

# Financial Standard

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## Trust is a hard currency: research

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New research shows that investors rank 'fee transparency' as the number one reason they would trust a financial institution while in a surprise result, 'bad press' and 'being owned by a bank' count for little.

Sally Wells, managing director of endgame communications, said a huge component of investors and clients' trust in a financial brand stems from openness of communication.

In AXA's case, Wells believes more could be done on the communication front to explain the firm's position to stakeholders.

"I think the best job they can do to sustain their brand is to communicate as much as they can.

"We believe that saying nothing is really saying 'something' - the worse thing they can do is to be completely quiet on it," said Wells.

That said, Wells acknowledged that it's a "tricky one" for AXA because they are bound by legalities which might hamper their ability to communicate with stakeholders such as investors and planners.

Commenting on the US Securities and Exchange Commission fraud charge against Goldman Sachs, Wells said the same message of communication applies.

Wells worked with research house Investment Trends to study hundreds of communication messages and strategies coming out of financial firms in the US and UK last year.

"There was so little coming out into the market place... saying nothing is a big mistake and [could] mean that you've got something to hide," said Wells.

Wells' comments follow new research by Investment Trends showing communication and transparency are at the top of the list among investors on the issue of trust.

Fee transparency is the top factor sought by people when placing their trust in financial services companies, according to the research.

Nearly 70 per cent of 222 people surveyed said openness about fees would usually make them trust a financial services company.

This is followed by financial services firms doing what they said they will do (60 per cent), and being a customer at the institution for a long time (59 per cent).

This is followed by being able to contact the firm and talk to a person at 56 per cent, according to the survey.

Contrary to popular belief that bad press often shatters customers' trust in a company, the survey shows that having no bad press ranked 15th on the list, at 21 per cent.

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