value the human element for these key aspects of their advisory relationship.”

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