

9 in 10 consumers say financial pros have best interests at heart: study

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N aive or justifiably trusting?

Nine of 10 consumers who work with a paid financial adviser believe such professionals "always puts their interests first," according to a new study.

The report by LIMRA Secure Retirement Institute said nearly one in three Americans work with a paid financial professional. That could include an insurance agent, lawyer, accountant, broker, financial planner or anyone else you use to make at least some of the household's investment decisions. Half of those consumers report working with their financial adviser for at least five years, and nearly a third have had the relationship for at least 10 years.

"The high prevalence of longer-term relationships suggests that clients are satisfied with the services they are receiving," Matthew Drinkwater, assistant vice president of LIMRA Secure Retirement Institute, said in the report. LIMRA is a trade group that represents financial services firms, including insurers.

As part of the survey, the institute asked consumers to assess their financial adviser on five criteria: always puts my interests first; recommends products that are suitable for me; gathered sufficient information about my finances before offering advice; understands my financial situation; and provides "excellent value" for the cost of their service.

For all five criteria, nine in 10 consumers agreed with the statements, the institute said.

The findings are based on a nationally representative survey of 3,970 Americans in April, LIMRA spokesman Mark Morris said.

Chicago securities lawyer Andrew Stoltmann isn't buying it.

"There is a haze of confusion by investors when it comes to the duty financial advisers and brokers owe them," he said.

Stoltmann said just because most investors might believe their financial professional puts their interests first doesn't mean those consumers are well served.

"Most investors have no idea they are being overcharged or recommended investments laden with fees and expenses," he said. Also, "simply because they remain with the broker or don't complain is not an indication that they are satisfied."

U.S. government officials have said individuals are losing billions of dollars a year in retirement savings and have proposed rules aimed at holding brokers accountable for looking out for their clients' best interests.

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