

FAIR Canada's focus groups reveal a lack of engagement and heavy reliance on advisors

TORONTO, ON, January 30, 2024 – FAIR Canada undertook research with groups of everyday investors to better understand their experiences and concerns. The key findings show that while Canadians appreciate the important need to invest their savings, many lack the necessary knowledge and confidence to navigate different investing channels.

“In a time of rising interest rates and affordability crisis, Canadians are often placing their future in the hands of investment advisors without asking the right questions,” said Jean-Paul Bureaud, FAIR Canada’s Executive Director. “Investors told us they not only struggle to understand the products they were recommended, but many also didn’t understand the type of advisor they were dealing with, or how their advisor was compensated.”

Key highlights from the focus groups included:

- Most participants had low levels of knowledge and little interest when it comes to investing.
- To substitute for the lack of knowledge and interest, many simply placed their trust in the advisor, or the reputation of the investment firm and/or bank.
- Most were unaware of the fees they were paying, including how those fees had an impact on their investments.
- While most participants did not know or understand their advisor’s credentials, they believe credentials are important when choosing an advisor.
- Even though most participants admitted they rarely read the investment-related information provided to them, they take comfort in receiving the information.

“The report helps us better understand different types of investors. Most investors in the advisor-channels found investing difficult to comprehend and learn. So, it is no surprise to observe a tendency to blindly trust whatever their advisors told them. This exposes them to potential risks and makes them more vulnerable to bad advice,” said Bureaud. “Overall, I think one key take-away is that we need to do a better job of educating and preparing Canadians to invest.”

The report is based on eight focus groups divided according to how the participants accessed investing services. This included do-it-yourself (DIY) investors, as well as investors working with a bank advisor, an independent advisor, or those who invest through a full-brokerage firm. You can [read the full report](#) on FAIR Canada’s website.

FAIR Canada’s next research project will focus on exploring DIY investor attitudes and levels of knowledge, which we hope to release this spring.

About FAIR Canada

FAIR Canada champions the rights of individual investors in Canada through advocacy, education, and regulatory advancements. We are the trusted, independent voice on significant issues that affect individual investors. As Canada's only non-profit, investor-focused organization, we provide informed, objective comment on regulatory issues that have an impact on investor fairness and protection. Learn more about investor rights at [FAIRCanada.ca](https://faircanada.ca) and connect with us on [Twitter](#) and [LinkedIn](#).

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