



OPINION

Big banks dominate list of most trusted financial brands, upstarts make headway with support from young people



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Toronto-Dominion Bank [TD-T \(/investing/markets/stocks/TD-T/\)](/investing/markets/stocks/TD-T/) +1.35% ▲ and Royal Bank of Canada [RY-T \(/investing/markets/stocks/RY-T/\)](/investing/markets/stocks/RY-T/) +0.90% ▲ are the country's most trust financial brands, but with complications.

It's mainly baby boomers who voted for them in an informal survey of 1,124 people conducted recently through the [Carrick on Money newsletter](#). Among Gens X, Y and Z, there is more openness to trusting upstart brands in finance.

The investment company Wealthsimple did particularly well with young adults, while the online player EQ Bank beat all the big banks for percentage of support among millennials and Gen Z.

For alternative banks and investment firms, trying to make inroads against the big banks is like running in sand. But the survey results, unscientific as they are, suggest that alt finance is building a base of trust. The upstarts that can afford to play the long game may yet become dominant players.

Still iffy on dealing with financial companies outside the galaxy of big banks? Consider that young people, the ones most discerning about technology and apps, trust upstart banks and investment companies. It's time for the rest of the population to give them a try as well.

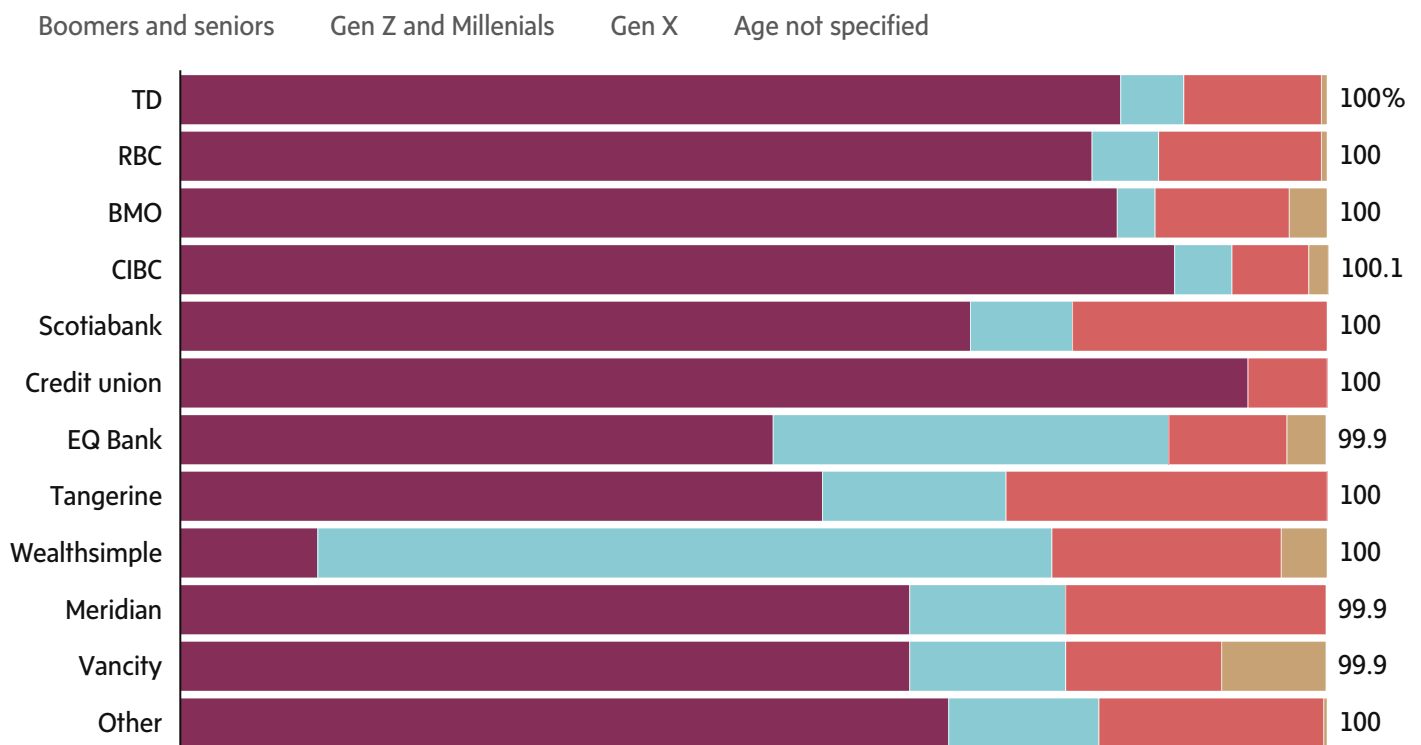
TD topped the most trusted list with 200 votes, while RBC was close behind at 190. Three other big banks were next, followed by an aggregate of support for smaller credit unions.

Then came EQ, Tangerine, Wealthsimple and a pair of large credit unions, Ontario's Meridian and B.C.'s Vancity. Thirty people answered "none" to the question of which financial company they trusted most.

A total of 327 votes went to a variety of smaller companies, including the online bank (and Canadian Imperial Bank of Commerce subsidiary) Simplii Financial, independent mutual fund companies Steadyhand and Mawer, the investment company Vanguard, investment dealer Edward Jones, online broker Questrade, insurance giant Manulife Financial and American Express.

Canada's most trusted financial brands

Readers of the Carrick on Money newsletter were asked to vote on the financial company they trust the most. Here are results based on 1,124 responses. Support for each company is broken down by demographic.



THE GLOBE AND MAIL

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A few individuals got a shoutout from survey participants. Among them were John Heinzl, The Globe and Mail's long-time dividend investing expert, financial planners Natasha Knox, Rona Birenbaum and Shay Steacy and portfolio manager Larry Berman.

Boomers and seniors dominated the survey's demographics with a share of 73 per cent, Gen Xers accounted for 15 per cent, millennials (also known as Gen Y) and Gen Z were at 10 per cent with the small remainder comprised of people who didn't specify their age. Even with

the comparatively small sample for younger people, it's clear that they're more open minded about trusting non-bank brands.

For TD and RBC, the overall trust leaders, a respective 82 and 79 per cent of their most trusted votes came from boomers and seniors. By contrast, Wealthsimple found its way onto the most trusted list thanks to voting that respectively skewed 84 per cent to Gen X, millennials and Gen Z. EQ got close to half its support by younger generations.

Survey participants were invited to leave comments and several used the opportunity to express loyalty to a particular company:

- "This will be the bank of choice for the rest of my life," a 60-year-old in Ontario said of BMO [BMO-T \(/investing/markets/stocks/BMO-T/\)](/investing/markets/stocks/BMO-T/) -0.16% ▼ .

- "I'd stay for life," a B.C. resident said of Coast Capital Savings, a B.C. credit union

- "They put my interests above their own," an Ontario client of TD wrote.

- "They care about me more than their profits," an Alberta Wealthsimple client said.

- "You make me trust capitalism," an Ontario client of Sun Life Financial said [SLF-T \(/investing/markets/stocks/SLF-T/\)](/investing/markets/stocks/SLF-T/) +1.64% ▲ .

A sample dissenting view from a resident of Manitoba: "I don't trust any financial company enough to say."

Big banks have a trusted franchise with all generations that has long helped them fend off and – let's be honest – kill off competitors in banking and investing. But the level of trust younger generations show toward companies like Wealthsimple and EQ Bank suggests we're at an inflection point.

Bank competitors, there's hope. Bank clients, you have alternatives.

Are you a young Canadian with money on your mind? To set yourself up for success and steer clear of costly mistakes, [listen to our award-winning Stress Test podcast.](#)