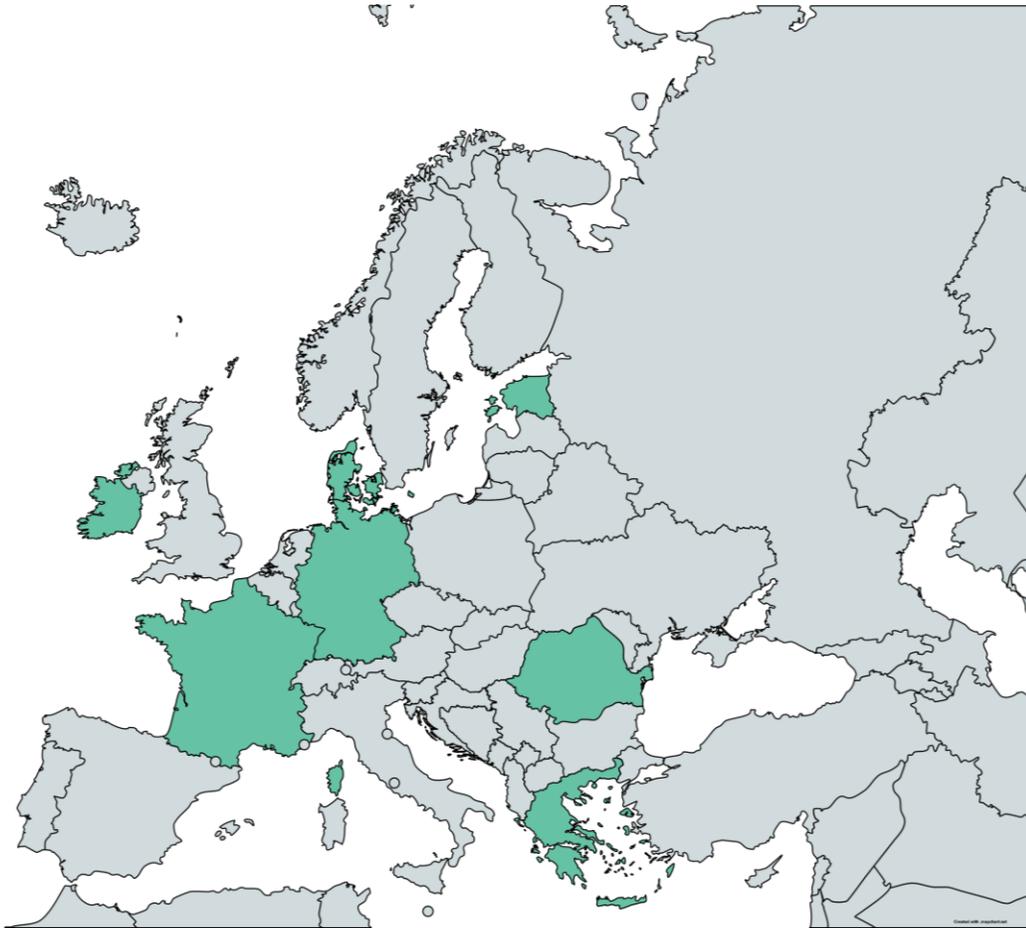


Do financial advisors consider client sustainability motivations?

Results of a mystery shopping campaign before the upcoming
MiFID II Delegated Act

Context on the campaign



2DII is organizing +900 mystery shopping visits as part of 2DII's Retail Investing Program over a three-year period (2021-2024).

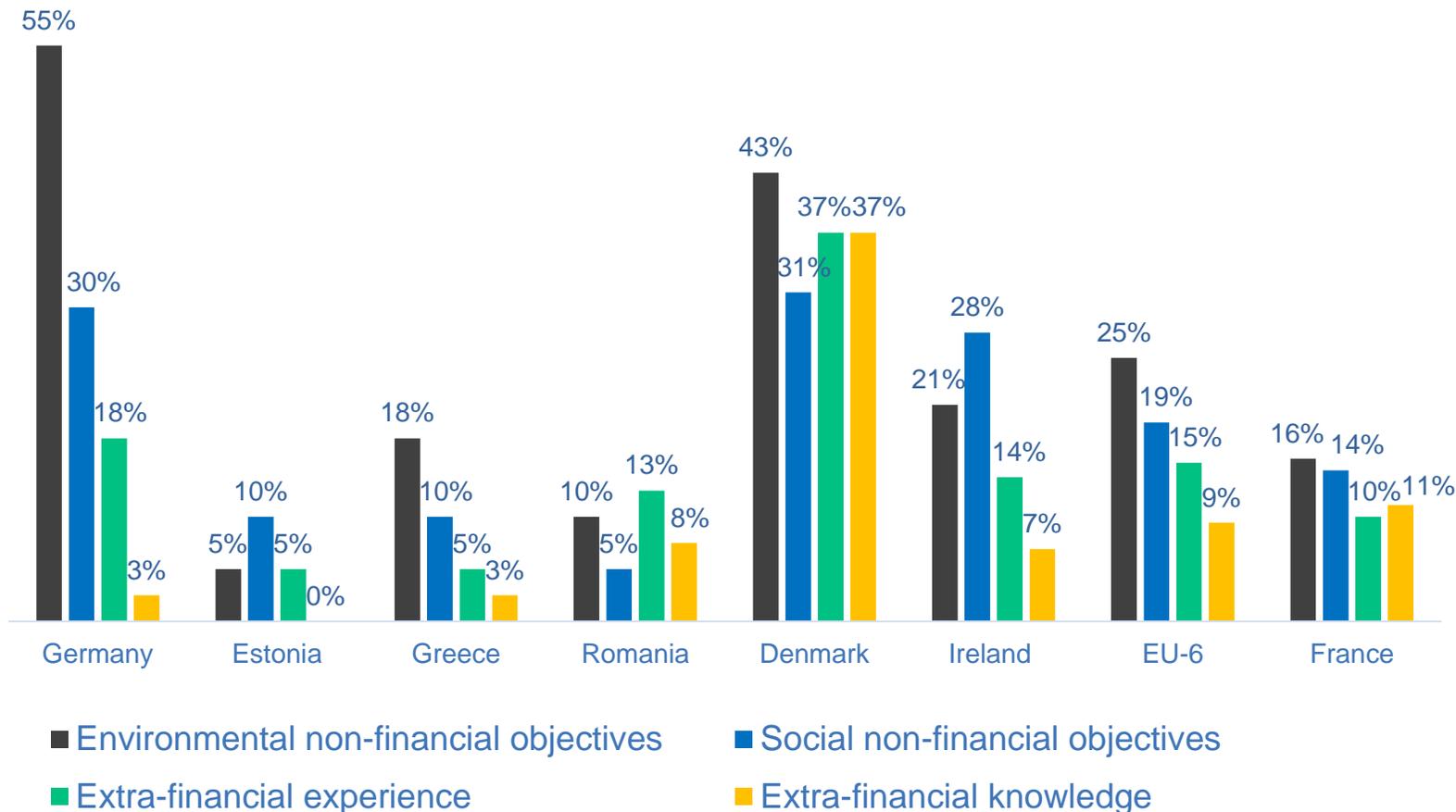
This slide deck summarizes the results of 300 mystery shopping visits across seven EU member states.

The key objectives of the mystery shopping campaign are to better understand the current situation around how sustainability objectives are considered in the financial advisor-client engagement and the key gaps and challenges in the context of the upcoming MiFID II Delegated Act.

Access the report [here](#).

Do financial advisors ask about sustainability?

When the advisor assessed your profile, what aspects did they cover?



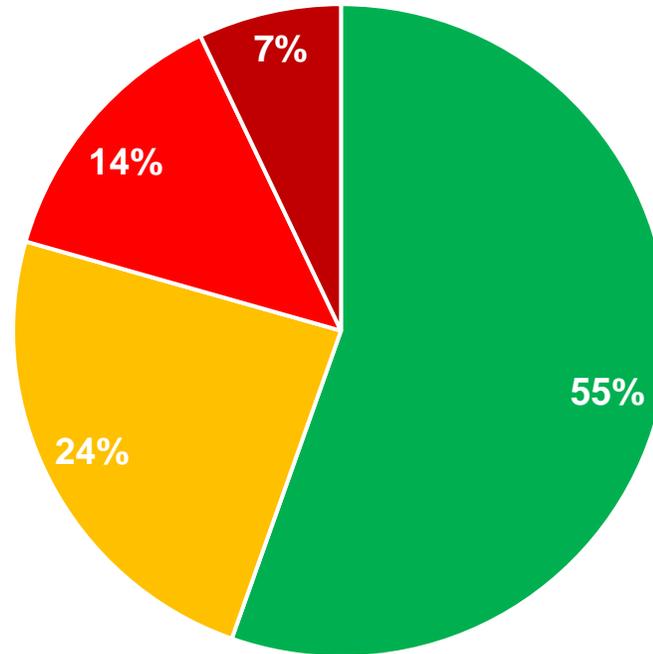
KEY FINDING #1:

On average, only 25% of advisors ask about environmental or social objectives as part of a client profile assessment. For environment, that number ranges from 55% (Germany) to 5% (Estonia). France, often considered a leader, only has 16%.

Do financial advisors respond to sustainability objectives?

After you asked questions about sustainable products, how did the advisor react?

- He spontaneously offered you a sustainable product as soon as he sensed your interest in this subject.
- He needed several reminders on the subject in order to take your wishes into account.
- It seemed to you that he did not understand your wishes despite your reminders.
- It seemed to you that he fully understood your wishes for sustainable investments, but he directed you to an unsuitable product.



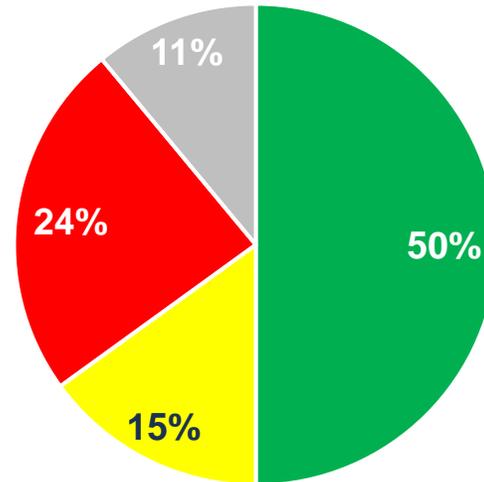
KEY FINDING #2:

Over one in five mystery shoppers with sustainability objectives were offered unsuitable products and only 55% of advisors responded to sustainability requests spontaneously with a targeted product.

Do financial advisors offer suitable products?

After you expressed your preferences, did the advisor propose adequate sustainable products to you?

- Yes, and the recommendations were satisfying
- Yes, but recommendations did not convince you
- No, he presented products unrelated to your request
- Others (e.g., you don't know as the product description was unclear)

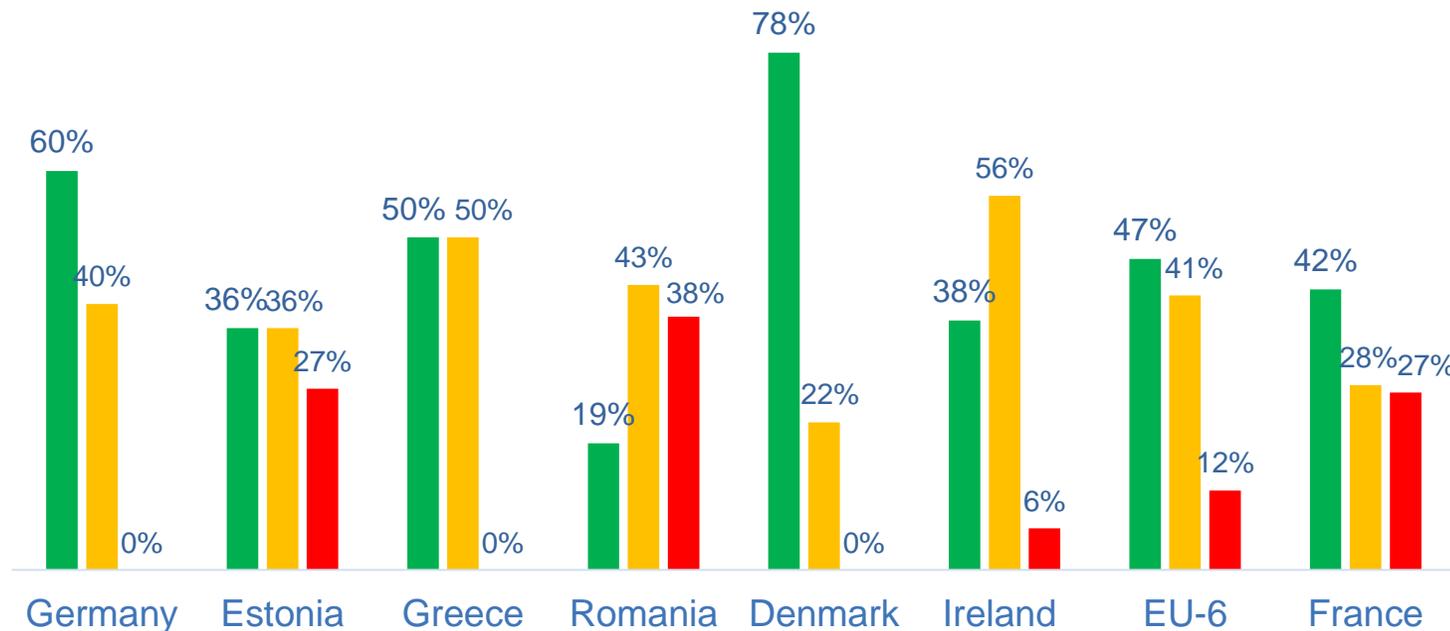


KEY FINDING #3:

50% of mystery shoppers were not offered suitable products or were not convinced / did not understand the product's suitability when it was offered to them.

Do financial advisors have a sufficient knowledge level?

Did you have the impression that the advisor was trained to answer the questions you asked about your ESG objectives?



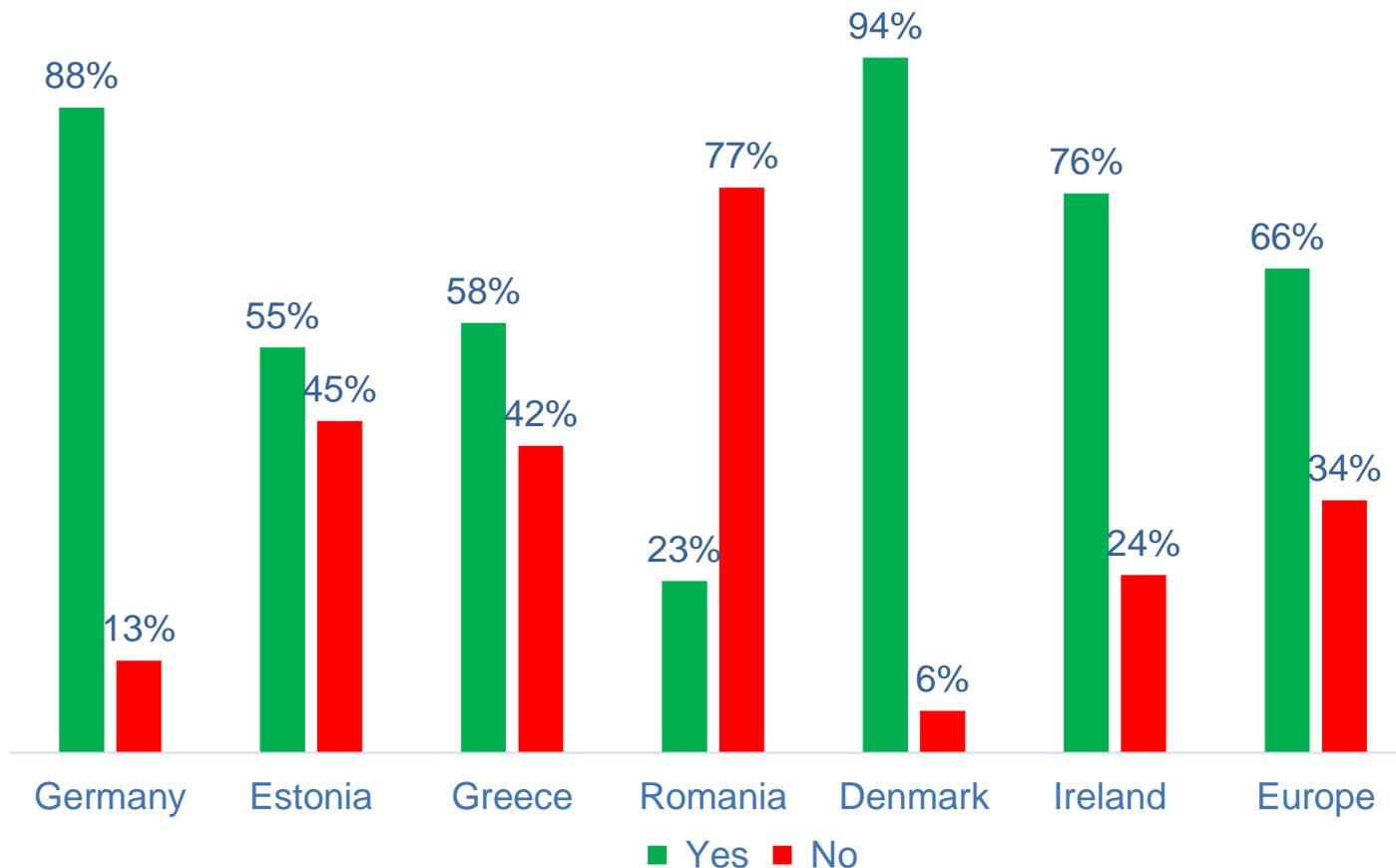
- Yes. He seemed to have a good grasp of the subject.
- Neutral. The subject seemed new to him or he had poor knowledge.
- No. He did not understand the subject.

KEY FINDING #4:

Except for Germany and Denmark, only a minority of advisors appeared to mystery shoppers to have sufficient knowledge level.

Do financial advisors know about green products?

Did the advisor have any knowledge about green products?



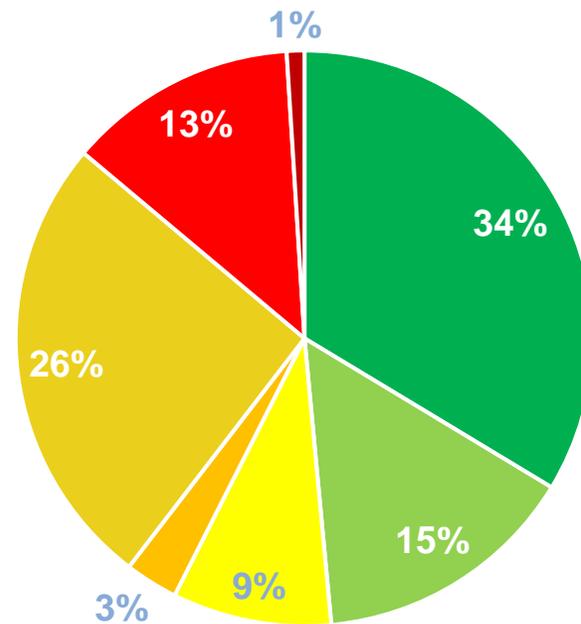
KEY FINDING #5:

On the other hand, financial advisors had for the most part relevant knowledge about green financial products.

How do financial advisors respond to requests for impact?

Financial advisors' responses to investors willing to invest with impact

- He looked for a product that could meet your expectations
- He admitted he could only proposed products invested in positive impact companies without ensuring they would deliver positive investor impact
- He heard your request but did not know of any products that could match it
- He told you it did not exist
- He showed you figures about a fund to prove the invested companies have a better impact than in a conventional product
- He mistakenly responded by talking about financial "impact"
- He ignored your request in his recommendations



KEY FINDING #6:

Advice on impact remains mixed, with very different reactions to mystery shoppers' requests for impact solutions

Summary of key takeaways

	Good practices	Bad practices
Consideration of client's sustainability motivations	Initiate the assessment of sustainability motivations BEFORE the client expresses sustainability concerns or goals	Wait for the client to express sustainability motivations or concerns for initiating the assessment of his/her sustainability motivations
	Include in the suitability assessment of sustainability motivations questions about the sustainability goals of the client	Neglect to ask questions about the sustainability goals
	Align the product recommendation to the assessed/expressed sustainability motivations	Ignore the assessed/expressed sustainability motivations of the client
	Include both risk and sustainability assessments in the product recommendations	Ignore the client's risk profile to accommodate his/her sustainability motivations
Financial advisor's knowledge of sustainability issues and sustainable products	Have precise knowledge of sustainability concepts	Have shallow knowledge of sustainability concepts
	In case of insufficient knowledge, connect the client to a knowledgeable colleague	In case of insufficient knowledge, connect the client to a non-knowledgeable colleague or leave the client's legitimate questions unanswered
	Answer the client's sustainability questions with precise explanations	Answer the client's sustainability questions with fuzzy explanations (e.g., "sustainability is the bank's DNA")
	Answer the client's questions about the impact of financial products using appropriate arguments	Answer the client's questions about the impact of financial products using inappropriate arguments (i.e., relative to the impact of invested companies)
	Send detailed answers to the client's unanswered questions about products after the meeting	Leave the client to make his own research on the bank's products after the meeting
Influencing the client's decision	Stay neutral in the presentation of suitable products	Be overly positive or negative regarding suitable products based on personal beliefs
	Use rational, science-based arguments to back product or asset allocation recommendations	Use shallow arguments to comfort the client in its will to invest in sustainable products (e.g., "everybody is doing it")
	Acknowledge when the client's motivations cannot be matched by any of the available products	Use undue arguments to influence the client's choice towards available products

About our funders & contact details

Access the report [here](#).

Contact the authors at retail@2degrees-investing.org.

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Disclaimer: The opinions expressed in this report are the sole responsibility of the authors and do not necessarily reflect the views of our funders or project partners.



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