Consumer Federation of America

When it Comes to Serving Clients' Best Interests

Actions Speak Louder than Words

Even as they fight a new regulation to better protect retirement savers, financial firms proclaim their commitment to acting in their customers' best interests. They sure have a funny way of showing it.

Not only do many financial firms pay their sales representatives in ways that encourage and reward harmful advice, new research from a group of University of Chicago economists suggests that some firms, particularly those that serve less sophisticated retail customers, actually "specialize" in misconduct.

These firms are more likely to hire, and less likely to fire, "financial advisers" who engage in unscrupulous conduct. Since advisers who've engaged in misconduct once are five times as likely to do so again, this practice poses a direct threat to the firm's customers.

The study identified the ten firms among those with at least 1,000 advisers that employ the highest percentage of advisers with a record of misconduct. Here's how their rhetoric stacks up against their actions.

Company	What They Say	What They Do
Oppenheimer & Co.	"For over 130 years, we have provided investors with the necessary expertise and insight to meet the challenge of achieving their financial goals. **Our commitment is to our clients' investment needs**."	Oppenheimer & Co.'s **misconduct rate of 19.6%** is more than **four times** the industry median.
First Allied Securities	"As an independent firm, **we place your interests first**. Your financial well-being is our priority. First Allied is dedicated to providing its affiliated financial advisors with the autonomy, capabilities and opportunities to do what they believe is best for you—their valued client."	First Allied Securities' **misconduct rate of 17.72%** is roughly **3.8 times** the industry median.
Wells Fargo Advisers FN	"A healthy relationship with your Financial Advisor should make you feel that **your best interests are the top priority**, no matter what is happening in the market and no matter the size of your portfolio."	Wells Fargo Advisers FN's **misconduct rate of 15.3%** is more than three times the industry median.

UBS Financial Services	"Until my **client knows she comes first**...Until she understands that I'm always thinking about her investment. (Even if she isn't.) ...Until her ambitions feel like my ambitions. Until then. We will not rest. UBS."	UBS Financial Services' **misconduct rate of 15.14%** is **more than three times** the industry median.
Cetera Advisers	"You deserve the confidence that comes from working with a trusted financial advisor. And you are. We know because we deliver the resources your advisor needs to **best serve you**."	Cetera Advisers' **misconduct rate of 14.39%** is **roughly three times** the industry median.
Securities America	"At Securities America, we pride ourselves on providing exceptional service ... With more than 2,000 financial professionals nationwide, everything we do revolves around helping them **deliver the best financial products, services and financial counsel to their clients**."	Securities America's **misconduct rate of 14.3%** is **roughly three times** the industry median.
National Planning Corp.	National Planning Holdings "and the NPH Firms support a best interest standard for interaction with clients. We believe that a workable best interest standard, whether phrased as a fiduciary duty or otherwise, is in the **best interest of our clients** and the industry in general."	National Planning Corp.'s **misconduct rate of 14.03%** is **three times** the industry median.
Raymond James	"Our firm was founded on the principle of **putting clients' interests first.** As such, Raymond James has been a longstanding advocate for a uniform fiduciary standard."	Raymond James' **misconduct rate of 13.74%** is **roughly three times** the industry median.
Stifel, Nicolaus & Co.	"Stifel believes that a universal best interest standard would **best serve its clients' interests**."	Stifel, Nicolaus & Co.'s **misconduct rate of 13.27%** is **nearly three times** the industry median.
Janney Montgomery Scott	"We are one of the oldest full services financial services firms in the country, and are fortunate to have served our customers throughout the course of time ... We have done so by **consistently acting in our clients' best interests** regardless of the technical legal standards of care that may apply."	Janney Montgomery Scott's **misconduct rate of 13.27%** is **nearly three times** the industry median.

So next time a financial firm lobbyist says they oppose the Department of Labor's fiduciary rule, not because they oppose a best interest standard, but because it would hurt the very investors it is meant to help, remember: **actions speak louder than words.**

Firms that truly care about serving their customers' best interest don't financially reward harmful advice and they certainly don't hire advisers with a history of abusing client trust. The Department of Labor fiduciary rule would force firms to live up to their rhetoric. Don't hardworking Americans and retirees deserve at least that much?