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Julia Sprenger[1]

Financial Consulting: A Qualitative Study on Its Role in Financial Decision Making

Abstract

The current study examines the way people deal with financial decisions. The purpose of this study is to explore the role of financial consulting in the decision making process and the complex decision dynamics in the run up to a decision. Data for this study were collected through a series of semi-structured interviews with both financial consultants of a savings bank and their clients. The findings provide insights into different attitudes towards financial decision making, locate financial consulting within the decision process, and compare the information habits and the degree to which decision autonomy is maintained, restricted, or given up across different types of clients. Besides, the study shows how trust between client and consultant encourages reciprocal behavior and increases the willingness to accept opportunity costs. The paper discusses these findings with respect to consulting practices and consumer policy and outlines directions for future research.

JEL Classification: D14, D18, D83, G21

Keywords: Financial decision making; financial consulting; interviews; decision autonomy; information

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1 Introduction

This paper reports the findings from a qualitative research study exploring the way people use financial consulting to make financial decisions. The purpose of this study is to better understand the role of financial consulting in the decision making process and the complex decision dynamics in the run up to a financial decision.

Financial decision making has become increasingly difficult in recent years. People have a variety of options to choose from. Moreover, Célérier & Vallée (2013) show in a lexicographic analysis of the term sheets of 55,000 structured products issued in the European retail market since 2002 that product complexity has steadily increased over time.

Previous studies have shown that choice difficulty in turn increases preference uncertainty and undermines confidence that one is able to select the best option (e.g., Dhar, 1997, 2002; Greenleaf & Lehmann, 1995; Iyengar & Lepper, 2000; Malhotra, 1982). One reaction to choice difficulty and information overload is to postpone decisions or to avoid choices at all (for an overview on decision avoidance see Anderson, 2003). Another response to complex decisions is to delegate the decision. Steffel & Williams (forthcoming) show that delegation increases with decision difficulty and can be explained by a desire to avoid responsibility for potentially making a wrong choice. They argue that delegating a difficult decision might be an attractive alternative to choice avoidance because delegation, too, factors out responsibility for the decision outcome but in contrast to choice avoidance allows as well for realizing the benefits of obtaining a chosen option. Delegating a decision alleviates the cognitive efforts and emotional stress of decision making but also poses a threat to people's feelings of autonomy and thus undermines self-esteem (Broniarczyk & Griffin, 2014). Seeking decision support from a financial consultant is proposed to be a third option to solve this dilemma: It provides the same benefits as choice delegation but still allows people to maintain control over the final decision. It is thus especially interesting to explore the use of financial consulting in the decision process.
In practice, the functions of financial consulting may range from delegation of a decision to a simple information input from an expert that does not imply any losses in decision control. This study seeks to reveal different forms of how decision autonomy is maintained, ensured, restricted, or given up in the context of financial consulting and to locate them between these poles.
The purpose of this study is to explore the role of financial consulting in the context of financial decision making.
The broad objectives are to:

- develop an understanding of the general attitude towards financial decision making in order to gain a sense of the background against which financial consulting takes place;
- gain a clearer understanding of where financial consulting is located in the decision making process. Specifically, we sought to understand if financial consulting is rather a first step in approaching a financial decision and might lead on to a form of follow-up research or if it is rather the last step following a series of product research efforts. By looking at the information habits and the information acquisition process in the run up to a decision we wish to capture how financial advice is embedded in other forms of decision preparation;
- explore the attitudes towards financial advice. This includes revealing different approaches of integration financial consulting in the decision process characterized by a varying degree of decision autonomy and gaining a sense of how this affects client behavior;

The research will feed into discussions about possible implications for financial institutes and policy makers.

Following Newman & Benz (1998) it is more reasonable to locate research practices on a continuum between quantitative and qualitative research instead of presuming a strong dichotomy between both approaches and assigning studies into one category.
This study is in many aspects a qualitative one. Qualitative approaches in finance are subject of growing interest: Burton (2007) for example shows that qualitative research recently experiences a renaissance in finance which is reasoned by the ability of this approach to generate novel empirical insights that may complement quantitative studies and which is evidenced by the willingness of leading finance journals to publish interview-based papers. As the economic literature is yet dominated by quantitative approaches we will point out some reasons for using a qualitative approach in this study.
Qualitative research is especially productive when it comes to exploring a phenomenon of which the key variables are not fully known in advance. Accordingly, this study is largely exploratory in nature. The interviews covered the themes of the interview guide but also allowed to follow topical trajectories in the conversation. In doing so we follow the reasons by Piore (2006) against tight interview formats: *"What worked in interviews was letting the respondents tell their stories. Indeed, I came to believe that this was the only thing that worked consistently. It seemed as though people agreed to be interviewed in the first place only because they had a story to tell, and the formal questions I asked basically became an excuse to let them tell that story. When I tried to forestall the story, I lost the interview."* In order to capture the complexity of subjective views, in vivo codes were included in the analysis, i.e., terms and concepts that were used by the interviewed themselves to describe a certain aspect of financial consulting.
Besides, a qualitative approach was chosen because it allows thinking of behavior as ongoing in time. Previous quantitative research often focuses on discrete actions (e.g., to seek advice or not, to follow advice or not, to give biased or unbiased advice) and identifies the key determinants of the behavior of interest. A qualitative approach, by contrast, captures the narratives of individuals that link such discrete actions in time. As financial decision making is a complex process with different stages this approach is helpful in contextualizing financial consulting as one piece in a chain of actions.
One implication from choosing a qualitative approach is that the findings of this study should not be generalized or extrapolated to a wider population as the study inductively generates meaning from a small data set. Subsequently, of course, it would be possible to examine if the same mechanisms are at work in larger-n samples and to estimate average effects using a quantitative approach.

The data for this study were collected through a series of semi-structured interviews. In total, 12 face to face interviews were conducted. The interviews took place at an office of a Sparkasse (Savings Bank) in North Rhine-Westphalia. Sparkassen are publicly owned institutions that account for about half of all German savings deposits and make up one of the German banking industries three pillars. A Sparkasse typically has a tight network of offices and branches in all regions of Germany and supports the regional economic development.

Both clients and financial consultants of the Sparkasse were interviewed to gain a comprehensive perspective on the decision process. The interviews were conducted in October 2016. All persons who took part in the interviews have been given pseudonyms and made anonymous in this study.

At the Sparkasse that participated in this study, 8 financial consultants work in the segment for affluent private customers. 4 of them participated in this study, 3 of them being female and one being male. They all have long years of professional experience in the field of financial consulting. Each consultant manages a customer base of approximately 350 private clients and has about 1-2 meetings with them per year. All meetings are costless for the client. Once matched, customer and client usually maintain a long-term relationship with some of the clients meeting their consultant for decades.
Besides, 8 clients participated in the study. Their age ranged from 27 to 83 years. 5 of them were male and 2 of them were female. In addition, one couple was invited to the interview. As the two form a decision unit that makes all financial decisions together since a long time they were also interviewed together. All clients participating in this study had had a meeting with their consultant in the near past and were close to making a financial decision or had recently completed one. This way, their habits and preferences concerning financial decision making processes were very present to them.

Table 1: Overview of interviewees

Consultants		**Clients**	
Pseudonym	**Age**	**Pseudonym**	**Age**
Emma	mid-40s	Anna	late 20s
Eric	late 50s	Daniel	early 50s
Karen	mid-40s	Jacob	early 80s
Lara	mid-50s	John & Martha	late 70s (John); mid-70s (Martha)
		Linda	early 50s
		Paul	late 60s
		Robert	early 50s
		Thomas	early 50s

Before the interviews were conducted a provisional list of codes was developed. This list was used to create the interview guide. The coding scheme was afterwards completed by recurrent themes drawn from the interview data. After the interviews were conducted, the audio data were transcribed following the rules for simple transcription by Dresing et al. (2015).

The rest of the paper is organized as follows: The second chapter provides an overview on the attitudes of the interviewees towards financial decision making. The third chapter reports findings on the way different types of information are integrated into the decision making process. The forth chapter describes variations in decision autonomy and compares implications for the role of advice. The fifth chapter reports findings on the role of trust. The sixth chapter summarizes the results and concludes.

2 Attitudes towards financial decision making

This chapter examines the general attitude towards financial decision making. It provides a broader context by revealing how financial decisions are framed and thereby prepares the background on which more detailed findings on the use of external information and the role of advice can be interpreted.

2.1 Emotions linked with financial decisions

It showed across all interviews that managing finances is a strongly emotional topic with the emotions linked with making financial decisions ranging from fear to joy.

Anna for example admits that a low knowledge base in finance creates the emotion of fear and leads her to postpone financial decisions: *Because for me, because for me this topic is incredibly difficult (…) because I don't have any understanding of the matter and when there is something, which you don't understand or which just isn't your thing, then, I don't know, then you just get scared. So, yes you always keep putting these things off and be like yes I'll do it, I'll do it (…).*

She states that her lack of knowledge is the main reason for her discomfort about making financial decisions and that she would enjoy managing her finances if she only had the knowledge to do so: *If I had the knowledge to do so and if I understood everything, then I would do it, love to do it.*

Anna regrets that the topic of managing finances is not included in the school curricula which makes it difficult for her to get into the topic: *There was this pupil, who said, well, she criticized school and said well I can analyze a poem in four different languages now. But I don't have any clue how I am going to pay my rent, how I do my taxes, and so on and so forth.*[1] *(…) and there I was like yes, that's true, she's right! Well, it is like this, you get out of school, you know a lot of stuff, but when it comes to these things, you really have to get to grips with it (…).*

One of the difficulties for her of starting building financial knowledge is the technical terminology. Language is in her case rather a barrier to the field of financial knowledge than a key to financial knowledge. The financial terminology creates reluctance in her and works as an entry barrier to the knowledge domain: *For me it is just so tough, and I really don't feel like getting into this.*

The majority of individuals link financial decision making with positive emotions such as joy. Linda for example states: *(…) I simply enjoy dealing with financial issues.*

Linda's comfort in managing her finances is supported by the fact that she is familiar with making financial decisions and has accumulated knowledge about it over the years so that managing her finances is not difficult for her: *It comes easy to me.*

She seems to have benefited from having two persons in her nearest surrounding early onwards who were interested in finance as well: *(…) I am used to it. And my sister is likewise. (…) I once worked for a dentist*[2]*, who also dealt a lot with finance, there I have picked up a thing or two. Back then there were two stock magazines (…) well, and so we started to get into this topic.*

Other individuals link their comfort in making financial decisions to their specific knowledge background as well: Paul for example states that he is glad of having completed a bank apprenticeship many years ago. Other individuals state that they are used to deal with money because their job requires making financial decisions as well or because they have taken management courses during their studies.

The comparison of Anna and Linda shows that the emotions linked with finance seem to be connected to the individual knowledge level in finance and the perceived ability to make financial

[1] Anna refers to a 17 year old pupil from Cologne who has stated on twitter that she is totally capable of analyzing poems in four languages but has no idea when it comes to taxes, rent, or insurances on 10th January 2015. Her tweet received much attention including a huge media response and statements from the Secretary of Education, the Teachers' Union and the German Teachers' Association and sparked a broad debate on education.

[2] The German noun reveals that it was a female dentist.

decisions: While high knowledge levels create confidence in the ability to make financial decisions and comfort in doing so, low knowledge levels create a sense of insecurity and reluctance. Accordingly, Anna often deals with financial decisions out of an external trigger (*My partner, he told me I should really go for it now*) whereas those individuals who like taking financial decisions report a strong internal motivation to take care of their finances.

2.2 Motivations to deal with personal finance

Individuals revealed several motivations to deal with finance and to take care of their financial situation. These motivations build on care for the wellbeing one's future self and the ability to adopt a long-term perspective.

One motivation is the desire to ensure high financial security by careful planning: *(…) I find it important to have a financial cushion, that is very important to me. I want to work towards that*. (Linda)

Another one is a strong willingness to actively shape one's financial future*: I have been thinking about it [finance] quite continuously and at some point I have decided, okay you have to do something here, you want to do something, and then I try to tackle it. (…) self-determination is the central motivation, to be independent when deciding, but also the self-determination of, well in some sense you could say, prosperity. So what decisions do I make today to be more independent financially tomorrow, to open up new possibilities etc. (…)* (Robert) and to maintaining one's status: *Now, my expectations aren't too high considering my curriculum vitae, but still, I have a certain status and I am not really willing to give that up. This requires some foresight in what I am doing. I believe by planning ahead you achieve your goals easier than by just letting things happen. At least that's my experience and this is what I expect from myself, to actively make those decisions and then be actively satisfied or disappointed afterwards. Depending on how good my decisions have been.* (Robert)

Both Linda and Robert have a strong motivation to sustain something (status) or to build up something (financial cushion) they have recognized is important for them and act in a foresighted way in order to allow their future self financial latitude.

Many individuals notice that they have become more conscious over the years with respect to financial decisions: *In the retrospective I have the feeling that you have been a little young and green back then, like with end of 20, beginning of 30 (…) And now, now in my age, I approach these decisions more from my perspective and I do what I want and maybe make decisions more consciously* (Daniel) or report an increased level of seriousness compared to decisions taken in younger years: *There is a new kind of seriousness in the game now.* (Thomas)

Most individuals who are comfortable making financial decisions report that they are familiar with managing money, e.g., because they have to deal with it in their professional life as well (*It is because I always had to deal with money in my job*, John) or because they dealt with finance during their studies and have thus a lower inhibition threshold to access the topic.

They consider themselves well informed and continuously monitor their finances: *Everything related to insurances etc., I organized all this and processed these data in tabular form. I need this for my tax declaration, but also for my personal planning. Just to know when money is available and to see is it going to be a small or a bigger vacation trip, or a small car or bigger car, or even no car at all.* (Robert)

John, too, monitors his finances on a regular base and has a clear overview of his expenditures: *I consider it to be more or less a hobby, I maintain some excel sheets (…) and everything is entered there. All the expenses you have when owing a house and so forth...*
Some of the interviewed apparently created their own system of monitoring their finances and regularly update it to see which financial decisions are coming up in the future or to evaluate past financial decisions: *I have a vast number of excel sheets at home I am working with (Paul).*

To summarize, these examples show that individuals that describe financial decision making as positive have a strong determination to work towards self-imposed long-term objectives. This keeps them motivated to engage with the topic of finance. In contrast to people driven by emotions of fear and discomfort, financial decision making is not perceived as a burden that requires overcoming reluctance first but as a tool helpful to achieve an objective. While the basic notion of individuals feeling fear and discomfort is "*I really should do something*" their basic tenor is "*I want to do something in order to…*". In order to reach their goals they have developed productive habits such as monitoring their finances regularly.

2.3 Summary: Attitudes towards managing finances
In this chapter we identified two types of attitudes towards financial decision making (see table 2):
For one type, financial decisions are perceived as a burden, associated with fear, discomfort, and reluctance. They need an external trigger to tackle financial decisions and report that they have a low knowledge base in finance. For the other type, financial decisions are perceived as a productive tool to achieve long-term goals. They monitor their finances closely, feel well informed and are internally motivated to take decisions. Making financial decisions becomes *a mixture of being interesting and challenging* (Robert).

The difference between the two types is reflected in the emotions after having taken a financial decision as well. For Anna, for example, relief is the main emotion arising after the financial decision has been taken (*Ahh thank God it's done!!*). She expresses relief that the task of making a decision is terminated and that she can occupy herself with other things now that she has finished an unpopular chore. Her view is focused on the end of the process of decision making. By contrast, participants who like managing their finances do not report relief but either satisfaction with their decision (*You are looking forward to your new house,* Daniel) or anger about a wrong decision (*I am vexed about bad decisions that I have made myself,* Robert). This implies that their focus of perception is on the result of the decision process and not on the decision process itself.

Table 2: Two types of attitude towards managing finance

Characteristics	Type A	Type B
knowledge base in finance	low	high
emotions linked with financial decision making	fear (reluctance)	joy (interest)
trigger to make financial decisions	external impetus	internal motivation to achieve a self-imposed objective
emotions after having taken a financial decision	relief (process orientation)	satisfaction/ dissatisfaction (result orientation)
concept of financial decisions	financial decision making as a burden	financial decision making as a tool

3 *Financial consulting in the context of information search*

This chapter explores how people go about financial decisions. It explores the use of different kinds of external information before and after an appointment with their financial consultant. Revealing in how far the consultation is embedded in own search efforts allows for gauging if consulting is a stimulus for information search or a surrogate for information search. In order to get a more complete picture of information habits the perspective of the clients is contrasted with the assessment of the consultants interviewed.

3.1 Research prior to consulting

Well, today consumers are definitely more informed, merely because of the internet. (Karen, financial consultant).

3.1.1 Online research

Individuals can inform themselves prior to a consultation online and almost all individuals interviewed state that they use the internet as a first step in towards a financial decision. Online research includes using a search engine to look up financial products (*Yes, most of the time I google things in advance,* Anna) as well as requesting and comparing offers from online banks (*Well, it is so that of course we have solicited alternative offers online,* Daniel*).* Generally, consumers appreciate it that information about financial products is easily available online: *(…) it is done quite quickly. You sit down some evening, open up the computer and surf around a bit* (Daniel) and consider the information offered online sufficient and appropriate to get a first idea of a product of interest.

Consultants confirm that their clients are more informed today than they were 10-15 years ago and that many of them have used the internet to inform themselves before they come to a consultation. They express a critical view on these efforts to inform oneself:
Lara notes that consumers use search engines in a superficial way. They often fail to take into account all attributes of a financial product but solely focus on the costs: *(…) some try to, for example in case of a liability insurance, they try to compare the prices only. But at some insurances you cannot set the limit of indemnity. And then they say Okay, I can get this cheaper!, and then I say, Could you please bring the contract with you next time, so that we can compare the conditions one-to-one? And then you see that one insurance has a limit of indemnity of 10 million and the other has a limit of only 5 million. Well, of course if the limit is smaller, the fee is also!* As clients are not aware of these mistakes they have an unwarranted confidence in their search results: *They [clients] think just because they know how to use a search engine or the model calculator, they fully understand everything.*

Another shortcoming of online research is that consumers do not differentiate between a binding offer and a standard offer under reserve: *(…) for example mortgage financing, (…) there are a lot of links in the internet where one can click through let's say a standard housing loan, and customers often believe that this offer, which usually does not contain a definitive interest rate, is already binding (*Karen).

Both examples show that consumers overlook important product information and thus may have a simplified picture of the financial product of interest. One way for consumers to deal with the

complexity of financial products seems to be to focus on a single attribute that is very important to them: The price.
Their first concern is not what the product offers, but what it costs. (Lara)

To summarize, online research is very popular among individuals because it offers quick access to a variety of information. Consultants note that this information is not always understood correctly and observe a naïve use of online tools.

3.1.2 Naïve advice
Another source of external information is advice from friends, neighbors, or relatives. For most people, naïve advice is welcome; only one couple (John and Martha) reports that it is not common for them to talk about finances with their friends.

All consultants stated that they regularly deal with clients who have received naïve advice in advance. Eric remembers that naïve advice has been very influential in the past: *Yes, back in the day customers approached me at the counter, that was the time everybody wanted to have stocks, Telekom[3] and so on, and older customers came to my counter and said: Mr. M., I want to have Telekom stocks! They had never heard of stocks before; they didn't know what stocks were, but their neighbor had Telekom stocks and had told them: You can make a nice profit with these [stocks], you have to get them! And then, of course, they were at my counter and demanded for Telekom stocks.*

Karen notes that people are sometimes interested in a product that was recommended by a friend or that they found online but do not recognize that the product does not fit their preferences:
For example, a customer says: I would like to only have conservative funds, but my buddy recommended this fund to me. Or sometimes you find online offers with 12% if you invest in raw materials. And the customer is sitting there and says: I am really conservative, I do not want to take any risk. And I am like: Okay, the commodity market, here we have fluctuations…, and I open up let's say sugar cane, and then I show the customer on the chart (…) the fluctuations, and tell him: Well, you have told me that you do not want any fluctuations.
Emma observes a similar behavior: *(…) for example recently I had a father, who wanted to invest for his 20 year old daughter and he had talked to his colleague, who recommended him 4 or 5 different investments and now he wanted to hear my opinion on them. I find that very dangerous, to get ideas form strangers, who might be in totally different situation in life. So in this example is was about an investment for his daughter, who is a lot younger than the investment philosophy of the one he wanted to copy, since the colleague himself was much older (…) and was way more aggressive considering his risk profile, he had a more speculative approach. And the man, who had to decide, namely the father, was not aware of that.*

The examples show that naïve advice is used sometimes as a first anchor, leading individuals to develop interest in a product although they hardly know the product attributes. In both the examples of Karen and Emma people have difficulties to contextualize naïve advice. They do not take into account where the advice comes from and whether the advisor has similar preferences as they have. This behavior might be based on the assumption that a product is per se good or bad and that an advisor can show them a promising opportunity independent of their subjective demands and

[3] German telecommunications company

preferences. As shown in the example of Karen, overcoming this anchor requires several steps, from explaining the product attributes to analyzing the fitness of the product with the clients stated preferences.

A similar pattern can be observed for simplified statements in product tests: *People hear something or read something or Stiftung Warentest*[4] *says something is super good and when you take a closer look, when you really question it and ask [clients] is it really like this, do you really want that or have you seen this and that are the costs which accrue… And this might be only possible when investing a value of X but you only wanted to invest this amount (…).* (Emma)
In case a consumer organization recommends a certain product category, people assimilate very general statements but are not aware of a necessity to evaluate if the general statement can be applied to their personal situation as well.

This mechanism works in both directions: *Statements are made [by the media] like: Building society savings contracts are bad! for example, and a customer says: Everywhere I read that home savings are bad and you offer me something like that?! Then I have to explain to the customer that home savings is neither per se bad nor good. It always depends on the customer's situation, on the goals he pursues. And then I have to point out why I think that a certain product is the right thing for him, for his situation or for his goals and wishes.* (Karen). In this case consumers are warned against trusting in certain products and develop resentment towards the product. Again, a consultant is needed to analyze in how far the product is suitable for the individual needs and preferences as clients fail to make this transfer.

3.2 Follow-up research

While some individuals make their decisions directly during the consultation, others need a period of follow-up research before they arrive at a decision.
John and Martha for example usually make the decision during the consultation: *Well, during the conversation we think about it and then we wrap it up immediately* (John). Making an ad hoc decision is preferred by John and Martha for the following reasons: *The longer you buckle down the more uncertain you feel. That is my personal feeling about it.* (Martha) For Martha, avoiding follow-up research prevents insecurities.
Others spend a great time with further research: *There are some [clients] who read everything meticulously, who need every little detail. And you already know, if one of them comes in (…) they want a complete offer with all the pros and cons, with costs, the whole package. And they always take it home and then it'll take them a week to work through it, and then you can seal the deal. Exactly those [clients], who do everything very accurately and carefully, in my experience, they always search for the fly in the ointment and eventually find it. And then the decision is stalled* (Lara). The assessment of Lara in line with the experience of Martha: A more detailed examination of information can create new insecurities that delay the decision process.

Individuals report several reasons why they engage in follow-up research.
For some individuals, the decision to engage in further research depends on their understanding of the topic. They engage in further research when they feel that they are not ready to take a decision yet: *I decide after careful consideration. This implies checking whether I understand the decision.*

[4] German consumer organisation

(Thomas). One signal for a further need of research is unsatisfying answers from the consultant: *You have to start to do some research on your own, when the answers get woolly or even contradictory. If that is the case, you have to do some research on your own, ask other people, in the end your really have to understand the issue in order to make a decision. Situation where different consultants give different answers or when you discover a lack of knowledge or when you get answers like: You wouldn't understand that, because you come from a totally different branch...You cannot accept such things.* (Thomas)

Another reason to engage in follow-up research is doubts if the products suggested by the consultant meet their demands: *Well she [consultant] offered us an investment, I was so shocked, I mean, it's not like I am totally disinterested in this. I think the running time was 20 years. (…) If she were honest with us, she wouldn't have made this proposal. Such a long running time (…), you know I could be dead by that time... (*Martha*).* Martha and John experienced a consultation that left them with the strong feeling that the advised product was inappropriate for them. To get a second opinion they made an appointment at a consumer advice center. In contrast to a consultation at the Sparkasse, this type of consultation is costly: *[We] spent*[5] *350 Euro to see a consultant there. (…) But she did a good job, she explained it very comprehensively* (John). Both were satisfied with this type of consulting and would go there again if they felt insecure after an appointment with their consultant to hear a second opinion.

A third reason for individuals to engage in further research is that they discover during the consultation a need for dealing with a topic more closely. *Most of them [clients] say they have already done a lot to prepare for their retirement, but if you ask them in more detail they often cannot tell how high their amount of state pension is or how much they will get from company pension. (…) Usually they cannot tell exactly off the cuff what they are going to have. And for many of them it is also not clear how taxation in old age or payments of social insurance contributions like health insurance work. There are people who believe they have already done a lot for their retirement, but when you look at it more closely the effect is not that big and you are a bit appalled* (Karen). In these cases consulting stimulates engagement in finance because individuals have become aware of a blind spot in their financial planning and want to address this issue.

The consultants have no access to their clients' reasons for follow-up research but they have developed an understanding of which type of client is especially prone to do so. *And then there are of course also euphoric customers who are enthusiastic, and you only need to give them like three keywords and tell them you want this and that, and this is my solution, and they immediately say: Great, this sounds good, that's how we do it! And then there are also those who are questioning everything.* (Karen)

They associate clients who engage in follow-up research with a more critical type of person: *There is one customer, (…) with him it is principally like this: He does not make a decision. He approaches me, I make a proposal, it may be a, I don't know, a fund or so, then he says, I know it for sure, he would never decide right on the spot but takes it all home and I know for sure the next day the phone rings. He has read everything and then asks questions about every detail. He has to know it all!* (Eric).

[5] He uses the German verb 'opfern' (to sacrifice), indicating that they consider the amount of money invested in consulting as considerable, though not wasted.

This type is often found in certain professions: *The customer gets a copy to read at home in advance. That means he can read the whole agreement at home, all the small print details. Then there is, let's say the type teacher, partly also graduate engineers, who bring their agreement and have already marked the whole text and are questioning every single line (*Karen, 45) and among younger clients: *(…), younger people take the paper work home and they are more cost sensitive.* (Lara)

But clients who strongly engage in follow-up research and work though information material in great detail are not very common: *But the most usual case is that people decide and there are not so many questions asked. (…) So the customer, like I said before, who decides here, his decision is often final. He doesn't ask much afterwards, that is quite a quick deal (…).* (Eric)

3.3 Summary

The majority of individuals interviewed uses online research to prepare a financial consultation and is open to recommendations from friends or relatives. Having made an appointment for a financial consultation thus seems to stimulate individuals to deal with finance in order to feel prepared for the consultation. One function of this preparation is the assumption that it allows for making the decision rather quickly: *[…] to me preparation is rather important to be able to make a decision during the consultation* (Robert). Consultants note that external information is sometimes used in a superficial way and reduced to simplified statements. These general statements work a first anchor for the consumer and influences if he is inclined or reluctant towards a certain product. A consultant might readjust this anchor by analyzing in how far the product meets the client's demands and preferences, thereby making the transfer from a generalized statement to an individualized assessment.

A majority of clients finalizes their decision directly during the consultation, e.g., because they anticipate that follow-up research might create insecurities about the choice and delay the decision process or because they belong to the rather enthusiastic type of client who is quickly convinced of the recommended solution. Other clients strongly engage in follow-up research and usually work through the information material in great detail before they feel ready to make a decision. This type of decision maker is particularly frequent in certain professions but generally rather rare.

4 Attitudes towards financial consulting

This chapter explores different attitudes towards financial consulting. It describes three types of clients that differ with respect to the value ascribed to decision autonomy, with respect to the role of the consultant, and with respect to the value of advice.

4.1 Developing typologies

Clients participating in the interviews were grouped into three categories according to the level of decision autonomy they realize in their decision habits. It showed in the data that clients differ on two levels. One is decision control and the other is outside input. Each participant was assigned to one of the corresponding groups. Table 3 summarizes the defining characteristics of each group. In the following sections these three groups are described in detail with respect to their specific way of using financial consulting to make decisions.

Table 3: Typology for decision makers

	Strong autonomy	Moderate autonomy	Weak autonomy
Defining characteristics	Decision is made by the client before the consultation • the client is in decision control • no input is needed from the consultant	Exchange between consultant and client • the consultant is called in for information input • the final decision is made by the client who is in decision control	Informal delegation: The decision is based on outside input with no or low levels of own reflexion • the consultant recommends a product • the client follows the recommendation. Formally, he is in decision control but ownership of the decision is low

4.2 Strong autonomy

4.2.1 Case Study: Linda

Linda: *(…) No, no, I didn't come here for the consulting. (…) I don't want to be advised. (…) I just wanted to have implemented what I wish for. (…) Actually, I only come for, for sealing it, also I can't buy everything online. If I change my portfolio, I need an account; so I need somebody, who can do it for me.* Linda usually has a concrete undertaking in mind when meeting her consultant. Financial decision making itself is quite easy for her and she has a very good overview about her financial situation: *(…) I could tell you this minute everything you want to know about my financial situation. I would know that.*

The appointment with her consultant is the last step for her in the decision process and she usually initiates these appointments. Standardized offers for talks are of no interest for her: *That's what I had with the [regional building society] back then. That was just stupid. Every end of the year they called or at least once a year, to make an appointment for a customer pitch (…) Please come for a consultation, wouldn't you like... Actually, I don't want it at all (…) At some point I rejected it, exactly, when I became confident enough, but I went there at least three or four times and they always made it look so urgent on the phone but eventually it was just nothing. And somehow it was always unpleasant. The unpleasant thing was (…) that I had the feeling I had to go there, because I am like well I have to do my duties and I have to follow up on it, even if I don't really have time for it and once I almost cried, because I just had no time for it. And it was not important at all! (…) for me it was always very inconvenient and they didn't tell me anything new, nothing that I didn't already knew. And when I sign a new contract, then I know, I decide it myself and I also know myself whether I have the spare money to make that kind of investment. And I don't want to feel compelled. I felt so compelled back then. (…) I was just angry. (…) they really stole my time, that just made me angry, almost depressed in some sense.* The repeated experience of being driven into a pointless conversation is connected to strong emotions such as anger, frustration, and annoyance.

4.2.2 Role of the consultant

Individuals of this type do not meet their consultant because they need financial advice: *I have no demand for any advisory services. (…) Things just need to be wrapped up. Mere execution.* (Paul)

They have a concrete objective in mind when they come to a consultation and need a consultant who listens carefully to their plans and implements them. They are confident about their decisions and want their consultant to recognize their distinct way of managing their finances: *So what I want, (…) I want be on the same level with him [consultant]. Well I don't want, so apparently I had conversations, in which I was belittled or where they made me feel smaller than I am, I don't want that anymore. So* *at least [I need] the feeling that I am taken seriously, that I am heard, and treated like customer. (Linda).*

Compared to other clients the consultant finds himself in a rather passive role with a focus on absorbing information from his client instead of passing information to his client.

Individuals of this type appreciate having a constant contact person and once they found a consultant they like to work with they are unlikely to leave him. But they immediately leave consultants who treat them in way that collides with their self-concept as an autonomous decision maker able to choose suitable products for himself/ herself: *When my husband and I separated, I wanted to have a new credit card, because we shared one before, and then the customer consultant said to me: What do you need it for? So she asked me: What do you need that for. Like: What do you need it for?! And then I just felt bad. She didn't ask if..., or how we could do it if, if it is difficult to get a credit card because of my income, or said: I could offer you one, but you need to charge it with 2,000 Euro and then your limit would be such and such. She did not try so solve the problem; instead she just said: What do you need it for. No, I was just emotional, it upset me, and then I went to an online bank, stated two incomes, as my husband and I were still married, and then it was no problem. Yes, yes of course, I don't go to that woman anymore, no question. That is over.* (Linda).

4.2.3 Value of advice

Individuals of this type generally feel capable of making their decisions all alone and have often done so in the past: *For example, I have been trading securities all by myself, without any consulting. I just made these deals via the internet. Done. If I think I need to buy or sell something, than I just do it, without a consultant. I don't need anybody for this.* (Paul)

Their consultant is if at all involved only in the very last step of the decision process where the decision is carried out. Accordingly, they have no willingness to pay an honorarium for a consultation: *No, I wouldn't need that; I'd rather invest my money on my own and find a way to do so online.* (Linda)

4.3 Moderate autonomy

4.3.1 Case study: Robert

The basis for financial decisions for Robert is becoming aware of his own demands in order to ensure a productive meeting with his consultant*: It surely is also a process to, to check whether you know what you want. Eventually, that is the foundation for the consultant. He is not supposed to make a decision for me but only to show me the options. At least that is what I expect.*

The decision itself remains in his hands and is not delegated to the advisor. To ensure that he makes decisions according to his preferences he directs the conversation to the points that are of special interest to him: *So when it comes to decide between more flexibility or a higher return, I would always opt for more flexibility. That somehow became apparent to me during the decisions made. At some point I realized this and as a result I can better steer conversations now.*

Robert has a good overview of his finances and manages his finances continuously and with great care. He does not share his decisions with a partner and thus feels solely responsible for the decision outcome: *I do not have to take care for a larger family, I am rather planning for myself right now, so I don't have to make collective decisions (…) I am autonomous, that may make things easier. That's how I feel about it, but also you make all the decisions on your own, the good and the bad.*

As he feels well informed the consultation is framed as an exchange of information between him and his consultant: *(…) I inform myself via the corresponding media and then try to combine my knowledge with the consultant's knowledge during the consultation, so that I can make a decision I* *am satisfied with in the end. (…) And he would show me appropriate options and then it is my task to decide. Either spontaneously, because I just feel safe and prepared, or I say: No I come back again in a week, in two weeks, in four weeks.* The exchange with the consultant is embedded in own research efforts.

4.3.2 Role of the consultant

For this type of client the consultant has the role of an expert who is called in to get access to information that would be too costly in terms of time or effort to collect oneself: *Of course I can keep informing myself, but then I have to ask myself some time what for do I need this consultant anymore. And if I want a, an expert, who clearly has more information than I have, because it is his job, because he deals with this every day, because he has more background knowledge, … if he doesn't share his privileged information with me, so that I can make better decisions, then there are two options, I do it on my own or I look for a new consultant. At least those were the two options I could think of. And I didn't want to do it all by myself*. (…) b*ecause I believe, that I am not, not informed well enough to make this decision. Maybe I haven't read enough, not enough details, maybe I am not quick enough to say I can make this decision within the next fourteen days alone.* (Robert)

They appreciate the information input from the consultant but they state very clearly that taking the decision remains their job and that the consultant does not take over their part: *A consultant is not there to lighten my workload. He does his job and I do mine.* (Thomas)

The role of the advisor is more extensive than in case of clients in the strong autonomy group and includes providing and explaining information. Making the final decision remains the task of the client: *In the end, it is me who has to decide. What Mrs. L. [his consultant] is doing is not deciding, what she is doing is exemplifying.* (Jacob)

Furthermore, these clients expect their consultant to actively present ideas to them: *(…) the consultant actively approaches me, this is also an element of ideal consulting, and says this is a chance, it is within your domain of interest, which he knows very well, it fits your circumstances, and at this point he should actively propose or suggest something. (Robert).*

The main task of the consultant is to support them in making an informed decision. But it is not possible for them to delegate the responsibility for a decision to anybody but themselves. This is partly because they are aware that there is no legal foundation for feeling relieved from responsibility when consulting a bank about financial decisions: *That is a no-go; that is a no-go. (…) And if such decisions go wrong, then there is always a passage that it is not the consultants fault, but your own. So in the end you have to pay for it, even if you didn't understand it.* (Thomas)

4.3.3 Value of advice

Clients of this type ascribe a high value to financial consulting and appreciate it to have an expert by their side: *This model fits me well, I think. With a professional, because you can't deal with this topic all the time, at some point this becomes no more manageable for me, I believe. And also it might just not be my thing, my strengths lie somewhere else, jobwise. Therefore, I would consider an exchange with a consultant as quite worthy (…).* (Robert)

Advice also has a high value because it makes the decision process more efficient and speeds up the decision time. The majority of clients in this group can imagine to pay an upfront fee for a consultation as well: *Given there is a 100% transparency, I could opt for a different model than the currently usual model of commission fees. I can imagine to do so. To me, it would be worth it (…) but for me this would be a conscious decision and it also should be clear there is the consultation, I pay for it, and thus all the information I got out of this consulting is also mine. And no hope on the other side,* *the side of the consultant, that there will be a deal in the end, this is not that easy within the current payment model* (Robert). Some of them would even prefer upfront fees as they do not like the intransparency of commission costs: *What I have experienced with this other bank, they add distribution costs and this and that, so to get an overview, that's cumbersome. (…) we agree on 10,000, but they charge 10,300. And the additional 300 is a commission fee which just disappears and then there is an activity charge and such things...I don't like that* (John). But the willingness to pay seems to vary with the inducement for consultation: Daniel for example cannot imagine to pay an honorarium for a consultation about real estate financing, because he assumes that in this case it is the bank's job to win him as a client.

4.4 Weak autonomy

None of the clients interviewed in this study belonged to that category. But the consultants frequently mentioned this type of client in their interviews so that it is possible to include him in this section as well. Typically, these are elderly clients who strongly rely on their long-standing consultant. They assume that their consultant knows their preferences very well and will therefore choose an optimal product for them: *Mr. M. [Eric] would never suggest something speculative to me! (Eric, citing one of his clients)*

This certainty results from the circumstance that both parties know each other for many years, not from active inspection of the client. The nature of informal delegation becomes obvious in statements where the advisor syntactically has become the active part in the decision process: *And then I think that's the thing with many customers; they really say: Well, Mr. M. [Eric] is going to handle it*. (Eric) In this statement the task of finding a solution has been shifted to the consultant.

Clients in this group want a clear recommendation from their consultant: *(…) customers ask what the Sparkasse recommends. So like what is rubber-stamped by the Sparkasse, what recommends the Sparkasse? (…) and when I tell them: So this is the recommendation of the Sparkasse, (…), then many older customers say: Well, that is a good thing and if the Sparkasse recommends it, then we going to do this! (Eric)*

Apparently, the decision is made because of a convincing impression and a clear recommendation, not on the background of own knowledge and critical assessment*. Some customers (…) say: Well, if that is what the Sparkasse recommends, ok, let's do it. (…)That is a spontaneous decision by many customers; they say: Well, that sounds good, we'll do it. (*Eric) It is typical for these clients not to engage in follow-up research but to make a quick decision. One reason assumed by the consultants is that particularly elder clients do so because they are not able to manage their finances. *Actually, the elderly want to cede everything (…) Well, they are overwhelmed with it.* (Karen)

4.4.1 Role of the consultant

According to the statements above, the consultant is assigned the role of somebody who takes care of the financial decisions of the clients. Some consultants accordingly described their main activity with the verb *betreuen* (monitor, take care, look after). The role of the consultant has a different focus compared to the moderate autonomy group with clients in the weak autonomy group demanding a clear recommendation in the first place and placing a lower value on detailed product information. Similar to clients in the strong autonomy group, there is no need for follow-up research. But the reasons for this differ: In case of client belonging to the category of strong autonomy there is no need for follow-up research because they have completed their research before they make an appointment with their consultant. In case of weak autonomy, there is no need for follow-up research because the client has offloaded the decision to the advisor and is relieved from the task of figuring out the best solution to his decision problem.

4.4.2 Value of advice

According to these statements it becomes clear that advice is of high value to these clients, up to the point where financial decisions would not be possible without a consultant. While clients in the strong autonomy group were totally fine with doing every step in the decision process themselves and for clients in the moderate autonomy group the consultant only facilitates the task of making a decision, in these cases the decisions are shifted to the advisor to make them manageable.

4.5 Summary

Table 4 summarizes the differences between the three types of clients considered as outlined in the previous sections.

Table 4: Summary of group comparison

	Strong autonomy	**Moderate autonomy**	**Weak autonomy**
Example statement	*I have no demand for any advisory services. (…) Things just need to be wrapped up.* (Paul)	*And he [consultant] would show me appropriate options and then it is my task to decide. (Robert)*	*They [clients] really say: well, Mr. L. [Eric] is going to handle it [decision]*. (Eric)
Role of the advisor	executing	explaining, providing information input, suggesting	Recommending
Value of advice	low, the consultation has a small role in the decision process	high, clients appreciate the input from their consultant	very high, consultations make the decision manageable
Follow-up research	no, the decision has been completed before the consultation	yes, if uncertainties need to be clarified	no, clients rely on the recommendation
Position of consulting in the decision process	consulting is only the last step of the decision process	consulting is complemented by own research efforts	consulting is the only step in the decision process

The scheme presented in table 4 is not a rigid one and some cases blur the lines between the groups. For example, Emma describes a type of client that ranges between strong and moderate autonomy: *(…) most of the time these are men between 45 and 55, successful in their job. So it really is a special species, they bring excel-sheets, they are very detail loving and in most cases, I may say alpha leaders. (…) often they are well informed, I have to admit that, they have a higher degree of education, they are often academics. (…). And with those it is like, they just want to have the okay; they want to check whether their ideas work out (…). First of all they want a confirmation for their own concept (…).*

In the case described the role of the advisor has already become smaller and less information input is needed, however, his role is not totally reduced to carrying out a decision as the clients still seek approval by their consultants. One could consider this behavior as growing out of moderate autonomy.

Differences between moderate and weak autonomy can blur, too, as nearly every client wants a recommendation from the consultant: *Above 80%. So yes, the wish for a specific recommendation is there, and it is damn high.* (Emma)
The wish for a recommendation alone, however, should not be interpreted in a way that somebody is delegating his decision. Clients in the moderate autonomy group weight these inputs with existing knowledge and ensure they are an active part of the decision process. If they feel unable to decide, they engage in follow-up research, but they do not blindly follow the recommendation of the consultant. In some sense they appropriate the reasons for the decision and thereby make these decision their own, even when the chosen option was initially brought up by their consultant. Follow-up research can thus have the function of maintaining decision autonomy.

Consultants know clients belonging to the strong autonomy group very well: *For instance I have this client (…) he contacts me and gives me, he gives me for example, I find that astonishing, checks the state bank of Hessen, which is our state bank (…) and he checks the offers and gives me the international security numbers. Calls me and says: I would like to have this and that stock*. *Sure that is exceptional, those are customers, who don't need a consultant, I am honest there, (…), he knows what a stock investment is and then he buys it. I just have to execute the order* (Eric) but consider them to be very rare.

Clients belonging to the strong autonomy group express that they enjoy financial decision making, feel competent, and have found their ideal way of making financial decisions. They seem to have a high need for cognition. Need for cognition is defined as a relative stable individual tendency to engage in and enjoy effortful cognitive endeavors (Cacioppo et al., 1984) resulting from developing a sense of competence and self–satisfaction from episodes of effortful problem solving (Cacioppo et al., 1996). A high need for cognition is associated with pursuing tasks that require reasoning or problem solving and with processing information more thoroughly (Levin et al., 2000), while a low need for cognition is associated with pursuing tasks that allow for conserving cognitive resources, with relying on simple cues (Haugtvedt et al., 1992) and with a higher propensity to procrastinate (Ferrari, 1992).

For clients in the moderate autonomy group, by contrast, a need for closure seems to drive financial decision making. Need for closure is defined as an individual's desire for firm answers to a question and as an aversion towards ambiguity (Kruglanski & Webster, 1996). According to Kruglanski & Webster (1996), people with a high need for closure are motivated to terminate information processing as quickly as possible in order to complete the decision process and reach an answer (urgency tendency). Once they reached a state of closure, they "freeze" their knowledge, attitudes, and strategies concerning this topic and refuse to accept new or different evidence in order to maintain this state (permanency tendency). Their focus is on reaching an answer- any answer, not necessarily the best answer- and on terminating the insecurities of the decision process.
Clients in the moderate autonomy group want their consultant to order and structure information for them and to suggest a limited number of products: *Personal recommendations are good, yes. But there should never be more than three. There should never be more than three. (…) because in that case you confuse the person even more* (Anna). Martha's statement that she does not like to engage in follow-up research because this would increase uncertainty and delay the decision points in a similar direction and can be read as an attempt to prevent endangering or destabilizing the state of closure reached within the consultation (freezing). Daniel uses a similar way of reasoning when explaining why he consulted only two banks before making a far-reaching financial decision: *Also*

going to Bank X, or any other Bank...that is not how I spend my time. I need to get to the point quickly and know that everything is cut and dried. (…) I just think that these banks could not have made me a better offer (…). And then you have to deal with even more appointments (…) and I have a job which absorbs a great deal of my time (…). To spend so much time for this, for.. for a success I do not even expect to come, this was not worth the time for me. I felt in good hands here, everything fitted, the monthly rate, (…) and thus everything is good.
The first part of his argument illustrates an urgency tendency: He wants to close the deal as soon as possible. The second part of his argument reveals his aspirations and indicates that he is a satisficer. Satisficers stop searching when they have found an option "good enough" without any compulsion to exhaust all options or to assess all information, while maximizers strive for the optimal choice (Schwartz et al., 2002). For Daniel, it is enough that the suggested product meets his demands and that the terms and conditions such as the monthly rate are acceptable for him, but he feels no need to examine other options just to make sure he really has found the best option.

Need for cognition and need for closure have shown to be negatively correlated (Cacioppo et al., 1996; Fu et al., 2007; Webster & Kruglansik, 1994), i.e., we assume that for each group of client only one type of motivation is dominant. Both groups seem to differ along these lines but more research is needed to establish this link in more detail.

5 Trust in financial consulting

This section explores another main theme revealed in the interviews in the context of financial consulting: Trust. The section starts revealing the requirements for establishing a relationship of trust and goes on explaining how trust changes the relationship between client and consultant and impacts the behavior of the client.

5. 1 Requirements for establishing trust

At first glance, trust seems to be a by-product of long-term-relationships. All clients interviewed state that they prefer having one consultant that accompanies them over the years through their decisions. The consultants, too, strive for establishing long-term relationships to their clients. Both parties thus seem to appreciate continuous relationships, e.g., because this makes the relationship more productive and efficient: The client does not need to explain his preferences and objectives over and over again and the consultant is very familiar with the background of his client which makes it easier for him to suggest products or to draw the attention of his client to upcoming financial decisions in his personal framework: *(…) this only works, when I am continuously in contact with somebody. (*Robert)

A closer look at the interview data reveals that trust is not only based on continuity but depends on an important constraint.
The example of Daniel illustrates that personal face to face contact is essential for a relationship of trust. Daniel seeks a real estate financing and first contacts an online bank he knows for her aggressive interest policy. His impression of this first encounter on the phone is very positive:
And I believe, (…) well after the conversation with the [name of the bank] I thought this was really quick! After 45 minutes you have a financing plan which is conclusive and you can nail this yourself. (…) No, this was completely fine, because the lady [consultant] (…) was really very friendly and, I think,

of course also was trained for such talks, logically, but it was very pleasant, I must say. I sat in the kitchen in the dining area with my computer and so she could directly send things to me (…).
The consultant from the online bank sends him to financing examples and he is very happy with the final offer: *The interest rate was just phenomenal!* Out of loyalty, he nevertheless contacts the Sparkasse: *Because I have been a customer there since I opened my first account at the age of 15 or 16, first passbook. And so it is natural for me to, I would say in quotation marks, to give the Sparkasse the chance to make an adequate and good offer (…).* In the end, he decides to close the deal with the Sparkasse, although the offer of the online bank was slightly better in terms of the interest rate. His main reason for doing so is that the encounter at the Sparkasse has generated trust: *When it comes to repayment, interim repayment, or anything concerning the financing (…) you always have a contact person. There [online bank] it would be the same, but just by phone and then you do not know, I have never had an account there and have never taken a financing there, you do not know how it would look like in the future, how you would be attended. Whether everything works as smoothly as it seemed to be the case in the initial interview. (…) And yes, it was simply this aspect, that we sat here together with four people, on a round table, and that we discussed things through. And I believe you can build a different basis of trust this way than in a phone call. It is as simple as that* (Daniel). His decision for the Sparkasse is not a result of a lack of professionally from the consultant from the online bank or linked to details of the product offer, it is rooted in a feeling of trust that exclusively builds on personal contact.

Other participants report a similar link between trust and personal contact: *I have somebody in front of me, I know that there actually is someone, and maybe (…) somehow something changes at the service hotline. And then, who is going to be my contact then, and what do I do now, and you know it yourself, if you have a really severe problem, then you rather go somewhere and talk about it personally, on-site, and not somehow on the phone. Because on the phone they can say: Yes I will connect you to whomever (…) and then you are put on hold. And here I can come around and can talk to the people here.* (Anna)
Both examples show that personal contact creates a feeling of security and reassures people that they have a reliable partner and that potentially future questions or concerned can be approached easily.

5.2 Consequences of trust for client behavior

From the perspective of the consultant trust is crucial in their relationship to a client because it makes the decision process more efficient, speeds up decision time and facilitates the consulting. Trust is often signaled by the clients by revealing private information to the consultant. At the same time demand for information about product details declines: *(…) well it is often like that: They rather talk five minutes longer about their last vacation instead of going through the details again* (Emma) and clients become less critical: *I would say as trust is growing, the customer doesn't question some things anymore. (…) He just believes it.* (Lara)

Trust also allows for clients to manage decisions with a minimum of own involvement:
There are customers, who are so busy with their job, they just give me two or three catchwords and say: Please solve that! (…) they have such implicit trust, that they say: I have a 14 days deadline please solve it until then, no matter how. (…) especially those, who are occupied with their job or family or they are, I don't know, because of a nursing case, they don't have the time to think about complex financial issues. They are glad, if they know there is somebody, who has an overview, who

knows how things work in my family (…) (Emma). This form of informal delegation is only possible because consultant and client now each other very well. The statement reveals that trust can level the importance ascribed to decision autonomy, i.e., it lowers the need to embed financial consulting in own information search and increases the willingness to shift the decision to the consultant.

The value of a trustful relationship sometimes exceeds the monetary value of potential opportunity costs. Consultants observe that their clients are willing to make financial decisions with their long-term consultant thereby rejecting less expensive offers from alternative providers they are not familiar with: *They are, they appreciate that you care about them as a person but also about their financial affairs so intensely. And first and foremost that they will get a solution very quick and uncomplicated. (…) And I think if they know, even if it takes maybe a day longer or two, but they know there is someone who cares about it, someone I can rely on, they appreciate it so much that often they don't really care about the price of the solution, so to speak. So that they say: Of course there are other providers, who offer it to me maybe 5 euro cheaper, but with them I have an enormous bureaucratic effort, so I conclude it is not worth it. (…) So customers appreciate simple solutions or that you don't have to start from the scratch explaining something.* (Emma)

Clients, too, report that their relationship to their consultant has a high value on its own which decreases the importance of prices: *You can also, for example, when you sign an insurance contract, in theory you can still look for alternative offers. And if there is let's say one offer much, much cheaper, I think you shouldn't make it all conditional on the price. So if it is cheaper, of course that's okay, that's a pity, because you could get something cheaper, but you always have to consider the service as well. If I let's say I find an insurance deal from [German online bank], that is one euro per month cheaper or two, I don't know, I don't think I would, I just wouldn't sign it, because I don't have a contact person there.* (Anna)

This value becomes smaller for minor financial decisions: *So if we talk about products only, like indemnity insurance, then it can happen, that they [clients] look it up online; indemnity insurance, XY is the provider, I am going to sign it there because it is 5 euro cheaper per year. That happens sometimes. But even then in some cases consumer concentrate on one offer: Then they just have a closer look on what it is, do we need that, is everything correct, and then they come back and sign the contract. So that depends on how loyal people are.* (Lara)
Lara interprets this behavior as loyalty, i.e., as a way of the client to acknowledge the investment the consultant has made in suggesting products and explaining product details to his client.

Clients, too, stress the fact that they care about values such as loyalty and fairness and use a similar way of reasoning: *Or I could just go to a number of consultants, ask all of them and accumulate my knowledge and then I pick one of them for the decision or I make the decision all alone and also finalize the deal myself… But that is not my method! I feel like one should appreciate what the other does. (…) That is not a model, I find appropriate and fair. To gather the information and then save the commission, I don't consider that as fair.* (Robert)
Trust apparently seems to exacerbate it for clients to act in a purely self-interested way and stimulate concerns for fairness and reciprocity with the client rewarding the consulting efforts with monetary concessions.

5.3 Distrust

Despite their general trust in their consultant, clients express a critical awareness about potential biases of their advisor, although to different degrees.
Individuals in the strong autonomy group are aware that banks want to sell them their own products: *I know that the banks have their own products they shall sell to their customers. (Linda)*
While delegating clients perceive their consultant as a care taker, clients who strive for moderate autonomy see their consultant as a professional who has his own incentives and motivations: *Well, she [consultant] has to earn money. She does not advise me for charity reasons* (Jacob) and are aware that the remuneration system can bias the incentives of their consultant: *The danger I see is, that if somebody works on a commission basis, he is tempted to follow his own interests, that's why I don't like it.* (John)

Clients report different ways to protect themselves against misleading advice. One way to do so is to check if the consultant restricts himself to recommendations in his field of expertise*: (…) each consultant has his domain of expertise. And if he is reliable, he restricts himself to this field. The more complex an issue becomes, the more likely it is that you need somebody else covering another field (…).* (Thomas). This way of protecting oneself even works for clients with a knowledge base in finance because it is not based on an examination of the product itself but on a simple test if the consultant leaves the domain he has specialized in. Other ways to express distrust are to seek a second opinion, to reject offers they have doubts about: *There were some things (…) which did not quite please us, there was a follow-up financing through a building loan contract after ten years. (…) I still believe that in the case of the building loan contract someone would have really made a lot of money with us.* (Daniel) or to change the consultant permanently.

6 Discussion and conclusion

6.1 Financial knowledge and attitude towards financial decision making

We identified two types of attitude towards financial decision making: While clients with a low knowledge base in finance perceive financial decision making as a burden associated with fear, reluctance and discomfort and need an external trigger to approach them, clients with a high knowledge base in finance are comfortable managing their finances, regard financial decision making as a tool to achieve self-imposed long-term objectives and have developed productive habits to monitor their finances.
Understanding the general attitude towards financial decision making improves the understanding of how financial consulting is used in the decision process: A low knowledge base is accompanied with a lower motivation to deal with finance and makes it more difficult to search for and process information oneself, partly because the technical language presents a barrier to this knowledge domain. Clients with a low knowledge base are thus not very likely to make financial choices without support and financial consulting becomes an appreciated alternative to choice avoidance. But their scope of realizing decision autonomy is restricted by their limited capability to embed financial consulting in own research. Highly knowledgeable clients, by contrast, express a strong internal motivation to deal with finance and this combination might increase endurance and efficiency of information search, thereby enlarging the scope for decision autonomy.

6.2 The embeddedness of financial consulting in information search

The embeddedness of financial consulting varies across different types of clients: Clients in the strong autonomy group make their decision before their appointment with the consultant and have no need for follow-up research. Clients in the weak autonomy group, too, do not engage in follow-up research because high trust levels diminish their need to engage in own information search. Other clients report that financial consulting is framed by own information search. Most clients use online research to prepare a financial consultation and are open to naïve advice from friends or relatives. An appointment for financial consulting thus stimulates dealing with the topic of finance. However, this information is often used in a superficial way with information being overlooked or reduced to simplified statements. Many clients also engage follow-up research in order to ensure a high ownership of the decision.

6.3 Variations of decision autonomy

The research identified three groups that differ with respect to the level of autonomy realized in financial decision making.

For clients in the strong autonomy group, consulting is of low value because the role of the consultant is reduced to implementing their decisions. The consultant is only involved in the last step of the decision process.

Clients in the weak autonomy group follow the recommendation of their consultant with low levels of own reflexion (informal delegation). For them, financial consulting is the only step in the decision process and makes financial decisions manageable. Accordingly, they realize the triple benefits of consulting: They realize the benefits from choice, avoid the stress of being responsible for wrong choices, but also formally remain in decision control.

Clients in the moderate autonomy group appreciate the information input from their consultant, engage in information search and make their decision themselves. They thus realizes the benefit of having chosen an option and regard consulting as a means to make their decision process more efficient, but they do not delegate the decision and maintain responsibility.

The degree of decision autonomy realized in turn influences the willingness to pay for a consultation and the role expectations on the consultant.

The concept of autonomy is rooted in Kantian ethics where it is closely linked to the concept of dignity (White, 2011). The interviews showed that autonomy is indeed linked to positive associations with clients who realize a high level of decision autonomy talking about their way of dealing with finance in a more proud way and clients with fewer resources to ensure autonomy talking about their financial habits in a more defensive way. Other than suggested by Steffel & Williams it does not seem to work for the clients interviewed to realize these two benefits at the same time: Lessened responsibility for the decision outcome and a feeling of maintaining control over the decision. Conversely, the feeling of autonomy feeds on the perceived responsibility for the decision outcome.

6.4 The role of trust

Trust shows to encourage reciprocal behavior. Reciprocity implies that in response to friendly actions, people are much nicer and more cooperative than predicted by models that assume that humans act in a purely self-interested manner (Fehr & Gächter, 2000). Clients in this study are willing to reward the efforts of their consultant with loyalty, i.e., they forego less costly offers by competing providers. If they were purely self-interest seeking, they would close the deal at the bank with the best offer. But instead they are willing to accept potential opportunity costs and close the deal with their consultant because this is perceived as a fair way of treating a reliable long-term counterpart. But

clients reserve this behavior to consultants they have face to face meetings with and do not apply this principle to consultants that counseled them on the phone only. Personal contact thus seems to be important to create trust and to evoke behaviors based on reciprocity and loyalty.
The findings support the idea that "trust needs touch" (Handy, 1995) and suggest that clients regard their consultant as their "money doctor" (Gennaioli et al., 2015), i.e., just as patients trust *their* doctor and do not want to go to a random doctor even if equally qualified, clients trust *their* financial advisors and wish to maintain a long-term relationship with him.

Trust in the consultant allows for managing financial decisions with lower involvement, revealed by a lower embeddedness of consulting in own search efforts and a lower demand for information about product attributes during the consultation. This finding is mainly relevant for clients in the moderate autonomy group because clients in the strong autonomy group make their decisions themselves and do not need to trust their consultant and clients in the weak autonomy group trust their consultants so much that they do not engage in own research anyways.

The findings of this study suggest to explore the role of trust in a more dynamic perspective in future research.
Calcagno et al. (2016) for example analyze the way investors discipline their financial advisors. They find that investors with low trust do not delegate the decision to their advisor, they seek his recommendation but decide autonomously. As they anticipate biased incentives of their advisor they wish to control him. While investors with high financial literacy can do so by directly controlling the quality of advice, investors of low financial competence seek a second opinion to estimate the quality of advice.
This study showed, too, that clients in the group of moderate autonomy seek a recommendation but make the final decision themselves. They could try to check the quality of the recommended option, e.g., by own research or by a seeking second opinion. Seeking a second opinion would be especially suitable for clients whose knowledge is too low to directly assess the quality of the recommended decision. But if they maintain a trustful relationship with their consultant, the probability of doing so declines because this is regarded as disloyal behavior. Even clients who do not delegate their decisions may establish a trustful relationship with their consultant that changes their behavior over time. In order to better predict their behavior it might be useful to model trust as a dynamic variable and assess which factor is growing faster: Trust in the consultant (leading to lower search efforts and a higher degree of delegation) or financial knowledge as by-product of actively making financial decisions (increasing embeddedness of consulting in own search efforts and decision autonomy).

6.5 Implications of research findings for consulting and for consumer policy

According to these findings banks who provide costless face to face consulting have created an attractive offer for their clients that is of especially high value for clients with weak to moderate autonomy. Consulting should nevertheless take into account the autonomy level the client seeks to realize in order to better understand the clients' expectations on the consultation and to anticipate critical moments that may threaten the consultant-client relationship. The question "What do you need the credit card for?" for example might be motivated by entirely good intentions but posed to a certain type of client probably terminates the relationship. Clients who realize a high level auf autonomy have an aversion against being addressed in a way that questions their undertakings or their abilities to decide with critical moments emerging when they feel made smaller by their dialogue partner than they are. Also, they easily feel discomfort when the conversation follows

standardized routines as these usually start at a very general level while clients in the strong autonomy group are typically already well beyond the stage of identifying their preferences and wish to focus on the issue they have envisaged for the conversation.
The consultants interviewed seem to take into account differences between clients and often introduced their answer with "This depends on the type of client" when being asked about how they react to a specific behavior. However, in most cases this knowledge is a product of the long-term relationship with the respective client. It seems to be important to identify potential critical moments from a very early stage onwards because of their large impact on the willingness of the client to further engage in the relationship and thus advisable for banks to integrate an autonomy dimension into their assessment of the client right from the beginning.

The increased offer of free information ranging from expert reviews in newspapers to online tools does not seem to make financial consulting redundant as many clients appreciate it to receive tailored information input and decision support from their consultant, e.g., to make the information search more efficient. Also, the transfer from a general statement about a product to an assessment if this product fulfills their individual needs seems to be difficult for clients. This transfer seems to be made by individual consulting but does not seem to be very easy to approach through other information channels.

It became evident in this study that clients with high knowledge levels are most autonomous and happy with their way of making financial decisions. Accordingly, clients with low knowledge levels regret that they have difficulties to get into the topic. Financial education has shown in fact to increase financial literacy and to improve financial behavior (for an extensive meta-regression analysis see Kaiser & Menkhoff, 2016). It might familiarize individuals as well with the technical terms and thus makes it easier for them to engage in information search.
At the same time the findings suggest that individuals take home very simplified messages from reviews about financial products. In some cases online tools may create an unwarranted confidence in a financial decision that does not fit the personal situation very well. It thus seems appropriate to link financial education to programs that enhance information competencies.

6.6 Directions for future research

The findings promote the idea of further integrating existent approaches to explain individual behavior towards a comprehensive framework.
The need for autonomy is according to the self-determination theory (Deci & Ryan, 1985a, 1991, 2000) a basic psychological need with individuals preferring to be the origin of their actions (DeCharms, 1968). The need for autonomy is measured for example with the Basic Need Satisfaction in General scale (Gagné, 2003; Johnston & Finney, 2010) or with the General Causality Orientations scale (Deci & Ryan, 1985b).
According to our findings people engage in information search in order to ensure a basic level of decision autonomy. Doing so is easier for individuals who enjoy engaging in complex cognitive tasks anyways and harder for individuals who have a strong desire to reach a definite answer to their decision problem as this leads them to terminate their search for information sooner. It might therefore be fruitful to examine the link between need for autonomy and other factors that have shown to influence the willingness to engage in information search as well, such as need for cognition or need for closure. Amit & Sagiv (2013) already analyzed how need for closure, need for cognition, self-direction values and the desire to maximize are interrelated. Including need for

autonomy in such a framework could provide new insights on the role of need for autonomy in motivating information search.
Also, Hammershøj Olesen et al. (2010) examined the linkage between general causality orientations and dispositional personality traits. Considering personality traits such as the Big Five could be fruitful as well because conscientiousness could be a second reason to consider financial decision making as a task that must be completed carefully and by using information in a thorough way.

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