



Press Release

J.D. Power and Associates Reports: Self-Directed Investor Satisfaction with Trading Charges and Fees Declines Considerably from 2010

USAA Ranks Highest in Self-Directed Investor Satisfaction

WESTLAKE VILLAGE, Calif.: 30 June 2011 — Satisfaction with trading charges and fees among self-directed investors has decreased significantly from 2010, according to the J.D. Power and Associates 2011 U.S. Self-Directed Investor Satisfaction StudySM released today.

The study, now in its 10th year, measures [customer satisfaction with investment firms](#) based on performance in six factors: interaction; account information; trading charges and fees; account offerings; information resources; and problem resolution.

The study finds that satisfaction with trading charges and fees averages 703 on a 1,000-point scale in 2011, a decrease of 30 points from 733 in 2010. This decline is largely driven by a lack of understanding of trading charges and fees—just 36 percent of investors say they “completely” understand their commission and fee structure, compared with 52 percent in 2010. Similarly, 48 percent of investors say they have had their non-trading charges explained to them, compared with 65 percent in 2010.

“Providing a clear explanation and disclosure of all fees, particularly non-trading charges such as minimum balance fees, inactivity fees, and account maintenance fees, is critically important for firms to maintain satisfaction among self-directed investors,” said David Lo, director of investment services at J.D. Power and Associates. “While firms are certainly open to assess fees as they deem suitable, transparency is critical, as nothing is more frustrating to investors than being surprised with fees they were not expecting.”

The study also finds that self-directed firms may differentiate themselves by delivering value to investors through the account offerings and information resources provided. For instance, 71 percent of investors say that they are not aware of or do not use at least one financial planning tool. When this key practice is missing, overall satisfaction declines by 66 points, on average.

“There are opportunities for firms to deepen their relationship with self-directed investors by ensuring they’re aware of the value the firm adds through the tools and resources provided,” said Lo. “In fact, even among self-directed investors with similarly high levels of satisfaction, investors who are aware of and use at least one of their firm’s tracking and monitoring or financial planning tools are more likely to recommend their firm, compared with those who aren’t aware of or don’t use the tools.”

USAA¹ ranks highest in self-directed investor satisfaction with a score of 831 and performs particularly well in account offerings, information resources, account information and interaction. Scottrade follows in the rankings with a score of 804, performing particularly well in trading charges and fees. Charles Schwab & Co. closely follows Scottrade with a score of 803.

¹ USAA’s insurance products are open only to U.S. military personnel and their families; however, its self-directed investment products have no membership requirements.

The 2011 U.S. Self-Directed Investor Satisfaction Study is based on responses from 4,274 who make all of their investment decisions without the counsel of an investment advisor. The study was fielded in March 2011.

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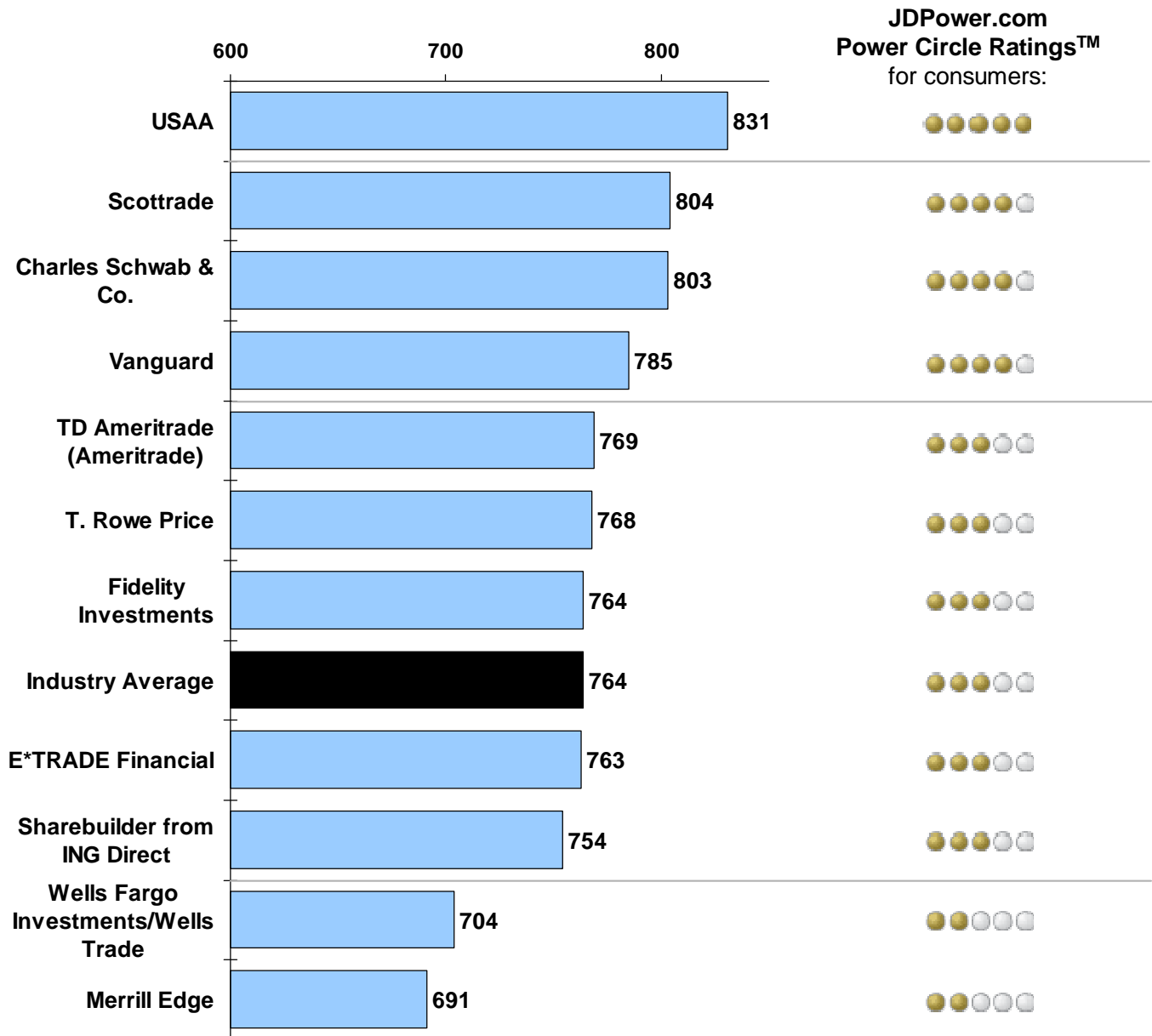
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NOTE: One chart follows.

J.D. Power and Associates 2011 U.S. Self-Directed Investor Satisfaction StudySM

Customer Satisfaction Index Ranking (Based on a 1,000-point scale)



Source: J.D. Power and Associates 2011 U.S. Self-Directed Investor Satisfaction StudySM

Power Circle Ratings Legend

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

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