



# Mozo Experts Choice Awards **Online Share Trading 2021**

Methodology Report  
March 2021



# Mozo Experts Choice Awards Online Share Trading 2021

Every day, Mozo keeps track of thousands of products in banking, insurance and energy.

Unlike some other awards, providers don't 'enter' the Mozo Experts Choice Awards nor do they pay to be considered. Our in-house team of experts analyse all the product data they've been tracking and scour the market to see if there are any other worthy candidates. Then we use our data and our experience to make a hard-nosed assessment of those products, to identify which offer great value or market-leading features. We recognise the leading products with the Mozo Experts Choice Awards.

- For product providers, a Mozo Experts Choice Award is a thoroughly researched third-party endorsement of their product.
- For consumers, the Mozo Experts Choice Awards badge is a sign that a product is among the leaders in the market, and is worthy of consideration.

This report lists the winners and explains the judging methodology for our 2021 Online Share Trading awards.

# Online Share Trading - 2021 Winners

## Casual ASX Trader

For the Casual ASX Trader award, we assessed the pricing structures of 73 platforms, and determined the leading options for making smaller and infrequent trades on publicly listed companies the ASX.

<b>CMC Markets</b>	Classic
<b>OpenTrader</b>	Investor
<b>Saxo Markets</b>	Classic
<b>SelfWealth</b>	Classic
<b>Superhero</b>	Basic
<b>ThinkMarkets</b>	Cash Equities

## Casual US Trader

From the 33 platforms assessed, the Casual US Trader award recognises the lowest cost platforms for making smaller trades on US exchanges for Australia based traders. Our calculations use the same trading volumes as the Casual ASX category, but additionally takes into account foreign exchange margins on moving funds to US settlement accounts.

<b>CMC Markets</b>	Classic
<b>Interactive Brokers Australia</b>	Non-Pro

## Casual ETF Trader

This award considers the lowest cost platforms for investors interested in the convenience of Exchange Traded Funds. In addition to brokerage costs it considers any ongoing fees including potential dormancy charges, as well as any ETF trading discounts.

<b>CommSec</b>	CommSec Pocket
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<b>OpenTrader</b>	Investor
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<b>Saxo Markets</b>	Classic
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<b>Superhero</b>	Basic Account
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<b>ThinkMarkets</b>	Cash Equities
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## Regular Trader

As trading frequency increases, so do the brokerage costs and need for greater information. We awarded three platforms for this category.

<b>Bank of Queensland</b>	Live Data
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<b>CMC Markets</b>	Active Investor
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<b>nabtrade</b>	Silver
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## Active Trader

Access to international markets, advanced trading tools and greater trade frequency and volumes were considered to award the winner in the Active Trader category.

**CMC Markets**

Premium Trader

## Exceptional Share Trading App

We also assessed the mobile platforms of share trading providers, from the perspective of a casual or regular trader in Australian shares. We judge two apps to offer the leading mobile solution.

**CommSec**

CommSec App

**Westpac**

Westpac Online Investing Mobile App

# How do we judge the winners?

Mozo Experts Choice Awards for Online Share Trading are awarded based on the following methodology.

We did not include trading platforms using Contracts for Difference (CFD) as their investment vehicle in any awards, and for selected categories we required CHESS Sponsored ownership of shares as opposed to a custodial ownership model.

To consider the needs of people with varying levels of trading as well as flat brokerage versus percentage base commission we have assessed the following award categories:

## Casual ASX Trader

This category is for people who make smaller and infrequent trades, and is based on the lowest cost among trading platforms that enable the trading of underlying assets on the Australian Securities Exchange (ASX).

To assess the brokerage costs for this investor type, we calculated the cost of making one trade valued at \$5,000 AUD each month over a 12 month period, as well as any mandatory ongoing expenses.

Platforms with either CHESS sponsored and custodial share ownership structures were considered for this award.

## Casual US Trader

This category is for people who make smaller and infrequent trades, and is based on the lowest cost among trading platforms that enable the trading of underlying assets on major US stock exchanges (namely NYSE and NASDAQ) for Australian based investors.

To assess the brokerage costs for this investor type, we calculated the cost of making one trade valued at \$5,000 AUD each month over a 12 month period, as well as any mandatory ongoing expenses and the foreign exchange margin on currency conversion offered by each broker.

## Casual ETF Trader

This award considers the lowest cost platforms for investors interested in the convenience of Exchange Traded Funds. In addition to brokerage costs, we assessed any ongoing fees including potential dormancy charges, as well as an ETF specific trading discounts.

To assess the brokerage costs for this investor type, we calculated the cost of making one trade valued at \$2,000 AUD each month over a 12 month period, as well as any mandatory ongoing expenses.

Platforms with either CHESS sponsored and custodial share ownership structures were considered for this award.

## Regular Trader

This category is also based on cost, but to be eligible for the award a trading platform must have all of the following features:

- Live Price Data
- Market Depth Data
- Independent Broker Reports
- Push notifications via apps or SMS/email alerts.
- Exchange Traded Funds

We used the following trade frequencies and amounts over a 12 month period to compare brokerage rates:

- 12 trades at \$5,000 AUD per year
- 12 trades at \$15,000 AUD per year
- 6 trades of \$25,000 per year
- 1 trade of \$55,000 per year

Any additional ongoing costs were taken into account. Waivers that may apply for the trade volumes above were taken into account.

Only platforms offering CHESS sponsored share ownership were considered.

## Active Trader

With the larger trade volumes and data requirements for an 'active' trader, the functionality of the platform is perhaps more important than differences in brokerage cost. To be in contention for this award, the judges required all of the following features:

- Live Price Data
- Market Depth Data
- Independent Broker Reports
- SMS Alerts
- WebIRESS trading platform - or in-house platform with similar/greater functionality.
- Trading access to international share markets including US, Tokyo, Hong Kong and Euro.
- Options, Warrants, mFunds, Exchange Traded Funds trading

We then used the following trade frequencies and amounts to compare brokerage costs:

- 5 trades at \$5,000 AUD each month
- 5 trades at \$15,000 AUD each month
- 3 trades at \$25,000 AUD each month
- 2 trades at \$55,000 AUD each month
- 1 trade at \$100,000 AUD each month



To allow for different costs in different markets, we took a weighted average across the costs of those trades on Australian, US, Japanese, Hong Kong and Euro exchanges, with the Australian cost weighted double the weight of each of the others.

Any additional ongoing costs were taken into account. Waivers that may apply for the trade volumes above were taken into account.

Only platforms offering CHESS sponsored share ownership for ASX traded assets were considered.

## Exceptional Share Trading App

We also assessed the mobile platforms of share trading providers, from the perspective of a casual or regular trader in Australian shares.

To be eligible for this award, providers must offer both native iOS and Android apps. Mobile web tools were not assessed.

The apps were then scored on a range of criteria including:

- Ability to buy/sell ASX shares
- Ability to buy/sell international shares
- Ability to make conditional orders
- Order management features
- Watchlist functionality
- Customisable alert functionality based on price movements
- Charting tools
- Proactive stock recommendations & technical analysis
- Ability to read ASX market announcements
- Market data update frequency (live, click to refresh, delayed)
- Market news sources, both in-house and external
- Social/Benchmarking Features
- Share trading educational features
- Research tools available
- Biometric log-in functionality

# What products do we consider?

In carrying out the Mozo Experts Choice Awards in Online Share Trading, we analysed 76 share trading platforms from 29 providers.

The analysis is based on data contained in Mozo's product database as at 5th March 2021.

We aim to include most online share trading providers in the market in the Mozo Experts Choice Awards. However, not every share trading product on the market will be included in our review.

Any online share trading product we review must be available in the market at the time of our analysis and any offers included must be available to the general public on the provider's website.

## How many winners are there?

We typically aim to award the top 10% of products in each category. The judges may use their discretion to adjust the cutoff up or down as necessary after examining the difference between products at the margin.



# How we manage conflicts of interest

Mozo Experts Choice Awards are awarded irrespective of a product provider's commercial relationship with Mozo.

The Awards are based on objective verifiable facts and analysis wherever possible, and any assumptions made are set out in this report. Mozo's research team analyses product data and determines the winners in each Mozo Experts Choice category without reference to Mozo's sales or commercial functions.

Providers do not pay to enter the Mozo Experts Choice Awards.

Should a winning provider wish to use the Mozo Experts Choice Awards badges in their own marketing activities, Mozo charges them a licence fee.



## About Mozo

Mozo provides a comparison service with the goal of helping consumers to make their own financial decisions and save money. Mozo offers consumers a comprehensive product comparison service across the retail banking market, general insurance, life insurance, business banking, energy and more.

Hundreds of thousands of Australians a month use Mozo's comparison service. Mozo's comparison technology and expertise has been used by some of Australia's largest online publishers.

Mozo holds an Australian Financial Services Licence and an Australian Credit Licence. Mozo's management team have experience in consumer credit and financial services in a variety of roles from executive management, marketing, actuarial services and technology. Mozo's team are often called upon to provide expert media commentary in relation to the product areas they cover.

Our Mozo Experts Choice Awards analysis is overseen by AJ Duncanson, Mozo's Data Director, and Peter Marshall, Research Manager. AJ is a data scientist and actuary and has worked in financial services and product comparison for over 30 years. Peter has worked for a wide range of Australian banks and product comparison for the past 36 years. Both AJ and Peter act as Responsible Manager on Mozo's Australian Financial Service Licence and Australian Credit Licence.

## Important Information

The information published in this report is of a general nature only and does not take into account your situation or needs. Before choosing a product, you should consider whether it's appropriate to you and you should read all the information available from the product provider.

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# Appendix

## List of share trading platforms considered in the awards.

amscot	IG	SelfWealth
ANZ Share Investing	Interactive Brokers Australia	Sequoia Direct
Bank of Queensland	Macquarie	St.George Group
Bell Direct	Monex Securities	Stake
Bellmont Securities	nabtrade	Suncorp
Bendigo Bank	netwealth	Superhero
Capital 19	Open Markets	ThinkMarkets
CMC Markets	OpenTrader	Westpac
CommSec	Phillip Capital	
HSBC	Saxo Markets	