



## Annex

### **Mystery Shopping Survey Findings**

#### **1 Methodology**

1.1 MAS commissioned a research company to undertake the survey. The research company recruited mystery shoppers who posed as interested clients seeking advice. The mystery shoppers were recruited to represent the demographics of the Singapore population. The mystery shoppers provided information during the sales and advisory process based on their own personal circumstances. They were given one of two scenarios with which to approach the FIs: either having a lump sum of \$10,000 to invest or a monthly budget of \$300 to purchase an insurance policy for protection of dependents. The mystery shoppers were not required to commit to a purchase.

1.2 Half of the 100 representatives were surveyed based on the investment scenario, while the other half were surveyed based on the insurance scenario. The mystery shoppers were required to complete a questionnaire at the end of the advisory and sales process.

1.3 In developing the survey methodology and questionnaire, MAS sought input from a panel of industry practitioners, academics and consumer representatives. MAS also sought the assistance of industry practitioners to review the mystery shoppers' responses to the questionnaire. For the purpose of the survey, the mystery shoppers were instructed to approach FIs with pre-designed investment and insurance scenarios. The findings may be different for unsolicited sales.



## 2 Detailed Survey Findings

### 2.1 The survey findings are set out below:

Areas Surveyed	Investment Scenario	Insurance Scenario
	Number of Cases out of 50 (%)	
<b><i>Fact-Find</i></b>		
Conducted some fact-finding <b>before</b> recommending an investment product	48 (96%)	45 (90%)
Asked for information on personal particulars	45 (90%)	50 (100%)
Asked for information on financial situation	33 (66%)	31 (62%)
Obtained information on risk appetite or time horizon	48 (96%)	30 (60%)
Asked for information on financial objectives and needs	38 (76%)	38 (76%)
Asked for information on current investment portfolio	38 (76%)	31 (62%)
Asked for information on other important considerations that could impact the decision to invest	17 (34%)	11 (22%)
<b><i>Disclosure</i></b>		
Explained the type of consumer the product is suited for	44 (88%)	30 (60%)
Explained the benefits/returns of the product recommended	47 (94%)	44 (88%)
Explained the risks associated with the product recommended	32 (64%)	33 (66%)
Explained the fees and charges	37 (74%)	28 (56%)
Explained the right to cancel the purchase within a certain period i.e. cancellation or free-look period	16 (32%)	9 (18%)
Highlighted warnings, exclusions and disclaimers	3 (6%)	5 (10%)
<b><i>Recommendation</i></b>		
Discussed and confirmed the mystery shoppers' financial objectives and needs before or while recommending the product	41 (82%)	43 (86%)
Provided reasons for the recommendations	48 (96%)	47 (94%)
- In writing	- 23 (46%)	- 29 (58%)
- Verbally	- 25 (50%)	- 18 (36%)