

# Report: Financial services are at the bottom on trust

The financial services industry was once again the least trusted sector, according to the annual [Edelman Trust Barometer](#), which has been measuring trust in business, NGOs, government and the media for the last 19 years.



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The report shows that financial services only achieved a two-point increase over 2017 which, despite a steady increase in trust after the financial crisis, shows that trust is stalling. In South Africa, trust declined a further six points over 2017.

The barometer tracks the views of both the general population and the 'informed public'. The latter are university educated people between the ages of 25-64, in the top 25% of household income per age group in each market, who report significant media consumption and engagement in business news.

Ongoing scandals don't help. South Africa is still reeling from the Steinhoff debacle which saw local investors, including those saving for retirement in pension and provident funds, lose millions of rands. In addition, the VBS scandal called "the most shocking example of bank fraud in South Africa's history," \* erupted last year.

Another fact that stands out in the 2019 report is that in the USA, the largest economy in the world, trust in financial services crashed by 23 points among the informed public. Traditionally the informed public has had more trust in the sector than the general population.

## Where are financial services companies falling short?

The top five factors that decrease trust are:

- No product and/or cost transparency
- Confusing products and services
- Unwanted selling
- Not responsive
- Difficulty addressing problems

The top five factors that increase trust are:

- Easily understood terms and conditions
- Reliable fraud protection
- Easily found product and service information
- Business convenience
- Access to real people

With regards to technology vs the human touch, respondents wanted both. When asked to rate what's important when choosing a financial services company, 81% of respondents rated "they make it easy to work with real people" highly while 79% rated highly "They use the latest technology".

The report further shows that human interaction was most highly coveted when getting investment advice, settling a disputed charge on a credit card, and selecting and purchasing investment products.

Human interaction was least required when selecting and purchasing an insurance policy, depositing money into an account, and applying for a credit card.

When asked "which source do you trust the most for financial advice?" First place went to a credentialed investment adviser, followed by friends and family, then information on websites and newsletters and finally by employees of the financial services companies respondents used.

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