

# CLOSING THE PERCEPTION GAP

Five Actionable insights to help you meet your HNW and UHNW client needs



# HIGHLIGHTS AT A GLANCE



A significant gap exists between how advisors perceive the quality of the services they provide to clients and how high-net-worth and ultra-high-net-worth clients perceive the quality of services they receive.



While 38% of investors are very satisfied with their primary advisor/firm and 14% are completely satisfied, only 57% of clients would recommend their financial advisor and/or firm to others.



Clients want more complete, more personalized and more frequent communication from their advisors.

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## Summary Snapshot: Investor vs. Advisor Perspectives



# INTRODUCTION

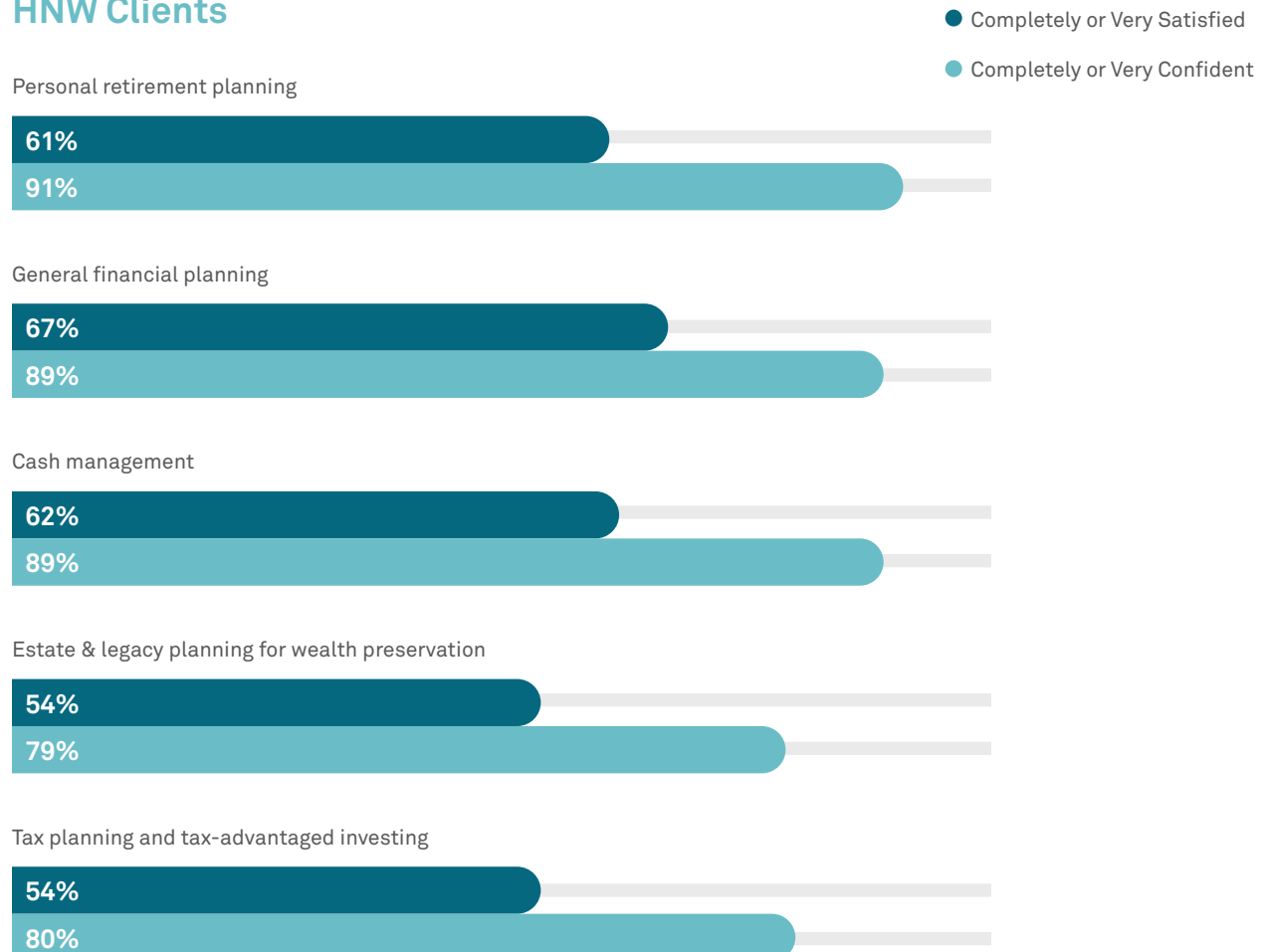
Attracting and retaining affluent clients by successfully providing a broad array of services is the objective of most financial advisors. Toward that end, BNY Pershing in partnership with WealthManagement IQ recently conducted two related surveys that contained questions about advisor performance. In the first, advisors were asked for their views on how high-net-worth (HNW) and ultra-high-net-worth (UHNW) clients perceive them in the areas of service delivery, product knowledge and overall satisfaction. In the second survey, HNW and UHNW investors gave their views on the same issues. The areas where the views of advisors and investors align as well as diverge are illuminating.

Investor satisfaction depends largely on perception, shaped by factors such as portfolio performance, personal goals, and advisor understanding. To enhance satisfaction and retention, advisors must ensure their perceptions align with investor needs. This report includes survey findings and offers advice for improving service, client relationships, and long-term satisfaction for both current and potential HNW and UHNW clients.

# BRIDGING THE GAP: ALIGNING ADVISOR SERVICES WITH INVESTOR EXPECTATIONS

At least half of advisor respondents are highly confident they are providing a high level of service to their HNW/UHNW clients. Advisors are most confident in their ability to deliver a high level of service in the area of personal retirement planning, with 91% saying they are either completely or very confident in their ability to do so. They also express high confidence in delivering excellent service in the areas of general financial planning (89%), cash management (89%), tax planning and tax-advantaged investing (80%), and estate and legacy planning for wealth preservation (79%).

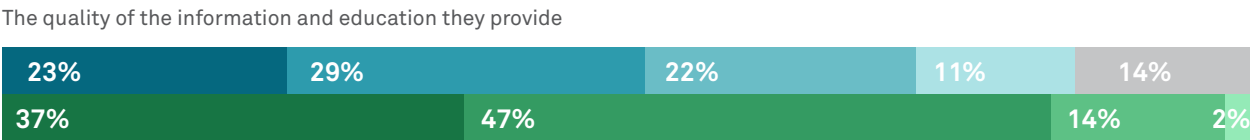
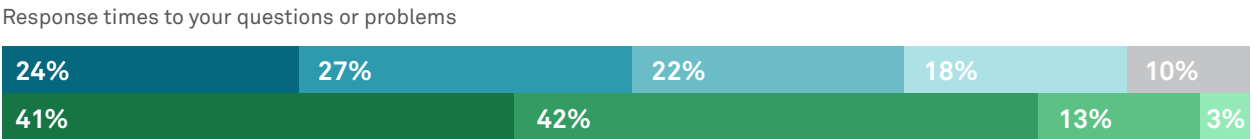
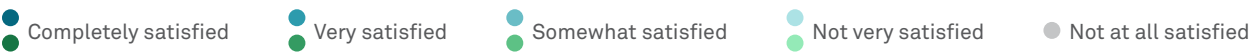
## Investor Perspective: Satisfaction with Primary Advisor Service Offerings Advisor Perspective: Confidence in Providing a High Level of Service to HNW Clients



Most advisors also believe that their HNW/UHNW clients are highly satisfied with their performance and the performance of their firm in many areas of service delivery. These areas include wealth preservation, with 87% of advisors saying their clients are either completely satisfied or very satisfied, quality of information and education provided (84%), and response time to questions or problems (83%).

Investors are satisfied with their advisors in some areas, with roughly half expressing confidence in their primary advisors' working knowledge of their investment accounts; ethics, values and priorities; business or professional lives; and goals for the future. But while advisors are confident in their ability to provide high levels of service in key areas, many HNW/UHNW investors do not share that view, indicating a preference for better, more personalized service in insurance risk and management, estate planning, tax strategies for specific situations, and retirement income planning. Almost half (47%) would like a better digital experience and more self-service tools (45%), with 40% also seeking more personalized advice.

## The Satisfaction Divide: Comparing Investor Reality and Advisor Perceptions



In terms of satisfaction with their advisor's services, performance and costs, only 52% of HNW/UHNW investors say they are either completely satisfied (14%) or very satisfied (38%). That's as much as 35 percentage points below the perception of client satisfaction held by advisors. Rounding out the picture, 21% of investors say they are somewhat satisfied with their advisor, 14% not very satisfied and 13% not at all satisfied. Significantly, only 57% of HNW/UHNW respondents would recommend their financial advisor and/or firm to others.

**Only  
52%**

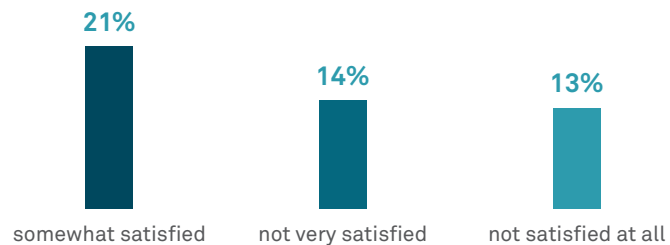
of HNW/UHNW investors say they are either completely satisfied or very satisfied with their advisor's services, performance and costs.

**Only  
57%**

of HNW/UHNW respondents would recommend their financial advisor and/or firm to others.

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### Investor Satisfaction with Financial Advisors



This perception gap is a real opportunity. As referrals decline, advisors who deliver more personalized advice, better digital tools, and modern lead generation will be best positioned to strengthen relationships and drive growth.

-Nancy Gordon  
Head of Advisor Growth  
BNY Pershing

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# MEETING CLIENT EXPECTATIONS: KEY AREAS FOR ADVISOR IMPROVEMENT

The survey of investors included an open-end question: “Is there anything you currently feel your advisor is missing or not doing well that could improve your overall experience?” A compilation of their many responses indicates what they would most like to see.

01

## Better communication leading to better relationships.

Clients want more frequent, proactive, and sincere communication, with advisors who value their input, respect their time, and foster genuine, trusting relationships based on deep knowledge of the client’s financial and family circumstances.

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02

## Holistic, long-term planning.

Clients appreciate comprehensive and forward-looking strategies that integrate tax planning, estate considerations, retirement goals, and other elements of their financial and family lives.

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03

## True personalization.

Clients desire advice that fits their long-term goals, and personal values, rather than generic, cookie-cutter solutions that ignore their unique circumstances, values, actual risk tolerance and preferences.

## 04 Transparency, ethics and trust:

Clients expect clear explanations of fees, commissions, and decision-making processes, as well as honest, ethical guidance that puts their interests first. While most respondents (66%) say their primary financial advisor always acts as a fiduciary on their behalf, only 44% consider a fiduciary relationship to be either critical or “very important.” Almost one-third (31%) feel that is either not very important or not important at all for their advisor to always act in a fiduciary capacity; 25% believe it to be only somewhat important. Essentially, while seemingly less concerned than the advice business about the fiduciary label, investors still expect their advisor to do what’s best for them.

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## 05 Continuous improvement, proactivity and empowerment.

Clients value advisors who stay current with market trends and acquire a deep knowledge of investments and best advisory practices that they then demonstrate proactively with clear explanations and then following through. Investors also want their advisor and advisory firm to employ creative solutions that are supported by effective technology, tools, other resources, and encouragement, all of which empower them to make informed decisions confidently.

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Successful advisors already embody many of these qualities, but clients don’t always see it. Clearer communication and more visible personalization can go a long way in reinforcing value and deepening trust.

-Sudhir Tauro  
Head of Commercial Wealth Products  
BNY Pershing

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# TURNING INSIGHTS INTO ACTION: ADDRESSING THE PERCEPTION GAP

The overarching takeaway from our research is that a significant gap exists between advisors' perception of client satisfaction with advisor service and the actual feelings of clients. Essentially, advisors believe clients are much more satisfied than clients actually are. The financial impact of that gap is stark — only about half (57%) of HNW/UHNW respondents would recommend their financial advisor and/or firm to others. Since referrals are the chief source of new clients for advisors, the disappointing potential recommendation rate should ring an alarm.

There are several possible reasons for the perception gap, and several action steps to close the gap:



## Raise awareness of service offerings.

It is important not to underestimate the possibility that clients don't know or understand the services their advisor can provide. For example, if an advisor is not providing a client with services related to estate planning, when that client's changing circumstances might make them receptive to assistance, they may be unaware of the help their advisor can provide. To increase awareness, include service offerings in client discussions and perhaps provide anonymized stories of how the advisor/firm solved a variety of problems through various services.



## Better explain service offerings.

Not everyone understands what “general financial planning” or “estate planning” means when brought down to the personal level. In fact, many clients may not understand a service offering's specific relevance to them or be able to connect that service to a problem they face. The solution again involves greater communication with a focus on how clients are thinking about their problem and how an advisor can address it.



## Devote more attention to clients' emotional motivators.

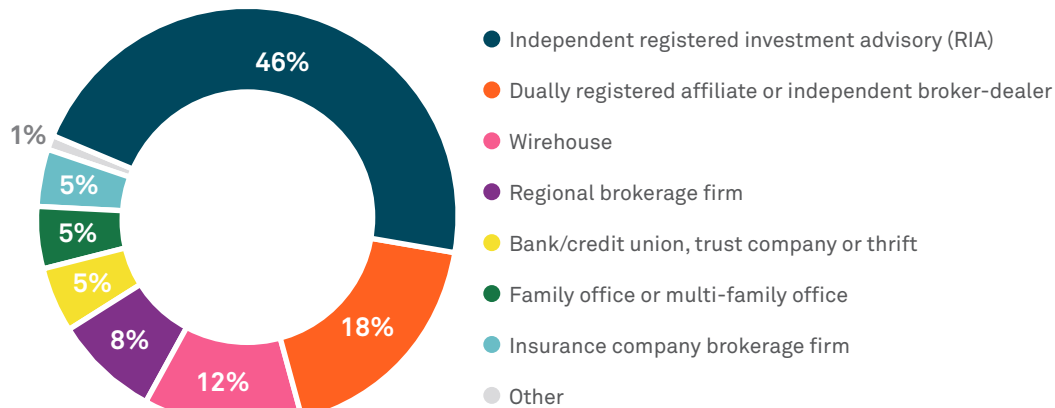
With advisor-client interactions involving discussions of investments and other factual information, it is easy to ignore or minimize the emotions that often drive investment and financial decisions. Advisors, many of whom don't feel comfortable or equipped to deal with the emotional drivers of financial decisions, may avoid having sensitive discussions over issues such as family bequests or when to retire. Clients, however, equate an advisor's understanding of their deeper drivers with personalization; once an advisor truly understands a client's motivation, the product or service solution is often easy to find.

# RESPONDENT PROFILES

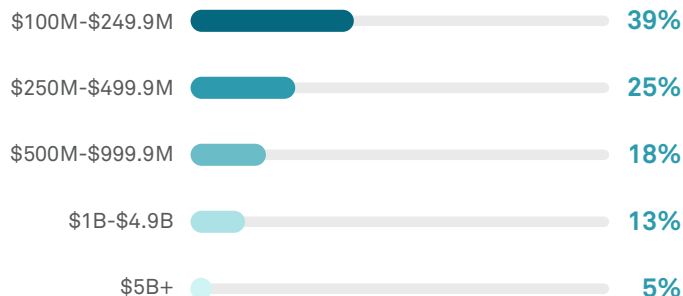
Advisors from a variety of firm types responded to the survey; most respondents (46%) were with RIA firms. The typical respondent is a 47-year-old male who personally manages or advises on an estimated \$375 million in assets. For the typical respondent, clients having \$20 million or more in assets comprise 42% of the client base, the largest portion; clients having at least \$2 million to \$19.99 million assets comprise 33% of the client base.

## ADVISOR Profiles

### Advisor Firm Type



### Value of Assets Personally Managed or Advised



Estimated median

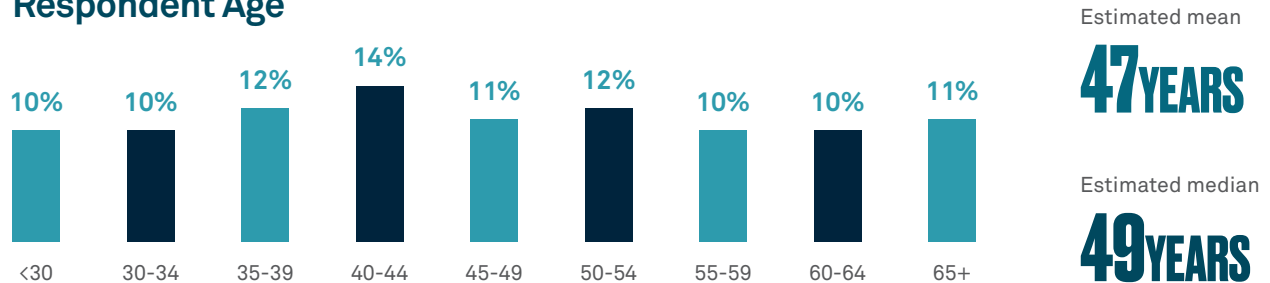
**\$375M**

Estimated mean

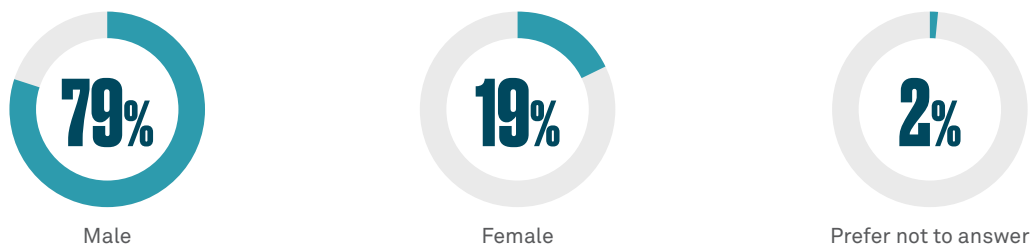
**\$1,499.8M**

# ADVISOR Profiles

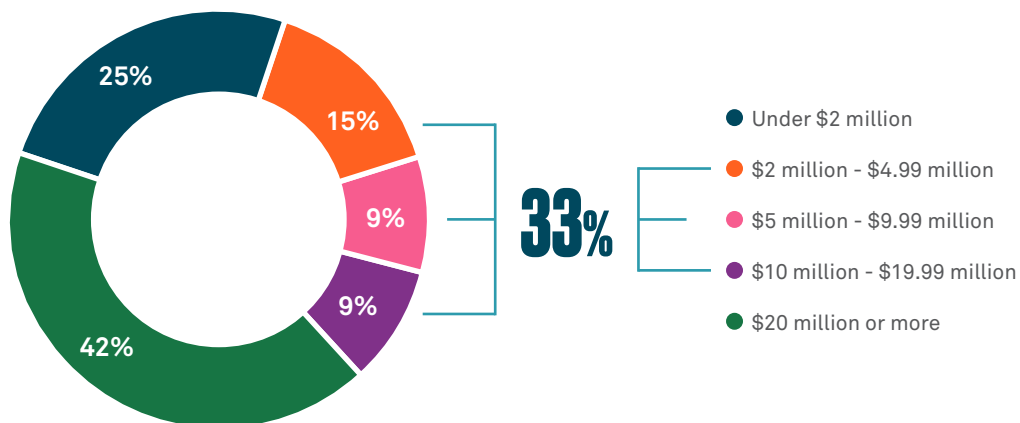
## Respondent Age



## Respondent Gender



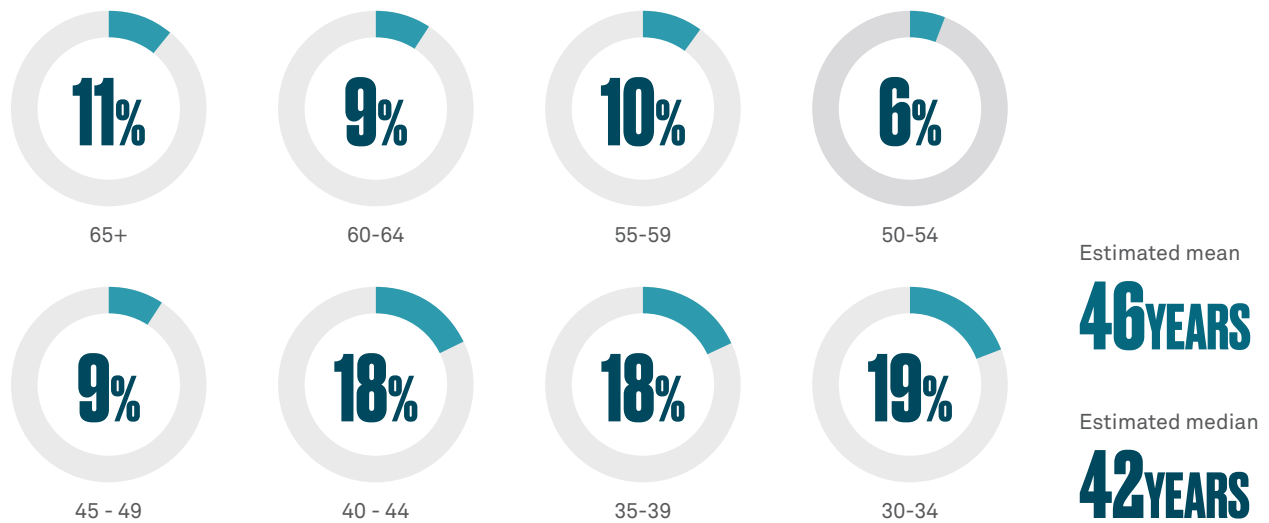
## Advisor Profile: Mean Client Account Size



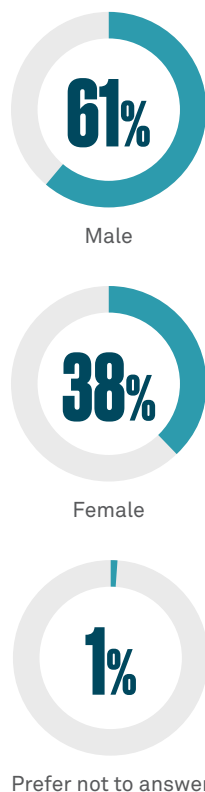
# INVESTOR Profiles

The typical investor respondent is 46 years old, male (61%) and currently married (82%), with an estimated median of \$4 million in investable financial assets; 32% report at least \$5 million in investable financial assets.

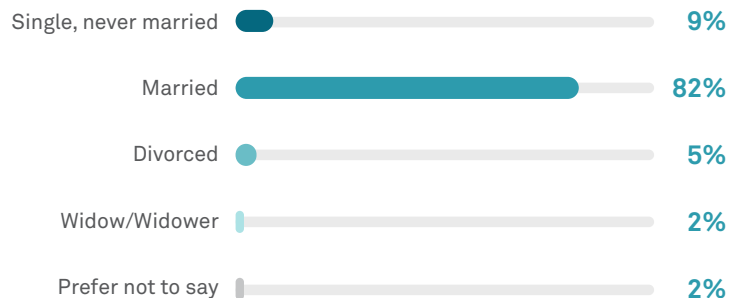
## Respondent Age



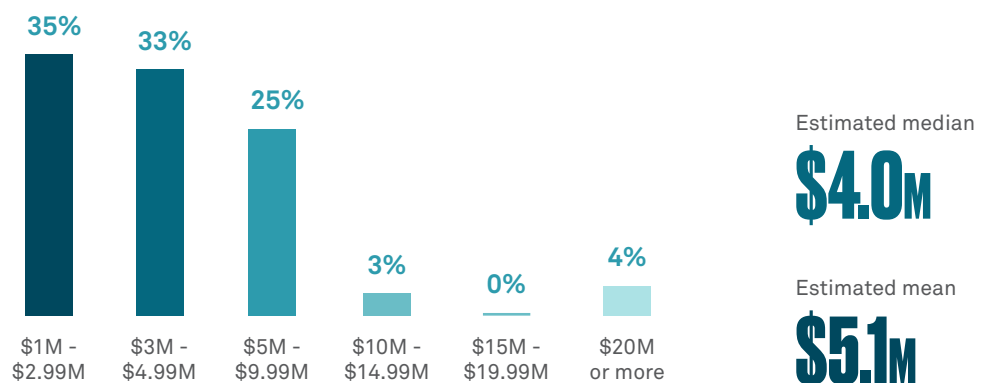
## Respondent Gender



## Marital Status



## Investor Profile: Investable Financial Assets





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