

New Technology and Client  
Expectations in the Wealth  
Management Industry:

## A Focus on Client Analytics and Onboarding

An EY & PIMFA WealthTech report

June 2024

**PIMFA**  **WEALTHTECH**

  
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## Foreword

PIMFA WealthTech and EY teams are pleased to publish “New Technology and Client Expectations in the Wealth Management Industry: A Focus on Client Analytics and Onboarding”. This report comes at a time when the wealth management industry is undergoing a profound transformation, with technological advancements paving the way for enhanced efficiency, accessibility, and personalisation. For example, artificial intelligence with the ability to analyse and verify client information, biometric authentication to accelerate onboarding processes, and sophisticated data analytics for real-time sentiment analysis.

However, new technology in wealth management isn't just about data analysis and automating processes; it's about democratising access to financial tools and insights, the ability to help clients make better-informed decisions, optimise portfolios, and navigate the complexities of the market.

As we embark on this journey into the future of wealth management, it is crucial to recognise the transformative power of technology. This was the basis for establishing the PIMFA WealthTech platform in 2022 as a commitment of the PIMFA membership to create a marketplace and network for industry engagement around the adoption of new technologies.

With that in mind, PIMFA WealthTech and EY teams have set out to examine some of the ways in which new technology is helping firms respond to the changing expectations of clients in the wealth management industry, which was identified as a priority area of technology change and investment by PIMFA WealthTech advisory council members.

We hope that the findings in this report, identified through EY research and engagement with Fintech providers through the PIMFA WealthTech platform, provide valuable considerations for firms navigating the intersection of finance and tech-based innovation within our sector.



**Liz Field**  
PIMFA CEO



**Roopalee Dave**  
EY UK Wealth Management Lead

## Background

Technology and innovation are essential components and drivers of competition and change in wealth management. In addition to providing inventive solutions to meet client needs, innovation enables fast-moving startups (Fintechs) to challenge current processes and provide incumbents with opportunities to provide greater benefits to the clients they serve. In response, PIMFA established PIMFA WealthTech in 2022 to build a marketplace and network for wealth management engagement with respect to the identification, appraisal and adoption of new technologies.

PIMFA WealthTech carried out a member survey in 2023 to identify operational and business pain points upon which it would investigate technology solutions. The survey results highlighted two recurrent themes, based on the emerging trends and changing expectations of clients, where the industry sought greater clarity as to the beneficial impact of innovation and new technologies. These were client profiling and analytics and client onboarding and experience.

The following report, in collaboration with PIMFA WealthTech Advisory Council member EY, firstly explores the changing expectations of clients in the wealth management industry and identifies where firms need to consider where they can invest and transform technology and data. Secondly, the report provides findings from a PIMFA WealthTech "tech sprint", which engaged Fintech firms to explore and signpost new technologies and solutions that are being developed to help address the challenges and opportunities of changing client expectations.



# The changing expectations of clients

Client expectations from the wealth management industry and the products and services offered by firms are evolving, largely due to the impact of new technologies and changing social and economic factors. These factors encompass the rise of digital and online products and services, the globalisation of financial markets, a greater demand for transparency and personalisation, the growing importance of sustainability, and increasing faith in, and adoption of artificial intelligence (AI) and automation. For example, the globalisation of financial markets and the rise of digital and online products and services have opened up new means for wealth management firms to reach a broader client base. Equally, clients are now more likely to seek products and services online, increasing competition and raising expectations for user-friendly digital platforms.

Meanwhile, the growing demand for transparency, personalisation and sustainability means that clients are increasingly scrutinising the environmental, social, and governance (ESG) credentials of their investments and wealth management firms themselves. This shift is prompting wealth management firms to consider ESG factors when creating their investment strategies. Creating more transparent and personalised products and services requires a deeper understanding of client needs, preferences, and goals, enriched by data insights. By tailoring services that align with individual client requirements, and offering personalised investment advice and strategies, wealth managers can differentiate themselves and build stronger client relationships.

EY research into the wealth management industry explores these themes and more behind technology and the changing expectations of clients below.



## Personalisation and data sharing

Clients are increasingly seeking highly personalised services that meet their unique needs and preferences more effectively. According to the EY Global Wealth Research Report, over half (53%) of wealth management clients are willing to pay more for personalised service<sup>2</sup> (See Figure 1). Personalised services can create a deeper connection, increase satisfaction, and improve the overall client experience.

In exchange for greater personalisation, the majority of wealth management clients (71%) are willing to share their data with their wealth manager for better personalised services. This is a larger percentage compared to those willing to share data with doctors, retailers, technology companies, and media platforms<sup>2</sup> (See Figure 2).

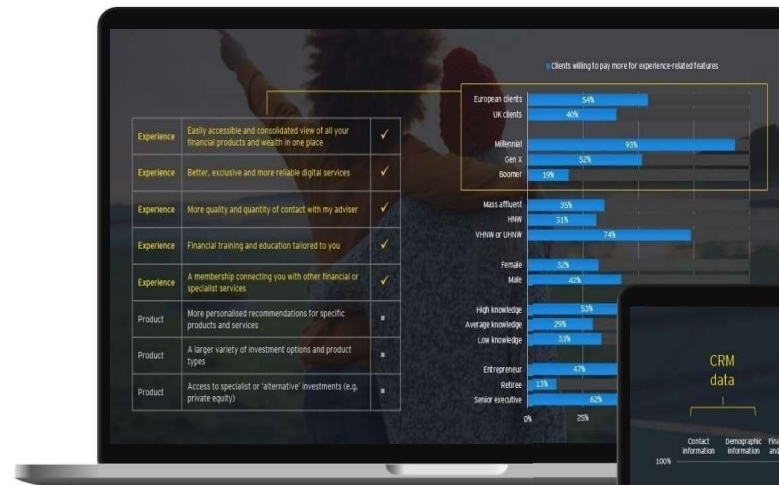


Figure 1 - Link between positive experiences and willingness to pay more



Figure 2 - Types of data that clients are willing to share

## The changing expectations of clients (continued)

### **b** Digital expectations

High-quality digital experiences are now a basic requirement for clients. There is a significant demand for services integrated with technology, such as client portals and mobile apps. Clients are looking for immediate access to their investment data. They want real-time updates, and the ability to access their documents and reports whenever they need them, whether it's through an online portal or an app.

Digital services are especially critical to younger investors. In fact, 32% of millennials regard these services as a crucial determinant when selecting a wealth manager, second only to the wealth manager's track record of good performance.<sup>3</sup>

While there is a growing desire for virtual services, it doesn't mean clients want less engagement. The majority of clients (71%) desire regular or intermittent communication with their wealth manager.<sup>3</sup>

### **c** Streamlined experience and efficiency

Clients are demanding a straightforward onboarding experience that minimises the amount of time needed and reduces unnecessary complexity. This demand for efficiency extends to less paperwork and a reduction in waiting times, allowing clients to start their wealth management journey swiftly.

Clients also see regular communication updates and timely responses to their queries as integral to an efficient onboarding process. According to the 2023 EY Global Wealth Research Report, approximately 40% of clients believe that managing their wealth has become increasingly complicated in the past two years, in contrast to only 14% who think it has become simpler.<sup>4</sup>

### **d** Enhanced security

As digitisation increases, clients require security measures to safeguard their investments and data (one of the primary areas of concern is data privacy). Clients expect their wealth management firm to maintain the confidentiality of their information, adhering to all relevant data protection regulations and robust encryption and authentication measures to ensure that data remains secure.

As digital wealth management services continue to increase, the degree of potential cybersecurity risks also increases. Clients and regulators, therefore, expect digital platforms to be secure and fortified with the latest security features, such as two-factor authentication and secure sockets layer (SSL) technology. These features serve as powerful tools for detecting and limiting the impact of potential cybersecurity threats.

According to the EY Global Board Risk Study 2021, only 9% of boards declared themselves extremely confident that the cybersecurity risks and mitigation measures presented to them can shield their organisation from major cyber-attacks.<sup>5</sup>



## Broader industry headwinds

The changes in client expectations and technological developments are evolving alongside broader headwinds that firms are facing in the wealth management sector. These include:

### Regulatory Compliance

Adherence to ever-changing regulations, such as the new Consumer Duty regulation that was implemented in 2023. Non-compliance with regulation can lead to enforcement action and fines, and keeping pace with new requirements requires significant time and investment.

### Legacy Systems and Processes

Adopting new technology offers numerous advantages, but integrating it into existing systems and processes is often complex and expensive. Wealth management firms often operate on legacy systems that require extensive modification, if not complete replacement, in order to accommodate these new technologies. Additionally, retraining staff to effectively utilise this new technology, redefining existing processes, and ensuring regulatory compliance are other elements that add to the complexity and cost.

### Data Management and Quality

Managing data responsibly, ensuring confidentiality, and compliance with data protection regulations are critical. Using data to derive actionable insights is a further challenge based on issues related to quality, accuracy and completeness<sup>1</sup>.

### Cost Management

Balancing growth against the need to invest and control costs in a challenging economic environment calls for strategic forecasting, budgeting and a clear view of the benefits and returns. The situation is made more complex by the increasing demands for investing in new technology and cybersecurity alongside more traditional and mandatory business-as-usual change, such as compliance.

In response to these changing expectations and headwinds, wealth management firms are now considering how to effectively adopt new technologies and solutions to transform how they identify and engage clients, as well as the onboarding journey and experience.

It was on this basis that the PIMFA WealthTech platform ran two tech sprints in 2023 to identify Fintech providers operating in the areas of client analytics, profiling and onboarding, and the types of solutions and technologies being developed and implemented in the market today.

<sup>1</sup>According to the 2023 EY Frictionless Data Survey, 90% of wealth managers are raising data quality as an issue.<sup>1</sup>



## PIMFA WealthTech “Tech sprint”

Based on a PIMFA WealthTech 2023-member survey and research findings from EY, two problem statements and practitioner-led Working Groups were formed to engage the Fintech market and identify technological developments and solutions based on these changing client expectations.

As stated previously, these changes in client expectations were based on two recurrent themes identified by PIMFA WealthTech members: client profiling and analytics, and client onboarding and experience. The problem statements that each Working Group sought to explore are tabled below.

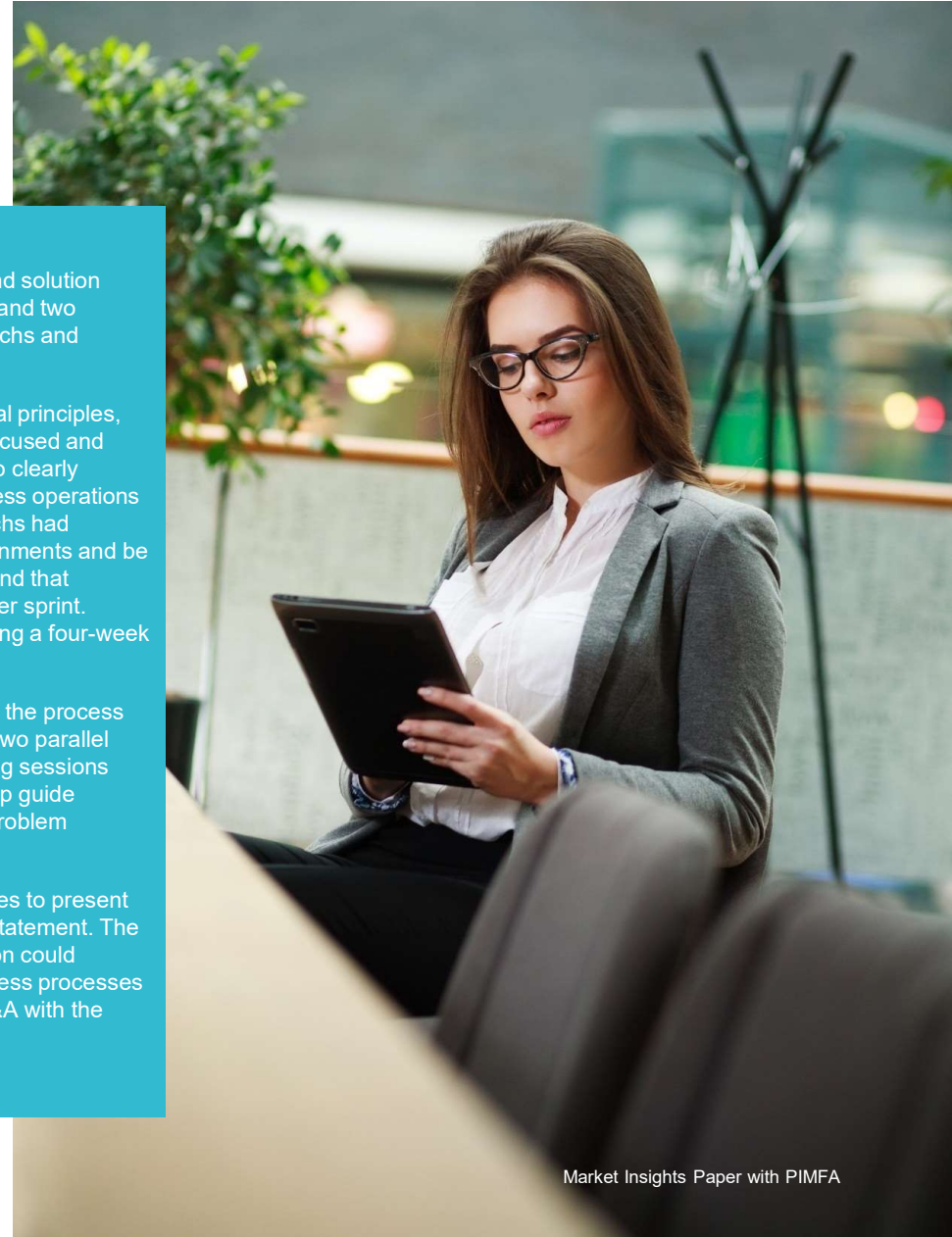
Tech Sprint Advisory Group	Problem Statement
<b>Client Profiling and Analytics</b>	How can financial advisers, wealth and investment managers work with Fintech providers and use Large Language Models to identify and engage clients during the pre-onboarding process?
<b>Client Onboarding and Experience</b>	How can financial advisers, wealth and investment managers work with Fintech providers to digitalise and automate frictionless customer onboarding journeys?

To accommodate variations in technology and solution types, a “Tech Sprint” process was created, and two parallel sprints ran to examine relevant Fintechs and solutions in these two areas.

The Tech Sprint process incorporated several principles, namely that each sprint would be problem-focused and industry-led, that any solutions would need to clearly demonstrate enhancement to existing business operations and client outcomes, that participating Fintechs had experience operating within regulated environments and be capable of showcasing ease of integration, and that participation would be capped at four firms per sprint. Fintechs were chosen from a shortlist following a four-week public call to the market.

Sandbox partners were appointed to support the process by providing test data and environments for two parallel sprints over a six-week duration. Joint briefing sessions were held with the Fintech participants to help guide solution development and relevance to the problem statement.

Each Fintech participant was given 15 minutes to present their solution and relevance to the problem statement. The focus was on how the technology and solution could improve current client interactions and business processes and how best they might be integrated. A Q&A with the Working Group followed each presentation.





## Tech sprint outcomes

The two Tech Sprints, alongside the EY research, provided a deeper understanding of technology developments in the areas of client profiling and analytics, and client onboarding and experience.

Specifically, the Fintechs and solutions involved in the sprints identified the following technologies that are being developed and adopted to support the changing expectations of clients as outlined previously:



### Artificial Intelligence (AI) in KYC (Know Your Customer):

AI algorithms that can analyse and verify client information, improving the accuracy and speed of KYC processes during onboarding.



### Machine Learning (ML):

ML algorithms that can process large datasets to identify patterns and trends and segment clients by predicting behaviour and preferences.



### Natural Language Processing (NLP):

NLP that can enhance client communications by analysing and understanding textual data and facilitating sentiment analysis in client interactions, which allows wealth managers to gauge client satisfaction, concerns, and expectations more accurately.



### Big Data Analytics and Large Language Models (LLMs):

LLMs that provide big data analytic capabilities and allow wealth managers to derive actionable insights into clients' financial behaviours, preferences, and market trends.



### Biometric Authentication:

Using technologies such as fingerprint scanning and facial and voice recognition for secure and convenient client identification and onboarding, minimising the need for paper-based artefacts.



### Digital Identity Platforms:

Digital identity solutions that can securely verify and manage client identities across multiple platforms, channels and services.



### Collaborative KYC Platforms:

Utilising shared platforms for KYC information, allowing for a more effective onboarding process, especially in cases where multiple financial institutions are involved.



### Low Code/No Code Platforms:

Deploying applications tailored to specific wealth management needs, allowing accelerated development cycles and streamlined solution creation of custom tools, reducing new product and service time-to-market.



### Smart Document Verification:

Using AI and optical character recognition (OCR) technologies to verify identity documents, reducing manual errors and enhancing efficiency swiftly and accurately.



### Virtual Assistants and Chatbots:

Enhancing client interactions during onboarding, offering instant support and information and assisting in the collection of necessary client data for a more user-friendly experience.



### Mobile Onboarding:

Capitalising on mobile technologies for "on-the-go" client identification and onboarding.



## Conclusion

The two PIMFA WealthTech Tech Sprints identified a wide range of technological developments and solutions in the Wealth Management sector that can meet the changing expectations of clients.

New technologies such as artificial intelligence, data analytics, and omni-channel platforms are enhancing decision-making, increasing operational efficiency, and improving the overall client experience.

However, the rapidly evolving wealth management landscape and pace of technology development present both opportunities and challenges to firms. Firms must continue to evaluate and harness the power of new technology to adapt to industry trends and changes in regulation.

The PIMFA WealthTech platform will continue to support the wealth management sector in this regard by engaging Fintech providers and putting a spotlight on new technologies and innovation where member firms identify areas of opportunity and challenge.

## About PIMFA WealthTech

PIMFA WealthTech is part of the Personal Investment Management and Financial Advice Association (PIMFA), the trade association for the wealth management, investment services and the investment and financial advice industry.

PIMFA WealthTech, established in 2022, believes that collaboration is essential to solving industry challenges and brings together senior industry decision-makers to address the most important and complex questions concerning technology focus, partnering and adoption as it applies across the value chain.

Our market network and technology platform have been created to bring the most innovative and relevant WealthTechs to our sector. Our teams work alongside leading financial institutions to identify, prototype and deliver enhancing technologies and breakthrough solutions that generate competitive advantage and business impact.

Further information can be found at:

[pimfawealthtech.com](https://pimfawealthtech.com)



PIMFA is the trade association for firms that provide wealth management, investment services and the investment and financial advice to everyone from individuals and families to charities, pension funds, trusts and companies. The sector currently looks after £1.7trillion in private savings and investments and employs over 63,000 people.

PIMFA leads the debate on policy and regulatory recommendations to ensure that the UK remains a global centre of excellence in the wealth management, investment advice and financial planning arena. Our mission is to create an optimal operating environment so that its member firms can focus on delivering the best service to clients, providing responsible stewardship for their long-term savings and investments.

PIMFA was created in 2017 as the outcome of a merger between the Association of Professional Financial Advisers (APFA) and the Wealth Management Association (WMA) with a history as a trade association since 1991 – [read more](#).

Further information can be found at:

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[pimfa.co.uk](https://pimfa.co.uk)



## Participating organisations

We want to thank the participating Fintech and Sandbox providers for supporting the PIMFA WealthTech tech sprints and findings shared in this report.

## Sandbox partners:

NayaOne, WealthOS

## Fintech Participants

Atfinity, Crealogix, Engage Hub, Fenergo, Kidbrooke, WealthObjects, Neotas, Toca.io

## Bibliography

- <sup>1</sup> 2023 Frictionless data sharing through the wealth and asset management ecosystem
- <sup>2</sup> 2021 EY Global Wealth Research Report
- <sup>3</sup> 2023 EY Article – Delivering a personal service in a virtual world
- <sup>4</sup> 2023 EY Global Wealth Research Report
- <sup>5</sup> 2021 EY Global Information Security Survey





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