

Friday, 11 January 2019

3.5 million Australians are 'trusted advisors' for finance and investment decisions

The number of people who are asked for financial advice by their friends or families is estimated at 3.5 million, equivalent to 17.2% of Australians 14+. Some six million Australians seek advice about money and investments from friends and families. So 'trusted financial advisors' have significant potential to influence financial and banking decisions of the six million people who ask for their advice, and these 'trusted advisors' are themselves embracing digital payment systems at faster rates than the population at large.

These are some of the latest findings from Roy Morgan's Single Source survey which is based on in-depth interviews conducted face-to-face with over 50,000 consumers in their homes. These latest results are based on interviews conducted in the 12 months to September 2018.

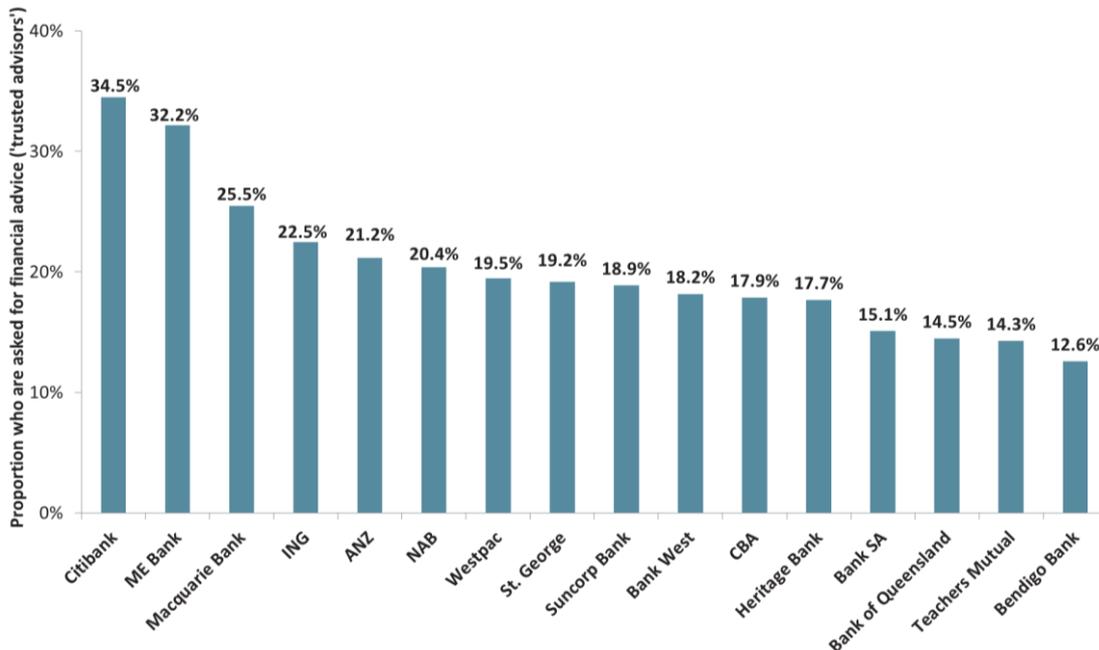
Citibank and ME Bank customers have greatest potential to impact decisions

Of the sixteen largest consumer banks, Citibank has the highest proportion of customers (34.5%) that are asked by friends or family for their financial advice, they are followed by ME Bank with 32.2%. Bank customers who are asked for financial advice have the potential to gain or lose customers depending on how they feel regarding their satisfaction with the relationship with their current bank.

The highest proportion of the big four banks customers who are asked for advice is the ANZ with 21.2%, followed by the NAB (20.4%), Westpac (19.5%) and CBA (17.9%).

Proportion of bank customers who are asked for financial advice by family/friends

Top 16 Banks¹



Source: Roy Morgan Single Source (Australia), 12 months to September 2018, n = 14,897.
Base: Australians 14+. 1 Based on customer numbers.

FOR IMMEDIATE RELEASE

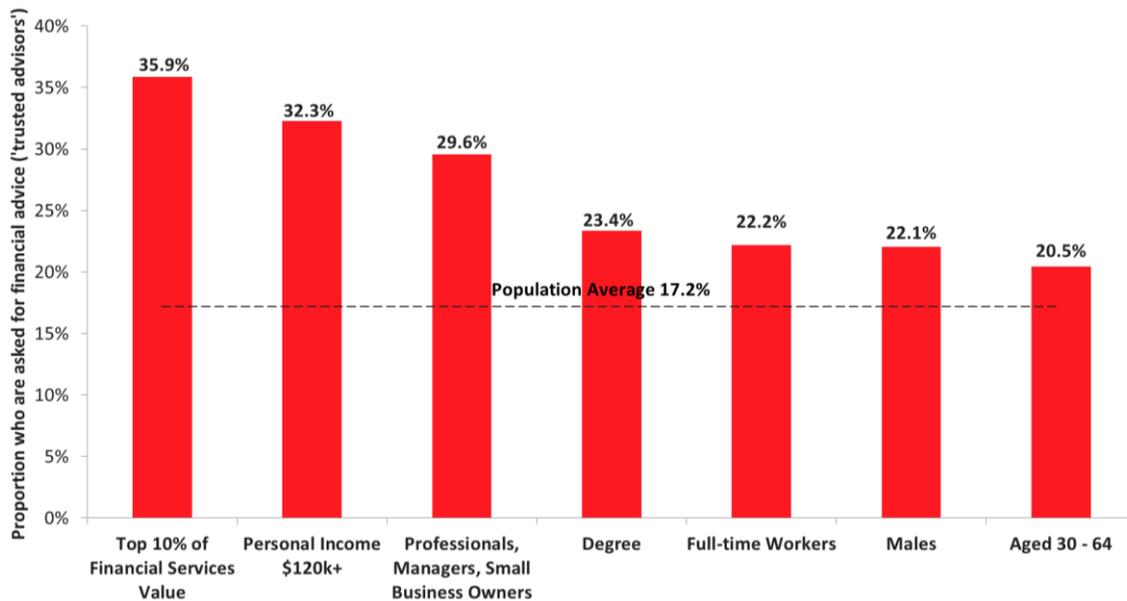
High value customers more likely to be 'trusted advisors'

It is not surprising that financial institution customers in the top 10% (based on the total value of their banking and finance products) have the highest incidence of 'trusted advisors' with more than one in three (35.9%). This is well above the population average of only 17.2%.

Other significant groups with a higher than average incidence of 'trusted advisors', include people with personal incomes of \$120k pa or over (32.3%); professionals/managers/small business owners (29.6%); and those with a degree (23.4%).

All of the groups that are more likely to be asked for financial advice appear to have greater involvement and experience in finance and as a result others are more likely to trust in their opinion.

Segments with above average proportion of 'trusted advisors'



Source: Roy Morgan Single Source (Australia), 12 months to September 2018, n = 14,897.
Base: Australians 14+.

Understanding 'trusted financial advisors'- what makes them tick?

Apart from understanding that these 'trusted advisors' are above average when it comes to wealth, education and income, we know a great deal more about them, ie what makes them tick?

The media habits of these advisors for instance are different to the overall population, particularly when it comes to their above average readership of the business section of newspapers and national newspapers. They also are more interested in business and airline magazines, reading addressed mail and watching sport on television.

When it comes to technology, they are well above average in terms of being early adopters generally and are greater users of the newer digital payment systems. For activities, they are more likely to participate and attend a range of sports and entertainments, including ballet, concerts and dining out. They are big discretionary spenders, including being more likely to purchase a new car.

Attitudes for many areas are different to the population and they have above average agreement on many things such as the government is doing a good job, being interested in their own job and being confident about finance.

Norman Morris, Industry Communications Director, Roy Morgan says:

“This research shows that financial decisions for many have the potential to be impacted to a considerable extent by informal advice from friends and family, rather than relying on professional financial planners. With three and a half million people being asked by family and friends for



financial advice and six million asking them for advice, this network is likely to play a major role in financial decisions.

“The banks dealt with by the people who give advice have the potential to gain customers provided they have high satisfaction and as a result are more likely to be advocates for their bank. It is therefore worth banks understanding and tracking that important group of their customers, the ‘trusted advisors’.

“The data used here also shows that not only are these trusted financial advisors a generally wealthier and experienced group, but they have many other differences to the general population, covering media, technology, activities and attitudes. The full database enables a truly holistic and unique understanding of all aspects of consumer financial behaviour, including a detailed profile of trusted financial advisors. Data has been gathered from over one million interviews across two decades and as a result provides valuable insights into long term trends. To find out more ask Roy Morgan.”

To learn more about Roy Morgan’s financial trusted advisor data, call (+61) (3) 9224 5309 or email askroymorgan@roymorgan.com.

Please click on this link to the [Roy Morgan Online Store](#).

About Roy Morgan

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan has over 70 years’ experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2

