



The Shifting Landscape of Financial Influence

Finfluencers, Advisors, and Digital Trust

SIMA⁷ Securities and
Investment
Management
Association

AMVI⁷ Association
des marchés de
valeurs et des
investissements

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The Shifting Landscape of Financial Influence: Finfluencers, Advisors, and Digital Trust

SECTION I - Executive summary

Financial influencers (“finfluencers”) – individuals sharing investing and personal finance content through YouTube, TikTok, Instagram, or Reddit – have become a defining feature of Canada’s financial information landscape. Their rapid growth raises concerns about content quality, conflicts of interest, and investor harm. At the same time, it reflects a broader shift in how younger, digitally savvy Canadians build financial confidence. The rise of finfluencers creates both risks and opportunities for professional advisors, particularly when it comes to how regulated advice is communicated and accessed.

Evidence from the 2025 SIMA-Pollara Strategic Insights Annual Survey shows the highest level of finfluencer reliance among investors who are aged 18–34, self-directed (DIY), and those who see themselves as financially knowledgeable. Use is stronger among higher-income, educated Canadian investors. This challenges the assumption that finfluencers primarily reach inexperienced investors. In reality, the audience spans confident DIY investors seeking new ideas alongside younger investors seeking accessible entry points into investing. While advisor use generally increases with age and portfolio size, many younger investors still maintain advisory relationships. So rather than abandoning professional advice, they are combining it with digital tools and social media while older investors typically rely more on traditional channels.

Finfluencers are filling some gaps in traditional advice, offering affordable, convenient content that fits into daily digital life. For many younger investors, it supplements rather than replaces professional advice, particularly when traditional models may seem expensive or inaccessible.

However, their growing influence raises questions about investor protection and the future of advice. Finfluencer content is typically generalized, trend-driven, and detached from individual circumstances. Research shows that the majority of finfluencers generate negative returns for their followers—yet popularity, not performance, drives reach and perceived credibility. And, because it is not often subject to the suitability and accountability standards of registered professionals, a regulatory imbalance is arising. Unregistered finfluencers can share content that nears but does not meet the threshold for registration, avoiding the licensing and disclosure rules faced by advisors. The risks are highest in speculative areas like cryptocurrencies, where misinformation and conflicts of interest are common—and where in 2024 alone, Canadians reported over \$310 million in investment fraud losses.

Despite these shifts in how some investors are getting their information, professional advisors remain central to positive investor outcomes. Registered advisors continue to be the most trusted source of information for major financial decisions because they offer personalized, accountable advice that is rooted in clients’ goals, risk tolerance, and life circumstances. Importantly, investor satisfaction with advisors has remained consistently high since 2013 across all age groups. Their value lies in accountability, suitability, and trust – not reach or immediacy.

The rise of finfluencers is a call to action for advisors to adapt, not retreat. As investors are more and more digitally influenced, advisor success will depend on digital engagement and helping clients scrutinize online content critically. Hybrid models that blend human advice and technology could help firms to reach more clients who are currently underserved – such as younger and middle-income investors.

The expanding role of influencers brings risk, but also opportunity. Effective responses should focus on:

- Regulation: Clarifying accountability in digital promotions and examining the use of AI tools to strengthen oversight.
- The evolution of advice: Modernizing engagement and building scalable digital advice models.
- Investor protection: Boosting financial literacy, cognitive awareness, and platform safeguards could contribute to a more transparent, resilient financial information ecosystem

The influencer era marks a structural change in how financial information is produced, consumed, and trusted. This shift presents clear risks—misinformation, conflicts of interest, and an uneven regulatory playing field—but it also creates opportunities to modernize Canada’s advice ecosystem. Strengthening digital-age investor protection, enabling advisors to engage more effectively online, and clarifying accountability for firms and influencers will be essential to maintaining market integrity. The challenge is not to compete with influencers on reach, but to ensure Canadians benefit from a financial information environment that is transparent, resilient, and anchored in trusted, regulated advice.

SECTION II - The rise of influencers

2.1 Background

The rise of financial influencers, commonly referred to as influencers, represents an important shift in the way investment information is communicated, consumed, and utilized. While definitions vary slightly across regulators, academics, and professional entities, the definition converges on the concept that influencers are individuals who use social media platforms to disseminate financial or investment-related content with broad audiences.

Key characteristics of influencers include content that ranges from general financial education to specific stock recommendations, and their level of popularity, often measured by the size of their following or the reach of their content.¹²³⁴⁵⁶

Although influencers differ in style, expertise, and intent, research and policy discussions generally categorize them into three groups:

- Unregistered individuals who operate independently without affiliation to licensed institutions, often blurring the line between casual commentary and investment advice.⁷
- Unregistered individuals hired by firms serve as promotional agents for financial products or platforms, raising questions of disclosure, conflicts of interest, and potential misconduct.⁸
- Registered professionals, such as licensed advisors, who use social media strategically to extend their practice and connect with clients.⁹

While registration offers safeguards, many retail investors do not verify credentials, and the digital medium itself makes it difficult to distinguish professional guidance from informal opinion.

The influence of influencers conveys significant implications for investors, advisors, and regulators alike. For retail investors, particularly Millennials and Gen Z,¹⁰ influencers can make complex investment analysis more approachable and relatable, lowering barriers to entry and fostering financial literacy. Yet this accessibility comes with risks: information may be biased, incomplete, misleading or incorrect, often presented without accounting for individual risk profile or financial goals, and in some cases can expose investors to fraudulent schemes.¹¹ For financial advisors, influencers pose both disruption and opportunity. Advisors must compete with the accessibility, immediacy and relatability of social media voices, but they also have the chance to leverage these platforms themselves to expand

Footnotes

- 1 “Social Media and Retail Investing: The Rise of Influencers | OSC”, online: <<https://www.osc.ca/en/investors/investor-research-and-reports/social-media-and-retail-investing-rise-influencers>>.
- 2 Influencers (The Board of the International Organization of Securities Commissions, May 2025).
- 3 Marius Mölders et al, “Understanding influencers: Roles and strategic partnerships in retail investor engagement” (2025) 198 J Bus Res 115462.
- 4 The Influencer Appeal: Investing in the Age of Social Media, by Serena Espeute & Rhodri Preece, DOI.org (Crossref) (CFA Institute, 25 January 2024) online: <<https://rpc.cfainstitute.org/en/research/reports/2024/influencer-appeal>> [The Influencer Appeal].
- 5 “The Rise of the Influencer | Oxford Law Blogs”, online: <<https://blogs.law.ox.ac.uk/oblb/blog-post/2023/05/rise-influencer>>.
- 6 “Social Media Influencers – Who Should You Trust? - DFPI”, online: <<https://dfpi.ca.gov/news/insights/social-media-influencers-who-should-you-trust/>>.
- 7 “Chat, is this real? The risks of following influencer advice - MoneySense”, online: <<https://www.moneysense.ca/news/chat-is-this-real-the-risks-of-following-influencer-advice/>>; note 1.
- 8 note 2; “Decoding the Influencer Phenomenon: A practical Guide - Lexify”, online: <<https://lexify.io/decoding-the-influencer-phenomenon-a-practical-guide/>>.
- 9 Clicks and Credibility - Understanding Influencers’ Role in Investment Decisions (CFA Institute, March 2025); note 1.
- 10 For reference, as of 2025, Generation Z includes individuals born between 1997 and 2012 (ages 13-28), and Millennials include those born between 1981 and 1996 (ages 29-44).
- 11 Vijay Govindarajan, Anup Srivastava & Chandrani Chatterjee, “How “Influencers” Can Create Risk for Your Company”, online: <<https://hbr.org/2025/01/how-influencers-can-create-risk-for-your-company>>, <https://hbr.org/2025/01/how-influencers-can-create-risk-for-your-company>>.

their reach, humanize their expertise, and engage directly with new client segments.¹² For regulators, the rise of influencers presents challenges in enforcement and oversight. Many influencers operate beyond Canadian regulatory reach, frequently from offshore locations, sometimes engaging in unauthorized promotion of high-risk products or even fraudulent schemes, and often failing to disclose financial incentives.¹³ This has led regulators worldwide to experiment with new frameworks, from educational campaigns to enforcement actions, to better safeguard investors in a social media-driven financial ecosystem.¹⁴

The broader social media landscape provides the backdrop for this transformation. Platforms such as YouTube, Reddit, and Instagram have become central to financial education and discussion. According to the Ontario Securities Commission (OSC), 34% of retail investors reported using YouTube, 22% used Reddit, and 21% used Instagram to access financial information.¹⁵ These platforms are especially popular with younger demographics, who are both more digitally savvy and less reliant on traditional advisory models. They offer various formats for engagement, such as short-form videos, interactive communities, and influencer partnerships, which enhance reach and foster peer-driven networks of financial learning and decision-making.¹⁶ For professional financial advisors, these platforms present both opportunities and challenges. On one hand, social media enables cost-effective marketing, data-driven client insights, real-time engagement, and the ability to reach broader audiences through storytelling and educational content. On the other hand, advisors face regulatory constraints, difficulties in measuring return on investment, and strong competition from unregistered influencers who often operate with fewer restrictions.¹⁷ Moreover, advisors must adapt their communication style and adopt digital-first strategies to remain relevant. While these approaches to communication might fall outside advisors' skills and professional training, they are, nonetheless, becoming essential.

Ultimately, the rise of influencers is not merely a shift in communication channels but a structural change in how

trust, authority, and confidence are constructed in financial markets. Understanding this phenomenon is essential for evaluating its implications on investor behaviour, the advisory profession, and regulatory policy.

2.2 Insights from influencer data

The insights presented in this section are primarily drawn from the 2025 SIMA and Pollara Strategic Insight's Annual Survey of Canadian Investors, which has tracked Canadian investor sentiments and behaviours since 2006. This year, the survey broadened its scope to include not only mutual fund and ETF holders but also those who hold stocks, bonds, crypto, and other types of investments. It also incorporated questions on the emerging topic of influencers.

This paper focuses on understanding which Canadians rely on influencers for their investment decisions. Drawing on insights from this year's Annual Survey and other recent research on influencers, this section provides a portrait of investors who use influencers in their decision-making. These insights are important for understanding how influencers affect investors, which is discussed in **Section III**.

To assess the extent to which individuals rely on non-professional online financial content creators ("influencers") when making investment decisions, Annual Survey respondents were asked to evaluate this source alongside other potential sources of information. Specifically, the survey question referred to "online figures who provide financial content on platforms such as YouTube, TikTok, or Instagram but are not licensed professionals." Participants indicated their level of reliance using a five-point categorical scale, ranging from "get most of my information" to "do not use as a source of information at all," with an additional "not applicable" option.¹⁸ To minimize order effects, the presentation of different information sources was randomized across respondents. The subsections below refer to this metric.

12 "How can advisors compete with unregulated influencers? | Wealth Professional", online: <<https://www.wealthprofessional.ca/news/industry-news/how-can-advisors-compete-with-finfluencer-driven-hype/389509>>.

13 note 2; "Regulating Likes and Listings: The Rise of the Finfluencer and the Implications for Securities Law in Canada | Canadian Bar Association", online: <<https://cba.org/sections/business-law/resources/regulating-likes-and-listings-the-rise-of-the-finfluencer-and-the-implications-for-securities-law-ii/>>.

14 Section V.5.2 outlines the international regulatory responses.

15 note 1 at 8.

16 Financial Consumer Agency of Canada, "Spotlight on Canadians' use of financial advice" (17 November 2025), online (research): <<https://www.canada.ca/en/financial-consumer-agency/programs/research/financial-advice.html>> Last Modified: 2025-11-21.

17 Kcullen, "Social media marketing for financial advisors | BlackRock", online: BlackRock <<https://www.blackrock.com/us/financial-professionals/insights/social-media-marketing-for-financial-advisors>>.

18 Appendix B.

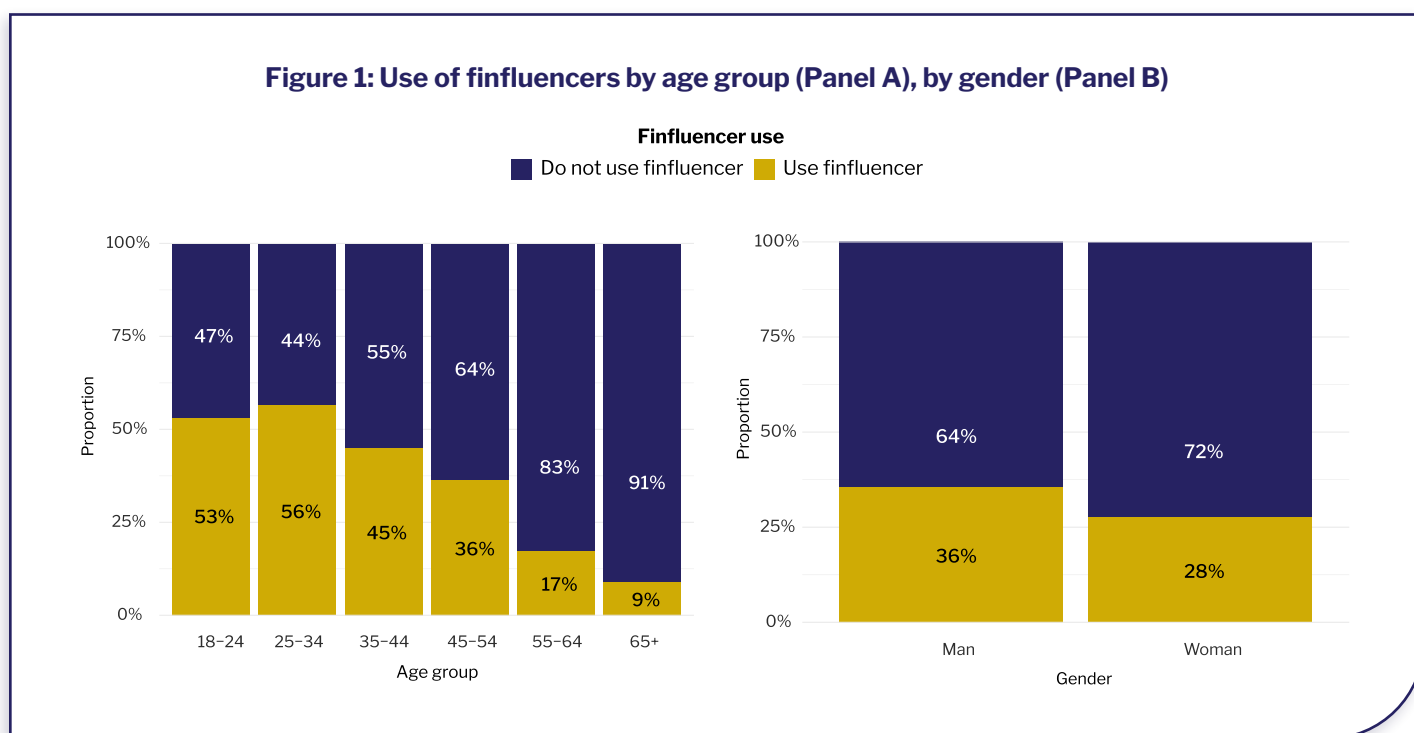
Age and gender

The survey data indicate that generational and gender differences significantly influence the use of finfluencers. Approximately 55% of younger investors, those aged 18-24 and 25-34, report getting most or some investment information from finfluencers.¹⁹ In contrast, among the 55+ age group, only 13% say they get most or some information from finfluencers.²⁰ These findings are supported by other research showing that in the U.S., Gen Z and Millennial investors shape their portfolio using social media, with 32% of them citing social media as a source of investment information (compared to 18% of investors overall).²¹

Gender differences also play a role, though less pronounced than age. About 36% of men report getting some or most of

their investment information from finfluencers, compared with 28% of women.²²

While this pattern is often attributed to higher levels of digital engagement among younger cohorts, structural factors likely also play an important role. Younger investors typically have lower levels of investable assets, and the main reason 18-24-year-olds use finfluencers is that the content is free, making online sources a highly practical entry point into investing. Survey data further support the role of investment levels: individuals with less than \$200,000 invested are significantly more likely to rely on finfluencers (39%) than those with higher asset levels (21%). By contrast, reliance on financial advisors increases more modestly with wealth, from 69% among those with less than \$200,000 invested to 75% among those above that threshold.



Notes

[A] Definition of Finfluencer Use: Respondents were categorized based on their reliance on finfluencers for investment information. Those who selected “get some information” or “get most of my information” from finfluencers are classified as “Use of finfluencers.” Conversely, respondents who selected “do not get much information” or “do not use as a source of information at all” are classified as “Do not use finfluencers.”

[B] The analysis includes only respondents who report that they invest. Individuals who do not invest are excluded from the dataset.

Source

2025 SIMA and Pollara Strategic Insight’s Annual Survey of Canadian Investors Data.

19 Approximately 14.5% of investors aged between 18-34 report getting most of their investment information from finfluencers, and about 40% get some information from them. 2025 SIMA and Pollara Strategic Insight’s Annual Survey of Canadian Investors.

20 Among the 55+ age group, only 1.5% of investors get most information and 11.5% get some information from finfluencers. 2025 SIMA and Pollara Strategic Insight’s Annual Survey of Canadian Investors.

21 “Inside the minds of Gen Z and Millennial investors in the US”, online: <<https://yougov.com/en-us/articles/52455-inside-the-minds-of-gen-z-and-millennial-investors-in-the-us>>.

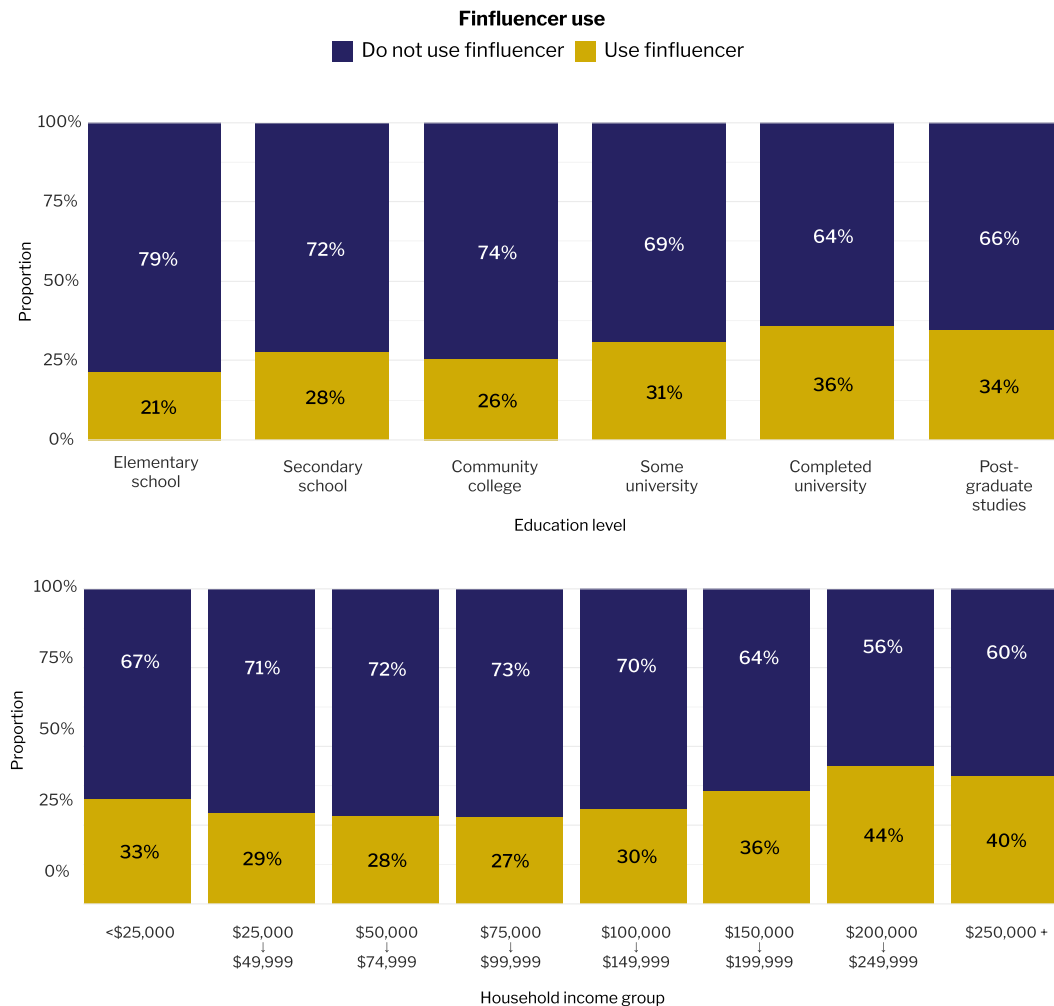
22 Figure 1, Panel B.

Education and income

Only 24.5% of respondents with elementary or secondary schooling reported using finfluencers, compared with 35% of those with completed university or postgraduate education. This pattern aligns with other findings showing that more-educated investors are more likely to rely on finfluencers in their investment decisions.²³

In addition, income also plays a role: households with higher income levels report greater reliance on finfluencers than lower-income households. Specifically, 29% of respondents from households earning less than \$150,000 obtain most or some of their investment information from finfluencers, compared to 40% of respondents from households earning more than \$150,000.²⁴

Figure 2: Use of finfluencers by education (Panel A), by income (Panel B)



Notes

[A] Definition of Finfluencer Use: Respondents were categorized based on their reliance on finfluencers for investment information. Those who selected “get some information” or “get most of my information” from finfluencers are classified as “Use of finfluencers.” Conversely, respondents who selected “do not get much information” or “do not use as a source of information at all” are classified as “Do not use finfluencers.”

[B] The analysis includes only respondents who report that they invest. Individuals who do not invest are excluded from the dataset.

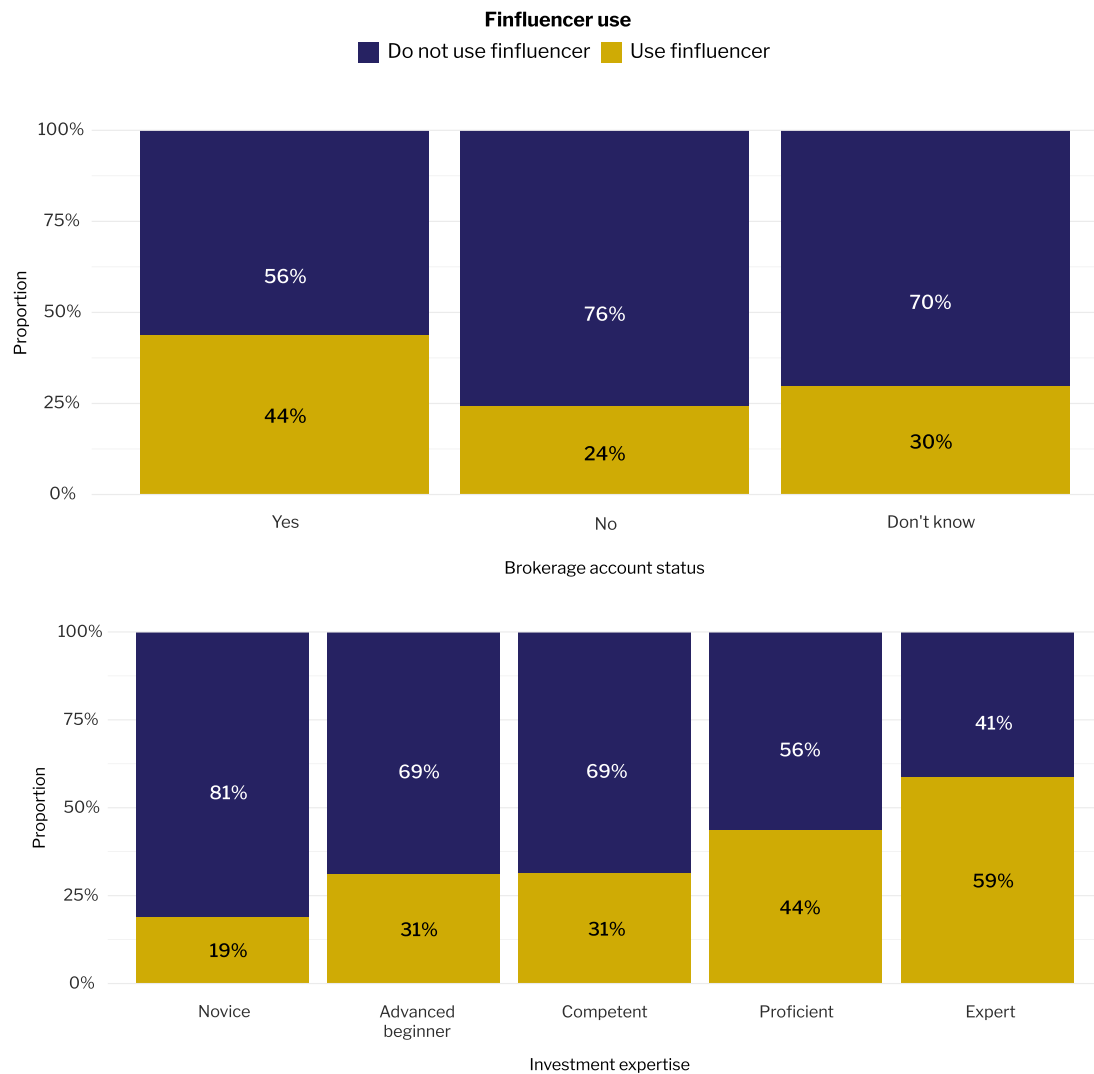
Source

2025 SIMA and Pollara Strategic Insight’s Annual Survey of Canadian Investors Data.

²³ See 2025 SIMA and Pollara Strategic Insight’s Annual Survey of Canadian Investors.

²⁴ In fact, 5.6% of respondents from households earning less than \$150,000 obtain most of their investment information from finfluencers, compared to 12.3% of respondents from households earning more than \$150,000. 2025 SIMA and Pollara Strategic Insight’s Annual Survey of Canadian Investors.

Figure 3: Use of finfluencers by DIY (Panel A), by financial expertise (Panel B)



Notes
 [A] Definition of Finfluencer Use: Respondents were categorized based on their reliance on finfluencers for investment information. Those who selected “get some information” or “get most of my information” from finfluencers are classified as “Use of finfluencers.” Conversely, respondents who selected “do not get much information” or “do not use as a source of information at all” are classified as “Do not use finfluencers.”
 [B] The analysis includes only respondents who report that they invest. Individuals who do not invest are excluded from the dataset.

Source
 2025 SIMA and Pollara Strategic Insight’s Annual Survey of Canadian Investors Data.

DIY and financial expertise

The largest differences in influencer use emerge when considering access to investment platforms and self-assessed expertise. 44% of respondents with an online or discount brokerage account reported using influencers, compared with 24% of those who do not have such accounts. Even more pronounced is the gap based on investment expertise: 19% of respondents who identified as novices used influencers in their investment decisions, compared with 59% of those who considered themselves experts.²⁵

Profile of investors who rely on influencers

Taken together, the survey findings highlight that influencer use is not evenly distributed across the investor population but shaped by age, gender, education, income,

and most strongly by levels of self-directed investing and financial expertise. Younger investors, particularly Gen Z and Millennials, rely most heavily on influencers, with women and men showing different preferences in the types of content they consume. More educated and higher-income investors are also more likely to draw on this source. In addition, confidence in managing one's own portfolio is strongly associated with reliance on influencer. These patterns underscore that influencer audiences are not uniform: they range from novice "social learners" to confident DIY investors seeking validation and new ideas. Understanding this diversity is critical for assessing the broader influence of influencers on investor decision-making, which will be explored in the next section.

Table 1: The investor using influencers: characteristics

Attribute	Investor profile
Age	Primarily 18-34; usage declines sharply 55+
Gender	Men more likely than women (36% vs 28%)
Education	More educated investors (University/Postgrad: 35%) more likely than less educated (26.5%)
Income	Higher-income households (>\$150k: 40%) more likely than lower-income (29%)
Platform access	Online/discount brokerage users (44%) > non-users (24%)
Expertise	Self-identified experts (59%) > novices (19%)
Persona type	DIY Investors (self-directed)
Behaviour	Use influencers for information, validation, and trending investment ideas; risk-taking influenced by social proof

25 See Figure 3.

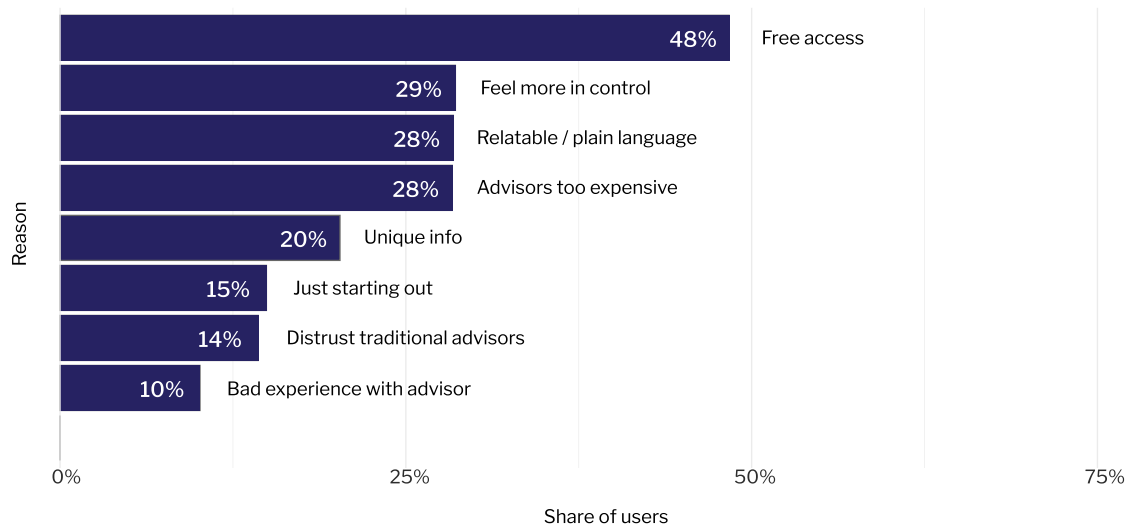
SECTION III - How finfluencers shape investor behaviour and confidence

Investors are not turning to finfluencers because they are better, they are turning to them because they are there: free, accessible, always-on, and embedded in the digital spaces where younger investors already spend their time. Data from the 2025 SIMA and Pollara Strategic Insights Annual Survey of Canadian Investors shows that 60% of investors cite affordability as the primary reason for using finfluencers, pointing to free content or the perceived high cost of professional advice. Beyond cost, investors seek the type of information finfluencers specialize in delivering: money-management tips (46%), specific investment recommendations (45%), and investment-strategy

guidance (41%). These trends suggest that finfluencers fill both an informational and convenience gap in the financial ecosystem, particularly for younger and more digitally savvy DIY investors.

Building on these demand-side drivers, this section examines how finfluencers shape investor behaviour across four interconnected dimensions: the popularity-quality disconnect, the mechanics of trust, the emotional confidence that drives action, and the knowledge-confidence gap. Ultimately, these dynamics reveal a critical tension: while social platforms make financial information more accessible, they do not guarantee that such information is accurate, high quality, or suitable for the individual investor.

Figure 4: Reasons to use finfluencers



Notes

[A] Question on Reasons for Using Finfluencers: Respondents were asked: "What are the main reasons you turn to finfluencers rather than traditional financial advisors? (Select all that apply)." This question allowed multiple selections to capture the range of factors driving reliance on finfluencers.

[B] The analysis includes only respondents who report that they invest. Individuals who do not invest are excluded from the dataset.

Source

2025 SIMA and Pollara Strategic Insight's Annual Survey of Canadian Investors Data.

3.1 Popularity-quality disconnect

On social platforms, follower counts act as a heuristic for credibility. Large audiences are interpreted as evidence of competence, even though no such relationship exists. This dynamic, known as social proof, means that popularity alone can enhance perceived authority, trustworthiness, and influence, regardless of the actual quality of financial advice.²⁶

Popularity on social media is often measured by metrics such as the number of followers, likes, and views on a post. Research indicates that follower count not only signals popularity but also functions as a social-proof cue, enhancing the perceived authority and trustworthiness of an influencer.²⁷ However, studies also show that popularity does not reliably indicate content quality or the influencer's competence, and a very large following can sometimes reduce perceived authenticity, creating decreasing marginal returns in economic terms.²⁸ Other evidence suggests that relatability and authenticity can generate high trust even with smaller audiences.²⁹

Applied to financial advice, research demonstrates that retail investors are prone to herding behaviour, following perceived leaders rather than objectively evaluating skill or performance, which they frequently cannot accurately assess due to limited expertise or information.³⁰ Finfluencers with large followings can amplify behavioural biases such as overconfidence or trend-chasing, leading audiences to act on advice that may not maximize financial outcomes.³¹ Overall, the literature suggests that popularity serves as a visible heuristic that strongly shapes perceived credibility, regardless of actual expertise.

In addition, the International Organization of Securities Commissions (IOSCO) cites research that has found that even when social media users can identify skilled financial influencers, they often follow unskilled or poorly performing influencers, defined, for example, as those whose investment recommendations generate negative abnormal returns (negative alpha).³² Finfluencers whose recommendations are analyzed based on the abnormal returns they generate can be categorized into three groups:

- Anti-skilled: The majority of finfluencers, representing 56%, were categorized as “anti-skilled,” meaning their investment recommendations led to negative abnormal returns (negative alpha). In essence, following their advice actively harmed investors' financial outcomes.
- Unskilled: A further 16% were classified as “unskilled,” demonstrating no statistically demonstrable skill in generating positive returns.
- Skilled: Only a small minority, 28%, of finfluencers were found to be “skilled,” consistently producing positive abnormal returns (positive alpha) with their recommendations.

Viewed holistically, these findings demonstrate that engagement and visibility, not investment skill, are the primary drivers of finfluencer reach and influence. Popularity can therefore grow and persist even when advice quality is low or negative, reinforcing a structural disconnect between perceived credibility and actual financial value.³³

3.2 The mechanics of trust

The influence of finfluencers rests critically on the mechanics of trust and credibility formed in digital environments. Unlike traditional financial advice, where trust is grounded in formal credentials, regulatory oversight and obligations, trust in finfluencers is largely constructed through perceived expertise and personal connection, embedded in online content. This credibility is not static but is actively constructed through their online persona and the specific content cues they employ.

26 “The Decision Lab - Behavioral Science, Applied.”, online: Decis Lab <<https://thedeclarationlab.com/reference-guide/psychology/social-proof/>>.

27 S Venus Jin, Aziz Muqaddam & Ehri Ryu, “Instafamous and social media influencer marketing” Mark Intell Plan.

28 Marijke De Veirman, Veroline Cauberghe & Liselot Hudders, “Marketing through Instagram influencers: the impact of number of followers and product divergence on brand attitude” (2017) 36:5 Int J Advert 798–828.

29 Alice Audrezet, Gwarlann De Kerviler & Julie Guidry Moulard, “Authenticity under threat: When social media influencers need to go beyond self-presentation” (2020) 117 J Bus Res 557–569.

30 Brad M Barber & Terrance Odean, “The internet and the investor” (2001) 15:1 J Econ Perspect 41–54.

31 note 1.

32 note 2.



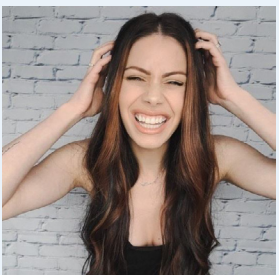
33 Ali Kakhbod et al, “Finfluencers”, online: <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4428232>.

Case study 1: finfluencer qualitative case study

To examine how these cues are deployed, we analyzed a broad dataset of 70 top Canadian Instagram finfluencers (29% men, 71% women).³⁴ Text analysis of influencer bios distinguished between authority cues (e.g., “analyst,” “founder,” “author”) and relatability cues (e.g., “helping others,” “sharing my journey”). The results reveal systematic differences. As shown in **Figure 5**, women finfluencers rely more on authority cues, whereas men finfluencers rely more on relatability cues. In other words, men tend

to prioritize relatability, while women place greater weight on perceived authority. This difference may reflect common gender associations of skills: audiences may interpret authority cues from women as signaling competence, whereas men are perceived as competent even when emphasizing relatability.³⁵ By including both types of cues, the evaluation framework helps balance these gendered patterns in credibility evaluations.

The finfluencers highlighted below illustrate the diversity of profiles, platforms, and credentials.

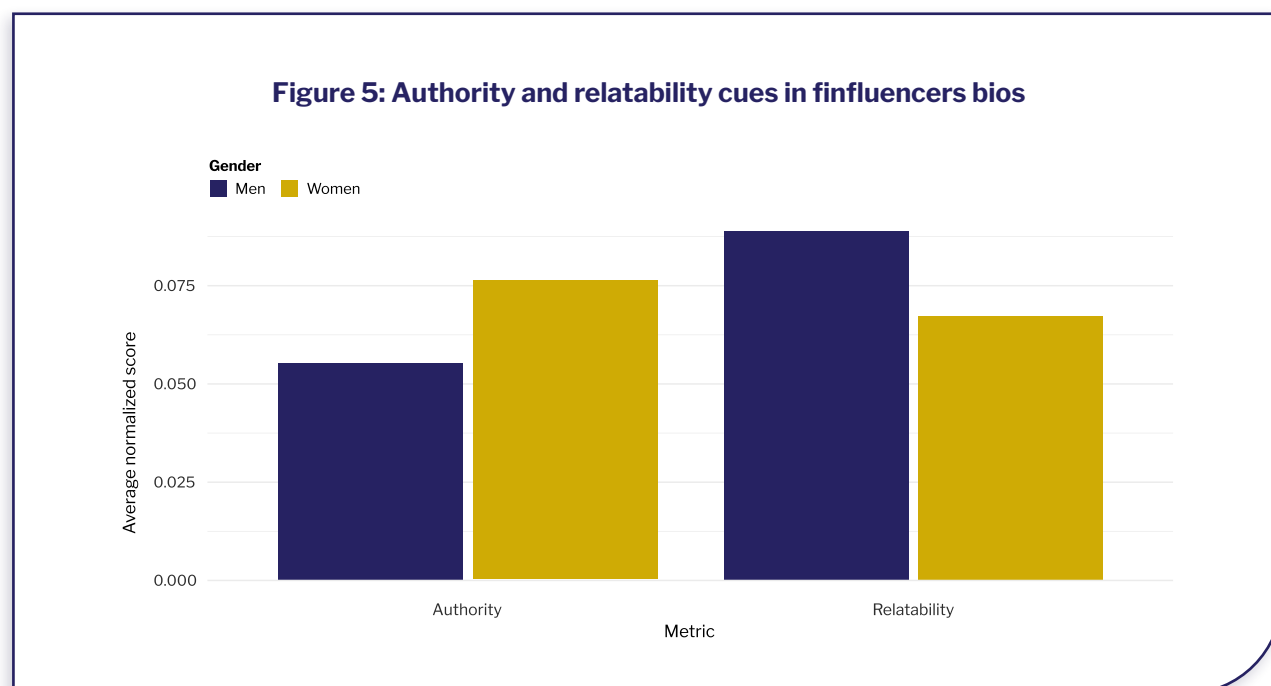
Influencer	 Joyee Yang	 Richard Coffin The Plain Bagel	 Nicole Victoria No Budget Babe
Approx. followers	~140k IG	~1.07m YouTube	~602k IG
Platforms	Instagram/Tik Tok	Youtube	Instagram and coaching
Country	Canada	Canada	Canada
Business model	Collaboration	Advertising (creator), merchandise	Paid coaching, advertising (podcast, creator), author (book)
Content focus	Beginner investing, relatable story	Analysis, economics, investing education	Debt-to-wealth, young women empowerment
Credibility cue	Analyst background + transparent bio	CFA/CFP, investment analyst role	Self-made millionaire and coach

Sources: “Top 70 Canadian Finance Influencers in 2025”, online: <https://influencers.feedspot.com/canadian_finance_instagram_influencers/>. Finfluencer pages.

34 “Top 70 Canadian Finance Influencers in 2025”, online: <https://influencers.feedspot.com/canadian_finance_instagram_influencers/>.

35 “A Hard Look at the Term “Soft Skills” | ICTC”, online: <<https://ictc-ctic.ca/articles/a-hard-look-at-the-term-soft-skills>>.

Figure 5: Authority and relatability cues in influencers bios



Notes

[A] The influencer's bio is used as a proxy for their content style. Using text analysis, the language in the bio is categorized into authority cues, which signal expertise, status, or achievement (e.g., "coach," "founder," "author"), and relatability cues, which signal approachability, empathy, or shared experience (e.g., "helping others," "sharing my journey," "for women"). Normalized scores for each cue type reflect the relative presence of authority and relatability in the bio, providing insight into how the influencer is likely perceived by their audience.

[B] See Appendix C, Text Analysis.

Source

"Top 70 Canadian Finance Influencers in 2025", online: <https://influencers.feedspot.com/canadian_finance_instagram_influencers/>.

Research shows that while retail investors generally recognize influencers as self-interested, a substantial share, roughly 40 percent, still report trusting the influencers they follow.³⁶ This disparity suggests that trust cultivated through repeated exposure and engagement can override baseline skepticism, increasing vulnerability to financial harm.

In conclusion, the mechanics of trust of influencers is a delicate balancing act between establishing authority (competence) and fostering relatability (connection/trustworthiness). While this model successfully democratizes financial information, the reliance on these soft cues can expose followers, particularly those with lower financial literacy, to risks such as unsuitable advice,

conflicts of interest, and fraud, underscoring the necessity for disclosure and critical evaluation.

3.3 From trust to action: emotional confidence

Behavioural and demographic factors impacting investment decisions

Canadians, particularly younger, digitally savvy investors, are accessing financial information in new ways, which is reshaping how they build confidence in their investment decisions.³⁷ The 2025 SIMA and Pollara Strategic Insight Annual Survey of Canadian Investors reveals clear demographic patterns in investor confidence. While younger investors engage more actively with diverse information

36 note 1.

37 "Getting financial advice", online: <<https://fcac-research-recherche-acfc.canada.ca/en/canada-finance/data-story-histoire-donnees/?id=1dd80450-bcad-f011-bbd3-7ced8d36d30f>>.

sources, including generative AI tools, online forums, friends, and influencers, this variety has not translated into higher confidence levels. Only 55% of investors aged 18-34 report feeling confident in their investment decisions, compared with 64% of those aged 55 and older.³⁸ Older investors rely more heavily on formal and regulated sources such as financial advisors and financial news outlets, which may help sustain their confidence.

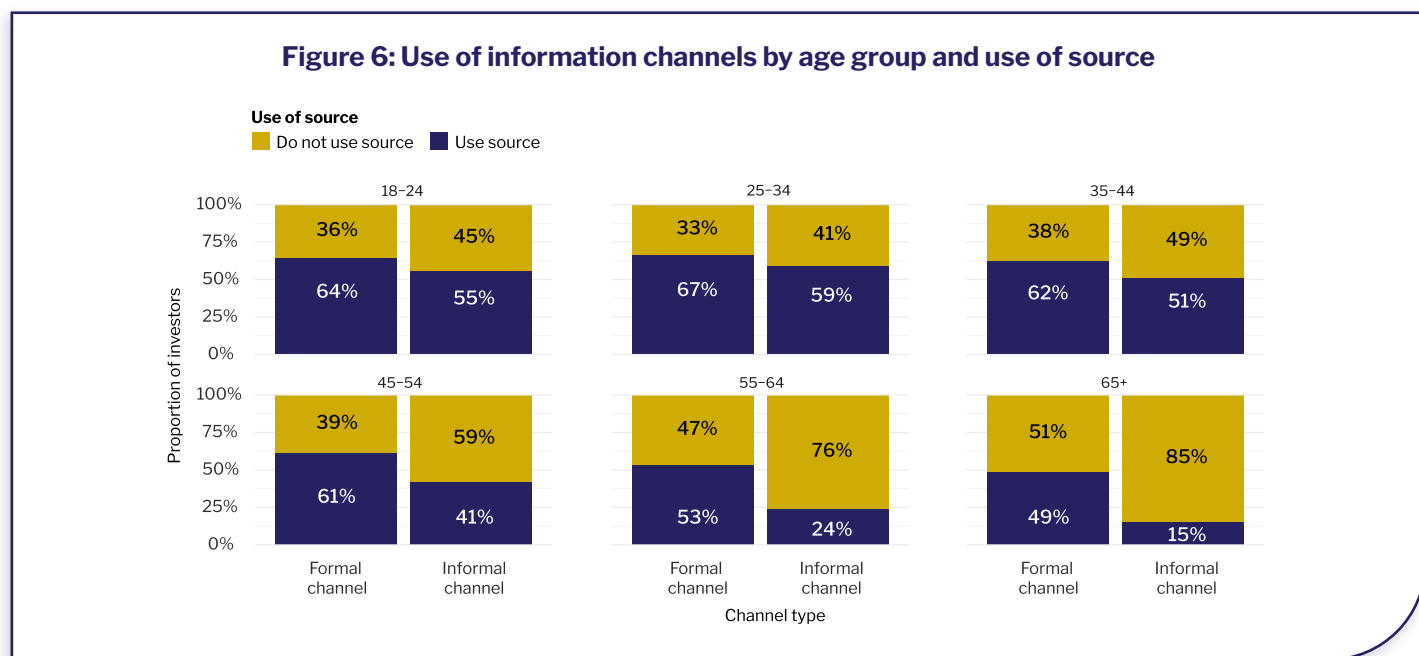
Recent data further suggest that younger Canadian investors are increasingly guided by intuition and “vibes” rather than extensive analysis.³⁹ Nearly half of Gen Z and millennial investors rely more on gut feelings than on data-driven decision-making when choosing investments.⁴⁰ These findings indicate that emotional and informal influences, including social media, peer networks, and influencer content, may shape investment decisions as much as traditional analytical approaches, reinforcing the role of behavioural and social factors in shaping confidence and investment behaviour.

Figure 6 shows the use of formal and informal information channels for making investment decisions by age group. While formal channels are the most used across all age groups, informal channels are significantly less popular among investors aged 55 and older compared to younger

investors. Over 50% of investors aged 18 to 44 rely on informal channels, compared with fewer than 20% of those aged 55 and older.

Another informative perspective is the distribution of investors by their reliance on information sources –those who use both formal and informal channels, only informal channels, only formal channels, or neither. **Figure 7** shows that, on average, 63% of investors use a combination of formal and informal sources, followed by 32% who rely exclusively on formal channels. Only 2% use informal channels alone, while 4% report using neither or not applicable. When examined by age, younger investors are more likely to rely on a mix of formal and informal sources, with 88% of respondents aged 18 to 24 using both and 7% using formal channels only. In contrast, older investors depend more heavily on formal channels alone, with 37% of respondents aged 65 and older using both formal and informal sources, and 58% relying exclusively on formal channels.

Figure 8 highlights gender differences in investment behaviour, showing that 65% of crypto investors are men and 35% are women. Similar patterns are observed for ETFs (60% men and 40% women) and stocks (59% men and 41% women). Interestingly, investment products such as mutual funds, bonds, and GICs, have a higher proportion

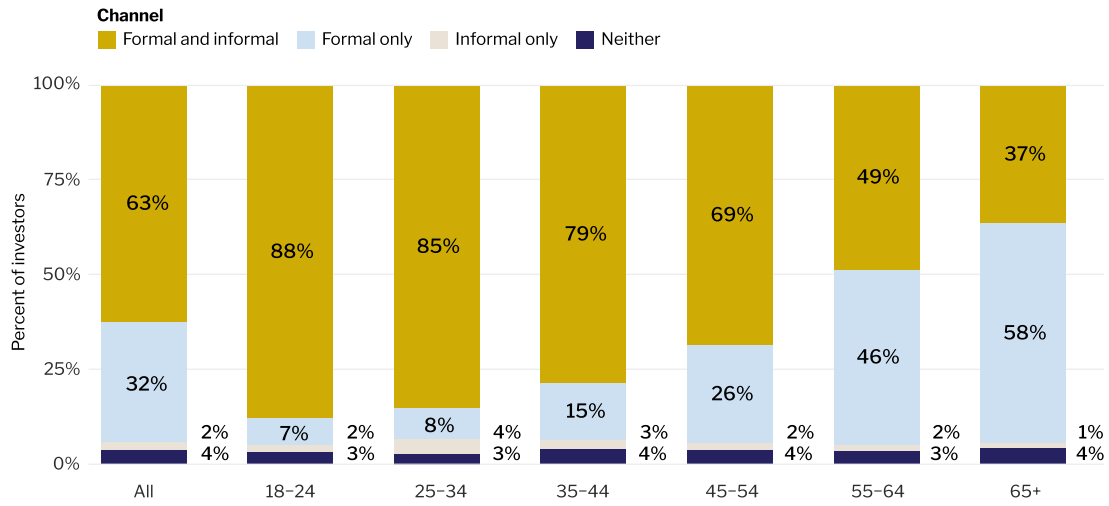


Notes
 [A] “Channel type” is a derived variable based on the source of investment information. Formal channel includes responses where Source is “Financial advisor,” “Brokerage research tools,” “Financial news websites,” “Professional online sources,” or “School/education.” Informal channel includes responses where Source is “Friends/family,” “Non-professional online sources,” “Online forums/communities,” or “Generative AI tools.” Sources not falling into these categories are coded as NA.
 [B] The analysis includes only respondents who report that they invest. Individuals who do not invest are excluded from the dataset.

Source: 2025 SIMA and Pollara Strategic Insight’s Annual Survey of Canadian Investors Data.

38 “More young Canadians investing on vibes over data | Financial Post”, online: <https://financialpost.com/news/posthaste-young-canadians-investing-vibes-data?itm_source=index>.
 39 *Ibid.*
 40 “Nearly Half of Young Canadians Invest on Instinct Over Information, New CIBC Investor’s Edge Poll Finds”, online: <<https://www.newswire.ca/news-releases/nearly-half-of-young-canadians-invest-on-instinct-over-information-new-cibc-investor-s-edge-poll-finds-801465319.html>>.

Figure 7: Use of information channels by age group and formal/informal channels



Notes

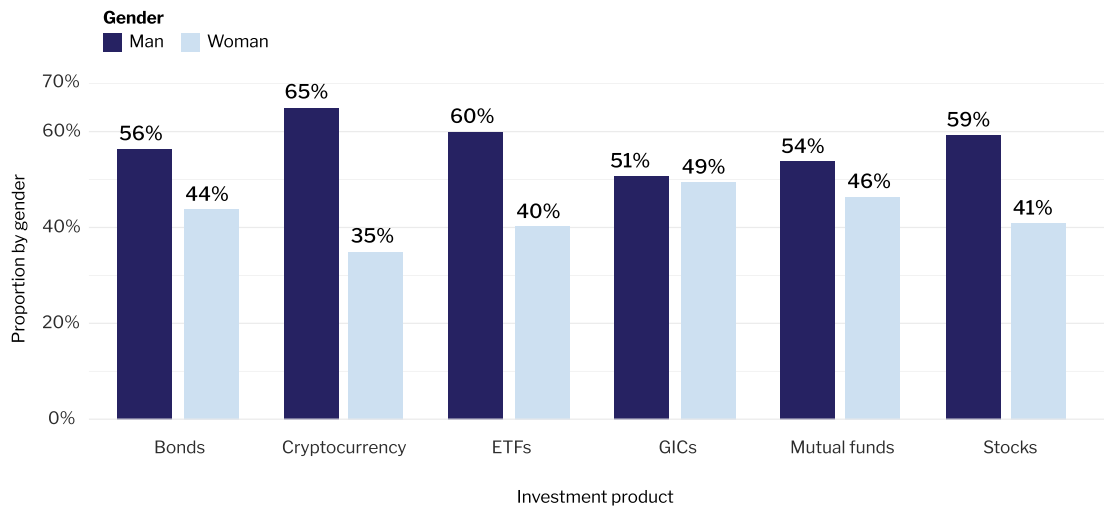
[A] "Channel type" is a derived variable based on the source of investment information. Formal channel includes responses where Source is "Financial advisor," "Brokerage research tools," "Financial news websites," "Professional online sources," or "School/education." Informal channel includes responses where Source is "Friends/family," "Non-professional online sources," "Online forums/communities," or "Generative AI tools." Sources not falling into these categories are coded as NA.

[B] The analysis includes only respondents who report that they invest. Individuals who do not invest are excluded from the dataset.

Source

2025 SIMA and Pollara Strategic Insight's Annual Survey of Canadian Investors Data.

Figure 8: Investment product by gender



Note

[A] The analysis includes only respondents who report that they invest. Individuals who do not invest are excluded from the dataset.

Source

2025 SIMA and Pollara Strategic Insight's Annual Survey of Canadian Investors Data.

of women investors compared to crypto, ETFs, and stocks. This is consistent with literature suggesting that men are drawn to return-focused and technical content.⁴¹

Younger investors' reliance on informal channels and intuition contrasts with older investors' preference for regulated, data-driven sources, influencing confidence levels across age groups. Gender also shapes investment behaviour, with men focusing on returns related content and women to narratives emphasizing inclusion and community.

Confidence in influencer content

Finfluencers play a growing role in shaping the perceived confidence of investors, even when their influence is more persuasive than informative, particularly among younger demographics who rely heavily on social media for investment information. Their content, which often includes celebrity endorsements, storytelling, and personal success narratives, cultivates a form of confidence that is emotional and socially reinforced rather than analytical or risk-adjusted. While this confidence can be empowering, it also has the potential to destabilize decision-making in speculative markets.

Studies show that exposure to finfluencer or celebrity posts significantly increases investor conviction in specific assets, especially those characterized by higher volatility, such as cryptocurrencies. For instance, recent research quantifies the effects of celebrity financial advice and finds that celebrity crypto endorsements from a single tweet lead to an increase in the probability of investing by 14%, despite followers often realizing negative abnormal returns after transaction costs.⁴² Experimental evidence similarly indicates that 24% of participants exposed to promoted investment content went on to purchase the featured asset, compared with just 7% in a control group, underscoring the persuasive nature of finfluencer influence.⁴³

When attention fades, these products often experience rapid declines, reflecting a confidence cycle tied more to social momentum than to fundamentals. Research on social transmission and attention dynamics supports this relationship, suggesting that finfluencer-driven

enthusiasm amplifies both market volatility and investor overconfidence.⁴⁴

In addition, a recent TD Bank Group survey found that 61% of Canadian parents express concern about how social media, viral trends, and influencer culture are shaping their children's attitudes toward money.⁴⁵ This underlines a broader dynamic: when social media is viewed as a key influence on spending and investing behaviours, finfluencer content not only boosts confidence in certain assets but also normalizes a reliance on informal, emotionally-driven channels. As younger investors increasingly navigate a mediator-rich investment environment, their heightened exposure to finfluencers may amplify confidence that is socially reinforced rather than grounded in rigorous analysis or risk awareness.

Finfluencers often use storytelling, personal success narratives, and authenticity cues to enhance credibility and foster self-assurance among followers. These strategies increase self-reported confidence and willingness to act without professional consultation even when financial literacy remains limited.⁴⁶ As a result, finfluencers may inadvertently inflate investor confidence, particularly among younger, digitally connected investors, without a corresponding improvement in decision quality.

3.4 The knowledge-confidence gap

This section examines the role of investor confidence in shaping susceptibility to finfluencer influence. Evidence shows that investment behaviour is driven less by objective financial knowledge than by perceived understanding. Finfluencer content, by simplifying complex topics, emphasizing certainty, and showcasing apparent success, tends to increase confidence faster than competence. When amplified by social-media engagement dynamics, this creates a persistent knowledge-confidence mismatch that leaves certain investors particularly vulnerable to informal financial advice.

The investment product for which investors rely most heavily on finfluencers is cryptocurrency, with 60% of investors reporting that they obtain some or most of

41 Ambreen Tour Ben-Shmuel, Adam Hayes & Vanessa Drach, "The gendered language of financial advice: Finfluencers, framing, and subconscious preferences" (2024) 10 *Socius* 23780231241267131.

42 "Celebrity Persuasion by Matteo Benetton, William Mullins, Marina Niessner, Jan Toczynski :: SSRN", online: <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5310337>. Section V examines the case study on Kim Kardashian's cryptocurrency advertisements.

43 note 1.

44 "Social Transmission Bias: Evidence from an Online Investor Platform by Pengfei Sui, Baolian Wang :: SSRN", online: <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4081644>.

45 "Canadian Parents Cite Social Media As Key Influence - And Concern - On Kids' Spending | TD Stories", online: <<https://stories.td.com/ca/en/news/2025-10-27-canadian-parents-cite-social-media-as-key-influence---and-co>>.

46 Kakhbod et al, *supra* note 33.

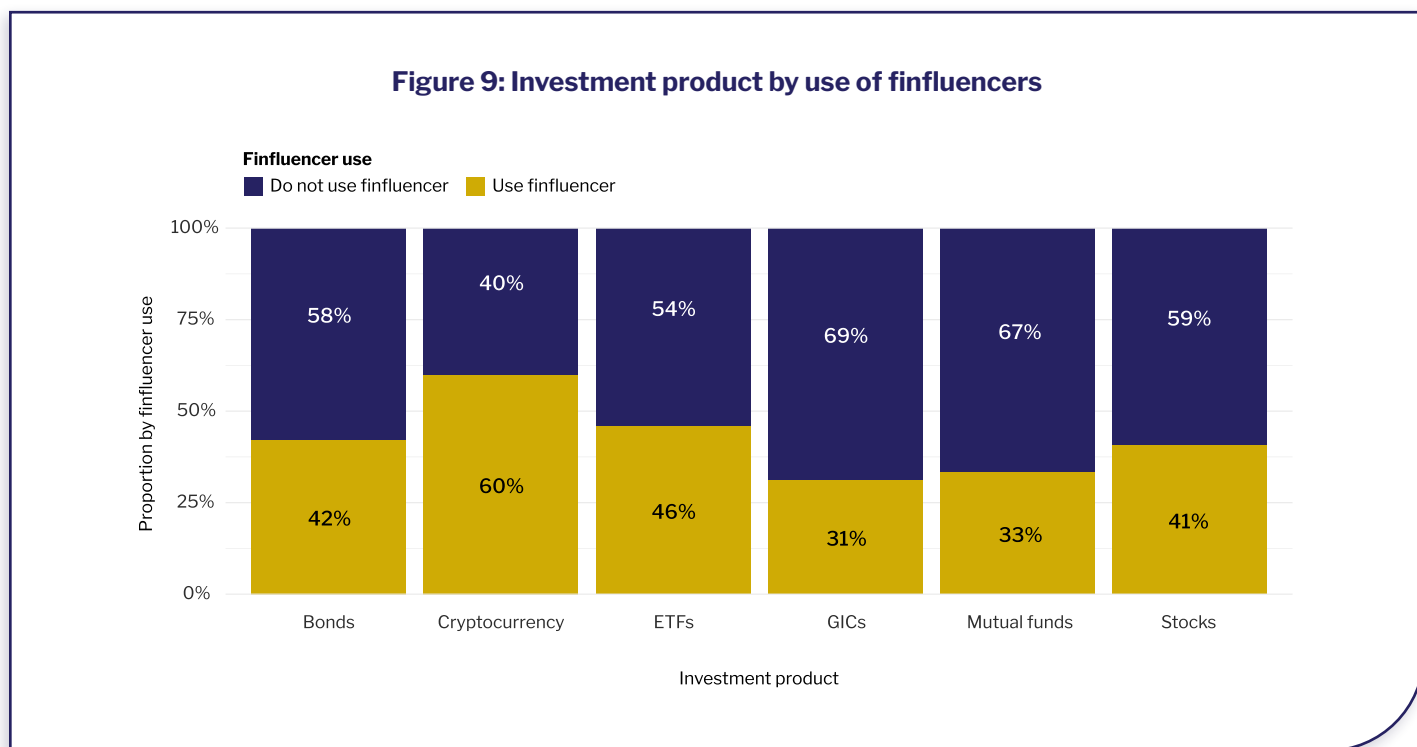
their information from influencers. In contrast, only 31% of investors rely on influencers for information about GICs and 33% for mutual funds.⁴⁷ Interestingly, investors in the 2025 SIMA and Pollara Strategic Insight Annual Survey of Canadian Investors ranked mutual funds as the second most trusted product for meeting household financial goals, while cryptocurrency ranked lowest (79% vs. 34% confident). Respondents also reported feeling most knowledgeable about GICs and mutual funds and least knowledgeable about cryptocurrency and separately managed accounts (SMAs), reflecting a clear divide between confidence and reliance on influencer-driven products.

One plausible explanation is that riskier assets like cryptocurrency exhibit life-cycle dynamics that align closely with social media trends and attention cycles. As

social media buzz intensifies, investor interest surges, driving upward momentum in price and trading activity.⁴⁸

In addition, research indicates that in largely unregulated asset classes, like direct investing in cryptocurrencies, where guidance from traditional financial advisors is limited, celebrity endorsements can have a strong influence.⁴⁹ Younger generations, in particular, are increasingly turning to financial influencers to fill knowledge gaps, improve their understanding of personal finance, and use saving and investing as essential tools for building wealth and achieving financial well-being.⁵⁰ These trends align with the findings of the Pollara 2025 survey.

In fact, further insights from the Pollara 2025 survey show that the second most sought-after type of information from influencers relates to specific investments, such as



Notes

[A] Definition of Influencer Use: Respondents were categorized based on their reliance on influencers for investment information. Those who selected “get some information” or “get most of my information” from influencers are classified as “Use of influencers.” Conversely, respondents who selected “do not get much information” or “do not use as a source of information at all” are classified as “Do not use influencers.”

[B] The analysis includes only respondents who report that they invest. Individuals who do not invest are excluded from the dataset.

Source

2025 SIMA and Pollara Strategic Insight’s Annual Survey of Canadian Investors Data.

47 See Figure 9. Conducting a similar analysis on the use of advisors by investment product, the results show that 68% of investors who own cryptocurrency use an advisor, compared to 80% of respondents who own mutual funds.

48 Khizar Qureshi & Tauhid Zaman, “Social media engagement and cryptocurrency performance” (2023) 18:5 PLOS ONE e0284501.

49 note 42.

50 “Understanding influencers: Roles and strategic partnerships in retail investor engagement - ScienceDirect”, online: <<https://www.sciencedirect.com/science/article/pii/S0148296325002851>>.

stock picks, crypto, and ETFs. While regulations prevent DIY platforms and automated tools from providing personalized, legally recognized investment recommendations, there is a clear demand for this type of guidance, which investors often seek through informal channels such as finfluencers or online communities. This gap is explored further in Section VI: Policy Recommendations.

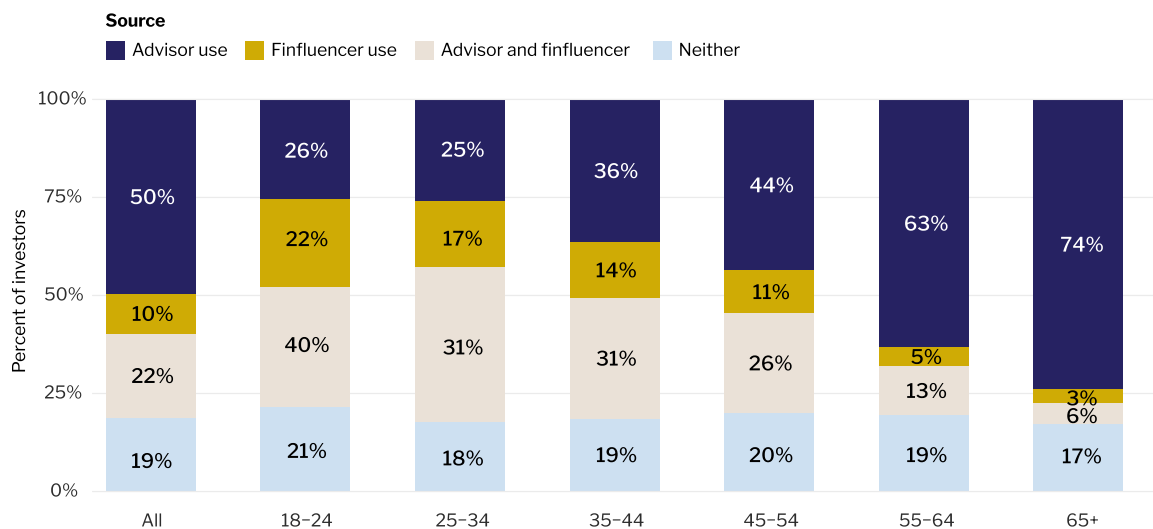
Section III shows that finfluencer influence reflects an interaction between the supply of informal financial advice and investor demand, rather than the effects of messaging alone. On the supply side, finfluencers package financial ideas in accessible, engaging forms and scale their reach through platform dynamics. On the demand side, investor confidence is shaped by demographics, experience, and repeated exposure to this content. Where these forces intersect, perceived understanding often exceeds actual financial knowledge. This confidence-knowledge gap magnifies the persuasive power of finfluencers and explains why they exert a meaningful influence within today’s market for financial advice.

SECTION IV - The role of professional advisors in the digital age

4.1 Understanding financial information channels and advisor users

To deepen understanding of how financial advice is accessed, who uses advisors, and how advisor use coexists with informal content consumption, including finfluencers, we analyze recent survey data reveals that investors increasingly navigate a hybrid information environment, combining formal and informal sources rather than relying exclusively on one. SIMA and Pollara Investor survey finds that 71% of investors use a financial advisor, a result that aligns with other recent surveys. For example, the Canadian Securities Administrators (CSA) Investor Index reports that 61% of investors had a financial advisor in 2024, while the FAIR Canada survey found that 77% of investors report using a financial advisor in 2022.⁵¹

Figure 10: Share of investors using advisors and/or finfluencers

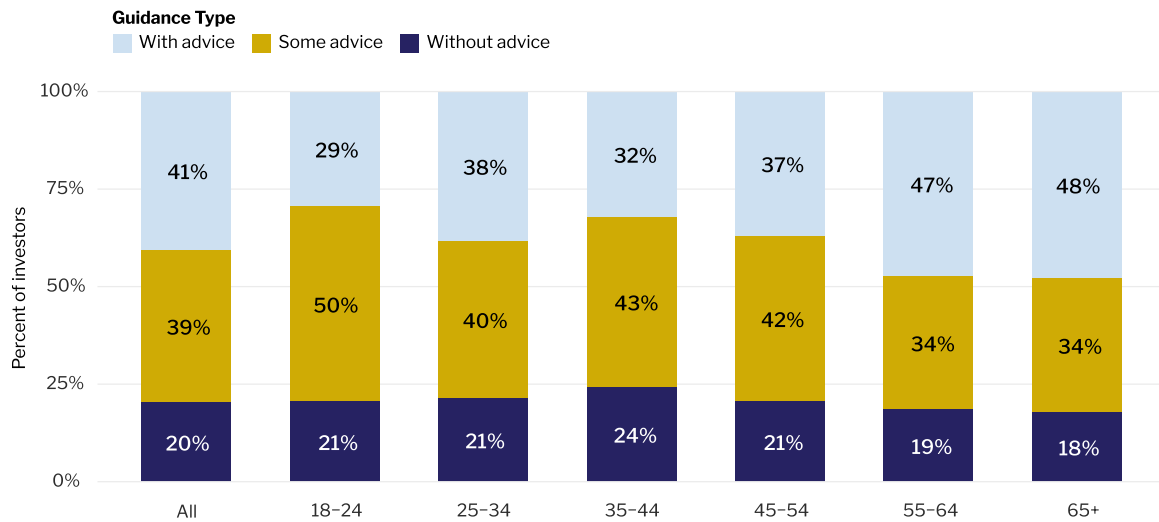


Notes
 [A] “Advisor use” refers to respondents who use advisors among their information sources but do not use finfluencers. “Finfluencer use” refers to respondents who use finfluencers among their information sources but do not use advisors. “Advisor and finfluencers” refers to respondents who use both advisors and finfluencers among their information sources. “None” refers to respondents who may use other sources of financial information but do not use either advisors or finfluencers.
 [B] The analysis includes only respondents who report that they invest. Individuals who do not invest are excluded from the dataset.

Source
 2025 SIMA and Pollara Strategic Insight’s Annual Survey of Canadian Investors Data.

51 FAIR Canada Investor Survey (FAIR Canada, December 2022); 2024 CSA Investor Index (Innovative Research Group, 2024).

Figure 11: Share of investors investing with advice, some advice or without advice



Note

[A] Definition of Guidance Type: “With advice” means respondents who purchased all of their investments from someone who offered advice or guidance. “Some advice” indicates investors who purchased some of their investments with someone who offered advice or guidance, and some without. “Without advice” represents investors who purchased all their investments without advice or guidance.

Source

2025 SIMA and Pollara Strategic Insight’s Annual Survey of Canadian Investors Data.

It is important to note that the CSA Investor Index reports data for the years 2006, 2012, 2016, 2017, 2020, and 2024. In 2006, 66% of investors reported having a financial advisor. This figure rose to an average of 70% between 2012 and 2020, before declining to 61% in 2024. This trend is observed among investors aged 45 and under with investment portfolios valued at less than \$100,000.⁵²

Figure 10 shows that 50% of investors rely on advisors and not finfluencers, while 22% use a combination of both, and only 10% rely on finfluencers without advisors. These patterns vary significantly by age. Among investors aged 18 to 24, 26% use advisors without finfluencers, while 22% rely on finfluencers without advisors. In contrast, among older investors, 74% rely on advisors only, and just 3% rely exclusively on finfluencers (see Figure 10). This figure complements the analysis in Section III.3.3, which categorizes sources of financial information into formal and informal channels. When focusing specifically on advisors and finfluencers, the conclusions remain

consistent with the earlier findings, including across age groups. To further strengthen these results, an analysis of the number of information sources used by investors shows that investors consume financial information from an average of four sources.

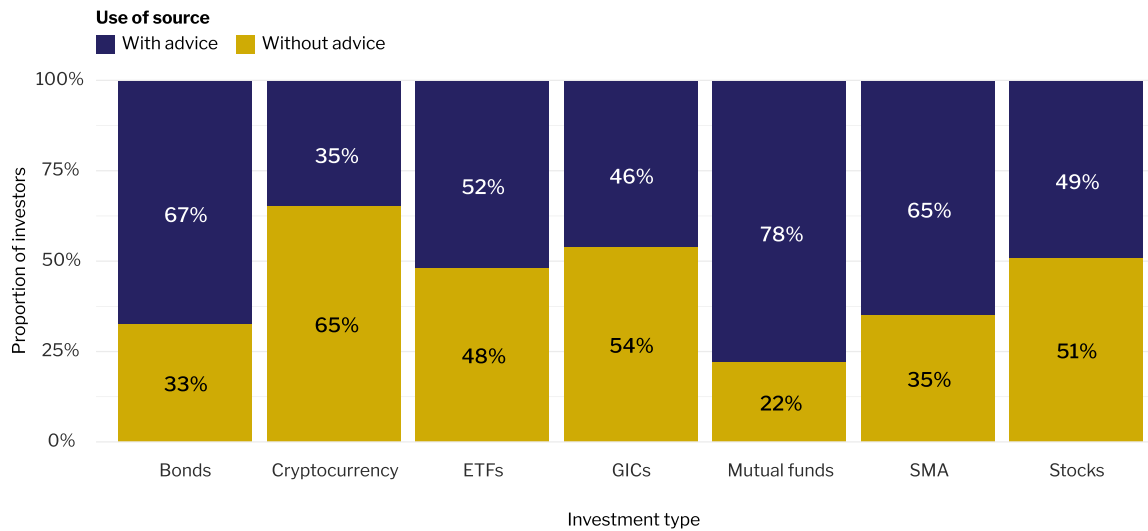
Recent research also shows that advisor use varies systematically by age and portfolio size. While investors with larger portfolios are more likely to maintain ongoing advisory relationships, survey data indicate that a meaningful share of younger investors still report having access to some form of advisor.⁵³

For example, the CSA Investor Index shows that over half of investors aged 18-34 report having an advisor, although this share is lower than among older investors. At the same time, industry trends toward higher account minimums and the consolidation of advisory services around higher-net-worth clients may limit access to traditional human advisors for some early-stage investors. These dynamics help explain why younger investors are more likely to supplement professional

52 note 51.

53 *Ibid.*

Figure 12: Use of financial advice in investors' most recent product purchases



Note
 [A] The analysis for this figure includes only those investors who say they received "Some advice" when purchasing their investment portfolio. "With advice" means they last purchased their investment with someone who offered advice or guidance. "Without advice" means they last purchased their investment without guidance or advice.

Source
 2025 SIMA and Pollara Strategic Insight's Annual Survey of Canadian Investors Data.

advice with informal sources such as online forums, social media, and influencers.

Survey results presented in **Figure 11** indicate that investors fall into three broad categories: those whose portfolios were purchased entirely with professional advice, those who invested entirely without advice, and a substantial middle group whose portfolios were built using a mix of advised and self-directed transactions. Respectively, 41% of investors relied exclusively on professional advice, which align with recent research from the British Columbia Securities Commission, which found that approximately 40% of investors report relying solely on advised investments.⁵⁴ In addition, 20% invested without advice and 39% used some advice (the hybrid group). This hybrid group represents a critical segment in understanding contemporary investment behaviour, as it reflects deliberate comparison and selective use of professional advice, rather than disengagement.

To better capture this behaviour, **Figure 12** presents how respondents last acquired each type of investment product, distinguishing between purchases made with and without

advice. The share using advice ranges from 35% for cryptocurrencies to 78% for mutual funds, suggesting that advice usage is highly product-dependent.

4.2 The core value: why trust persists in the advisor-client relationship

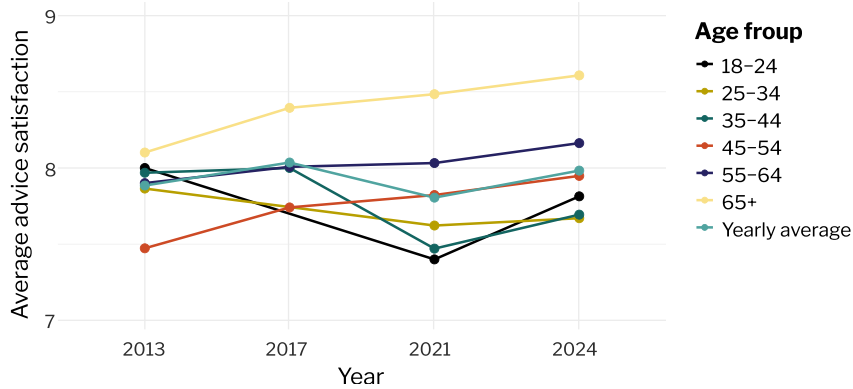
Despite the increasing availability of easily accessible, fast-paced financial content online, the professional financial advisor remains the bedrock of sound financial decision-making for Canadians. The value proposition of a registered advisor is defined not by reach, but by accountability and comprehensive expertise.

Professional financial advisors remain the most trusted source of investment guidance for major financial decisions among Canadian investors. **Figure 13** uses historical data from the Pollara Strategic Insight's Annual Survey of Canadian Investors (2013, 2017, 2021, and 2024) to explore the satisfaction level investors have with the advice they received from their advisors. Investors were

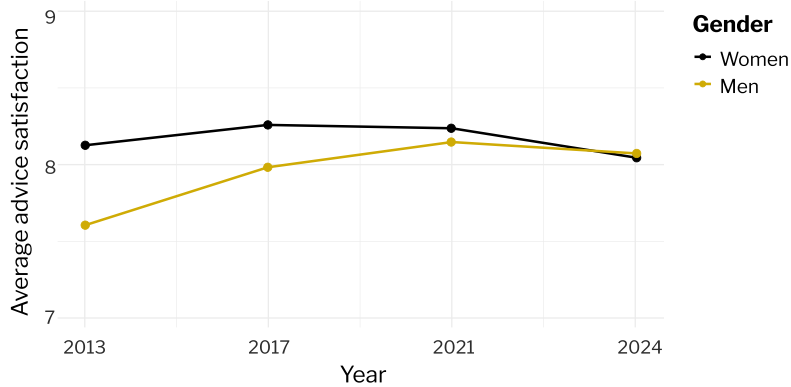
⁵⁴ *DIY Investing National Survey Report* (BC Securities Commission, April 2024).

Figure 13: Satisfaction with advice provided by financial advisors by age group (Panel A), by gender (Panel B), by household income (Panel C), by region (Panel D), and by time investing in mutual funds (Panel E)

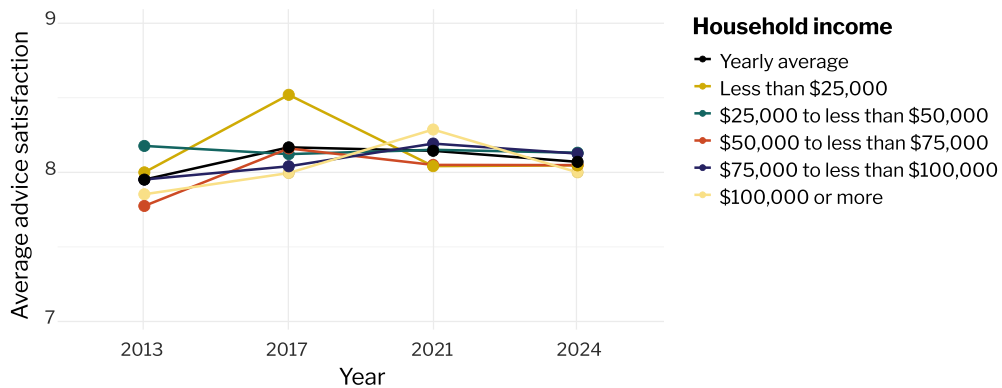
Advice satisfaction by age



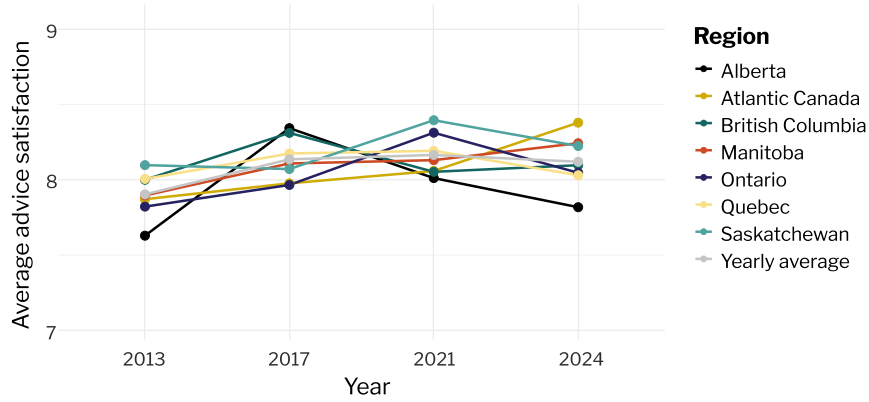
Advice satisfaction by gender



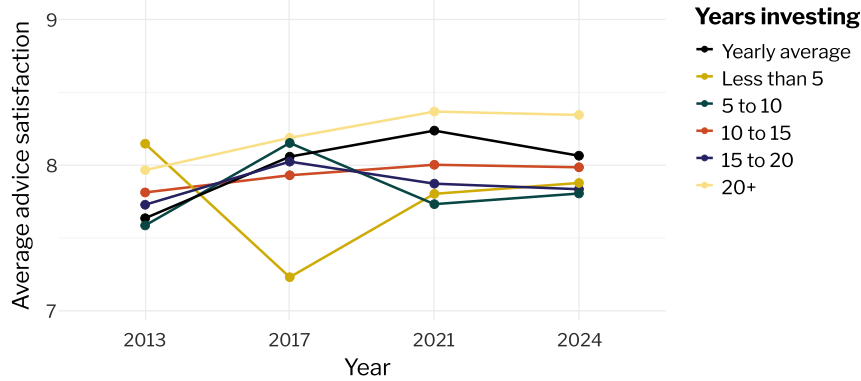
Advice satisfaction by household income



Advice satisfaction by region



Advice satisfaction by time investing



Notes

- [A] Panel A reports respondents' satisfaction by age. Panel B compares investor satisfaction by gender. Panel C groups respondents by household income. Panel D examines advice satisfaction by region of residence. Panel E compares satisfaction based on respondents' length of experience investing in mutual funds.
- [B] The analysis includes only respondents who report that they invest in mutual funds. Individuals who do not invest, or invest in ETFs, are excluded from the dataset. Pollara did not begin asking respondents about their ETF investments until 2020; therefore, these data cannot be used for historical comparison. Respondents could also refuse to answer any questions, those who refused are excluded from the analysis. There were insufficient numbers of respondents residing in Nunavut, the Northwest Territories, and Yukon to support a full analysis; therefore, these regions were excluded from the analysis in Panel D.

Source

2025 SIMA and Pollara Strategic Insight's Annual Survey of Canadian Investors Data.

asked to rate how satisfied they were with the advice they received from their advisors from 1 to 10, 1 being not satisfied at all and 10 being completely satisfied. The data was divided into different demographics such as age, gender, household income, region of residence and years spent investing in mutual funds in order to look for any possible historical trends. When comparing 2013 to 2024, overall, investors are just as satisfied with their advisors now as they were then.

In an evolving advice landscape, where formal channels of advice predominated prior to the digital age, it is important to link the results shown in **Figure 13** with the age-based analysis of formal and informal advice channels presented in **Figures 6 and 7**. The latter demonstrates that younger generations, 44 and under, make greater use of informal channels when seeking financial advice. However, Panel A below shows this is not because they are dissatisfied with the advice they receive from advisors. Overall, advisor satisfaction ratings are of a similar magnitude across younger and older generations, averaging between 7.5 and 8 for younger investors compared with approximately 8 to 8.5 for those aged 45 and older. This shows that younger generations are not simply replacing formal channels of advice with informal channels due to dissatisfaction, rather, they are engaging with both formal and informal sources of financial advice to a greater extent than older generations.

We examine various demographic characteristics, and the same trend persists: overall satisfaction has remained largely unchanged from 2013 to 2024. The satisfaction rate for male investors increased slightly, from 7.6 in 2013 to almost 8 in 2024, while female satisfaction decreased slightly, 8.1 in 2013 to 7.9 in 2024. In regard to household income, 2024 saw a decrease from 2021, with the average satisfaction dropping slightly from 8.27 to 7.82. Investors in the highest earning group, those households earning \$100,000 or more, were the least satisfied group in 2024. However, the overall satisfaction for all households followed a similar trend, staying the same in 2024 as it was in 2013. In 2024 residents of Manitoba, Atlantic Canada, and Saskatchewan were the most satisfied with their advisors, with an average rating of 8.17, while Albertans were the least satisfied with an average rating of 7.64. Alberta, Ontario and Quebec saw the biggest decreases in investor satisfaction from 2021

to 2024, with Alberta dropping from almost 8.0 to 7.6 and Ontario also decreasing from 8.3 to 7.9.

Panel E shows how the satisfaction level of investors vary depending on how long they have been investing in mutual funds. In 2024, investors with more than 20 years of investing experience were the most satisfied with the advice they received, as was the case in 2017 and 2021. The group with less than 5 years of investing in mutual funds was the least satisfied, on average, from 2013 to 2024, followed by investors with 5 to 10 years investing in mutual funds, with ratings of 7.7 and 7.8, respectively.

Figure 14 Panel E shows that investor satisfaction scores range between 7.5 and 8.5 across different experience levels. **Table 1 in Appendix B** captures the correlation between satisfaction and years of investing, showing a coefficient of 0.1 in 2024, which indicates essentially no meaningful correlation between investor tenure and reported satisfaction.

Investors also feel a greater need for an advisor in times of economic uncertainty or market volatility, with over two-thirds of respondents believing that in these periods it is more important to get advice from a professional. This suggests that situational factors, such as market conditions, are a stronger driver of perceived value from financial advisors than years of investing.

Having established that trust in financial advisors has remained strong over time, it is important to consider why this trust persists despite the growing availability of digital and social-media-based sources of financial information. A critical distinction lies in the scope of advice. Finfluencer content is often narrow and fragmented, focusing on specific trends, assets, or short-term opportunities.⁵⁵ Such content rarely provides the context or depth needed for investors without a strong financial background to fully understand the complexity of investment decisions or how individual choices fit within their broader financial goals. In contrast, registered advisors offer personalized advice that is tailored to the client's unique risk profile and investment objectives, and often includes holistic or goals-based planning, which incorporates tax considerations and time horizon.⁵⁶ This personalized approach is a value that cannot be replicated by generalized online content.

Importantly, trust in an advisor is legally enforceable. The advisor-client relationship is governed by rigorous

55 note 1.

56 "Know your client and suitability – Guidance | Canadian Investment Regulatory Organization" (28 April 2021), online: <<https://www.ciro.ca/newsroom/publications/know-your-client-and-suitability-guidance>>.

conduct standards that require fairness, integrity, objectivity, confidentiality, and diligence, ensuring the client’s best interest. This essential layer of protection is the foundation upon which professional trust persists.⁵⁷

Within this ecosystem, robo-advisors occupy a distinct but complementary role. In Canada, the term “robo-adviser” generally refers to an automated digital investment advisory platforms that streamline portfolio allocation and management through standardized processes based on investor Know-Your-Client (KYC) information. In practice, these platforms typically assign clients to pre-constructed model portfolios designed and overseen by registered portfolio managers, with limited human interaction during onboarding and ongoing management.⁵⁸ While robo-advisors may be perceived as offering highly personalized, technology-driven advice, they tend to deliver standardized portfolio solutions to investors with similar profiles. Compared to traditional advisory relationships, the key distinction lies less in the nature of the advice provided and more in the reduced level of direct human engagement.

Investors nonetheless exhibit greater trust, higher performance expectations, and stronger willingness to engage in human advisors than with automated platforms for financial advice, particularly for high-stakes and complex financial decisions.⁵⁹ While robo-advisors may be perceived as objective and consistent, they generally lack the relational trust, empathy, and contextual judgment associated with experienced professionals.

As a result, hybrid advisory models that combine automated portfolio management with human oversight are most effective, allowing technology to enhance efficiency and accessibility while professional advisors provide interpretation, suitability assessments, and reassurance during periods of uncertainty or life transitions.⁶⁰ Together, this reinforces the role of advisors not as competitors to technology, but as trusted intermediaries who integrate digital tools, professional judgment, and human trust to support better investor outcomes.

4.3 Regulatory asymmetry between registered advisors and influencers

Regulatory guidance in several jurisdictions in Canada distinguishes between those who must be registered and meet licensing, suitability, and disclosure obligations when promoting financial products, and content creators who may not need to be registered, but who may still be subject to securities, advertising or consumer-protection laws, but not to the full registration-based regime.⁶¹

Recent regulatory guidance from the Canadian Securities Administrators and Canadian Investment Regulatory Organization (CIRO) further clarifies that influencers are not permitted to provide opinions or recommendations on specific securities without being registered; however, the global reach of influencers means Canadian regulators face limits in enforcing compliance. This contributes to a regulatory asymmetry: regulated advisors are constrained in what and how they promote financial products, whereas some influencers may, in practice, take advantage of enforcement challenges or operate through international jurisdictions, which can result in lower regulatory accountability, thereby increasing risks to investors. In many cases, this imbalance is further compounded by the cross-border nature of social media platforms, where influencers may operate outside the jurisdictional reach of domestic regulators.

A central regulatory challenge is the clear divergence between the highly regulated environment of professional advice and the more lightly regulated and differently structured landscape of financial influence, which can increase consumer risk in the absence of comparable safeguards. This challenge is magnified when influencers are based outside Canada or distribute content through global platforms, limiting regulators’ ability to monitor, supervise, or take timely enforcement action.

Regulatory differences between registered vs. unregistered influencers

In Canada, a registered professional (e.g., a Portfolio Manager or a registered Dealing Representative) operates under a robust system that mandates licensing, suitability assessments (Know Your Client/KYC and Know

57 “Standards of Professional Responsibility” Financ Plan Stand Council.

58 “Robo-Adviser | Investor.gov”, online: <<https://www.investor.gov/introduction-investing/investing-basics/glossary/robo-adviser>>; “Robo-advisors | New Brunswick Financial and Consumer Services Commission”, online: <<https://fcnb.ca/en/investing/managing-your-investments/robo-advisors>>.

59 “Most Canadians trust people not AI for financial decisions”. <<https://www.wealthprofessional.ca/news/industry-news/most-canadians-trust-people-not-ai-for-financial-decisions/390214>>

60 Leela Sri Kalyan Gowtham Yaramolu, “AI-powered portfolio management: Transforming wealth management through intelligent automation” (2025) 7:3 J Comput Sci Technol Stud 14–23.

61 Staff Notice 31-369: *Guidance on the Application of Securities Legislation to Influencer Activity*, by Canadian Securities Administrators & Canadian Investment Regulatory Organization (2025).

Your Product/KYP), and comprehensive disclosure of fees and potential conflicts of interest. Their communications are strictly governed by rules that require all promotional materials to be fair, balanced, and not misleading. While these rules are designed to protect investors, they also constrain how registrants can communicate in public and promotional contexts.

Conversely, even when operating within domestic regulatory jurisdictions, unregistered content creators (e.g., influencers) typically remain outside these regimes. Unless their content clearly constitutes registrable investment advice or promotion, they are generally subject only to broad consumer protection and advertising laws.

Importantly, this distinction does not reflect direct competition in the provision of regulated financial advice. Registered professionals provide trading services and, in many cases, tailored or discretionary advice to clients, activities that influencers cannot legally perform. Conversely, influencers primarily produce non-tailored, general content for broad audiences, a space in which most registrants have limited participation.

Limited scope of advice

The advice provided by influencers is typically trend-focused, not personalized and not inclusive of comprehensive planning. It often centers around short-term trading strategies, or generalized investment vehicles, without the client-specific analysis that underpins regulated advice. Unlike registered professionals, influencers are not generally subject to suitability obligations, formal conflict-of-interest management requirements, or standardized proficiency and supervision regimes. This contrasts sharply with the personalized, regulated and often holistic and goals-based planning provided by advisors.

Because many influencers operate outside formal regulatory regimes, their content is not generally subject to the standards of suitability, or ongoing disclosure that apply to registered professionals, leaving retail investors exposed to persuasive but potentially unreliable or incomplete advice. Although influencers remain subject to securities laws prohibiting misrepresentations and market manipulation, enforcement can be challenging, particularly across social media and international boundaries. Newly issued CSA and CIRO guidance

clarifies that while influencers may share general investment information without being registered, they are required to clearly disclose any financial, promotional, or other material interests in the securities or products discussed.⁶² Additionally, influencers are not permitted to provide an opinion about the merits of investing in a business or its securities, or to make a recommendation about an investment in a business or its securities, without being registered.

The core principle of regulated advice is suitability, supported by requirements around disclosure, conflict management, and accountability. A registered advisor must ensure that any product or strategy that is recommended is suitable for the client's financial objectives, risk profile, and circumstances. Influencers, lacking this client context, can promote high-risk or inappropriate strategies to a mass audience, regardless of individual suitability, thereby creating a systemic regulatory gap in which broad, engagement-driven content can reach large audiences without the corresponding investor protection safeguards embedded in the regulated advisory framework.

4.4 Digital evolution: opportunities for the regulated professional

The rise of influencers does not pose an existential threat to advisors; rather, it creates opportunities for the regulated community to leverage digital platforms to complement social media influence by filling in crucial gaps in the digital financial ecosystem.⁶³

The rise of influencers presents not only competition but also strategic opportunities for professional advisors. Rather than viewing social media influence as a substitute for regulated advice, advisors can position themselves as credible complements within the digital information environment.

A central tension in the influencer landscape arises from the regulatory distinction between registered professionals and unregistered content creators. In Canada and other jurisdictions, registered advisors must comply with licensing requirements, suitability standards, disclosure obligations, and marketing rules when discussing or promoting financial products. These requirements are designed to protect investors but also constrain how advisors can communicate in public forums.

62 *Ibid.*

63 "The future of investment advice: Why combining trust and technology is key to attracting new generations of investors" (2025).

Digital engagement strategies

Advisors can adopt digital engagement strategies to meet potential and existing clients where they are: online. Educational social media content, webinars, short-form videos, and interactive tools can be used to explain foundational concepts such as diversification, risk, and long-term planning, without offering specific product recommendations. It is clear that advisors are seizing this opportunity. Data from a 2024 Broadridge study finds that almost every surveyed advisor (97%) shared that they plan to sustain or increase their marketing spend on social media in the next 12 months.⁶⁴

However, effective use of social media involves moving beyond static websites to creating engaging, compliant content on platforms like LinkedIn, YouTube, and even TikTok. The objective is not to replace in-depth advice but to establish credibility, demonstrate expertise, and demystify complex financial topics in a brief, accessible format.

This approach helps to normalize financial conversations and serves to enhance visibility, humanize expertise, and

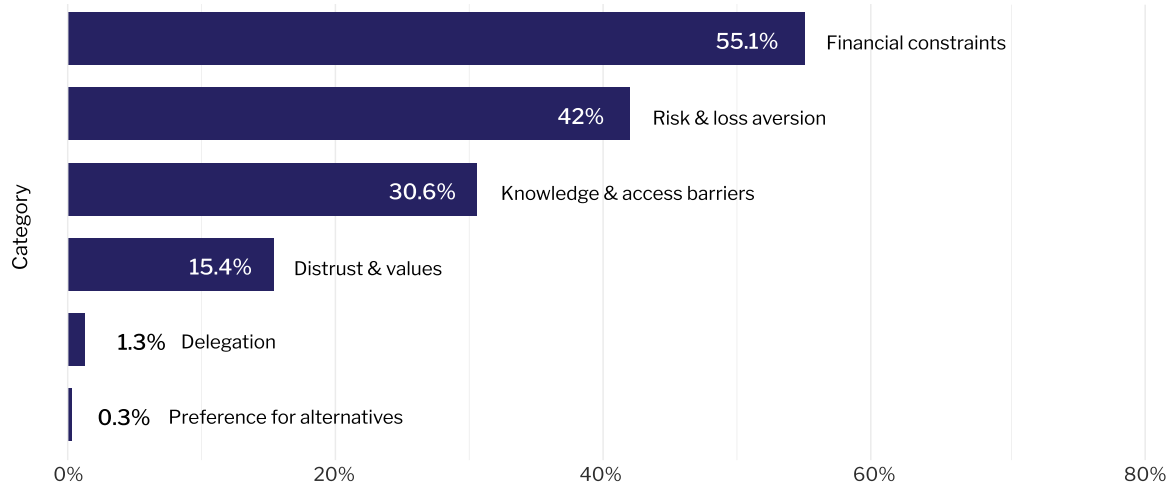
strengthen trust among younger, digitally savvy investors who may be intimidated by the traditional advisory model.

Education and verification guidance

Given the prevalence of misinformation and sensationalized “get-rich-quick” schemes online, advisors have an opportunity to position themselves as education and verification guidance experts to help clients assess the credibility of online content, understand regulatory protections, and distinguish between registered and unregistered sources of advice. They can create content that analyzes influencer trends, validate sound advice, and, most importantly, debunk harmful myths. This role aligns directly with investor-protection objectives and supports informed decision-making.

This “fact-checking” role is essential, as it helps investors transition from passive consumption of trend-focused content to active, informed decision-making under a regulated professional’s guidance.

Figure 14: Reasons for not investing



Notes

[A] The reasons non-investors cite for not participating in mutual funds, ETFs, stocks, bonds, or other investment vehicles have been grouped into six categories. “Financial constraints” include those who lack sufficient funds or are waiting until they have more income. “Risk and loss aversion” represents respondents who find investing too risky, have had negative experiences, or are afraid of losing money. “Knowledge and access barriers” capture individuals who feel they do not know how to get started or cannot find an advisor to help. “Distrust and values” includes those who do not trust the financial system or whose investments would not align with their ethical or religious values. “Delegation” captures respondents who rely on someone else, such as a family member, to manage their investments. Finally, “Preference for alternatives” reflects a choice to invest in other asset types such as real estate or precious metals.

[B] Figure reports the share of respondents selecting at least one reason within the categories described in note [A].

[C] The analysis includes only respondents who report that they do not invest. Individuals who invest are excluded from the dataset.

Source

2025 SIMA and Pollara Strategic Insight’s Annual Survey of Canadian Investors Data.

64 “Broadridge Canadian Financial Advisor Marketing Trends Report 2024”, online: <<https://info.advisorstream.com/financial-advisor-marketing-trends-report-2024-canada>>.

Addressing demographic gaps in knowledge and confidence

Advisors can help address demographic gaps in financial knowledge and confidence that finfluencer content neglects. Finfluencers often resonate with younger demographics, but their advice is rarely comprehensive. For instance, they can create content specifically addressing the complexities of the Canadian Registered Retirement Savings Plan (RRSP), Tax-Free Savings Account (TFSA), and First Home Savings Account (FHSA) in a way that is easily digestible yet regulatory compliant, thereby attracting new client segments who are actively seeking foundational financial literacy beyond basic stock picks.

By combining professional advice with accessible digital communication, advisors can help bridge these gaps, reinforcing financial literacy while maintaining appropriate safeguards.

Untapped investor potential

The digital evolution also has the potential to attract non-investors into the financial markets. **Figure 14** presents the primary reasons non-investors currently choose not to invest: 55% cite financial constraints, 42% highlight risk and loss aversion, and 31% indicate limited knowledge or confidence. This highlights a substantial untapped market where registered professionals could provide guidance. Greater access to online resources can help extend advice to individuals who traditionally would have been excluded, supporting broader financial inclusion and enhancing the financial security of Canadians. In fact, the same Broadridge study referenced above finds that 40% of advisors say they acquired new clients via their social media connections and networks.⁶⁵

In sum, the rise of finfluencers has not diminished the relevance of professional financial advisors, but it has altered the environment in which trust and advice are formed. Registered advisors remain indispensable because they provide personalized, accountable, and suitability-based guidance that cannot be replicated by generalized online content. At the same time, the growing influence of unregistered finfluencers highlights a regulatory and competitive imbalance, in which reach and

persuasion often outpace responsibility and oversight. Addressing this imbalance does not require resisting digital change but adapting to it. The future of professional financial advice will certainly include models that combine professional judgment, regulatory safeguards, and digitally engaged communication, enabling advisors to meet investors where they are while reinforcing trust grounded in expertise and accountability.

SECTION V - Risks and considerations of the finfluencer market

The risks associated with finfluencers arise within a broader digital influence ecosystem that prioritizes reach, engagement, and monetization over accuracy and suitability. The influencer economy refers to a rapidly growing, platform-based ecosystem in which individual content creators monetize their online followings through advertising, sponsorships, and direct-to-consumer products and services.⁶⁶ Enabled by social media and creator platforms, influencers act as key intermediaries between brands and audiences, offering highly targeted promotion that increasingly competes with traditional advertising channels.⁶⁷

Within this ecosystem, finfluencers represent a specialized segment leveraging the same platforms and monetization strategies as lifestyle or entertainment influencers, but their content focuses on investments, personal finance, and market commentary. Their content often blurs the lines between informal education, promotional messaging, and market commentary.

Globally, the influencer economy is estimated at approximately \$250 billion, which is projected to reach \$500 billion by 2027.⁶⁸ In financial contexts, the incentives of reach and engagement interact with behavioural biases and regulatory gaps, heightening the potential for investor harm, misinformation, and in some cases, fraudulent activity. These trends have prompted emerging national and supranational regulatory responses aimed at protecting consumers, ensuring

65 *Ibid.*

66 Xiao Liu & Xiaoyong Zheng, "The persuasive power of social media influencers in brand credibility and purchase intention" (2024) 11:1 Humanit Soc Sci Commun 15.

67 *Ibid.*

68 "Forbes Daily: The \$250 Billion Influencer Economy Is Booming", online: <<https://www.forbes.com/sites/daniellechemtob/2024/10/28/forbes-daily-the-250-billion-influencer-economy-is-booming/>>.

disclosure of paid partnerships, and limiting the potential for harm in digital markets.⁶⁹

While fraud is not the primary activity of most finfluencers, the broader digital ecosystem in which financial content circulates includes fraudulent actors and schemes that may exploit similar channels of reach and engagement. In this context, estimates suggesting that 90-95% of fraud goes unreported, indicate that the overall scale of investor harm in online financial environments may be substantially underestimated, even if only a small proportion is directly attributable to finfluencer activity.⁷⁰

5.1 Financial harm and scams

Financial harm

A defining risk of the finfluencer ecosystem, as described in Section III, is the high volume of inaccurate, incomplete, or misleading financial information circulating on social media.⁷¹ Platform algorithms amplify this problem by rewarding attention-grabbing, emotionally charged, or sensational content over accuracy or balance, allowing misinformation to spread faster and more broadly than verified guidance.⁷²

Another significant concern is celebrity persuasion. Emerging research shows that celebrity influence extends beyond politics and consumer markets into financial behaviour: retail investors, especially first-time or inexperienced investors, may interpret celebrity endorsements as implicit financial advice.⁷³ **Case study 2** illustrates this dynamic through the 2021 Kim Kardashian promotion of EthereumMax, which regulators later cited as contributing to retail speculation in a virtually worthless token. Empirical evidence further demonstrates that many finfluencers tend to recommend assets that have exhibited strong recent performance, effectively chasing momentum. However, these assets often generate negative returns after the recommendation, exposing followers to significant losses. This pattern suggests that persuasive content, not underlying fundamentals,

drives much of the investment behaviour encouraged by finfluencers.⁷⁴

Recent research from the FINRA Investor Education Foundation also finds that investors who rely on finfluencers, or who trade crypto, meme stocks,⁷⁵ and other high-volatility products common on social media, are substantially more susceptible to investment fraud and scams.⁷⁶ This vulnerability is reflected in an increase in DIY investors seeking assistance from legal clinics after suffering losses tied to misinformation, aggressive promotion, or misuse of sophisticated trading tools.⁷⁷ Together, these trends highlight the broader risk that inexperienced investors, lacking personalized guidance and financial literacy, may face disproportionate harm in a social-media-driven investment environment.

69 Maria Niestadt, "Regulating influencer marketing in the European Union" (2025) PE 779.254 Memb Res Serv.

70 "Canadians losing millions to investment scams: CSA, CAFC and RCMP urge vigilance and reporting" (13 March 2025), online: Can Secur Adm <<https://www.securities-administrators.ca/news/canadians-losing-millions-to-investment-scams-csa-cafc-and-rcmp-urge-vigilance-and-reporting/>>.

71 "74% of influencer 'finance hack' videos contain dangerous, misleading, incorrect or 'nonsense' advice - IFA Magazine", online: <<https://ifamagazine.com/74-of-influencer-finance-hack-videos-contain-dangerous-misleading-incorrect-or-nonsense-advice/>>.

72 Dr Mihaela Popa-Wyatt, "Science, Innovation and Technology Committee inquiry: social media, misinformation and harmful algorithms."

73 note 42.

74 Dirk Gerritsen & Anouk De Regt, "Influencers and Consumer Financial Decision-Making" (2025) 49:2 Int J Consum Stud e70037; Kakhbod et al, supra note 33.

75 "A meme stock is essentially a stock that's gone viral." "What you need to know about meme stocks", online: <<https://www.td.com/ca/en/investing/direct-investing/articles/meme-stock>>.

76 *Investors in the United States: A Report of the National Financial Capability Study*, by J T Lin et al (FINRA Investor Education Foundation, 2025) online: <www.FINRAFoundation.org/InvestorReport2024>.

77 "Legal clinic sees rise in DIY investor complaints", OSC Invest News (25 November 2025).

Case study 2: Kim Kardashian and the EthereumMax promotion⁷⁸

In 2021, celebrity influencer Kim Kardashian promoted the cryptocurrency EthereumMax (EMAX) on Instagram, posting to her hundreds of millions of followers with the hashtag #ad and encouraging them to learn about the token. The post immediately drew significant attention, with EMAX's trading volume increasing sharply following the endorsement. However, the token's value soon collapsed, and in 2022, the U.S. Securities and Exchange Commission (SEC) charged Kardashian for unlawfully promoting a crypto security without disclosing that she was paid US \$250,000 for the post.

Kim Kardashian settled the charges by paying US \$1.26 million in penalties, disgorgement, and interest. The SEC used the case to highlight broader risks associated with undisclosed sponsorships and celebrity influence in financial markets, warning investors not to make decisions based solely on endorsements from high-profile figures.

Figure shows a screenshot of a story posted by Kim Kardashian. Although she included disclaimers such as 'this is not financial advice' and '#AD,' her informal endorsement led some investors to perceive the token as valuable and ultimately invest. This case highlights the risks associated with celebrity endorsements in financial markets.



Sources: U.S. Securities and Exchange Commission, 2022; BBC News, 2022; Financial Times, 2023.

78 "[SEC.gov | SEC Charges Kim Kardashian for Unlawfully Touting Crypto Security](https://www.sec.gov/newsroom/press-releases/2022-183)", online: <<https://www.sec.gov/newsroom/press-releases/2022-183>>.

Scams

The rise of finfluencers has coincided with a growing number of documented frauds and scams targeting retail investors.⁷⁹ The CIRO explicitly warns that finfluencer-driven promotion can transform into fraudulent schemes. Common risks highlighted by the regulator include: (1) pump-and-dump campaigns, in which influencers aggressively promote specific stocks or crypto assets to artificially inflate prices before selling their own holdings, leaving retail followers with significant losses; (2) unrealistic promises of

high returns, often used to create urgency or fear of missing out; (3) unregistered or unqualified individuals providing investment advice, despite lacking the regulatory approval or fiduciary obligations required of licensed professionals; and (4) affiliate-based promotions, where influencers earn undisclosed commissions or referral fees for directing followers toward high-risk platforms, products, or services.⁸⁰

Case study 3 presents the Alberta Securities Commission case against finfluencer James Domenic Floreani.

Case study 3: James Domenic Floreani and Jayconomics Inc.⁸¹

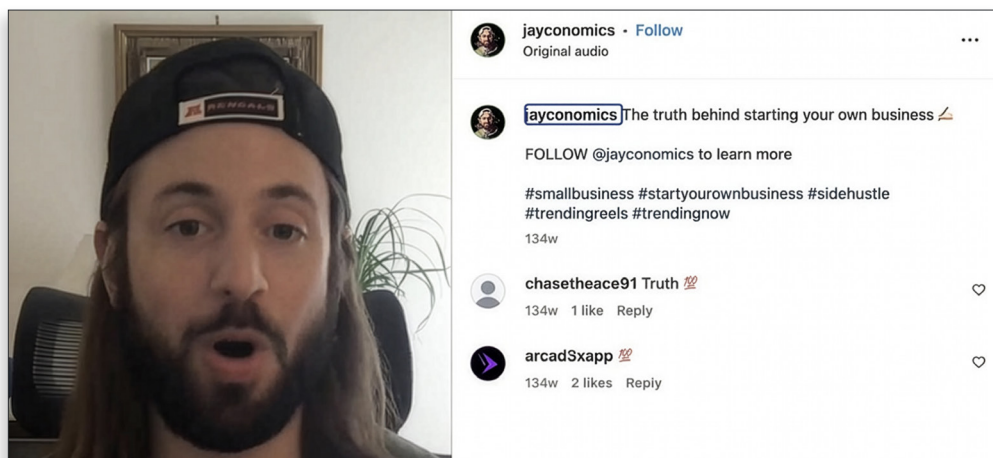
In 2025, the Alberta Securities Commission (ASC) found that James Domenic Floreani and his firm Jayconomics Inc. breached securities laws by acting as a finfluencer promoting investments without proper disclosure and regulatory compliance.⁸²

Case description:⁸³

- Between November 2020 and March 2022, Mr. Floreani used YouTube, X (formerly Twitter), Patreon (and other platforms) to post favourable content recommending investments in specific publicly traded companies. According to the ASC, he did so

on behalf of four Alberta issuers, but failed to clearly disclose that these were paid promotions.

- Mr. Floreani presented himself as a knowledgeable investor, using finance-related terminology to suggest expertise, yet he had no formal training or credentials in securities or investment advisory services beyond basic online courses.
- The promotional posts were often overwhelmingly positive, featuring bullish language, growth projections, and little (if any) mention of risks. Many followers publicly commented that they acted on his recommendations.



Source "Social media "finfluencer" breached Alberta's security laws, says watchdog | CBC News"

79 "Finfluencers in Investing | Canadian Investment Regulatory Organization", online: <<https://www.ciro.ca/office-investor/avoiding-fraud-and-protecting-your-investments/finfluencers-investing>>.

80 *Ibid.*

81 *Re Floreani*, 2025 ABASC 41.

82 "Social media "finfluencer" breached Alberta's security laws, says watchdog | CBC News", online: <<https://www.cbc.ca/news/canada/calgary/social-media-finfluencer-jayconomics-alberta-securities-commission-1.7522017>>.

83 *Re Floreani*, *supra* note 81.

Regulatory findings and sanctions:⁸⁴

- Under Alberta's Securities Act, anyone engaging in investor relations activities or promoting securities must clearly and conspicuously disclose when content is created on behalf of an issuer. The ASC determined that Mr. Floreani's posts failed that requirement.
- As a result, on September 29, 2025, the ASC imposed sanctions: a \$30,000 administrative penalty, \$10,185.10 in costs, and a two-year ban on Mr. Floreani/Jayconomics from participating in investor relations, advising on securities or derivatives, or disseminating promotional material for securities/derivatives.
- The ASC declined to order disgorgement, meaning the respondents retained over \$260,000 in net proceeds. The panel stated that disgorgement was not in the public interest in this case but left open the possibility of ordering disgorgement in future cases.⁸⁵

Figure 15: Floreani impugned Levitee X posts, encouraging investment in Levitee

- July 20, 2021: SLVT Levitee Labs IPO today. This is one in the psychedelic space I'm very excited about.
- October 13, 2021: SLVT SLVTTF Levitee Labs building the infrastructure. They signed LOI to acquire a compounding pharmacy in Calgary, AB.

Valuation of approximately 3.5x TTM EBITDA of \$180,000.
- October 18, 2021: SLVT SLVTTF @LeviteeLabs Back at it again!

So impressed with what these guys are building. Partnership with WELL Health Technologies' (TSX: SWELL OTC: SWLYYF) company Adracare – this means business. The mental healthcare delivery space is wide open.

Source Re Floreani, 2025 ABASC 41.

The risks exist within a wider national context in which financial scams are escalating. The Canadian Anti-Scam Coalition, which is the largest coordinated anti-fraud effort in Canadian history brings together financial institutions, telecom and technology companies, government, and law enforcement to combat the billions of dollars Canadians lose to scams each year. The initiative emphasizes that scams not only cause financial harm but also undermine public trust and help fund organized crime. By sharing intelligence, coordinating interventions, and equipping Canadians with tools to recognize deceptive tactics, the coalition aims to detect scams earlier, disrupt them more effectively, and reduce the ability of criminals to profit

from manipulative online environments, including those amplified through influencer channels.⁸⁶

Recent reports highlight a worrying rise in cryptocurrency and online investment scams in Canada. In 2024 alone, Canadians reported losses exceeding \$310 million to investment fraud, with over 4,000 cases recorded by the Canadian Anti-Fraud Centre (CAFC).⁸⁷ Fraudsters are increasingly exploiting sophisticated tactics such as deepfake videos and prolonged social manipulation, using AI-generated endorsements of public figures to deceive victims.⁸⁸

84 *Ibid.*

85 Matthew Taylor, "Influencer faces minor penalties, no disgorgement order" (10 October 2025), online: Invest Exec <<https://www.investmentexecutive.com/uncategorized/influencer-faces-minor-penalties-no-disgorgement-order/>>.

86 "Canadian Anti-Scam Coalition | CCTX", online: <<https://cctx.ca/canadian-anti-scam-coalition/>>.

87 note 70.

88 "Canada has become 'weak link' in fight against crypto scams", online: <https://www.thestar.com/news/investigations/canada-has-become-weak-link-in-fight-against-crypto-scams/article_bc0ad357-cff2-4d89-9061-9abe38a44fc6.html>.

Regulatory research has begun to examine the effectiveness of these AI-enabled scams and potential countermeasures. For example, the Ontario Securities Commission has identified that AI-driven techniques, such as synthetic media and personalized outreach, can increase the perceived credibility and persuasiveness of fraudulent schemes. The research also highlights targeted investor education, platform accountability, and enhanced detection tools as key responses.⁸⁹

Recent scam strategies demonstrate that finfluencer-related fraud is not hypothetical, it is already material, persistent, and evolving rapidly. For many unsuspecting retail investors, especially those newer to investing or seeking quick gains, the allure of social-media-driven opportunities obscures the risks of deception, misrepresentation, impersonation, and financial exploitation. Without strong regulatory protection, financial literacy, and cautious due diligence, followers of finfluencers remain particularly exposed within the broader investment ecosystem.

5.2 Regulatory responses

Canada

In Canada, regulatory authorities have increasingly taken action to address the risks posed by unregulated, social-media-driven financial advice. Canada's securities framework requires that any person providing investment advice or promoting financial products must be registered, and investors are consistently urged to verify registration status before acting on online recommendations.

In 2025, the Ontario Securities Commission (OSC) joined a global crackdown during the "Global Week of Action Against Unlawful Finfluencers," targeting influencers who promote securities or investment products without proper registration or disclosure.⁹⁰ During this exercise, the OSC reviewed 87 finfluencers and 9 issuers that hired finfluencers for stock promotions, identifying a significant spectrum of accuracy and uncovering instances of misleading crypto-asset promotions. Following these reviews, the OSC took actions ranging from in-person warnings and content-removal requests to formal investigations. The British Columbia

Securities Commission (BCSC) also participated by issuing public warnings and investor guidance, through tools such as its Investment Caution List, to limit unregistered promotions of securities.⁹¹

Meanwhile, the Canadian Investment Regulatory Organization and the Canadian Securities Administrators, which is the umbrella organization comprised of Canadian provincial and territorial securities authorities, regularly publish investor alerts to combat fraudulent "finfluencer"-style schemes, including fake investment-group promotions and impersonation scams proliferating across social-media and messaging apps.⁹² These alerts emphasize the importance of verifying registration status before acting on financial advice and urge Canadians to treat social-media investment recommendations with caution. Bolstering these education efforts, these regulators deployed a new technological capability in late 2025 which successfully disarmed more than 3,900 fraudulent investment websites and 6,900 associated URLs.⁹³

A significant development came in December 2025, when the CSA and CIRO jointly released the country's first dedicated guidance for finfluencers and the firms that work with them. This guidance clarifies how securities laws apply to online content, emphasizing requirements for transparency, truthful communication, and the clear disclosure of conflicts of interest. Importantly, the guidance establishes that securities laws are technology-neutral, applying even to computer-generated digital avatars or AI agents, with the creator of the AI being held legally responsible for its advice. Regulators stress that finfluencers who provide opinions, educational content, or product endorsements must do so "transparently, honestly, and legally," and that registrants collaborating with finfluencers may be held responsible for ensuring compliance.⁹⁴

The guidance also emphasizes that existing securities law obligations are assessed based on the overall impression conveyed to a reasonable

89 "Artificial Intelligence and Retail Investing: Scams and Effective Countermeasures | OSC", online: <<https://www.osc.ca/en/investors/investor-research-and-reports/artificial-intelligence-and-retail-investing-scams-and-effective-countermeasures>>.

90 "OSC joins international regulators for Global Week of Action Against Unlawful Finfluencers | OSC" (6 June 2025), online: <<https://www.osc.ca/en/news-events/news/osc-joins-international-regulators-global-week-action-against-unlawful-finfluencers>>.

91 "Investment Caution List - BCSC InvestRight", online: <<https://www.investright.org/tools-resources/enforcement/investment-caution-list/>>.
92 note 70.

93 "Canadian securities regulators' new capability disarms more than 3,900 fraudulent investment websites" (11 December 2025), online: *Can Secur Adm* <<https://www.securities-administrators.ca/news/canadian-securities-regulators-new-capability-disarms-more-than-3900-fraudulent-investment-websites/>>.

94 "CSA and CIRO provide guidance for finfluencers and firms on how to work with them and protect investors | ASC", online: <<https://www.asc.ca/News-and-Publications/News-Releases/2025/12/11-CSA-and-CIRO-provide-guidance-for-finfluencers-and-firms>>; "News Release", online: <<https://www.bcsc.bc.ca/about/media-room/news-releases/2025/89-csa-and-ciro-provide-guidance-for-finfluencers-and-firms-on-how-to-work-with-them-and-protect-investors>>.

investor, rather than the creator's stated intent. As it notes, "a statement may be a misrepresentation even if that was not your intention – you should consider the actual impression your message might convey to a reasonable person receiving it." signals a significant shift toward an 'impact vs. intent' standard, where the 'reasonable investor's' experience, rather than the creator's stated intent, defines the regulatory perimeter.

Consistent with this approach, boilerplate disclaimers such as "this is not financial advice" will not, on their own, mitigate liability if the overall content is misleading or creates a false or inaccurate impression, including the use of non-verbal cues like emojis.

International

Across global, European, and other major international financial markets, regulators have begun taking action to address the conduct and oversight of online influence.

- **Global and International Organization of Securities Commissions (IOSCO):** IOSCO has published a consultation and final report on finfluencers highlighting risks of unlicensed advice, conflicts of interest, and misleading promotions, and recommends that national regulators clarify licensing, disclosure, and supervision expectations for firms using finfluencers. IOSCO also links finfluencer activity to broader retail market misconduct and calls for regulators to use social media channels themselves to disrupt scams and deliver investor warnings.⁹⁵ In 2025, IOSCO called on platform providers to step up efforts to combat online financial misconduct, launching a global alerts network and encouraging platforms to block, warn against, or remove illegal investment content, an initiative understood as part of broader efforts to hold social media and digital platforms accountable for the proliferation of unlawful financial promotions.⁹⁶
- **European Union and European Securities and Markets Authority (ESMA):** ESMA issued a public statement and subsequent reminders on investment recommendations posted on social media, stressing that social-media "stock tips" can fall under Market Abuse Regulation

rules on investment recommendations and require clear, transparent presentation and disclosure of conflicts and interests.⁹⁷ At EU level, reforms to the Consumer Rights Directive (replacing the Distance Marketing of Consumer Financial Services Directive) have been proposed to require finfluencers to state their competence and remuneration, while some advocacy groups push for bans on influencer marketing of high-risk products.⁹⁸

- **Australia:** The Australian Securities and Investments Commission (ASIC) has issued guidance to social media influencers who discuss or promote financial products and services online. The regulator warns that individuals who provide financial advice or promote affiliate links without holding an Australian Financial Services (AFS) license may be in breach of the law. Anyone carrying on a business of providing financial services must hold an AFS license or operate under an authorized representative arrangement to comply with licensing requirements.⁹⁹
- **France:** France's Autorité des Marchés Financiers (AMF), working with the Professional Advertising Regulatory Authority (ARPP), introduced a Responsible Influence Certificate with a dedicated module for financial services. The program requires influencers to pass an exam covering financial products, risks, and applicable regulatory rules before earning certification to promote investment-related content. While not a formal license to provide regulated advice, the certificate aims to professionalize financial influencing, promote compliant communications, and raise baseline standards for influencers operating in this space.¹⁰⁰
- **India:** The Securities and Exchange Board of India (SEBI) has barred regulated entities, such as brokers and their agents, from associating with unregistered finfluencers. The prohibition covers any financial dealings, client referrals, or IT-system interactions with unregulated advisors, and requires regulated firms to ensure their associates do not provide advice or make performance claims without proper authorization. Exemptions apply to pure investor-education activities that avoid advice, recommendations, or performance claims.¹⁰¹

95 note 2.

96 "IOSCO's Statement on Combatting Online Harm and The Role of Platform Providers" (2025).

97 "Financial compliance requirements for FinFluencers | EY - Switzerland", online: <https://www.ey.com/en_ch/insights/law/financial-compliance-requirements-for-finfluencers>.

98 Time Hitchcock, "Under the influence: Regulatory responses to financial promotions by social media influencers" (6 June 2023), online: Thomson Reuters Inst <<https://www.thomsonreuters.com/en-us/posts/investigation-fraud-and-risk/finfluencers-regulatory-response/>>.

99 "Discussing financial products and services online", online (information sheet): <<https://www.asic.gov.au/>>.

100 "The AMF and the ARPP launch the Responsible Influence Certificate in Finance", online: AMF <<https://www.amf-france.org/en/news-publications/news-releases/amf-news-releases/amf-and-arpp-launch-responsible-influence-certificate-finance>>.

101 "SEBI Cracks Down on Unregulated Financial Influencers | Angel One", online: <<https://www.angelone.in/news/economy/sebi-cracks-down-on-unregulated-financial-influencers>>.

- **New Zealand:** The Financial Markets Authority (FMA) has warned of a rise in social media investment scams, including impersonation of celebrities, journalists, and politicians providing financial advice.¹⁰² Additionally, the Advertising Standards Authority released a new Financial Advertising Code that explicitly covers digital media and influencer content promoting financial products.¹⁰³
- **United Kingdom:** The Financial Conduct Authority (FCA) issued finalized guidance (FG24/1) that clarifies how social media communications by influencers may count as “financial promotions” and require approval by an authorized person.¹⁰⁴ The FCA warns that unauthorized communication of financial promotions (including by influencers) can be a criminal offence (up to two years in prison or an unlimited fine).¹⁰⁵
- **United States:** The Securities and Exchange Commission (SEC) has taken enforcement actions against influencers for failing to disclose compensation when promoting securities (e.g., the high-profile case of a celebrity promoting a crypto token).¹⁰⁶ The SEC’s Investor Advisory Committee has recommended that the SEC issue guidance specific to finfluencers, improve disclosures, and coordinate with the Federal Trade Commission (FTC) on influencer marketing in financial services.¹⁰⁷

Overall, international regulatory responses reveal a clear convergence toward stronger oversight of finfluencer activity, grounded in principles of registration, transparency, and investor protection. While approaches vary across jurisdictions, regulators consistently emphasize that influence does not exempt individuals from securities laws, particularly when content crosses into promotion or advice. Canada’s recent guidance aligns closely with global best practices, reinforcing the expectation that finfluencers and the firms that engage them operate within existing regulatory frameworks.

5.3 Industry responses

Canadian investment firms are responding to the competitive imbalance between registered professionals and unregistered finfluencers primarily through digital modernization, enhanced oversight, and investor verification initiatives. Rather than attempting to replicate influencer-driven promotion, firms have focused on reinforcing the distinct value of regulated advice, particularly investor protection, education, and trust, while adapting their communication strategies to a digital-first environment.¹⁰⁸

Establishing digital authority has been a central element of this response. Many firms have expanded their use of digital engagement strategies, including online education, short-form explanatory content, and more accessible web and social media communications. These efforts are designed to meet investors, particularly younger and self-directed investors, where they already consume information, while ensuring that content remains accurate, balanced, and compliant with regulatory standards.

At the same time, firms have increasingly emphasized verification and fraud-awareness guidance.¹⁰⁹ In response to high reliance on social media for financial information, industry participants are educating clients to support them in distinguishing between general online commentary and regulated advice, and encouraging them to verify the credentials and registration status of individuals providing investment-related information.

To address growing risks of impersonation, scams, and fraudulent online activity, many Canadian investment firms also participate in broader cross-sector initiatives coordinated through organizations such as the Canadian Anti-Scam Coalition and related industry coalitions.¹¹⁰ These collaborations facilitate information sharing on emerging scam patterns and support coordinated responses, including the rapid identification and takedown

102 “Surge of impersonator social media investment scams prompts FMA warning updates | Financial Markets Authority”, online: <<https://www.fma.govt.nz/news/all-releases/media-releases/surge-of-impersonator-social-media-investment-scams/>>.

103 “Dentons in New Zealand - The Advertising Standards Authority releases a new Financial Advertising Code”, online: <<https://www.dentons.co.nz/en/insights/alerts/2022/march/2/new-financial-advertising-code>>.

104 “FG24/1: Finalised guidance on financial promotions on social media | FCA”, online: <<https://www.fca.org.uk/publications/finalised-guidance/fg24-1-finalised-guidance-financial-promotions-social-media>>.

105 “UK: FCA finalises social media financial promotions guidance | Hogan Lovells - JDSupra”, online: <<https://www.jdsupra.com/legalnews/uk-fca-finalises-social-media-financial-5656879/>>.

106 *Recommendation of the SEC Investor Advisory Committee regarding the Protection of Investors in their Interactions with Finfluencers (2024)*.

107 *Ibid.*

108 “Canadian Bankers Association - Gen Z financial literacy program expands its scam prevention training”, online: *Educ News Can* <<https://educationnewscanada.com/social/p1no/article/education/category/education/95/1168548/Gen-Z-financial-literacy-program-expands-its-scam-prevention-training-.htm>>; “Cybersecurity and Fraud Resource Hub | Scotiabank Canada”, online: <<https://www.scotiabank.com/content/scotiabank/ca/en/security.html>>.

109 “Protect yourself and your family against fraud | TD Canada Trust”, online: <<https://www.td.com/ca/en/about-td/privacy-and-security/fraud-protection/protect-yourself-and-your-family-against-fraud/>>.

110 “Stand Against Scams | Canadian Anti-Scam Coalition”, online: <<https://www.standagainstsams.ca/>>; “BMO Partners to Launch Canadian Anti-Scam Coalition”, online: <<https://www.bmo.com/en-ca/main/about-bmo/news-insights/blog/bmo-partners-to-launch-canadian-anti-scam-coalition/>>.

of fraudulent accounts or websites that impersonate firms or registered advisors.

Together, these initiatives reflect a shift toward a more collective, system-level approach to investor protection in the digital marketplace. Industry-led efforts to enhance education, verification, and fraud prevention complement regulatory actions by the CSA and CISO, particularly in areas where enforcement may be constrained by speed, scale, or jurisdiction.

SECTION VI - Considerations for a responsible finfluencer ecosystem

This section highlights practical considerations for regulators, industry participants, educators, digital platforms, and investor-protection stakeholders as the financial influence landscape continues to evolve. It identifies areas where incremental improvements, enhanced coordination, voluntary initiatives, and, in some cases, potential regulatory adjustments may help strengthen transparency, investor protection, and market confidence in an increasingly digital environment. Many of these themes build on existing Canadian regulatory frameworks and established industry practices, reflecting the need to adapt thoughtfully as patterns of financial influence continue to develop.

The challenge is not to eliminate finfluencers, but to reduce investor harm, improve overall transparency, and level the playing field, while preserving market access, driving innovation, and ensuring credible pathways for regulated advice to reach digital-first investors.

6.1 Regulatory enforcement

Leverage AI and technology to scale oversight and detection

Canadian regulators already use supervisory technology (SupTech) and regulatory technology (RegTech) tools to support market surveillance, enforcement triage, and fraud detection (primarily in trading, disclosure, and market-abuse contexts). This concept extends existing analytical tools into the social-media and promotional domain, rather than limiting them to trading data. It operationalizes current Canadian SupTech capabilities by (i) applying AI to unstructured data (videos, posts, captions, affiliate links), (ii) using technology for risk triage, not automated

enforcement, and (iii) integrating finfluencer-related reports into existing enforcement intelligence pipelines.

Content is produced continuously across multiple platforms, often in short-form or ephemeral formats, and traditional supervisory approaches cannot keep pace. Leveraging advances in artificial intelligence and data analytics provides a means to detect and address patterns of misconduct that would otherwise go unnoticed, including undisclosed sponsorships, coordinated promotional campaigns, impersonation, and emerging scam typologies.

Policy direction emphasizes the need for centralized and reliable channels that allow investors and market participants to report finfluencer-related concerns. Integrating these reports into existing fraud-intelligence and enforcement networks can improve pattern recognition and support faster regulatory responses. At the same time, advances in artificial intelligence and data analytics should be leveraged to identify potentially misleading or exaggerated promotions, detect undisclosed conflicts of interest, and flag impersonation and deep-fake activity. Coordination with platforms and cross-sector initiatives, such as the Canadian Anti-Scam Coalition, can further enable timely information-sharing, intervention, and content takedowns.

Technology should be used primarily for risk triage and intelligence-gathering, allowing enforcement resources to be focused on the most harmful and scalable forms of misconduct. Strengthening both reporting and AI-enabled detection capabilities ensures regulatory oversight can better match the volume and velocity of online financial content, while building investor confidence in the integrity of the financial information and savings and investing ecosystem.

Focus accountability on economic incentives, not just creators

The recent Joint Staff Notice issued by the Canadian Securities Administrators and the Canadian Investment Regulatory Organization provides important clarification on how existing securities laws in Canada apply to finfluencers, registrants, and issuers. It appropriately emphasizes disclosure obligations, registration triggers, and the risks associated with promotional activity.

Canadian securities law has long placed responsibility for advertising and promotional compliance on the firms, issuers, and registrants that control, fund, or benefit from marketing activity. Regulatory guidance makes clear that outsourcing promotional activity does not transfer liability,

and that paid third-party communications are subject to the same supervision and approval requirements as firm-created materials.

The next step should be to operationalize that guidance by making clear that regulatory accountability rests with the sponsors, issuers, registrants, and platforms that design, fund, and benefit from financial promotions -- not solely with individual creators.

While influencers are the visible face of online content, firms and issuers typically control compensation structures, messaging parameters, and distribution strategies. These entities possess both the economic incentive and the financial capacity to internalize regulatory consequences. Enforcement that focuses primarily on individual creators, many of whom lack meaningful financial capacity, risks limited deterrence and uneven investor protection.

Accordingly:

- Securities regulators should clarify that firms engaging influencers remain fully liable for promotional compliance, regardless of outsourcing.
- Regulators should make clear that when a dealer firm pays or partners with a influencer, the content must be treated as the firm's own advertising, subject to the same internal review, approval, supervision, and recordkeeping requirements that apply to all other marketing materials. Enforcement should prioritize compensation-driven promotional models, particularly those tied to trading volume, affiliate links, or undisclosed issuer payments.
- Regulators should emphasize that liability follows economic benefit and control, not merely authorship of content.

This would not require the creation of a new regulatory category for "influencers." Rather, it calls for a rebalancing of enforcement emphasis within the existing framework, from creator-centric awareness to sponsor-centric accountability.

By aligning responsibility with economic incentives, regulators can strengthen deterrence, reduce investor harm, and ensure that firms cannot outsource compliance risk while preserving space for various forms of legitimate financial education.

Harmonize international enforcement and cross-border cooperation

Influencers often operate across jurisdictions, creating enforcement gaps for Canadian regulators, who can act only against conduct affecting Canadian residents

or by Canadian-based advisors. Offshore actors can exploit these gaps, highlighting the need for harmonized international approaches. Canadian securities regulators participate in well-established international cooperation frameworks, including IOSCO's Multilateral Memorandum of Understanding and bilateral information-sharing arrangements with peer regulators in major jurisdictions. These mechanisms could support cross-border investigations, coordinated enforcement actions, and the exchange of supervisory intelligence.

Policy direction should establish bilateral and multilateral cooperation frameworks. Canadian registered firms could act as sub-advisors, supervising offshore influencers providing advice to Canadian clients, creating clear accountability chains. Canada should also expand participation in international enforcement coalitions, such as International Organization of Securities Commissions (IOSCO) initiatives and U.S. Securities and Exchange Commission (SEC), and the UK Financial Conduct Authority (FCA) to coordinate takedowns of cross-border fraud. Finally, data-sharing protocols with regulators including Australian Securities and Investments Commission (ASIC), FCA, European Securities and Markets Authority (ESMA), and the SEC would improve detection and tracking of fraudulent schemes, building on domestic models like the Canadian Anti-Scam Coalition.

Such coordination would enhance enforcement while providing clearer guidance for firms and advisors operating across borders. Harmonized compliance expectations would reduce liability uncertainty for offshore actors and enable Canadian firms to supervise content responsibly. Coordinated data-sharing and joint enforcement would improve detection of emerging risks, helping prevent investor harm and strengthening the resilience of Canada's financial ecosystem against cross-border influencers and online investment fraud.

Discussion

The considerations outlined above collectively focus on how investor protection and market transparency might be enhanced in digital environments where financial information is increasingly consumed through social media and content-sharing platforms. They raise questions about improving the visibility of professional credentials, and ways to make existing registration data more prominent and salient to investors in the contexts where they encounter financial content, the ways in which platforms might voluntarily surface such information, and the importance

of safeguards to prevent implied endorsement or preferential treatment. Together, these considerations invite discussion on whether clearer, standardized signals of professional status could help investors better assess the sources of financial content they encounter online.

One potential approach for discussion is whether credential verification could be supported through a standardized, regulator-sourced mechanism, such as a public Application Programming Interface (API) containing registration and licensing information for regulated financial professionals. If made available, such a tool could enable digital platforms to integrate authoritative regulatory data into creator profiles, making it more evident to investors when content is produced by a regulated professional versus an unverified content creator, while recognizing that this information is already publicly available but not easily integrated into digital environments.

6.2 Advisor competitiveness

Modernizing supervision to enable responsible digital engagement

Dealer firms may wish to consider whether their internal supervision frameworks are appropriately calibrated for today's real-time digital environment. Supervision of advisor communications, including social media, is a long-standing requirement under Canadian securities regulation. Dealer firms are expected to maintain policies for review, approval, monitoring, and record-keeping of business communications, often using pre-approved content, standardized disclosures, and technology-enabled monitoring tools.

Registered advisors increasingly operate in a social media-driven information landscape, where investors expect timely, accessible explanations during periods of market volatility or when financial topics trend online. In some cases, rigid pre-approval processes for all digital content can limit responsiveness and reduce the visibility of regulated professionals relative to unregulated online voices.

Firms could consider adopting more risk-based supervision approaches that distinguish between:

- Low-risk, educational, and non-product-specific content, which may be suitable for post-publication review and monitoring; and

- Higher-risk communications, including product recommendations, performance claims, or promotional content, which may continue to warrant pre-approval.

Additional tools that firms may wish to explore include:

- Pre-approved content libraries and standardized disclosure language;
- “Digital safe harbour” templates for responding to common market narratives; and
- Technology-enabled monitoring systems to support scalable and timely oversight.

Modernizing supervisory practices in this way can help firms maintain strong investor protection standards while empowering advisors to participate more effectively in digital spaces. It also supports the visibility of regulated professionals in environments where unregulated commentary is increasingly influential.

Support industry-led initiatives on digital competency and standards

Cost sensitivity, access barriers, and demographic change are structural drivers of influencer use, particularly among younger and self-directed investors. Many investors seek guidance that falls between general financial information and comprehensive discretionary advice, yet existing advice models may not meet all of these individual investor goals and needs efficiently.

Industry participants may wish to explore and expand hybrid and scalable advice models that bridge this gap. These could include:

- Education-first service offerings;
- Limited-scope or episodic advice engagements;
- Technology-enabled advice models that combine digital tools with professional oversight.

By recognizing and developing advice models that sit between informal online information and comprehensive wealth management relationships, firms can expand access to regulated advice and guidance while preserving suitability, accountability, and investor protection.

Industry-led experimentation in this space represents a constructive response to changing investor behaviour and offers a practical pathway to reducing reliance on unregulated online sources. For example, the Ontario Securities Commission's recent paper on gamification in order execution only (OEO) space illustrates how innovative approaches can engage self-directed investors

responsibly while reinforcing financial literacy and regulatory compliance.¹¹¹

Supporting certified professionals in trend-responsive engagement

Firms may wish to consider how registered professionals can be supported in responding to emerging financial trends and common investor questions in a timely and compliant manner. In digital environments, investor attention is often shaped by rapidly evolving market narratives, and regulated advisors may be well positioned to provide contextual, educational explanations without offering personalized or product-specific advice.

To support this, firms could explore clearly defined parameters for trend-related, educational commentary, alongside the use of technology-enabled tools, including data analytics or artificial intelligence, to monitor emerging topics and investor questions. Such tools may assist in identifying areas where timely, standardized guidance from regulated professionals could enhance investor understanding, while maintaining appropriate supervisory oversight.

6.3 Investor protection

Investor education and protection initiatives in Canada currently span multiple levels of government, school boards, and securities regulators. While there is a wealth of high-quality content and programs, implementation is often fragmented, and consistency varies across jurisdictions. Effective policy direction should therefore prioritize harmonization and coordination across federal and provincial governments, national school boards, and regulators such as the CSA and CRO, to ensure that guidance, curriculum, and investor protection measures reach all Canadians effectively.

Shift from “don’t trust” to “how to assess”

Investor education initiatives should acknowledge that influencers are now an established part of the financial information ecosystem, rather than framing them solely as a risk to be eliminated. Rather than emphasizing avoidance or restriction, the focus should be on equipping investors with the skills to critically assess content.

Investor education initiatives in Canada already emphasize helping individuals assess financial information, understand investment risk, and recognize common indicators of misleading or fraudulent activity. Regulators routinely encourage investors to verify registration status, identify conflicts of interest, and remain alert to emotionally driven or high-pressure tactics.

Policy direction should prioritize helping investors distinguish between regulated and unregulated sources, understand the incentives and potential conflicts behind financial advice, and recognize common red flags, including emotional appeals and manipulative tactics. Education should also address the knowledge-confidence gap, particularly among younger and self-directed investors, empowering them to make informed financial decisions while navigating a complex digital information environment.

Enhance financial literacy in schools and targeted outreach

Young investors who follow influencers often lack foundational financial knowledge, making them vulnerable to overconfidence, trend-chasing, and scams. Across Canada, most provinces and territories now incorporate financial literacy into school curricula, typically starting with basic money concepts in elementary grades and progressing to budgeting, credit, and financial decision-making in middle and secondary school, though the depth and consistency vary widely by jurisdiction. In some cases, the approach is particularly well integrated and fulsome. For example, Ontario embeds financial literacy across K–12 and is moving toward a mandatory graduation requirement, while Prince Edward Island combines instruction across grades with a mandatory senior-year course focused on saving, investing, credit, and major life decisions.^{112,113}

Financial literacy is an established policy priority in Canada, with most provinces incorporating financial concepts into school curricula and the federal government coordinating a National Financial Literacy Strategy and securities regulators and public agencies supporting youth-focused education and public outreach initiatives. However, despite these efforts, outcomes remain uneven, reflecting fragmented implementation, varying curriculum depth, and inconsistent coordination across jurisdictions. Outreach initiatives to build foundational financial skills.

111 “Gamification and Retail Investing: Positive Use Cases and Mitigation Techniques | OSC”, online: <<https://www.osc.ca/en/investors/investor-research-and-reports/gamification-and-retail-investing-positive-use-cases-and-mitigation-techniques>>.

112 “Financial literacy education in schools | ontario.ca” (29 June 2022), online: <<http://www.ontario.ca/page/financial-literacy-education-schools>>.

113 Financial Literacy school curriculum across Canada’s Provinces & Territories. SIMA Internal Research. 2024

Strengthening national alignment, including clearer baseline learning objectives, coordinated messaging, and collaboration among federal and provincial governments, school authorities, and securities regulators, could improve effectiveness and ensure that financial literacy initiatives translate into more consistent and measurable investor outcomes.

Building on these developments, the consideration is to expand and enhance financial literacy programs both in schools and through targeted, platform-native campaigns. By combining curriculum-based education with engaging content delivered where young investors are active – such as gaming, beauty/wellness, and online communities – investors can develop the skills to critically evaluate online financial claims, understand conflicts of interest, and recognize scams, deepfakes, and other manipulative tactics. This approach strengthens early financial literacy while addressing gaps in knowledge and confidence among younger and self-directed investors to save for better long-term outcomes.

Cognitive security training

The rise of AI-generated deepfakes and synthetic content, such as manipulated videos and voices, has made visual and auditory evidence increasingly unreliable. Traditional financial literacy alone is insufficient to protect investors from AI-driven fraud.

Policy direction should shift public education and investor protection beyond financial literacy alone to Cognitive Security, equipping investors to recognize manipulation and deceptive tactics. Educational campaigns should teach verification of sources (e.g., “don’t trust the voice; trust the channel URL”), the psychology of FOMO, and how to identify fraud scripts. These principles should be integrated into national school curricula and reinforced through public awareness initiatives led by the Canadian Anti-Scam Coalition, helping investors build resilience against emerging digital threats.

Strengthen push-based investor alerts and public warnings

Investor awareness of regulatory warnings and enforcement actions remains low. Most retail investors do not proactively visit regulatory websites to access this information. A pull-based information model, where investors must seek out warnings, is insufficient in a real-time, social media-driven environment.

Regulators, industry, financial educators, Non-Governmental Organizations (NGOs), and public agencies should consider proactively collaborating to shift toward a push-based alert model that delivers timely warnings directly within the digital environments where investors are active.

This could include:

- Coordinated social media campaigns on Instagram, TikTok, LinkedIn, and YouTube highlighting recent enforcement actions, “scam of the week” alerts, and emerging fraud tactics;
- Clear, plain-language explanations distinguishing registered versus unregistered advice;
- Amplification of regulatory warnings through dealers and their advisors, professional industry associations, and financial literacy organizations.

Mobile-first alert systems, including opt-in SMS notifications or app-based alerts, should also be explored to provide real-time warnings about impersonation scams, fraudulent offerings, and enforcement developments.

Partnership with initiatives such as the Canadian Anti-Scam Coalition can embed finfluencer-related fraud prevention within broader public fraud-awareness campaigns, increasing reach and reinforcing consistent messaging across trusted channels.

A coordinated, push-based approach can make warnings more visible, timely, and actionable, reducing exposure to online financial misconduct and strengthening investor resilience.

Platform-level risk warnings

Investors often engage with finfluencer content without clear risk guidance, while platforms prioritize engagement over safety. Voluntary partnerships can embed protective features, including warnings on high-risk assets, clear disclosure of unregistered creators and sponsored content, and links to regulatory resources.

Platforms can also introduce small “friction” prompts, such as verifying credentials before sharing, and algorithmic educational interventions that surface risk-focused content when users engage with speculative material. These measures make online financial content safer and help investors make more informed decisions.

Digital platforms are now central distribution channels for financial content, yet investors frequently encounter

finfluencer material with limited visibility into the creators' registration status and compensation arrangements.

Regulators, industry, and investor-protection organizations should pursue voluntary partnerships with major platforms to embed protective design features directly into financial content environments.

Potential measures include:

- Prominent risk warnings for high-volatility or speculative assets;
- Clear labeling of sponsored financial content and unregistered creators;
- Direct links to regulatory resources and registration lookup tools;
- Friction prompts (e.g., credential checks or disclosure reminders) before users share or promote investment-related posts;
- Algorithmic interventions that surface risk-focused or educational content when users engage with trending speculative material.

These measures do not restrict speech or remove content. Rather, they add contextual safeguards that help investors better understand risk, incentives, and regulatory status at the point of engagement.

By incorporating lightweight protective features into digital architecture, platforms can support more informed investor decision-making while preserving open access to financial discussion and decision making.

SECTION VII - Conclusion

The rise of finfluencers reflects a fundamental shift in how Canadians access financial information and develop confidence in their investment skills. By offering free, accessible, and relatable content, finfluencers have filled gaps in the traditional advice ecosystem, particularly for younger and self-directed investors. However, their growing influence also exposes investors to meaningful risks, including misinformation, undisclosed conflicts of interest, and fraud, especially in speculative markets where investors' confidence often outpaces their knowledge.

Professional financial advisors remain central to protecting investors and supporting sound long-term outcomes. Their value lies in personalized, holistic advice delivered within a framework of accountability, suitability, transparency and investor protections largely absent from the unregistered influencer ecosystem. The future of financial advice will depend on the ability of regulated professionals to adapt to a hybrid information environment, combining digital engagement with human judgment and education. A balanced approach that modernizes oversight, strengthens investor literacy, and supports evolving advice models is essential to preserving trust and improving outcomes in an increasingly influence-driven financial landscape.

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APPENDIX B - SIMA and Pollara data

Research objectives

In 2025, the Securities and Investment Management Association (SIMA) commissioned Pollara, an independent research firm, to conduct the 20th wave of its annual investor survey. While the first 19 waves focused on Canadian mutual fund holders, and the past five waves included exchange-traded fund (ETF) holders, this latest wave expands the scope to include investors holding other investment products, as well as non-investors.

The study was designed to better understand Canadian investors by examining their attitudes, opinions, needs, expectations, and behaviours, and to track changes in these measures over time. Tracking results for mutual fund and ETF holders against findings from previous waves is included in this report.

Specifically, the research explores investor attitudes and behaviours related to:

- Types of investment holdings
- Investment knowledge and confidence
- Perceptions of and responses to the economic climate
- How investments are purchased and sources of advice, including the role of financial influencers (finfluencers)
- Relationships with financial advisors
- Use of and opinions about discount brokerages
- Use and understanding of annual fee and performance statements
- Awareness and adoption of new investment product types

Methodology

The research was conducted using an online survey of Canadians aged 18 years or older who make all or some of the investment decisions in their household. In addition to investors, individuals who do not currently hold investments were surveyed to gain insight into their demographic characteristics and reasons for not investing.

In total, 5,400 surveys were completed between July 8 and July 29, 2025. This included 4,384 surveys with investors and 1,016 surveys with non-investors.

National results were weighted by age, gender, and region to ensure the data are representative of the Canadian investor population. Interviews were conducted in either English or French, based on the respondent's language preference.

Additional figures

Appendix Table 1 below displays the relationship between time investing in mutual funds and satisfaction with advisor throughout the years. Responses were limited to a maximum of 20 years of investing, meaning that any respondent with more than 20 years of investing was changed to 20 years. Throughout all four years, 2013, 2017, 2021, and 2024, the satisfaction of respondents slightly increased as the time spent investing also increased.

Appendix Table 1: Correlation between years investing and advice satisfaction

Year	Correlation	n
2013	0.0434	869
2017	0.0643	853
2021	0.112	816
2024	0.122	2963

APPENDIX C - Text analysis

To examine how financial influencers signal credibility on social media, we used AI-assisted text analysis tools to categorize and quantify the language used in Instagram bios. This approach enabled the transformation of short, unstructured self-descriptions into standardized numerical measures that can be compared across influencers.

All bios were first preprocessed using automated natural language processing (NLP) techniques, including lowercasing, removal of punctuation and emojis, and tokenization into individual words and short phrases. This preprocessing step reduced stylistic noise and ensured that differences in formatting or writing style did not bias the analysis.

We then leveraged AI tools to support semantic categorization of bio text into two conceptually distinct credibility dimensions: authority cues and relatability cues. Authority cues capture language signaling expertise, status, or achievement (e.g., “financial coach,” “founder,” “certified,” “author”), while relatability cues capture language signaling empathy, shared experience, or accessibility (e.g., “helping others,” “sharing my journey,” “first-gen,” “no shame”). AI-assisted pattern recognition was used to identify both exact keywords and semantically similar phrases, allowing the analysis to move beyond simple keyword matching.

For each bio, the number of authority-related and relatability-related terms was counted. To account for substantial variation in bio length, we computed proportional (normalized) scores for each category by dividing the number of category-specific cues by the total number of words in the bio:

Authority proportion =	$\frac{\text{Authority cue count}}{\text{Total words in bio}}$
Relatability proportion =	$\frac{\text{Relatability cue count}}{\text{Total words in bio}}$

These proportional measures (“prop” scores) ensure that longer bios do not mechanically receive higher credibility scores and allow for meaningful comparisons across influencers.

AI tools were used iteratively to refine category boundaries, flag ambiguous terms, and ensure consistent classification across the dataset. Final category assignments were reviewed to ensure alignment with established concepts of source credibility and trust in finance and influencer marketing literature. The resulting proportional authority and relatability scores were then used in subsequent analyses examining the relationship between influencer popularity (follower counts) and perceived credibility signals.

By combining AI-assisted semantic classification with proportional scoring, this methodology balances scalability with conceptual rigour, enabling a replicable assessment of how influencers communicate expertise and trustworthiness in constrained social media bios.

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