FINRA, the financial industry regulatory authority, often reminds investors to review their brokerage account statements and trade confirmations—with good reason. Not only do these documents help you stay on top of your investment holdings, but they also provide valuable information that can alert you to errors, or even misconduct by your broker or brokerage firm such as unauthorized trading or overcharging for handling transactions. The accuracy of statements and trade confirmations is something securities regulators take very seriously, as should investors.

In most cases, brokerage firms are required to provide customers with monthly or quarterly account statements and written notification of trade confirmations at or before completion of a transaction. Be aware that the brokerage firm you opened an account with may not be the one that sends you your account statements and trade confirmations. Introducing firms generally make recommendations, take orders and have an arrangement with clearing and carrying firms, which are the ones that finalize (“settle” or “clear”) trades and hold the funds or securities. If you work with an introducing firm, your statements most likely come from the clearing firm.

Brokerage account statements provide valuable information, including your account number, contact information for your financial professional and clearing firm, and a summary of your holdings. Your statement also generally includes the recent market value of your holdings or, in the case of illiquid securities (such as direct participation programs or public non-traded REITS), an estimated value. Account statements may not all look the same—and can come to you either electronically or in the mail—but they all contain certain common information.

Many account statements include an investment objective that characterizes your investment strategy—for example “growth,” “speculative” or
“conservative.” Make sure this description accurately describes your financial goals, and that the activity in your account reflects these goals. Keep in mind that your financial objectives may change over time and should be discussed with your investment professional and updated accordingly.

Always check to see if there are inaccuracies or discrepancies in any of your statements—and, if so, contact your broker or firm as soon as possible. If the problem is not resolved, you can file a complaint using FINRA’s online Complaint Center or call an experienced securities attorney at Becker who can assist you in evaluating your situation.