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NEWS RELEASE

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Financial Literacy Tip of the Week

Understanding Your Brokerage Account Statement

Boise, Idaho... When was the last time you read your brokerage account statement? For many of us, the answer may be “a while ago” or maybe even “never.”

The best answer is: every month or quarter. Why? Because one of the best ways you can protect your investment portfolio is to monitor your holdings and activity. You should review online or paper account statements and trade confirmations on a regular basis, and always review your statement as soon as you receive it. Also, review your **complete** account statement to make sure your investments look accurate.

“This is a great reminder to all Idaho citizens to take charge of their financial future.” said Director Patti Perkins. “And that begins with financial education. Our Department is a great resource to begin or continue your education in budgeting, saving and investing. Staying aware and knowledgeable about your investments is critical to your financial success.”

What if Something Doesn't Look Right?

Most investors never experience mistakes or issues with their account statements. However, mistakes can happen; and when they do, it's important to address them.

Do you see a trade, withdrawal or transfer that you did not discuss or authorize? Perhaps a new fee cropped up? Or maybe the cash balance in your account changed since your previous statement and you don't know why.

If you receive an account statement or trade confirmation that is wrong or suspicious and say nothing, there may be a presumption by the brokerage firm, or a regulator that you authorized the trading or other activity in the account. If you did not authorize the trading or other activity, you should contact your broker immediately to question the inaccuracy or discrepancy. **Keep written notes of your conversations**, including names of people you spoke to, and matters discussed, as well as the time and date of the conversation.

When Should You Consider Sending Written Communication to the Firm?

In addition to contacting your broker, there are some cases, like those outlined below, where it is also appropriate to send a written communication—via email or letter—to the brokerage firm’s branch manager or other representative at the brokerage firm. Your brokerage firm’s contact information should be available on your account statement as well as on the firm’s website. Remember to keep a copy of all written communications.

In particular, you should put your concerns in writing in the following situations:

1. Problems with Your Account Statement: You see something in your account statement that you did not authorize or concerns you. Some examples include:

- **Cash** balances unexpectedly change in your account such as an unforeseen increase in the amount of cash in your account, which might have resulted from a data entry error by the brokerage firm, but could also indicate that someone sold securities without your consent. Also be on the lookout for an unexpected decrease in the amount of cash in your account, which could indicate an unauthorized purchase, transfer or withdrawal.
- **Securities missing from** your account or otherwise unaccounted for.
- **Trades** you did not authorize or that look unfamiliar.
- **Fees** charged to your account that you do not understand.

2. Errors on Your Trade Confirmation. For example, errors in the number of shares purchased, or sold or the price at which the trade occurred.

3. Troubling Responses from Your Broker: While most investment professionals will work hard to address your concerns and clear up any errors, you might find that a broker’s response raises potential red flags, such as:

- **Unresponsiveness**—Unreturned phone calls and no, or limited, response to emails or other written communications.
- **Disengagement**—Statements to the effect of “everything’s fine” or “there’s nothing to worry about” even though the issue hasn’t been resolved.
- **Unreliability**—No follow through after promises that a situation is “being taken care of,” such as telling you that the problem has been resolved but you have not received a written verification or account statement reflecting the correction, or you are promised you will be provided the amended statement “at a later date”. Also, stating that an unauthorized trade or withdrawal of funds will be addressed (by reversing the trade or re-depositing the funds, for example), which does not happen.
- **Inconsistency**—Different answers about the resolution to the issue from your broker or different individuals at the firm.
- **“Private” Communications or Settlement Offers**—Communication using the broker’s personal email; or attempts to settle with you directly or “off the books” without involving the branch manager or the brokerage firm—by writing you a check, depositing money or securities into your account or providing other compensation.

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Sending written communication to the branch manager or the brokerage firm in each of these situations is important because it helps you to establish your claim and gives the firm an opportunity to look into the situation.

When Should I Contact a Regulator?

If you have contacted your broker, branch manager or firm and they have not resolved the issue or if you have additional concerns, contact the Department of Finance online or at (208) 332-8004 or at our website at www.finance.idaho.gov. You may also wish to contact FINRA [online](#) or by phone at (301) 590-6500.

Additional Resources

NASAA, SIPC and SIFMA: [Understanding Your Brokerage Account Statements](#)

NASAA Investor Advisory: [Understanding Broker-Dealer Fees](#)

FINRA [Securities Helpline for Seniors](#)

The Bottom Line

It's up to you to be proactive and safeguard your investments from unscrupulous financial professionals. That begins with checking out your broker before you invest. **The Department of Finance can access licensing and any problems with your broker.** Please contact us or visit our website at www.finance.idaho.gov for more information!

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*Department of Finance Press Releases and a list of **free** financial literacy events can be found on the Internet at <https://finance.idaho.gov> and may be obtained by contacting the Department at (208) 332-8000 or Idaho toll-free at 1-888-346-3378.*