Double Standard: These States Don’t Want You to Read Online Reviews About (Some) Financial Advisors

Most Americans want to read online reviews about financial advisors before making a hiring decision, but several states prohibit advisors who operate small businesses from publishing client reviews. Consumers deserve the opportunity to hear how all clients feel about their advisors, regardless of firm size.

AUSTIN, TEXAS, September 10, 2025

Picture this scenario playing out in communities across America: A consumer searches online for local financial advisors and finds two options. The first, affiliated with a large wealth management firm, proudly displays 47 glowing reviews from satisfied clients sharing detailed stories about their experiences. The second advisor, a respected local professional who has served families in the community for decades, shows zero reviews, not because clients aren’t satisfied, but because state regulations prohibit advisors operating small businesses from publishing client feedback online.

This stark disparity isn’t hypothetical. In 20 states across the country, this exact scenario unfolds daily as consumers make one of their most important financial decisions: choosing a trusted financial professional to help secure their family’s future. While large wealth management firms can gather hundreds of online reviews that help consumers feel more confident about who they decide to hire, smaller financial advisors are forbidden from sharing client testimonials due to antiquated state regulations that go as far as suggesting doing so constitutes a “fraudulent act.”

In these states (identified in the interactive map above), the regulatory double standard reduces transparency for residents who remain in the dark about what people think of thousands of financial advisors subject to outdated rules. Jane Smith, the hometown financial advisor who knows three generations of local families, sends birthday cards to clients’ children, and provides exceptional personalized service, could be punished with monetary fines for inviting her clients to share feedback online, publicly reprimanded, and possibly even banned from the industry.

This disparity stems from a regulatory patchwork created when the Securities and Exchange Commission (SEC) modernized its rules in 2021 (after first announcing the need for change in 2019), allowing large financial advisors and national wealth management firms to collect and display client reviews. To the SEC’s credit, the change was designed to help consumers make more informed hiring decisions with access to authentic feedback shared by clients. However, while most states have subsequently followed in the SEC’s footsteps by updating their rules for smaller, state-registered advisors, several states have shown little interest in modernization.

The result is a flawed framework that harms consumers, punishes small business owners and inadvertently gives the appearance of state regulators showing favoritism to the largest wealth management firms, including financial institutions headquartered in other states, over community-owned and operated businesses.

Do Online Reviews Really Matter to Americans?

The answer is a resounding yes. According to the 2025 Wealthtender Study of $100K+ Households Seeking Financial Advice, Americans overwhelmingly want to read online reviews when evaluating financial advisors.

The research reveals that even when someone receives a referral from friends or family, still the most popular way to find a financial advisor, 96% of people will conduct their own online research before making a hiring decision. More telling, 83% of Americans referred to an advisor want to read online reviews to gain more diverse perspectives beyond just the single opinion of the person who made the referral.

This data underscores a fundamental shift in consumer behavior. While word-of-mouth recommendations remain valuable starting points, consumers today expect and deserve transparency to know the opinions of others before entrusting their financial future to an advisor. They want to hear directly from other clients about their experiences, the good, the bad, and everything in between.

The study also found that 97% of consumers plan to contact two or more advisors before making a hiring decision, with the majority planning to speak with three different advisors. This comparison shopping approach makes online reviews even more critical, as they help consumers create meaningful shortlists and ask better questions during initial consultations.

The research makes it clear: In an era where consumers can easily find reviews for restaurants, plumbers, and doctors, it's not a surprise they expect the same transparency when choosing someone to manage their life savings.

Why Some States Prohibit Small Advisors from Sharing Client Feedback

The prohibition on client testimonials for financial advisors dates back to the 1960s, born from legitimate concerns about preventing fraud and protecting investors from misleading advertising. During that era, regulators worried that unscrupulous advisors might use fake testimonials or make unrealistic promises about investment returns to lure unsuspecting clients.

These rules made sense six decades ago when oversight was limited and verification nearly impossible. Sixty years later, times have changed. Digital platforms designed for financial advisors to compliantly collect and publish client testimonials offer verification processes, satisfy regulatory disclosure requirements, and incorporate compliance frameworks that address the original concerns while allowing authentic client voices to be heard.

The divide between state and federal regulation has created an increasingly illogical two-tier system. Large wealth management firms registered with the SEC can showcase their reviews online, complete with star ratings and detailed stories shared by clients. Meanwhile, the local financial advisor operating as a small business, who may provide equally excellent service, cannot invite a single client to share their experience publicly.

This disparity particularly harms smaller, community-based financial advisors who often build their practices on deep personal relationships and exceptional service. These advisors frequently know their clients' families, attend local events, and provide highly personalized attention, yet they cannot leverage their strongest asset – satisfied clients – to help other consumers decide if they may be a good fit.

The irony is undeniable: Consumers can easily read reviews about the advisor working for a large national firm, but they won't find online feedback about smaller advisors who live in their neighborhood, many of whom have helped multiple generations of local families achieve their financial goals.

Adding to this unfairness, state-registered advisors often face the same rigorous licensing requirements, continuing education mandates, and regulatory oversight as their SEC-registered counterparts. They pass the same exams, maintain the same professional standards, and operate under similar fiduciary duties. The only meaningful difference is the size of their business, hardly a justification for preventing their clients from sharing their experiences online.

NASAA Guidance Sparks Hope for Change

In late July, the North American Securities Administrators Association (NASAA) took a significant step toward resolving this double standard, issuing a news release and proposal to promote the alignment of state regulations with the SEC's guidelines that permit financial advisors to publish online reviews. The NASAA proposal, which mirrors the federal framework, would finally allow state-registered investment advisors to collect and display client testimonials and reviews, subject to appropriate disclosure requirements and compliance safeguards.

This development represents the most promising pathway for change in the remaining holdout states. NASAA's influence with state regulators is significant, and its guidance often serves as a template for individual state rule-making. The proposal acknowledges what consumer research has consistently demonstrated: online reviews provide valuable information that helps people make better hiring decisions.

Texas has already demonstrated how this change can work effectively. In February 2025, the Texas State Securities Board voted to adopt rules permitting more than 1,500 state-registered advisors to use client testimonials and online reviews. Commenting on the State's decision in a Citywire article, Texas Securities Commissioner Travis Iles said, "In my view, it really is just leveling the playing field for our state-registered advisors and allowing them to do what our federally regulated counterparts are allowed to do. It's a good, sensible harmonization of the requirements."

The Texas decision came after advocacy efforts from organizations like Wealthtender, which submitted detailed comment letters outlining the consumer harm caused by maintaining outdated restrictions. The result has been overwhelmingly positive, with Texas consumers now able to read authentic feedback from clients of both large and small advisory firms.

Some states that currently prohibit small advisors from publishing testimonials are now taking steps to modernize their rules, including Arizona, where regulators responded to advocacy from the FPA Arizona chapter and should have updated rules in place by early 2026. And in response to an inquiry from Wealthtender regarding the recent NASAA proposal, Mississippi Assistant Secretary of State Securities, Eric Slee, wrote, "Mississippi agrees that the existing model rule on investment adviser advertising should be amended to remove prohibitions that would be permissible under the SEC marketing rule. We are always for lessening restrictions, especially if there are limited safety or health concerns. Our view is that this will put our state-level advisers on an even playing field.

The willingness of states like Arizona and Mississippi to engage in substantive discussions about modernizing regulations offers hope that change is possible when state officials prioritize their residents' interests over regulatory inertia.

Many States Remain Resistant to Change

Despite the encouraging developments with NASAA and most states now permitting or preparing to permit smaller financial advisors to share client feedback online, several states have shown little enthusiasm for modernizing their rules. In August, Wealthtender reached out to all states that still prohibit online reviews for smaller advisors, and many responses ranged from disappointing to concerning.

Some states didn't respond at all to outreach efforts, suggesting either a lack of interest in addressing the issue or insufficient resources to engage with stakeholders. Others provided brief "no comment" responses that offered no insight into their decision-making process or timeline for potential changes.

Perhaps most disconcerting, a number of states have explicitly indicated they have no plans to change their rules anytime soon. Here are two states with feedback we find particularly troubling:

CALIFORNIA: California's Department of Financial Protection & Innovation, responded to a Wealthtender inquiry in 2024 by email that it was "not considering changing the regulation/policy in the foreseeable future." This position affects approximately 2,744 state-registered advisors in California – thousands of small business owners who cannot compete on equal footing with large firms that can showcase client reviews. When asked for an update in response to the NASAA proposal in August, the Department declined to comment.

TENNESSEE: While we appreciated the Communications Director of the Tennessee Department of Commerce & Insurance, Kevin Walters, taking the time to respond to our August outreach, his statement calls into question the rationale behind their stance that impacts 219 smaller financial advisors across the state: "While Tennessee does not oppose the proposed amendments, it currently does not plan to adopt them if passed by the NASAA membership."

To be fair, some states did respond they will be evaluating the NASAA rule, but given the lack of action and inertia we've seen to date, we're not prepared to give states the benefit of the doubt until they affirm change is on the horizon.

Just below, you'll find a summary of responses (or lack thereof) that we received from the states where consumers continue to be harmed by the lack of availability of online reviews for smaller financial advisors. (For state-by-state detailed responses, please view the Wealthtender database of state regulator feedback that is updated on a regular basis.)

State	August 2025: Regulator Response Regarding NASAA Proposal*
Alabama	No comment
Alaska	No comment
Arizona	Under review
California	No comment
Connecticut	No comment
Iowa	Will review once NASAA model rule established
Kansas	No response
Maine	No comment
Maryland	No comment
Mississippi	Likely fix by 2026
Nevada	No response
North Dakota	No response
Ohio	Under review
Oregon	No response
Pennsylvania	No response
Tennessee	Does not plan to adopt NASAA recommendation
Virginia	Under review
Washington	Under review
Wisconsin	Will review once NASAA model rule established

* Throughout the month of August, Wealthtender reached out to all state regulators that continue to prohibit small advisors from publishing online reviews, seeking comment on the NASAA news release encouraging modernized

rules to eliminate the double standard. For state-by-state detailed responses, please view the Wealthtender database of state regulator feedback.

The reluctance among many of these states to change is particularly puzzling given that modernizing these rules would clearly benefit state residents. Consumers in holdout states deserve access to the same quality of information available to residents of states that have embraced transparency. They shouldn't have to wonder why some advisors have dozens of glowing reviews while others have none, especially when the answer has nothing to do with service quality and everything to do with regulatory inconsistency.

This regulatory inertia produces harmful consequences. Small advisory firms risk losing potential clients to large firms solely because they cannot showcase satisfied client testimonials. Consumers make hiring decisions with incomplete information, potentially missing out on excellent local advisors who cannot demonstrate their track record of client satisfaction, or where a questionable review might save them from hiring the wrong advisor.

The Evidence Overwhelmingly Supports Allowing Reviews

Research consistently demonstrates that concerns about allowing financial advisor testimonials are largely unfounded in today's regulatory environment. Wealthtender's 2025 Voice of the Client Study, which analyzed over 2,500 reviews of financial advisors, reveals that client feedback focuses overwhelmingly on positive experiences and relationship quality rather than potentially problematic investment performance claims.

The study found that 86% of reviews convey strongly positive sentiment, with clients expressing genuine gratitude for their advisors' guidance, communication, and personalized service. Notably, 89% of reviews center on relationship quality, financial planning advice, and emotional factors like trust and peace of mind. Only 1 in 10 reviews focus on investments or portfolio management – the areas that originally concerned regulators.

When clients do write reviews, they emphasize topics like "clear communication," "helped me understand my options," "always available to answer questions," and "gave me confidence about my financial future." These are exactly the types of insights that help consumers identify advisors who prioritize client service and maintain high professional standards.

The emotional and relational focus of these reviews demonstrates how dramatically the landscape has changed since testimonials were first prohibited. Clients aren't making wild claims about investment returns. Instead, they're sharing thoughtful reflections about advisors who helped them navigate major life transitions, plan for retirement, or simply feel more confident about their financial decisions.

Additional research from the Federal Reserve Bank of Philadelphia provides crucial context about the trust gap that testimonial restrictions help perpetuate. Their study found that only 22% of people without a financial advisor believe advisors can be trusted, while 72% of people who actually work with advisors feel they can be trusted. This massive perception gap – 50 percentage points – illustrates how prohibiting client testimonials contributes to public misunderstanding about the value and integrity of financial advice.

When potential clients cannot read authentic stories from satisfied customers, they're left to rely on outdated stereotypes and assumptions about financial advisors. They miss opportunities to learn how advisors help families achieve their goals, provide emotional support during market volatility, and serve as trusted partners throughout life's financial challenges.

The prohibition on reviews particularly harms Americans who are most skeptical about hiring financial advisors. These individuals could benefit substantially from reading honest testimonials from clients in similar situations, but state regulations in many areas prevent them from accessing this valuable information. The result is a self-perpetuating cycle where distrust prevents people from seeking help they genuinely need.

The Absurdity of the Current System

The current patchwork of regulations creates scenarios that border on the absurd. A consumer in California can read dozens of detailed reviews about an advisor affiliated with a large New York-based wealth management firm, but cannot find a single review about the local advisor who has served their community for decades. The large firm's advisor might be excellent, but so might the local advisor – consumers should have access to client feedback about both.

This system provides no logical consumer protection benefit. It doesn't prevent fraud, improve service quality, or enhance regulatory oversight. Instead, it artificially advantages large firms over small businesses while keeping consumers in the dark about potential advisors who might be a perfect fit for their particular circumstances.

From a competitive fairness perspective, the current system resembles allowing some restaurants to display customer reviews while prohibiting others from doing so. No reasonable policymaker would design such a system intentionally, yet that's exactly what exists in the financial services industry across multiple states.

The technology and regulatory frameworks exist today to address the legitimate concerns that originally justified testimonial prohibitions. Digital platforms can verify client relationships, require appropriate disclosures, and maintain compliance with advertising standards. State regulators could adopt the same safeguards used successfully by the SEC since 2021, ensuring both transparency and appropriate oversight.

Time for Consumer-Focused Leadership

The path forward is clear: State regulators that continue to enforce antiquated rules should follow the leadership shown by Texas that have modernized their rules and others like Arizona and Mississippi that are making strides in this direction. They should adopt NASAA's proposed guidelines and give their residents the same access to information available to consumers in more progressive states.

This isn't about deregulation or reducing consumer protection. It's about updating outdated rules to serve consumers better in the digital age while maintaining appropriate safeguards against fraud and misleading advertising. The SEC's framework, now tested for over four years, provides a proven model that balances transparency with appropriate oversight.

The longer these states delay action, the more their residents suffer from incomplete information when making crucial financial decisions. Smaller, local advisory firms continue operating at artificial disadvantages, potentially losing clients to large competitors for reasons unrelated to service quality. Most importantly, consumers risk making suboptimal choices because they cannot access the authentic feedback that would help them identify the best advisors for their needs.

State regulators who continue resisting change should ask themselves: Are we serving our residents' best interests by maintaining rules that limit their access to valuable information? Are we supporting fair competition when we

allow some firms to showcase client satisfaction while prohibiting others from doing the same? Are we fulfilling our consumer protection mandate when our rules prevent consumers from learning if clients are satisfied with certain financial advisors?

The wealth management industry has evolved dramatically since the 1960s when testimonial restrictions were first implemented. Professional standards are higher, regulatory oversight is more sophisticated, and technology provides useful tools for verification and compliance. It’s time for state regulations to catch up with these realities and prioritize the information needs of the consumers they’re meant to protect.

The evidence is overwhelming: consumers want to read reviews, reviews focus on service quality rather than misleading promises, and modern compliance frameworks can address legitimate regulatory concerns. States that continue prohibiting financial advisor testimonials are harming both consumers and small business owners while providing no meaningful protection benefits.

American consumers deserve better. They deserve access to the same quality of information when choosing a financial advisor as they have when selecting any other professional service provider. Most importantly, they deserve to hear directly from other clients about their experiences, the voices that current regulations in too many states continue to silence.

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