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## TRUSTED FINANCIAL COMPANIES

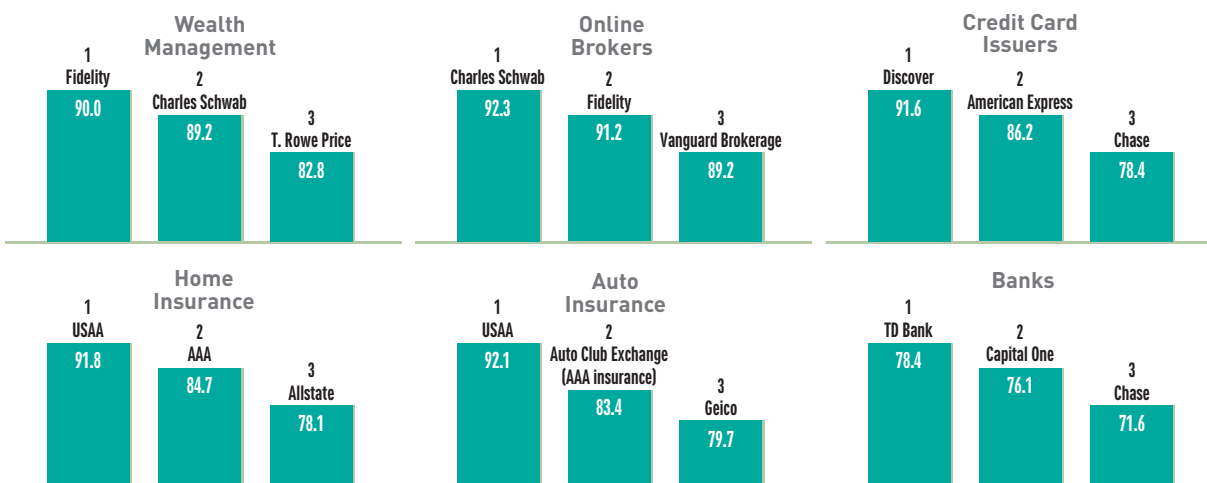


Above all else, trust is essential to customers' relationships with their banks, online stockbrokers, wealth managers, credit card companies, home and auto insurers. But which are the most trusted financial companies? To find out, IBD conducted a new survey of consumers on which financial companies rank

highest in six areas customers deem most important to trust. These critical areas include data privacy, business ethics and treatment of customers. We identify the top 25 Most Trusted Financial Companies overall and the top three in each of the six businesses studied. These are our findings.

Overall rank	Company	Category	Trust Rating	Privacy	Quality	Ethics	Price	Customer service	Customer treatment
1	Charles Schwab	Online Brokers	92.3	95.4	91.1	93.3	92.4	89.8	91.4
2	USAA	Auto Insurance	92.1	95.9	91.9	95.5	85.7	90.1	92.2
3	USAA	Home Insurance	91.8	96.4	93.0	94.2	83.4	90.8	91.1
4	Discover	Credit Cards	91.6	93.7	93.7	89.1	84.8	94.1	92.5
5	Fidelity	Online Brokers	91.2	94.4	91.5	91.4	90.1	88.4	90.1
6	Fidelity	Wealth Management	90.0	93.8	90.4	90.0	85.4	88.2	90.7
7	Charles Schwab	Wealth Management	89.2	91.7	86.6	90.9	89.0	87.6	90.1
8	Vanguard Brokerage	Online Brokers	89.2	96.4	87.1	93.5	92.1	79.7	84.8
9	American Express	Credit Cards	86.2	92.1	90.4	88.7	64.4	89.3	88.6
10	TD Ameritrade	Online Brokers	84.9	89.5	86.1	86.0	83.7	79.4	82.3
11	AAA	Home Insurance	84.7	88.0	83.5	90.0	76.7	85.4	84.5
12	Auto Club Exchange (AAA insurance)	Auto Insurance	83.4	83.3	86.5	89.2	72.4	83.8	83.9
13	T. Rowe Price	Wealth Management	82.8	89.6	86.3	88.5	72.2	78.1	78.3
14	E-Trade/Capital One Investing/ShareBuilder	Online Brokers	80.3	85.0	78.3	83.8	82.2	71.1	80.5
15	Geico	Auto Insurance	79.7	79.1	82.7	78.1	73.4	80.5	83.3
16	TD Ameritrade	Wealth Management	79.1	80.2	81.8	83.3	79.6	72.4	75.5
17	Merrill Edge	Online Brokers	79.1	87.1	74.4	82.9	77.8	74.2	77.9
18	Allstate	Auto Insurance	78.5	82.7	81.9	82.2	57.9	81.4	82.6
19	TD Bank	Banks	78.4	89.0	80.0	78.1	63.3	75.6	80.4
20	Chase	Credit Cards	78.4	84.4	82.8	77.1	63.2	79.6	79.3
21	Allstate	Home Insurance	78.1	85.0	78.5	79.0	64.7	79.0	80.2
22	State Farm Insurance	Home Insurance	77.2	83.9	80.0	77.7	60.9	78.1	79.1
23	Capital One	Credit Cards	77.0	80.0	80.1	75.5	66.4	78.8	78.5
24	American Family	Home Insurance	76.8	82.5	81.0	83.3	66.0	72.1	71.8
25	State Farm Insurance	Auto Insurance	76.8	80.9	81.9	79.2	55.1	80.2	79.8

### Category Leaders – Top 3 In Overall Trust Index



# How Most Trusted Financial Companies Survey Was Conducted

## METHODOLOGY

BY RAGHAVAN MAYUR

FOR INVESTOR'S BUSINESS DAILY

The Most Trusted Financial Companies Survey, a collaboration between Investor's Business Daily and TechnoMetrica Market Intelligence, measures consumers' trust toward financial companies and ranks the companies objectively.

The areas of trust covered are a company's commitment to protecting the privacy and security of personal data, quality of products/services, ethical business practices and values, fair prices/fees for products/services, customer service, and customer treatment.

The study includes six business lines: auto insurance, banks, credit card issuers, home insurance, online brokers, and wealth management.

### Two Phases Of Trust Study

TechnoMetrica conducted the study in two phases, using an online survey methodology for data collection.

The purpose of Phase 1 was to uncover the characteristics

of financial companies that are most important to consumers concerning "trust." We subsequently used attributes identified in Phase 1 for the Phase 2 evaluation of companies by a large number of respondents.

In Phase 1, we started with nine trust attributes developed by IBD editors and TechnoMetrica. Using the MaxDiff research technique, we presented respondents with 10 randomly selected combinations of five trust attributes and asked them to choose the most important and the least important.

### 6 Important Trust Components

A total of 177 visitors/subscribers to Investors.com participated in the Phase 1 survey in July 2020. Based on the results, we narrowed down the final list to six attributes for evaluation in Phase 2. Phase 1 also gave us the weights of each attribute to calculate the overall trust index in Phase 2.

The quality of products/services received the highest weight in our study, topping our list of the most important trust factors toward a financial company. Ranking second is the

commitment to protecting privacy and security of personal data. Third is fair prices/fees for products/services, fourth is the company's treatment of customers, and fifth is customer service. Ethical business practices and values rounded out the list of attributes, at sixth.

Using the six trust attributes arrived at in Phase 1, respondents evaluated the company they most often utilize in each of the six business lines in Phase 2. Consumers evaluated each attribute of a company using a five-point scale (Very High, High, Moderate, Low, Very Low) for the question, "How would you rate your level of trust with the company on the following company attributes?"

A total of 4,297 IBD website visitors and customers participated in the Phase 2 survey in August 2020. To be included in our ranking, at least 100 respondents had to rate a company except for in the wealth management category, where we required at least 75 respondents. Fifty-one companies passed our minimum inclusion criterion.

For each company, we cal-

culated six trust components based on the responses to the Phase 2 survey. We computed the component scores by taking the difference between the percentage of respondents assigning a very high or high rating, and the percentage who gave a low or very low rating. For example, if 40% rated a company's quality of products/services as Very High, 20% High, 9% Low, and 5% Very Low, we calculated the trust component for quality (60% less 14%) as 46%.

### Online Brokers Score High

Using the six component scores and the weights from Phase 1, we computed each company's overall Trust Index rating.

Generally speaking, online brokers and auto insurance companies are the most trusted by consumers, while wealth management firms and banks are the least trusted. Credit card issuers and home insurance companies are in between at third and fourth place, respectively.

*Raghavan Mayur is president of TechnoMetrica Market Intelligence.*

## EXPLANATORY NOTES—ARTICLE REPRINT

*Investor's Business Daily, "Most Trusted Financial Companies: Top 25 List," October 12, 2020*

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