Future Finance

Future Finance –
Technology Insights Series

Financial Advice and Wealth Management

June 2024

Delivered with ESRC and Innovate UK

Foreword

We are delighted to present the first report in our Future Finance Technology Insights Series: “Financial Advice and Wealth Management”. This series is dedicated to exploring the intersection of technology and financial services, offering insights and practical guidance to help firms navigate the rapidly evolving landscape.

This inaugural report is the result of extensive collaboration and engagement with industry leaders, small and medium-sized financial advisers, and fintech innovators. Our objective is to provide a comprehensive analysis of the current market dynamics, summarise key technological advancements, and offer actionable strategies for successful technology adoption.

In the process of creating this report, we engaged closely with businesses across the financial advice and wealth management sector. By co-creating this report with industry stakeholders, we have gained an in-depth understanding of the unique challenges and opportunities facing firms today. In this report, we have collated these insights in a way that is both accessible and actionable, empowering businesses to harness the power of technology and enhance their services in order to remain competitive long-term.

We extend our deepest thanks to all the industry participants who generously shared their experiences and expertise. Their contributions have been instrumental in shaping the direction and content of this publication.

We hope you find the report both informative and inspiring, and we look forward to continuing our industry collaborations in future editions of the Future Finance Technology Insights series.

Sincerely,

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Introduction

The financial advice and wealth management sector is at a pivotal juncture. Rapid technological advancements, evolving consumer needs, and a dynamic regulatory landscape are reshaping the industry. This report – the first in our Future Finance Technology Insights series – is crafted to provide small and medium-sized financial advice and wealth management firms with the insights and practical guidance needed to navigate this transformation.

Who this Report is for

The primary audience for this report comprises small and medium-sized financial advice and wealth management firms. Specifically, our focus is on analysing how these firms can leverage key technologies to address the specific challenges they encounter – such as improving operational efficiency, enhancing client engagement, and maintaining compliance with evolving regulations. By offering targeted insights and practical solutions, we aim to empower these firms to adopt innovative tools that can transform their operations and services.

However, this report also holds significant value for other stakeholders in the financial advice ecosystem. For example, providers of financial products will find the analysis beneficial for understanding how their products and services can be better integrated with emerging technologies to meet the evolving needs of advisers and their clients. By gaining insight into the specific problems and technological needs of financial advisers, providers can streamline the ways in which they interact and work with financial advice firms – and thus increase the overall efficiency of the sector.

Lastly, fintech companies will find this report useful for identifying pain points within small and medium-sized financial advice firms and uncovering market gaps. By understanding the challenges these firms face, fintech innovators can develop or adapt solutions that address these issues directly, thereby improving their product-market-fit and increasing their chances of success. This report provides a comprehensive view of potential customers for fintech products, offering a detailed understanding of the opportunities for innovation in this sector.

Common Pain Points and Barriers to Innovation

Through our research, we found that the financial advice and wealth management sector faces a range of significant challenges that hinder operational efficiency, increase costs, and limit the ability of firms to serve their clients effectively. These challenges include:

- **Technology-related Operational Inefficiencies:** Financial advisers often deal with multiple systems that do not communicate with each other, creating significant operational inefficiencies. This disjointed infrastructure consumes valuable time that could otherwise be spent with clients, and thus negatively impacts overall productivity.
- **Transitioning from Legacy Systems:** Switching from legacy systems to newer technologies, or integrating new systems with existing ones, presents considerable challenges. While several firms we spoke to acknowledge that there are technologies that might help them address specific challenges, they argue that most solutions would not offer improvements across all business functions or tasks, or that clients would react to a switch of systems unfavourably. Some legacy systems would therefore need to be retained, possibly creating inefficiencies and other adverse effects.
- **Documentation and Compliance Burdens:** Advisers face numerous administrative tasks, such as creating meeting notes, producing client reports, and documenting requirements set by the Financial Conduct Authority (FCA). These tasks are time-consuming and divert attention from client interactions, keeping operational costs high.
- **Regulatory Changes:** The constantly evolving regulatory landscape presents ongoing challenges for financial advice firms. Staying compliant with new and changing regulations requires continuous updates to processes and systems, which can be resource intensive.

Common Pain Points and Barriers to Innovation (cont...)

- **Closing the Advice Gap:**
  Some regulatory changes have widened the advice gap by making financial advice more costly for clients. This has resulted in fewer clients being able to afford or willing to pay for professional advice, thereby limiting the reach of financial advisers.
- **Skill Shortages:**
  Obtaining the first-rate technical skills necessary for implementing cutting-edge technologies is another significant challenge. Many firms struggle to attract and retain the talent needed to effectively deploy and manage advanced technological solutions.
- **Technological Readiness and Usability:**
  While new technologies hold promise, advisers often feel they are not yet ready for full adoption as they fail to deliver the desired quality. Additionally, many advice firms are uncertain about how to effectively use these technologies, leading to suboptimal implementation and underutilisation of their potential benefits.
- **Developing a Culture of Innovation:**
  Whilst individuals or groups within a firm may recognise the significance, and potential, of technological developments, they may find it difficult to garner support for change across their organisation. At the same time, members of the firm may not be encouraged to think innovatively and suggest ideas around how their role or function could be enhanced using technology.

Objectives of this Report

The primary objective of this report is to equip small and medium-sized financial advice firms with the confidence, knowledge and tools needed to successfully adopt and leverage key technologies. This will help them to address specific challenges and enhance their competitive edge.

Key Objectives:

1. Provide comprehensive summaries of the specific challenges small and medium-sized financial advisers face.
2. Offer an overview of the barriers to innovation adoption within the sector.
3. Highlight how key technologies will impact the financial advice market, and how they could be used to address current challenges.
4. Deliver practical guidance on effectively integrating these technologies into business operations.

Market Overview

As the financial landscape in the UK continues to undergo swift transformation, understanding its intricacies becomes crucial for success. In this section, therefore, we provide an overview of the UK financial advice and wealth management market.

We begin by identifying and discussing the key stakeholders, mapping the value chain from providers through independent financial advisers (IFAs) to end customers. After this, we explore the overarching market trends that are shaping the industry and influencing strategic decisions at an organisational level. Additionally, we delve into the specific barriers to innovation that our research has uncovered, offering a detailed examination of the challenges and friction points for firms within this sector. Through this analysis, we aim to provide a clear understanding of the current market landscape and the critical factors that will drive future developments.

The UK Wealth Management and Financial Advice Market

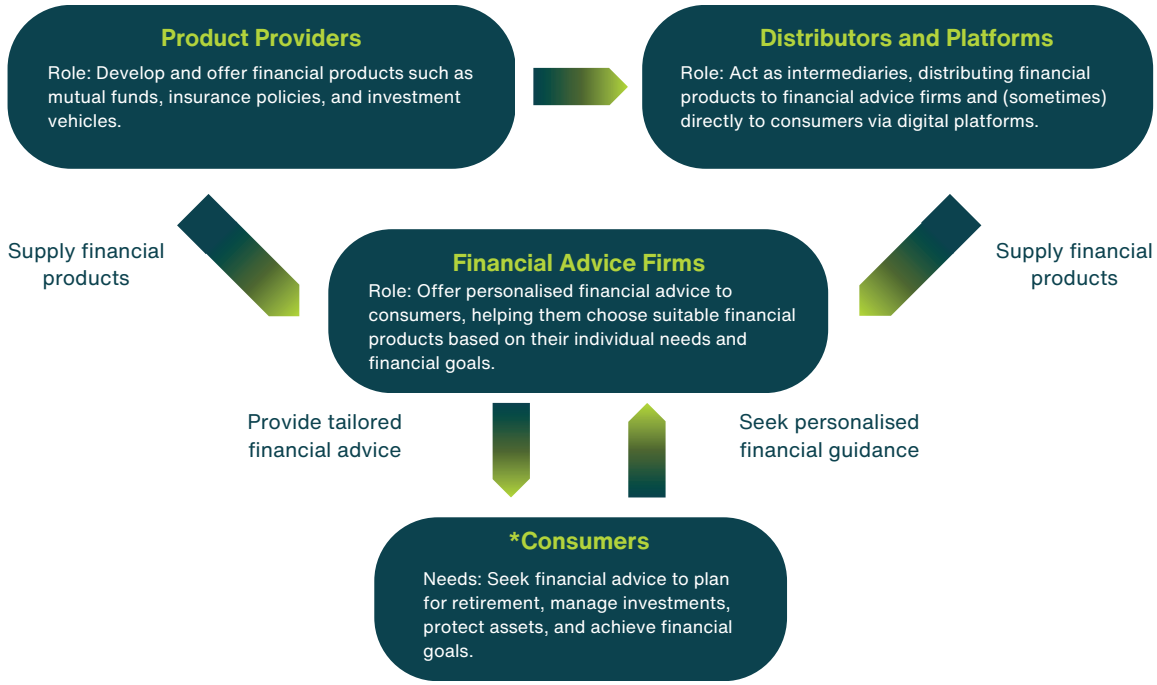
The financial advice market in the UK is a complex ecosystem comprising multiple stakeholders, from financial product providers to consumers. Understanding this value chain is essential for comprehending how financial advice is delivered and consumed, the roles various entities play, and where in the process specific challenges and opportunities are located.

At the top of the value chain are the financial product **providers**, including banks, insurance companies, asset management firms, and investment companies. These providers design and offer a range of financial products – such as savings accounts, insurance policies, pensions, investment funds, and mortgages – aiming to meet the diverse need of consumers.

Between providers and advisors are **platforms and distributors**. Platforms, often known as wrap platforms, are digital marketplaces where financial advisors can access a wide array of financial products from multiple providers. They streamline the selection process for advisors and provide tools for portfolio management and reporting. Distributors, on the other hand, may include banks and networks of financial advisors who distribute products to end consumers.

Financial advice firms are key intermediaries in the value chain. They can range from large, well-established firms to small, independent practices. These firms employ financial advisers who interact directly with consumers – assessing clients' financial situations, goals, and risk tolerance to recommend suitable products and strategies.

Consumers are at the end of the value chain. They seek financial advice for various reasons, such as retirement planning, investment management, tax planning, and estate planning. The process typically begins with an initial consultation where the advisor gathers information about the client's financial situation and goals. Based on this information, the advisor develops a personalised financial plan and recommends specific products. The relationship between advisors and clients is often ongoing, with regular reviews to adjust the plan as circumstances change. Advisors provide value through their expertise, helping clients navigate complex financial decisions and adapt to changes in the financial landscape.



Overarching Market Developments

The financial advice and wealth management sector in the UK continues to go through a period of transformation. The shift in the sector is driven predominantly by a combination of overarching market trends – these include **market consolidation, changes in regulation, technological advances and evolving client demands**, and **economic pressures**. Drawing on a variety of expert sources, this section explores these overarching developments and collates insights into the future trajectory of financial advice and wealth management in the UK.

Consolidation and Shifting Market Dynamics

The UK financial advice and wealth management sector has been experiencing significant consolidation, recently leading to a notable decline in the number of firms operating in the industry – specifically, there has been drop of 7% between 2022 and 2024.[1] This reduction was primarily driven by high M&A volumes. There have been several high-profile acquisitions, with larger firms such as Söderberg & Partners or the Finli Group acquiring smaller firms to strengthen their presence in certain regions.[2] Additionally, there is growing involvement of private equity (PE) firms, which are increasingly targeting the fragmented and regionally focused market due to its attractive demographics and growth prospects.[3] As larger firms expand and the acquired financial advisors benefit from economies of scale, pressure on small and medium-sized firms to operate more efficiently increases immensely.[4]

Changing Regulatory Frameworks

The trend towards consolidation is further bolstered by changes in regulatory frameworks. For instance, regulations around transparency, vulnerability, and consumer duty have increased the documentation and reporting requirements for financial advisers.[5] This not only increases the administrative burden but also demands more time per client, affecting the number of clients an adviser can effectively manage. As a result, some IFAs might find it difficult to achieve the scale necessary to reach target profitability.

Moreover, the complexity of new regulations can be daunting for smaller firms. Many regulatory changes involve detailed and sophisticated requirements that demand specialised knowledge and expertise to implement effectively. The need to stay abreast of continuous regulatory updates can divert resources from other critical business areas, such as client service and business development. Larger firms often have dedicated compliance departments and legal teams to monitor and manage these changes. However, smaller firms typically lack such resources, instead relying on specialist third party compliance services that need to be integrated into the firm's business model. Regulation can thus create challenges that contribute to increased costs or consolidation.

Technology-driven Shifts in Client Demands and Service Models

Client demands are evolving, with a noticeable shift towards digital and hybrid advisory models. A recent KPMG report reveals that, in the UK and most of continental Europe, the move towards remote advice delivery is well underway.[6] Additionally, a study conducted by the Boston Consulting Group found a growing preference for customisation and highly personalised managed portfolio services, driven by clients' desire for more control and transparency over their investments.[7] Many firms are therefore investing heavily in digital transformations to meet rising customer expectations for seamless, omnichannel experiences and remote/hybrid service delivery.[8]

Indeed, the adoption of third-party platforms and cloud-based solutions has become prevalent. However, this can sometimes represent a double-edged sword. On the one hand, such solutions enable firms to streamline operations and reduce costs in some areas. Yet, at the same time, these investments can create new, laborious tasks and inefficiencies in others – for example, when advisers rely on multiple systems that do not communicate with each other and, therefore, must both be kept up-to-date separately.

Overall Economic Pressures

The macroeconomic environment – including high inflation and market volatility – has posed additional challenges to IFAs. For some firms, these factors have strained margins and heightened the urgency to reassess operating models in pursuit of efficiency gains.[9] Overall, however, the wealth management sector has demonstrated resilience, with some firms managing to sustain or even improve margins through strategic adjustments and effective cost management.

Research Insights: Common Challenges for Small and Medium-sized Financial Advice Firms

In an effort to understand the current financial advice landscape, and challenges in the sector, we engaged closely with a diverse range of financial advice firms. The insights gathered from this research highlight several challenges that these firms face – issues which impact their operational efficiency, cost structures, and ability to effectively serve their clients. The following sections outline the key challenges reported by financial advisers and provide an analysis of their effects on firms' performance and growth.

Technology-related Operational Inefficiencies

Financial advisors may frequently operate with multiple, disparate systems that do not communicate effectively with each other. This fragmented infrastructure leads to significant operational inefficiencies. For instance, advisors often need to transfer data between different software platforms, which not only consumes a considerable amount of time but also increases the risk of errors. These inefficiencies divert attention from client-facing activities, ultimately reducing firms' ability to serve clients effectively and diminishing overall productivity.

> **"We use God knows how many bits of systems that'll have, ultimately, the same client data on them but in different places. And none of it is linked. We could streamline this by using a provider that offers all these different components, but they are not at the forefront of the market in all these areas."**
>
> Director of small financial advice firm

Transitioning from Legacy Systems

Switching from legacy systems to more modern technologies, or integrating new systems with existing ones, is a daunting task for many financial advice firms. While firms recognise the potential benefits of adopting new technologies to address specific operational challenges, they often face obstacles in implementation. Many argue that available solutions do not offer comprehensive improvements across all business functions, leading to fragmented and piecemeal enhancements. Additionally, there is a concern that clients may react unfavourably to changes in systems, which could disrupt service continuity. Consequently, firms often retain some legacy systems to avoid these pitfalls, accepting that this approach can perpetuate inefficiencies and create integration barriers.

Documentation and Compliance Burdens

Advisors may encounter numerous inefficiencies related to administrative tasks, including the creation of meeting notes, production of client reports, and fulfilment of documentation requirements mandated by the Financial Conduct Authority (FCA). These tasks are not only time-consuming but also detract from the core focus of client interaction. The burden of compliance and documentation increases operational costs and imposes a significant workload on advisors. This administrative overload can lead to reduced client-facing time, hindering the firm's ability to deliver personalised and timely advice.

> **"A typical client meeting for us is 2-3 hours, and then typing up the meeting notes and recommendations into a report is roughly the same time again."**
>
> Operations manager of small advice firm

Regulatory Changes

The financial advice sector is continuously impacted by the evolving regulatory landscape. Keeping up with new and changing regulations requires firms to frequently update their processes and systems. This ongoing need for compliance updates is resource-intensive and can be challenging for businesses of all sizes, but especially for small and medium-sized firms. The costs associated with staying compliant include not only direct financial expenditures, including on third party compliance consultants, but also the allocation of time and personnel to ensure appropriate integration of regulatory requirements within the firm's processes. These continuous adjustments can strain resources, making it difficult for firms to maintain operational stability and efficiency.

> **"As soon as [a new regulation] comes out, every adviser goes 'what does that now mean for me?', and I go through my client book to see who this impacts. So for us advisers, we are always playing catch-up to what the regulators are saying. So, it's about narrowing that gap."**
>
> Director of small financial advice firm

Closing the Advice Gap

Some regulatory changes, while intended to protect consumers, have increased the cost of financial advice. Higher costs have widened the advice gap by making professional financial advice less affordable for a broader range of clients. As a result, fewer individuals can access the advice they may need, which limits the reach and effectiveness of financial advisors. At the same time, there has been some regulatory uncertainty around the nature and provision of 'guidance', which has also made some advisers hesitant to provide support in this area. These gaps in support can lead to a significant portion of the population being underserved, with many missing out on crucial financial planning and investment advice that could improve their financial well-being. The FCA has outlined proposed reforms around the advice/guidance boundary. Greater use of digital technology may enable advisers to reach and better serve existing and prospective clients, in particular the younger generation.

Skill Shortages

Acquiring and retaining the top-tier technical skills necessary for implementing advanced technological solutions is a significant challenge for many financial advice firms. The industry faces a talent shortage, with firms struggling to attract professionals who possess the technical expertise they need. Ultimately, this hampers the ability of firms to innovate and leverage cutting-edge tools that could enhance operational efficiency and client service.

> **"One challenge we've got at the moment is, there seems to be an immediate influx of a lot of AI companies. So, [it's difficult] trying to establish the differential between them when the knowledge of AI [in our firm] is pretty limited."**
>
> Operations manager of small financial advice firm

Technological Readiness and Usability

While new technologies offer promising advancements, many advisors feel these innovations are not yet fully ready for practical application. Technologies often fall short of delivering the expected quality and reliability, leading to hesitation in their adoption. Moreover, even when technologies are implemented, many financial advice firms face challenges in utilising them effectively. This uncertainty results in suboptimal implementation and underutilisation of potential benefits.

It is also clear to advisors that greater use of technology may be inappropriate (to varying degrees) for certain segments of their client bank. This needs to be taken into account when integrating technology and considering its 'usability' across the breadth of a firm's client base, and the processes adopted in relation to those clients.

> **"It spits out actions, but do we just copy and paste them into an email, and send them to a client? Because that would save us a huge amount of time but it's not anywhere near as bespoke as what we have done before."**
>
> Chartered financial planner within small financial advice firm

Developing a Culture of Innovation

While certain individuals or groups within a company may acknowledge the importance and potential of technological advancements, they often face significant challenges in rallying widespread support for change throughout the organisation. Concurrently, the organisational culture may not be conducive to fostering innovative thinking, thereby discouraging employees from proposing new ideas on how their roles or functions, or specific processes, could be improved through the use of technology. Without a supportive environment that encourages creativity and open-mindedness, employees might feel hesitant or undervalued in their attempts to suggest technological enhancements. This can lead to missed opportunities for growth and efficiency.

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Innovation Leadership Programme

Learn more about the Future Finance Innovation Leadership Programme – a series of immersive trainings designed for high-potential individuals working in the finance sector Over the course of nine months, participants will engage in four two-day workshops focused on equipping them with the tools and techniques needed to identify, develop, and implement innovative productivity gains and growth opportunities within their organisations.

WORKSHOP 1
(Glasgow)
Understanding the Innovation Landscape

- Explore emerging trends, technologies, and disruptions shaping the future of finance.
- Conduct horizon scanning and scenario planning to anticipate future challenges and opportunities.
- Develop a strategic framework for innovation within your organisation.

WORKSHOP 2
(Bristol)
Innovation Tools and Techniques

- Dive deep into cutting-edge research tools and methodologies for idea generation and validation.
- Learn how to assess market demand, feasibility, and scalability of innovative ideas.
- Cultivate a culture of experimentation and rapid prototyping in a regulated and risk sensitive environment.

WORKSHOP 3
(Glasgow)
Implementing Innovations

- Navigate workplace politics, stakeholder management, and organizational dynamics to drive innovation forward.
- Master negotiation techniques to gain buy-in and resources for your innovation projects.
- Ensure regulatory compliance and mitigate risks associated with innovation.

WORKSHOP 4
(Bristol)
Learning Reflection and Demo Day

- Reflect on the innovation journey and lessons learned.
- Prepare and showcase your innovation project during the Demo Day event. Senior Management from your firm will be invited to attend.
- Receive feedback and insights from peers, faculty, and industry experts.

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Future-Proofing Financial Advice: Key Technologies To Watch

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Among the myriads of emerging technologies affecting the financial advice and wealth management sector, three technologies stand out for their potential to address some of the most intricate challenges small and medium-sized firms currently face: Generative AI, analytical AI, and blockchain. This chapter delves into these key technologies and presents a comprehensive profile for each – their current applications within and beyond financial services, expected future developments, and specific ways financial advisers can leverage each technology to solve business challenges.

Technology Profile 1: **Generative AI**

What it is

Generative AI refers to a subset of artificial intelligence that focuses on creating content from simple data inputs. Unlike traditional AI, which typically analyses data to identify patterns or make predictions, generative AI can produce entirely new content such as text, images, music, video and even code. Some of the best-known generative AI models include OpenAI's GPT-4, Google's Gemini, GitHub's Copilot, Microsoft's Copilot, and image generators Midjourney and Stable Diffusion. These models have been trained on vast amounts of data and can perform a variety of tasks with impressive accuracy and creativity.

For example, ChatGPT-4o can generate human-like text based on the prompts it receives. It can write emails, create detailed reports, draft blog posts, and even simulate conversations, making it a potentially invaluable tool for enhancing productivity and communication. In addition to text generation, many generative models can create images from textual descriptions – for instance, to produce visual content for presentations, marketing materials, and client communications. They can also help with analysing large datasets to extract meaningful insights. A model like GPT-4, for example, can summarise lengthy documents or meeting minutes, extract key points, and provide concise overviews – this helps to save time and ensures that important information is easily accessible.

How the Tech Works

This section delves into the mechanics of generative AI by exploring four prominent types of models: Transformers, Autoregressive Models, Generative Adversarial Networks (GANs), and (Latent) Diffusion Models. Understanding how these technologies function will provide insight into their unique capabilities and applications in generating diverse types of data, creating a better understanding of what generative AI can and cannot do.

Transformers are a type of neural network architecture that uses self-attention mechanisms to handle dependencies in sequential data. Unlike traditional models that process data sequentially, transformers process the entire sequence at once, allowing for more efficient parallelisation and capturing long-range dependencies. The core idea is the "attention mechanism", which allows the model to focus on different parts of the input sequence when generating each element of the output. For instance, in language translation, a transformer can attend to all words in a sentence simultaneously, making it highly effective at understanding context. Transformers use "encoder" and "decoder" stacks; the encoder processes the input sequence, and the decoder generates the output sequence. The "self-attention" layers calculate attention scores that determine how much focus each word should get relative to others, enhancing the model's ability to understand complex relationships in data.

> **The ability of generative AI to handle multiple types of data and produce diverse outputs makes it a versatile tool for financial advisers. It can enhance client engagement, improve operational efficiency, and provide innovative solutions to common challenges.**

Autoregressive models generate data one step at a time, with each step conditioned on the previous ones. This means they predict the next value in a sequence based on the values that came before it. For text generation, an autoregressive large language model (LLM) like GPT (Generative Pre-trained Transformer) starts with a prompt and then generates the next word, incorporating the entire history of the generated text. This sequential generation allows the model to produce coherent and contextually relevant text. Autoregressive models use a neural network to predict each new value, updating the sequence progressively. They are particularly powerful for tasks like language modelling, where understanding the sequence's flow is crucial.

GANs consist of two neural networks, a generator and a discriminator, that compete against each other. The generator creates fake data samples, trying to mimic real data, while the discriminator evaluates the samples, distinguishing between real and fake ones. During training, the generator improves its ability to produce realistic data, while the discriminator gets better at identifying fakes. This adversarial process continues until the generator produces data that is indistinguishable from real data. For example, in image generation, the generator creates images from random noise, and the discriminator evaluates them against real images. Over time, the generator learns to produce increasingly realistic images, while the discriminator becomes more accurate in its evaluations. This dynamic and competitive training process enables GANs to generate high-quality synthetic data.

Diffusion models generate data by reversing a gradual noising process. They start with pure noise and iteratively refine it to produce coherent data samples. The model learns to predict and reverse the noise at each step, progressively transforming random noise into structured data. During training, the model is exposed to various stages of noised data and learns to denoise them, effectively understanding the underlying structure of the data. For example, in image generation, the model starts with a noisy image and incrementally reduces the noise, producing a clear and realistic image over several steps. This approach allows diffusion models to generate high-quality data by leveraging the gradual refinement process, ensuring that the generated data closely resembles the training data.

Why it is Important: How Generative AI can Help Financial Advisers

Through our research, we have identified common problems, pain points, and areas of friction for small and medium-sized financial advisers. By matching these findings with the capabilities of generative AI, we aim to provide actionable insights and practical solutions for how advisers can mitigate or overcome some of the most common pain points.

Common Pain Points / Challenges	How Generative AI can Help
Client onboarding can be slow and involves a series of laborious, time-consuming tasks that divert resources from high-value work.	A multi-modal large language model (LLM) can • be turned into an intelligent agent that guides new clients through the onboarding process and responds to initial inquiries. • extract and integrate client information from various documents to fulfil compliance requirements or propose strategies for achieving a client's financial goals. • summarise meeting notes and automatically turn them into a draft of a client reports.
Meeting regulatory and compliance burdens is time-intensive, often requires additional personnel, and diverts resources from higher-value tasks (e.g. client time).	An LLM can take the role of a "third-party reviewer" for several documents and processes in order to meet regulatory requirements.[10] For instance, an LLM could identify patterns in data that humans might miss, suggest actions on how to handle a situation according to relevant regulatory frameworks (e.g. flag up signs of vulnerability to ensure compliance with consumer duty), and enable the quick production of reports that are as bespoke and highly personalised as what clients are used to.
Analysing and implementing new regulatory and compliance requirements is time-consuming and sometimes requires specialised knowledge to determine which clients are impacted in which way.	LLMs have the capability to summarise and analyse regulatory changes, create an overview of what clients are affected and how (if connected to client database), and produce recommendations of how to change certain processes to remain compliant and efficient.[11]
Most financial advice firms rely on multiple software systems that contain the same data (e.g. client information) but do not effectively communicate with each other. This leads to time-intensive manual work to keep data synchronised.	Generative AI could help design, code and automatically deploy a middleware solution to act as an intermediary between different applications. Middleware can handle data transformation, validation, and routing between systems. This can ensure that data is automatically synchronised across applications when data changes in one system.
A (perceived) lack of specialised technical skills is one of the major barriers to innovation adoption.	Generative AI can act as a substitute for hiring or building up specialised technical capacity by automating complex tasks such as coding, data analysis, and system maintenance – thereby making advanced technology accessible to small and medium-sized financial advice firms. This further enables these companies to use generative AI as a guide or for implementation/integration support when adopting other innovations, creating opportunities for improving efficiency without the need for extensive in-house technical expertise.

Tip

The ChatGPT Plus, Team, and Enterprise versions include the functionality to create custom GPTs – that means firms can fine-tune the foundation model's existing knowledge and behaviour for a specific use case. For example, financial advisers could upload a large amount of old client reports (in the Enterprise version, data uploaded to ChatGPT will automatically be excluded from future training sets and thus remain with your organisation only) to teach the model their organisation-specific style of writing client reports.

Sign up and access specific Generative AI and LLM exploration and implementation workshops and training sessions.

We contend that considering how generative AI can be integrated into firm operations will become critical not only for solving problems, but for retaining a competitive position in the market. A survey conducted by Advisor360°, a wealth tech provider, found that "next-gen advisors are generation AI", with various tools helping to transform the roles and workflows of financial advisers.[12] The study involved 300 financial advisers who manage an average of $40 million in client assets.

A similar study by NextWealth[13] found that nine in 10 financial advisers expect increased speed and improved operational efficiency from the use of AI, with two thirds of the participating firms also expecting a reduction in overall costs. Additionally, over half of the respondents said they believe that AI will lead to significant improvements in the personalisation of services and overall client experience.

Firms reported that generative AI is already helping them automate both administrative and operational tasks. For example, several firms have started to use generative AI to assist them in generating personalised client reports, handling routine communications, and creating detailed investment proposals. This automation allows them to allocate more time to high-value activities such as client meetings and strategic planning, thereby improving productivity and service without sacrificing the personal touch which is crucial to the advice business.

Generative AI: Kickstarting a new Era for Robo-Advisers?

For a long time, robo-advisers were heralded as the next big thing in the financial industry, poised to revolutionise the way individuals receive advice and manage their investments. However, the reality fell short of the hype. Despite the initial excitement, robo-advisers never quite posed a significant threat to the traditional financial advice model. This is due to a variety of reasons, including poor business model economics. For instance, the average cost of customer acquisition for robo-advisers is extraordinarily high compared to a relatively low customer lifetime value. Meanwhile, users of robo-advisors are often individuals with comparably low assets under management, therefore creating low fees and leading to small profit margins. The primary reason, however, is rooted in their limited functionality. In short, they primarily offer investment advice or automated investment management rather than comprehensive financial advice – this is because they lack the sophistication needed to provide the nuanced, personalised service that human financial advisers offer.

However, this situation might be on the brink of changing. Multi-modal large language models (LLMs) are set to completely redefine the capabilities of a new generation of robo-advisers. These models can be finetuned and trained with vast amounts of financial advice data, investment information, and relevant regulatory frameworks – creating the potential for robo-advisers to closely emulate a human financial adviser with a high degree of accuracy and personalisation. Moreover, these advanced AI systems can operate at a fraction of the cost of human advisers, making financial advisory services more accessible to a broader audience.

This technological evolution presents a fresh challenge under an old label. While the initial wave of robo-advisers may not have lived up to expectations, the next generation, powered by sophisticated generative AI models, could fulfil the original promise, and more. They are not just set to manage investments – additionally, they could offer financial advice tailored to the individual needs and circumstances of each client. This includes understanding complex financial situations, providing tax advice, retirement planning, estate planning, and more.

Financial advisers should take note of these developments. If consumers continue to grow accustomed to using generative AI solutions, then the emergence of advanced AI-driven advisory services could disrupt the industry in ways previously unimaginable. Traditional advisers need to recognise the potential of these technologies to encroach on their domain. This isn't merely about competing with a machine; it's about staying relevant in an evolving landscape where clients may opt for more cost-effective, yet equally competent, alternatives.

Getting Started with Generative AI

Generative AI offers transformative potential for financial advisers and wealth managers, enabling enhanced client interactions, improved efficiency, and innovative service offerings. Here is a step-by-step guide to help small and medium-sized advisers get started.

1 Familiarise yourself with Generative AI

Begin by understanding what generative AI is, how it is used, and what it can and cannot do:

- **Read and Research:** Start with foundational readings in generative AI to learn about its history, underlying concepts, the status quo, tips on how to effectively use different models, and what to expect in the near future (e.g. Ethan Mollick's "Co-Intelligence: Augmenting Human Decision-Making with AI").
- **Explore:** Experiment with generative AI applications outside of business contexts to see how they work and get a feel for their capabilities. Try using tools like ChatGPT for creative writing, Midjourney for generating images, or Microsoft Copilot for creating or editing an Excel file.
- **Train yourself:** Enrol in webinars and online courses focused on generative AI offered by the Future Finance Accelerator, or by platforms like Coursera, edX, or LinkedIn Learning.

2 Identify Use Cases in your Organisation

Determine the specific areas within your practice and organisation where generative AI can add value. You can begin by considering some of the areas we have discussed in this report:

- **Client Reports and Communication:** Consider using AI to automate summarising meeting notes, generate personalised client reports, or automate routine communications.
- **Programming Middleware Solutions:** Utilise AI for building and operating a middleware solution that allows your systems to communicate and synchronise data.
- **Content Creation:** Leverage AI to create engaging content for newsletters, blogs, and social media to help with client acquisition.

3 Choose the Right Tools and Platforms

Find tools that align with your needs and offer the best combination of features, ease of use, and integration capabilities.

- **Evaluate Options:** Research and compare various generative AI platforms to find the ones that best fit your identified use case. We suggest starting the search with some of the most popular and well-known models (such as OpenAI's ChatGPT, Microsoft Copilot, or Google Gemini) and explore their options for creating customised tools. Also explore some of the pre-trained tailored solutions are available on the market.
- **Trial and Pilot:** Start with free trials (if possible) and test the tools for your specific use case in a controlled environment.

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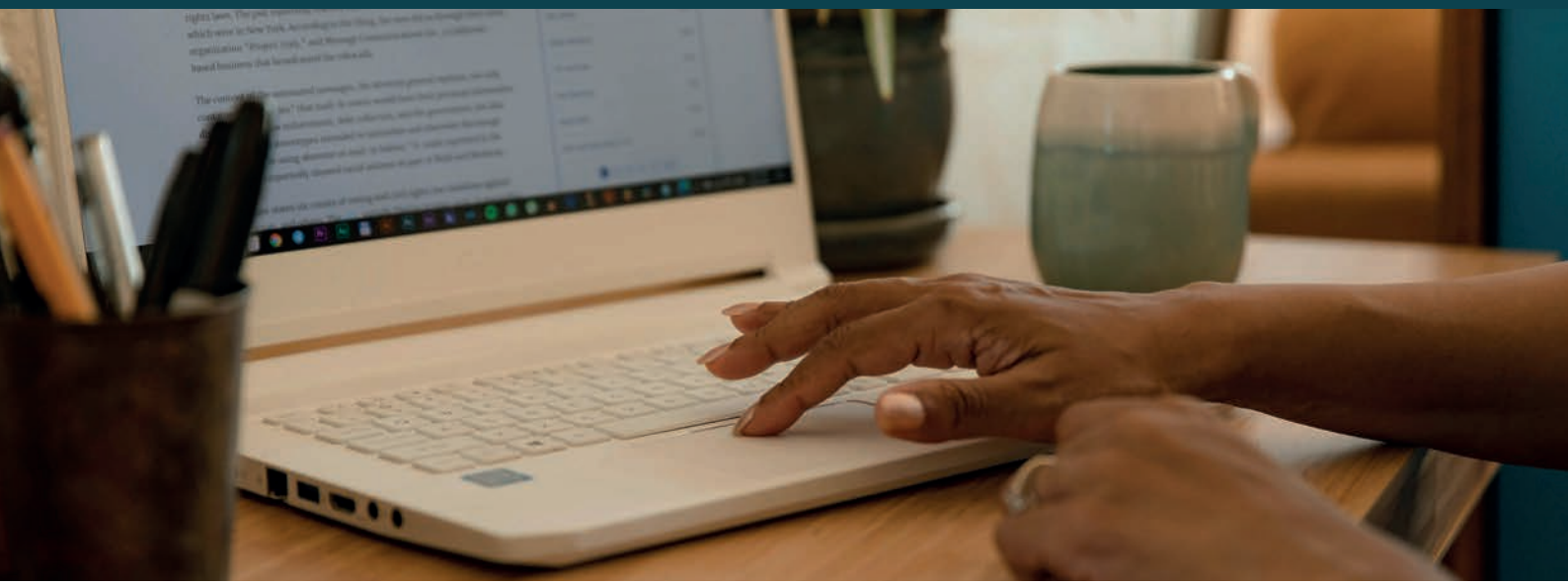

4 Ensure Ethical and Compliant Use

Safeguard client data and maintain trust by adhering to ethical practices and regulatory requirements. Focus on:

- **Data Privacy:** Ensure all AI applications comply with data privacy regulations like the Data Protection Act or GDPR.
- **Regulatory Compliance:** Ensure that all processes relying on generative AI tools continue to meet FCA regulatory requirements.
- **Ethical Guidelines:** Follow ethical guidelines for AI use, focusing on transparency, fairness, and accountability.
- **Regular Audits:** Plan for and conduct regular audits to ensure the AI tools are functioning correctly and ethically.

5 Implementation

Begin integrating generative AI tools into your daily operations. Ensure a seamless integration of AI tools into your workflows, ensuring they enhance rather than disrupt your organisation.

- **Start Small:** Implement AI in one or two areas initially to manage the transition smoothly. For example, you could let employees experiment with writing emails or other client communication with generative AI support.
- **Train your Team:** Provide training for your staff to ensure they understand how to use the new tools effectively.
- **Monitor and Adjust:** Regularly review the performance of the AI tools and make necessary adjustments to optimise their effectiveness.

Tip

OpenAI provides so-called "assistant APIs", allowing organisations to easily integrate AI assistants into their existing applications or websites with enterprise-grade security. These AI assistants can leverage the knowledge of ChatGPT to interact with clients or do complex, multi-step tasks. For example, financial advisers could build an assistant that retrieves client information from one system or database and prepares it for quick integration into another one.

Learn more about creating integrated AI assistants.

Technology Profile 2: **Analytical AI**

What it is

In contrast to generative AI, which creates new data (like generating reports or images), analytical AI focuses on examining and interpreting data to generate insights, make predictions, and support decision-making. Analytical AI uses techniques such as machine learning, statistical analysis, and data mining to process large volumes of data. It identifies patterns, trends, and correlations that might not be evident to human analysts. For financial advisers and wealth managers, this means they can leverage analytical AI to gain deeper insights into market trends, client behaviours, and investment performance.

One of the key components of analytical AI is predictive analytics. By analysing historical data, predictive models can forecast future trends and behaviours. For instance, financial advisers can use predictive analytics to anticipate market movements, assess risk, and optimise investment portfolios. This allows for more informed decision-making and proactive strategies.

Another important aspect is descriptive analytics, which helps in summarising and understanding past data. Descriptive analytics provides a clear view of what has happened, enabling businesses to review performance metrics, client interactions, and transaction histories. This retrospective analysis is crucial for assessing past strategies and improving future actions.

Prescriptive analytics goes a step further by recommending specific actions based on the data. It not only predicts what might happen but also suggests the best course of action to achieve desired outcomes. For example, it can suggest investment opportunities based on risk tolerance and market conditions, helping firms to tailor their recommendations to each client's needs.

analytical AI focuses on examining and interpreting data to generate insights, make predictions, and support decision-making

How the Tech Works

In analytical AI, the equivalent to generative models in generative AI are predictive models. While generative models focus on creating new content, predictive models analyse existing data to forecast future trends and outcomes. In the following sections, we explain how some of the most commonly used predictive models work.

Regression models predict the value of one variable based on the values of others. The simplest form, linear regression, fits a straight line through data points – for example, predicting house prices based on factors like size and location. Logistic regression is used for binary outcomes, such as determining if an email is spam. These models are easy to understand and apply, making them popular for a wide range of forecasting tasks across different fields, from predicting sales revenue to estimating health outcomes.

Decision trees help make decisions by splitting data into branches based on specific criteria. Imagine a flowchart that guides you through a series of yes/no questions to reach a final decision. For example, deciding whether to approve a loan based on income and credit score. Decision trees are straightforward and visually intuitive, making them useful for explaining decision-making processes in various applications, from healthcare diagnostics to customer service.

Random forests are an advanced version of decision trees. They create multiple trees from random data samples and combine their results for more accurate predictions. This method reduces errors and improves reliability. For example, they are used in predicting weather conditions by analysing different atmospheric data points. Random forests are particularly effective in complex scenarios where single decision trees might overfit, providing more robust and accurate results.

Support vector machines (SVMs) are used for classification and regression tasks. They work by finding the best boundary that separates different categories. For example, they can classify emails into spam or non-spam by analysing various features. SVMs are effective in high-dimensional spaces and are known for their accuracy in classification tasks, such as image recognition or handwriting analysis, by focusing on the most important data points.

Neural networks mimic the human brain's structure and function. Consisting of interconnected neurons, they are excellent for pattern recognition and handling complex data. For example, they can power facial recognition systems by learning to identify features from millions of images and are widely used in applications like language translation, voice recognition, and autonomous driving, where they learn and improve from large datasets.

Time series analysis involves studying data points collected over time to identify patterns and predict future values. Methods like ARIMA model trends and seasonal variations, which is useful in forecasting stock prices or weather patterns. By analysing historical data, time series models help in making informed decisions based on expected future trends, such as predicting product demand or planning budgets.

Clustering algorithms group similar data points into clusters. K-means clustering, for instance, partitions data into a set number of clusters based on similarity. This is useful in market segmentation, where businesses group customers by purchasing behaviour. Clustering helps in discovering natural groupings within data, aiding in tasks like customer profiling, image compression, and organizing large datasets into meaningful structures.

Why it is Important: How Analytical AI can Help Financial Advisers

Analytical AI enables more efficient and accurate data analysis, and thus allows firms to make better-informed decisions across various business functions. For example, by leveraging AI-driven insights, small and medium-sized advisers can optimise their client portfolios, assess risk more comprehensively, and analyse a wider range of client data to offer more personalised advice or to recognise early warning signs of vulnerabilities. Additionally, the ability to quickly adapt to market changes and regulatory requirements through AI tools ensures that smaller firms can compete effectively with larger institutions in a rapidly evolving financial landscape.

Throughout our research engagement, we found that IFAs typically face a range of issues that could be addressed through analytical AI. Here we present some starting points for how small and medium-sized advisers could begin to engage with this technology.

Common Pain Points / Challenges	How Analytical AI can Help
Meeting regulatory and compliance burdens is time-intensive, often requires additional personnel, and diverts resources from higher-value tasks (e.g. client time).	Analytical AI can be used to automate compliance checks and ensure adherence to regulatory requirements, thereby reducing manual oversight and errors. For example, the technology is effective in analysing and comparing large volumes of data to recognise early warning signs of vulnerability, or other significant changes in client behaviour that would require attention. Data management is also key in meeting consumer duty requirements.
High administrative costs of providing financial advice in the UK, driven by regulatory compliance and operational expenses, widen the advice gap by making such services less accessible and affordable for many individuals.	Analytical AI can be used to • automate portfolio management and reduce operational costs. For example, AI and machine learning systems can be used to optimise portfolio allocations based on real-time data, enhancing performance while managing risk. • automatically trigger portfolio rebalancing when allocations deviate from desired targets, maintaining optimal investment strategies. • optimise resource allocation by analysing internal workflows, predicting workload, and automating routine tasks, freeing up human advisers for higher-value activities. • provide "targeted support" more efficiently and effectively – for example, by analysing large volumes of unstructured data for better customer segmentation and more accurate "people like you" recommendations.

Getting Started with Analytical AI

Analytical AI systems offer significant potential for small and medium-sized financial advisers, enabling automated data analysis, pattern recognition, and decision support. Here's a practical guide to help you get started.

1 Familiarise yourself with Analytical AI

Begin by understanding what analytical AI is, how it is used, and what it can and cannot do:

- **Read and Research:** Start with foundational readings in analytical AI to learn about its history, underlying concepts, and effective usage tips.
- **Explore:** Experiment with analytical AI applications outside of business contexts to understand their capabilities. Try using tools like Tableau for data visualisation, Power BI for business intelligence, or Google Analytics for web data analysis.
- **Train yourself:** Enrol in webinars and online courses focused on analytical AI and advanced data analysis techniques offered by the Future Finance Accelerator, or by platforms like Coursera, edX, or LinkedIn Learning.

2 Identify Use Cases in your Organisation

Determine the specific areas within your practice and organisation where analytical AI can add value. You can begin by considering some of the areas we have discussed in this report:

- **Investment Portfolio Analysis:** Consider using AI to analyse client portfolios, or for identifying trends or risk factors.
- **Client Risk Assessment:** Implement AI to evaluate and monitor client risk profiles based on historical data and market trends, providing more tailored investment advice.
- **Market Analysis:** Utilise AI to analyse market data, identifying emerging trends and potential investment opportunities to inform strategic decision-making.
- **Regulatory Compliance:** Use AI tools to monitor transactions and ensure compliance with regulatory requirements, and thus reduce the risk of non-compliance issues.

3 Choose the Right Tools and Platforms

Find tools that align with your needs and offer the best combination of features, ease of use, support, and option to integrate new with existing systems.

- **Evaluate Options:** Research and compare various analytical AI platforms to find the ones that best fit your identified use case. We suggest exploring the expertise of local fintech clusters – in both Scotland and the west of England, there are several fintech firms offering cutting-edge, AI-powered analytics solutions. You could also explore popular tools like Microsoft Power BI, IBM Watson Analytics, or Google Analytics, and explore options for customised tools that fit your specific needs.
- **Trial and Pilot:** Test the tools for your specific use case in a controlled environment. For example, you could use generative AI (e.g. ChatGPT) to produce a dataset containing synthetic client data, then test an analytic AI software by attempting to retrieve valuable insights from the dataset (without impacting live operations).

4 Ensure Ethical and Compliant Use

Safeguard client data and maintain trust by adhering to ethical practices and regulatory requirements. Focus on:

- ✔ Data Privacy: Ensure all AI applications comply with data privacy regulations like the Data Protection Act or GDPR.
- ✔ Ethical Guidelines: Follow ethical guidelines for AI use, focusing on transparency, fairness, and accountability. Where you use AI to automate decision making or client evaluations, ensure transparent, explainable, and challengeable.
- ✔ Regular Audits: Plan for and conduct regular audits to ensure the AI tools are functioning correctly and ethically.

5 Implementation

Begin integrating analytical AI tools into your daily operations. Ensure a seamless integration into your workflows, ensuring they enhance rather than disrupt your organisation.

- ✔ Start Small: Implement AI in one or two areas initially to manage the transition smoothly. For example, you could start by using AI for portfolio optimization for a small group of clients. This allows you to test the system's recommendations and make adjustments before rolling it out to your entire client base.
- ✔ Train your Team: Provide training for your staff to ensure they understand how to use the new tools effectively.
- ✔ Monitor and Adjust: Regularly review the performance of the AI tools and make necessary adjustments to optimise their effectiveness.

Sign up to book a one-to-one coaching session with a Future Finance analytics expert, or to participate in matchmaking events with fintech companies offering cutting-edge analytical AI solutions.

Technology Profile 3: **Blockchain**

What it is

Blockchain is a digital ledger technology designed to securely record transactions across a distributed network of computers. It operates on a decentralised platform, eliminating the need for intermediaries like banks or financial institutions. Instead, transactions are verified and recorded by a network of computers, called nodes, which collectively ensure the integrity and accuracy of the data.

A blockchain is composed of a series of blocks, each containing a list of transactions. These blocks are linked together in chronological order. Each block contains a unique code called a hash, which, along with the hash of the previous block, creates a secure chain of records. This linking mechanism ensures that, once data is added to the blockchain, it cannot be altered or deleted, providing a permanent and tamper-proof ledger. Blockchain also employs advanced cryptographic techniques to secure data, making it highly resistant to fraud and cyberattacks. Each transaction is encrypted and added to the block only after it is verified by the network, ensuring that only legitimate transactions are recorded.

One of the key features of blockchain is its transparency. Every participant in the network can view the transactions, which promotes trust and accountability.

This transparency is particularly valuable in financial services, where it can help build client trust by providing clear and real-time access to transaction histories.

Smart contracts are another significant innovation of blockchain technology. These are self-executing contracts with the terms of the agreement directly written into code. They automatically execute and enforce contractual agreements when predefined conditions are met, reducing the need for intermediaries and enhancing efficiency.

How the Tech Works

Blockchain networks come in various forms, each with distinct characteristics and technical structures tailored to different use cases. The most common types are public networks, private networks, and permissioned networks. Understanding these different types is critical for selecting the appropriate blockchain technology for specific applications.

Public blockchain networks are open to anyone who wishes to participate. They are decentralised and operate on a peer-to-peer network without a central authority. Anyone can read, write, and validate transactions on a public blockchain, making it fully transparent. Technically, public blockchains use consensus algorithms such as Proof of Work (PoW) or Proof of Stake (PoS) to validate transactions. PoW (used, for example, by the Bitcoin network) requires participants (miners) to solve complex cryptographic puzzles to add a new block to the chain, consuming significant computational power. PoS, used by Ethereum 2.0, relies on validators who lock up a certain amount of cryptocurrency as a stake to gain the right to validate transactions, which is more energy-efficient than PoW. Public blockchains are highly secure due to their decentralised nature and the extensive computational effort required to alter the chain. However, this can also lead to slower transaction speeds and higher energy consumption.

Private blockchain networks are restricted and controlled by a single organisation or entity. Participation is limited to those who have permission from the governing entity, making these networks centralised. On a technical level, private blockchains can use consensus algorithms like Practical Byzantine Fault Tolerance (PBFT) or Raft, which are designed for efficiency and do not require extensive computational resources. PBFT involves a set of pre-approved nodes that collectively agree on the validity of transactions, ensuring consensus through a multi-phase process that tolerates a limited number of faulty nodes. Raft, on the other hand, is a simpler consensus algorithm designed for high availability and partition tolerance, often used in distributed databases. Private blockchains typically offer faster transaction speeds and greater scalability compared to public blockchains – mostly due to the limited number of participants and their operation in a controlled environment. However, they often lack the transparency and decentralised security of public networks.

Permissioned blockchain networks are a hybrid of public and private networks. They require permission to participate but allow a wider range of entities to join compared to private networks. These networks are typically used in enterprise settings where multiple organisations need to collaborate but still require a level of control and privacy. Permissioned blockchains often use consensus mechanisms such as PBFT, similar to private blockchains. Additionally, Hyperledger Fabric, a prominent permissioned blockchain framework, employs a unique consensus model where transactions are first proposed and endorsed by specific nodes (so-called endorsers) before being ordered and committed by a separate set of nodes (so-called orderers). This modular approach allows for flexibility and scalability while maintaining security. Permissioned blockchains balance transparency and control, providing a secure environment for enterprises to share data and conduct transactions while ensuring that only authorised participants can access the network. This structure is ideal for supply chain management, financial services, and other professions requiring both collaboration and confidentiality.

Why it is Important: How Blockchain can Help Financial Advisers

Blockchain technology has experienced multiple hype cycles, each promising revolutionary change that largely failed to materialise. High-profile cases of overblown expectations and subsequent disappointments have understandably led to scepticism. Many initiatives, especially those tied to cryptocurrencies, ICOs, and NFTs have been plagued by volatility, regulatory challenges, and unrealistic claims.

However, these setbacks shouldn't overshadow the genuine potential of blockchain. When stripped of the speculative frenzy, many blockchain-related affordances can eventually offer substantial value to small and medium-sized advice firms and other stakeholders in the sector.

Common Pain Points / Challenges	How Blockchain can Help
Most financial advice firms rely on multiple software systems that contain the same data (e.g. client information) but do not effectively communicate with each other. This leads to time-intensive manual work to keep data synchronised.	Blockchain can serve as a unified ledger for all transactions and records, reducing the need for reconciliations and providing a single 'source of truth.' Real-time updates on the blockchain enable all parties/systems to have access to the most current information, improving transparency and decision-making and reducing manual data entry.
High administrative costs of providing financial advice in the UK, driven by regulatory compliance and operational expenses, widen the advice gap by making such services less accessible and affordable for many individuals.	By reducing the need for manual data entry, reconciliation, and verification, blockchain can lower operational costs associated with back-office functions.
Inconsistent standards and processes (e.g. financial advice firm and provider, or with different providers) lead to operational inefficiencies and increased costs.	Blockchain applications can store verified KYC information and serve as a digital ID, reducing the time and cost associated with identification and verification processes by eliminating repetitive checks (e.g. with different providers).
Meeting regulatory and compliance burdens is time-intensive, often requires additional personnel, and diverts resources from higher-value tasks (e.g. client time).	In the future, blockchain could automate regulatory reporting by providing regulators with real-time access to required data, ensuring continuous compliance without manual intervention.

Getting Started with Blockchain Technology

Blockchain technology offers significant potential to enhance operational efficiency in financial advice firms. By understanding the fundamentals of blockchain and exploring practical applications, your firm can leverage this innovative technology to potentially improve processes related to client onboarding, document management, and regulatory requirements. Here's a step-by-step guide to help you get started.

1 Familiarise yourself with Blockchain Technology

Begin by understanding what blockchain is, how it is used, and what it can and cannot do:

- **Read and Research:** Start with foundational readings in blockchain technology to learn about its history, underlying concepts, current applications, and future potential.
- **Explore:** Experiment with blockchain applications outside of business contexts or familiarise yourself with case studies to see how blockchain can work in practice. Explore open-source blockchain platforms – such as Ethereum (https://ethereum.org/en/) or the Hyperledger Fabric project (https://www.hyperledger.org/projects/fabric or https://www.ibm.com/products/blockchain-platform-hyperledger-fabric) – to learn more.
- **Train yourself:** Enrol in webinars and online courses focused on Blockchain and advanced data analysis techniques offered by the Future Finance Accelerator, or by platforms like Coursera, edX, or LinkedIn Learning.

2 Identify Use Cases in your Organisation

Determine the specific areas within your practice and organisation where blockchain can add value. You can begin by considering some of the areas we have discussed in this report:

- **Client Onboarding and KYC:** Consider options for using blockchain to streamline the KYC process, allowing clients to maintain a single, verified digital identity that can be securely shared with multiple providers and other relevant stakeholders.
- **Document Management and Compliance:** Implement blockchain for secure, immutable, and easily accessible document storage. You could also consider smart contracts for automating compliance checks.
- **Data Management and Database Synchronisation:** Consider using blockchain to implement a unified ledger for all transactions and records, reducing the need for reconciliations and providing a single 'source of truth'.

To learn more about blockchain start-ups and the expertise available in the UK (specifically in the fintech clusters in Scotland and the Southwest of England), you can reach out to the Future Finance team or its strategic partners – FinTech West and FinTech Scotland.

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3 Choose the Right Tools and Platforms

Find tools that align with your needs and offer the best combination of features, ease of use, support, and option to integrate new with existing systems.

- **Evaluate Options:** Research and compare various blockchain platforms to find the ones that best fit your identified use case and organisational requirements. We suggest taking advantage of the expertise in local fintech clusters – in both Scotland and the west of England, there are several fintech firms offering cutting-edge blockchain solutions. Reach out to regional cluster management organisations (such as Fintech West or Fintech Scotland) to support your search.
- **Trial and Pilot:** Test the tools for your specific use case in a controlled environment. For example, you could use generative AI (e.g. ChatGPT) to produce a dataset containing synthetic client data, then test blockchain software for document management (without impacting live operations).

4 Ensure Ethical and Compliant Use

Safeguard client data and maintain trust by adhering to ethical practices and regulatory requirements. Focus on:

- **Data Privacy:** Ensure all applications comply with data privacy regulations such as the Data Protection Act or GDPR.
- **Ethical Guidelines:** Follow ethical guidelines for blockchain use, focusing on transparency, fairness, and accountability.
- **Regular Audits:** Plan for and conduct regular audits to ensure the tools are functioning correctly and ethically.

5 Implementation

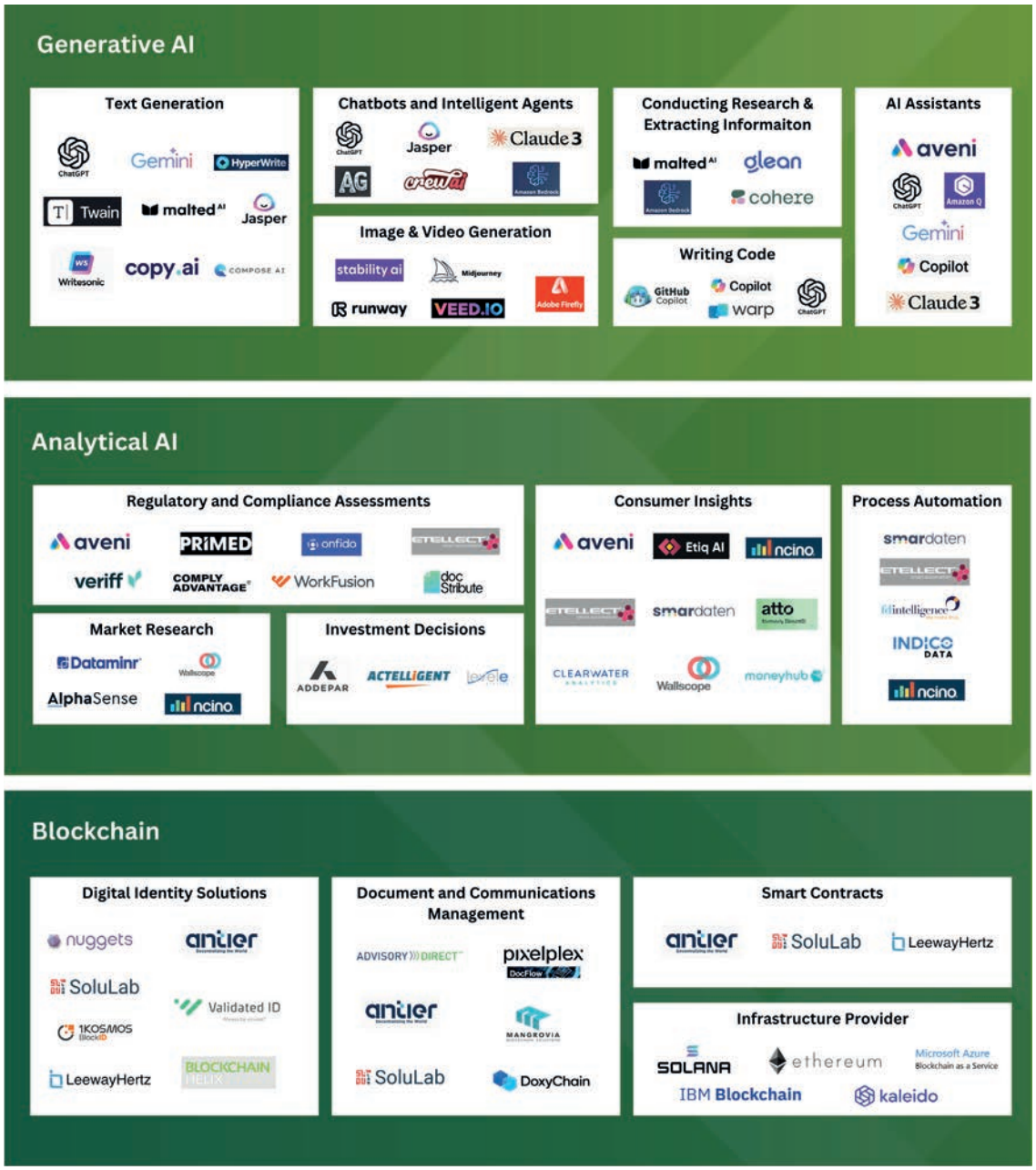
Begin integrating blockchain tools into your daily operations. Ensure a seamless integration into your workflows, ensuring they enhance rather than disrupt your organisation.

- **Start Small:** Implement blockchain in one or two areas initially to manage the transition smoothly.
- **Train your Team:** Provide training for your staff to ensure they understand how to use the new tools effectively.
- **Monitor and Adjust:** Regularly review the performance of the tools and the ways in which they are used to make necessary adjustments and optimise their effectiveness.

Financial Advice and Wealth Management **Key Technologies Market Map**

Future Finance

To provide a clearer picture of the current landscape, we have compiled a comprehensive market map of key players and solutions available in the market. This map offers an overview of the various tools and platforms that can help small and medium-sized financial advisers overcome some of their most intricate challenges across several business areas. In doing so, they will be able to enhance productivity and build up a competitive advantage.



The map includes many UK fintech companies (particularly from the clusters in the Southwest of England and in Scotland) that offer cutting-edge solutions in key technological areas. To learn more about the expertise available in these regions, you can reach out to the Future Finance team or its strategic partners – FinTech West and FinTech Scotland.

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The Future Finance Programme

This report was developed by the Future Finance programme, a UKRI and ESRC funded project aiming to support organisations in the UK financial service sector to adopt innovative processes and products, boost their productivity, and improve the accessibility of their services.

The project is part of a wider programme called Next Generation Professional and Financial Services, delivered by Innovate UK and the Economic and Social Research Council. This programme aims to help professional service sectors, including accounting and law and the financial service sectors (e.g. insurance, lending, advisory and payment services) develop and use digital technologies.

What support is available?

At the heart of Future Finance is the delivery of a Financial Services Accelerator, a comprehensive and tailored programme of support, accessible by financial service organisations and FinTechs across the UK.

Within the Future Finance Accelerator, organisations will be able to access and participate in:

- **Networking and match making events with financial services & FinTechs**
- **Open, and online training and resources**
- **Bespoke & tailored, in-person training & coaching programmes**
- **1:1 support from advisers in financial regulation, IP, tech & more**
- **Funded consultancy to prepare for tech implementation**
- **Discounts & offers from partners such as AWS, Dell, HubSpot & Xero**

Throughout the delivery of the Accelerator, participating organisations will be invited to participate in research activities that will delve into the challenges facing the sector and enable tailored support to be developed and co-created with and for those companies that need it.

Our main goals

- **Support financial service organisations to adopt innovations or technologies**
- **Work with FinTechs to create new & equitable solutions**
- **Increase access to financial services for underserved communities**

Who is it for?

The Future Finance Accelerator is open to:

- Financial services
- Financial technology organisations

We invite stakeholders from across financial services to participate in networking events and research activity, and to engage with our insights and publications as they become available. Our stakeholders include:

- Local, regional or national government and policy officials
- Community organisations that support individuals with access to finance and financial inclusion
- Academics from across relevant expertise areas
- Network organisations in Financial Services and FinTech

Join the discussion on the Future Finance Network!

Future Finance

How to get involved

BOOK A MEETING

to learn more about the project and explore opportunities to get involved in our research.

BECOME A MEMBER

of the Future Finance Network to get access to our Innovation Potential Diagnostic Tool and tailored Accelerator resources.

Project Partner Network

University of Bristol
University of Glasgow
GCU Glasgow Caledonian University — University for the Common Good
UWE Bristol — University of the West of England
FinTech West
Great Western Credit Union
Burges Salmon
FinTechWales
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Deloitte.
FinTech Scotland
FINTECHNORTH
NatWest
SETsquared Partnership — Universities of Bath, Bristol, Cardiff, Exeter, Southampton & Surrey
techSPARK* — All things tech in the west

Endnotes

1 https://www.ftadviser.com/your-industry/2024/02/21/britain-has-lost-435-financial-advice-firms-since-2022/; https://assets.ey.com/content/dam/ey-sites/ey-com/en_gl/topics/wealth-and-asset-management/ey-gl-global-wealth-mgmt-industry-report-04-2024.pdf
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