2025 Tech Trends
Wealth & Asset Management

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Foreword

The Wealth & Asset Management sector is complex and diverse. Firm's specialisms, structures, nuances and client bases can differ wildly. A deep understanding of these differences, alongside the challenges and opportunities for these businesses is critical to deliver value and recognise returns.

In early 2025, there are some key trends in terms of technology investments that ring true across nearly every firm. This document explores those themes, along with who's already delivering in the space - and what might be coming next.

Bringing together our Wealth & Asset Management and technology expertise, our team's have focused on the art-of-the-possible alongside business-specific challenges.

We understand that technology doesn't drive returns without careful change management, education and process refinement... We also know that ultimately, the tech is used by people - and they should be considered at every step along the way!

Our team loves nothing more than problem solving - so if you'd like to talk to us about your biggest challenges, get in touch.

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Segmenting the space

Traditional Wealth Managers: Facing pressure from clients seeking lower fees and self-management, these firms are losing ground to digital competitors. They offer investment advice, portfolio management, and complex financial planning, using mixed discretionary and advisory services. Needing high client volumes to sustain fee-based models, they're undergoing consolidation, often at the expense of client service. They're focused on building internal tools, scalable design systems, and data-driven D2C offerings to remain competitive.

Private Banks: Catering to UHNW clients, these banks focus on estate planning, tax advisory, and exclusive, "white glove" experiences. Whilst the human expertise is what sets them apart, they must meet rising digital expectations set by retail and challenger banks - particularly as next gen UHNW enter the frame. While risk modeling is prevalent, opportunities lie in enhancing digital concierge services and integrating with modern banking back-office platforms. Mobile and internet banking security are paramount, with data playing a significant role.

Asset & Investment Managers: Primarily serving institutions, IFAs, and pension funds, these managers are now expanding into D2C offerings. They provide fund management, ETFs, and structured products, with a focus on risk management dashboards and IFA platforms. The shift to D2C presents challenges in balancing personalisation and advice, navigating complex regulations like PRIIPs and Consumer Duty. This space offers opportunities for transformation, service design, and data engineering, leveraging experience layer thinking.

Digital Wealth Platforms: Targeting mass affluent and retail audiences with low fees and algorithm-based investing, these platforms compete directly with traditional wealth managers. They emphasize ESG and alternative investments, while carefully navigating advice restrictions. Consumer Duty regulations are a major focus, requiring low-barrier KYC/AML processes and clear risk disclosures. Taking a digitally-native approach, they're investing heavily in mobile experience, and AI integration focused on areas like predictive customer analysis.

Family Offices: Serving UHNW families with vast assets, family offices specialise in multigenerational wealth planning, estate planning, and corporate advisory. Data platforms for deal tracking and complex reporting are essential. While SaaS solutions exist, bespoke development is more likely to meet the unique client needs and exceedingly high expectations of service. A very niche area, but with plenty of potential for highly bespoke data set up.

Retail Investment Platforms: Catering to a broad audience with passive income goals, these platforms offer low-cost execution for stocks, ETFs, and other investments. They integrate with cash deposit services and offer SIPPs and ISAs. They operate on low fees and high volume, requiring clear risk disclosures under Consumer Duty regulations. This space intersects with retail banking, offering opportunities to capitalise on the well established best practices and tried-and-tested innovation when it comes to customer facing tech.

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Executive Summary

Competing in wealth & asset management is tougher than ever.

Traditional and next gen investors are growing more sophisticated and intentional about protecting capital and growing wealth, with high expectations for seamless digital experiences.

With tech expenditure in sharp focus, staying competitive requires firms to make the right investments in digital, while recognising that tech alone isn't the answer. Success lies in balancing core business goals, user needs and regulatory obligations, while leveraging data to drive great outcomes across the value chain.

To define the industry's top technology concerns, we've conducted research, enriched by our experience of partnering with a range of Wealth Management and Pensions clients.

Financial organisations are built on data, so we've focused on the importance of enhancing data quality and availability. These are key to helping operators build strong cloud and data foundations, improve operations, drive personalisation, innovate in compliance, and harness the power of AI.

We hope these insights can enable leaders to make well informed decisions about strategy, tech and talent; driving competitive advantage, managing risk more effectively, all whilst staying compliant.

\PERSPECTIVES

THEME 1

Cloud and Data Foundations

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Cloud and data foundations

In the ever evolving, always competitive landscape of Wealth and Asset Management, the ability to adapt, innovate, and deliver personalised client experiences continues to drive decision-making. Investing in robust cloud and data foundations is not a nice-to-have - it's imperative for firms seeking to thrive in the digital age.

Cloud adoption provides unparalleled scalability and agility. Firms deal with fluctuating market data, evolving regulatory requirements, and growing client portfolios. Traditional `on-premise infrastructure often struggles to keep pace, leading to performance bottlenecks and increased operational costs. Cloud platforms, on the other hand, offer on-demand resources, allowing firms to scale their infrastructure up or down as needed. This flexibility enables rapid deployment of new applications and services, facilitating quicker responses to market changes and client demands.

Strong data foundations are crucial for generating actionable insights. Firms possess a wealth of data, from client demographics and investment portfolios to market trends and risk assessments. However, this data is often siloed and fragmented, making it hard to extract meaningful insights. Cloud-based data lakes and warehouses provide a centralised repository for data, enabling seamless integration and analysis.

Advanced analytics tools, powered by AI and ML, can uncover hidden patterns, identify investment opportunities, and personalise client recommendations.

Once strong foundations are in place, further benefits can be leveraged in efficiency, security, and client personalisation:

- Migrating to the cloud eliminates costly hardware maintenance and software upgrades. Cloud providers handle infrastructure, freeing IT to focus on strategy. Automation tools streamline workflows, reducing errors and` improving productivity.

- Cloud providers invest heavily in security, often exceeding individual firm capabilities. Cloud platforms offer compliance tools and audit trails, aiding regulatory adherence. A strong data foundation supports compliance through clear transaction records.

- Clients expect seamless, personalised interactions. Cloud platforms enable mobile access to portfolio information and tailored investment advice. Data analytics understands client preferences, fostering stronger relationships and loyalty.

What are firms doing today?

Many firms still operate with decades-old core systems that are expensive to maintain, inflexible and struggle to support consolidated knowledge. These systems silo data and make it hard to innovate.

Investment in cloud and data foundations is steadily increasing across the board, with firms increasingly seeing the return on their spend as AI becomes more than just hype, and the rise of automation and advanced analytics becomes more of a focus. Tech investment is predicted to reach $70b in firms - with the fastest growth in cloud.

For example, JPMorganChase is investing $17 billion into modernising their tech on AWS. Their cloud partnership has enabled the running of >1,000 applications on AWS, and the rollout of their LLM Suite to 200,000 employees.

What's coming next?

Businesses that consolidate under one or more cloud providers and unify around a stack of interoperable knowledge tools for their workplace can expect to handle a larger volume of business without a commensurate increase in headcount and operational intricacies, giving them a competitive cost advantage.

But the cost advantage is only part of benefit, by making knowledge retainable, reusable and modularised, businesses are becoming more flexible when it comes to innovation. If data is available, high quality and actionable and knowledge is consolidated and modularised, then digital product design and development should move at a much quicker pace towards value, increasing AUM and shareholder value.

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Technology spend in Wealth & Asset Management is predicted to reach nearly $70 billion by 2028, with Cloud being the highest spend area

Celent Wealth Management IT Spending Report

THEME 2

Supercharging people
and processes

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Supercharging people and processes

With the right foundations in place, firms are opened up to an enormous array of benefits that will impact efficiency, productivity and profitability. Whilst many of us are focused on the front office - the journey points where a client will directly interact with your firm - there are a whole host of middle office opportunities to be leveraged... How can we use technology to supercharge the people and processes in your firm, so that both the end customer and your business will feel the impact?

Automation of operational processes presents a significant opportunity. The implementation of RPA allows for the streamlining of repetitive tasks, such as data entry, report generation, and compliance checks. This not only minimises the potential for human error, but also liberates valuable staff time, enabling them to focus on more strategic, high-value activities. Furthermore, the digitisation of client onboarding procedures serves to expedite this critical process, enhancing the client experience while simultaneously reducing the administrative burden.

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This encompasses streamlined client onboarding procedures, personalised communication strategies and comprehensive access to client data, allowing for a more nuanced understanding of individual needs - along with being able to spot patterns across your broader clientele. The integration of AI and machine learning further enhances these capabilities, providing for portfolio optimisation, risk assessment, and tailored investment recommendations.

Automated portfolio management and reporting systems liberate valuable time, enabling advisors to dedicate their efforts to cultivating client relationships and providing bespoke financial advice.

Rather than trying to replace the human-led experience clients are looking for, these technologies serve to underpin and enhance the expertise that your RMs and advisors provide to the end client, as well as democratising that specialist knowledge across your business.
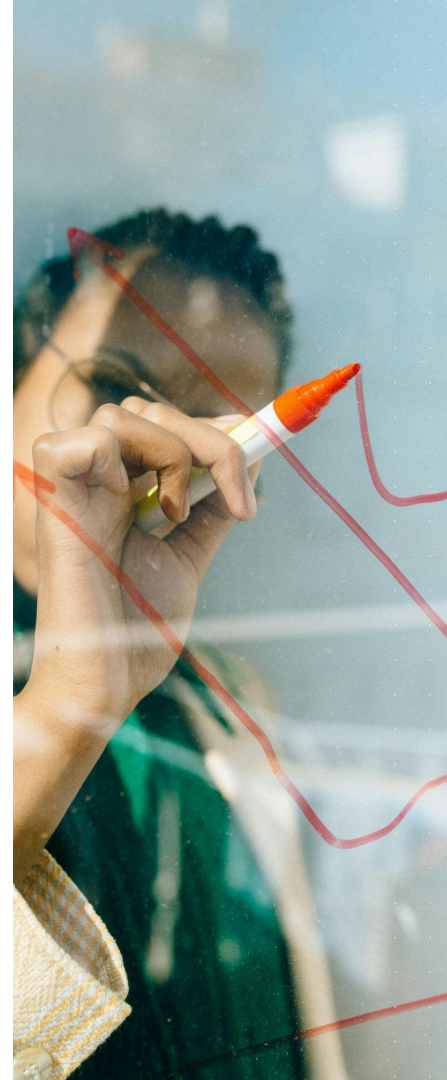
What are firms doing today?

Automation from simple scripts to RPA through to AI facilitation systems are being deployed to support repetitive, structured, rules-based tasks either without human intervention.

According to McKinsey, Relationship Managers are spending between 60% and 70% of their time on non-advisory, non-revenue generating activities. Automating even a small percentage of these activities is bound to have a significant impact for both clients and firms.

For example:

- Schroders are saving >5,000 hours per month by deploying 300 digital workers, using the SS&C Blue Prism RPA platform.
- UBS has reported having over 2,000 staff trained and able to use RPA bots - along with a core team of 350 developers who are designing, building, and maintaining the bots full-time.

What's coming next?

Businesses that operate with tight margins and heavy administrative burdens, need to act fast on manual or bureaucratic processes that are slow, costly and error-prone. Embracing facilitation and automation will define the next generation of standards when it comes to operational scalability and effectiveness.

Those who hope to truly leverage the power of RPA and AI-driven process supercharging know that simply implementing the technologies won't drive the change - the business processes themselves have to be considered before being automated. Those charging ahead are looking holistically at how their operations are set up, and making fullstack changes to see genuine efficiencies and productivity boosts.

QUOTE

"The relationship between technology and people has to change in the future for the better, and I think RPA is one of the great tools to enable that change"

Leslie Willcocks, Professor of Technology, Work and Globalisation, LSE

THEME 3

Personalisation and
future experiences

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Personalisation and future experiences

The ability to cultivate and maintain strong client relationships is the core of any firm. Technology provides a powerful arsenal for firms seeking to deliver highly personalised customer experiences, moving beyond generic interactions to forge genuine connections - enhancing, rather than replacing, the human relationship.

Seemingly, every business is working hard to create a truly 360° customer view. By aggregating and analysing client data, including investment preferences, risk tolerance, and life stage, firms can develop a granular understanding of individual needs. This allows for the creation of tailored investment strategies and personalised financial plans, ensuring that advice is relevant and aligned with each client's unique circumstances. Personalised investment portfolios, designed according to risk tolerance, financial goals, and ethical considerations, provide a more engaging and relevant experience. AI-driven platforms can analyse market trends and client data to dynamically adjust portfolios, ensuring alignment with evolving objectives.

The implementation of sophisticated CRM systems plays a crucial role.

These systems not only centralise client information but also facilitate personalised communication. By tracking client interactions and preferences, advisors can deliver timely and relevant content, from bespoke market updates to invitations to exclusive events. AI-powered tools can also analyse client sentiment and identify potential concerns, enabling proactive intervention and personalised support. Relationship managers, armed with detailed client profiles, can offer bespoke guidance and anticipate needs. Digital platforms can provide personalised dashboards, offering real-time insights and performance updates, empowering clients to make informed decisions.

Clients of today have high expectations in terms of convenience and immediacy, and expect you to meet them wherever they are - digital platforms and mobile applications provide another avenue for personalised engagement, layering on top of the human-led service they receive. By offering clients access to real-time portfolio information, personalised performance reports, and interactive financial planning tools, firms can empower them to take an active role in their wealth management. Personalised dashboards and notifications can be tailored to preferences, ensuring that clients receive the information they need, when they need it.

What are firms doing today?

If we are expecting wealth and asset management organisations to have their business data in a unified, structured and in an appropriate format to leverage and scale generative AI effectiveness and efficiency solutions, then it is reasonable to expect the same for customer data.

Happy customers, partner organisations and third parties will be those who have their needs anticipated, priorities understood and that are able to make decisions and manage their assets in a simple, transparent fashion.

Vanguard is leading the charge on robo-advisors, winning awards for their pure play Digital Advisor, and hybrid Personal Advisor - effectively leveraging data and AI to democratise access to wealth services for the mass affluent market. The tools offer automated investment management, accounting for risk appetite and financial goals, and are using AI to personalise content, provide relevant, timely insights, and streamline UI.

What's coming next?

Across wealth and asset management, the digital experiences can be white labelled, web-first, point on time specific and in many cases, not as premium as the one to one personal services that a customer will enjoy.

Creating digital experience that deepen relationships, engage (both remotely and in person) and that feel additive and asynchronous will become ubiquitous over the next ten years. Many businesses speak of hyper-personalisation, but mapping to cohorts and demographics is the first port of call. Jumping too far into the world of 1-2-1, misses the low hanging fruit of 1-2-many engagements based on common attributes, common focuses and investment priorities.

STAT

67% of Citi survey respondents indicated that digital client experience is the top focus area for their technology and operations strategies.

THEME 4

Compliance innovation

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# Compliance innovation in KYC & AML

As security challenges and concerns increase, so too do the compliance and regulatory measures that firms need to adhere to. Traditional, manual processes are proving inadequate in the face of escalating regulatory demands, increasingly sophisticated financial crime, and a rapidly evolving tech landscape.

One key area of innovation lies in the adoption of advanced technology. AI/ML algorithms excel at analysing vast datasets, far exceeding human capacity. This enables the detection of subtle patterns indicative of money laundering, terrorist financing, or fraud. For instance, anomaly detection can flag unusual transaction volumes or geographical patterns. Natural Language Processing (NLP) can automate the screening of news articles and public records for adverse media, crucial for ongoing KYC. This allows for continuous monitoring of client risk profiles, rather than relying solely on periodic reviews. Predictive analytics can forecast potential risks, allowing firms to proactively mitigate them. For example, ML models can predict the likelihood of a customer engaging in suspicious activity based on their transaction history and other data points.

Biometric verification and digital identity solutions offer significantly more robust customer authentication. Implementing facial recognition, fingerprint scanning, or digital identity wallets can streamline onboarding processes while enhancing security. This not only improves the customer experience, building much needed trust with clients, but also strengthens compliance measures.

Another crucial aspect of innovation is the utilisation of RegTech. These solutions can provide real-time monitoring of transactions, enabling firms to detect and respond to potential risks with much greater speed than ever before. Cloud-based platforms can also facilitate secure data sharing and collaboration between different departments, improving compliance oversight and reducing the risk of data breaches.

Additionally, the implementation of RegTech solutions opens up the possibility for automated regulatory reporting, reducing the burden on compliance teams and ensuring accuracy - and allowing for much easier auditing, and regulatory checks.
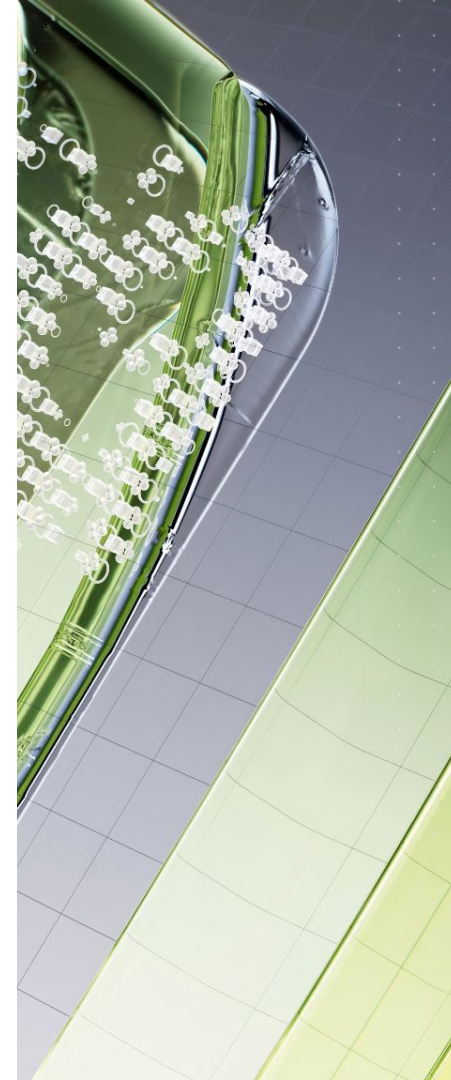
What are firms doing today?

The regulatory burden on wealth and asset management firms has increased dramatically post-2008 and continues to evolve (AML rules, suitability requirements, data protection laws, trading and disclosure rules, etc.).

W&AM firms are leaping ahead to the utopian Decentralised Finance (DeFi) future, but without solid KYC and AML practices in place, hefty fines are to be expected - and jail time. As a result, the focus on RegTech has never been higher.

BlackRock has gone all in on its Aladdin platform, and offers Aladdin Risk as part of the platform, which plays a key role in the firm's KYC efforts. Aladdin's data analytics capabilities enable the firm to monitor transactions and assess risk.

With UK financial institutions spending approximately £38 billion on financial crime compliance per year, it's no wonder firms are taking compliance innovation seriously.

What's coming next?

Secure digital data management systems are vital for maintaining the privacy & integrity of sensitive information collected during AML & KYC checks. As AI and ML evolve, the predictive capabilities of these technologies could foresee potential fraud or laundering schemes before they fully materialise. By analysing trends and patterns over broader datasets and across platforms, predictive models could potentially spot new methods of money laundering that human analysts might overlook.

The Internet of Things could also play a significant role in further enhancing KYC and AML efforts. IoT devices could track and verify customer locations or activities, providing additional layers of validation and security checks.

QUOTE

"I think it's going to be hard for large, regulated institutions, no matter what liquidity is available, to participate without these blockers. All I know is, we go to jail if we don't know who we're trading with."

Joseph Chalom - Managing Director, BlackRock

THEME 5

Machine learning to agentic AI

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Machine learning to agentic AI

Whilst firms have always sat on data goldmines, the rapid evolution of Generative AI has accelerated data value in ways we've never seen before. Spend is tracking this trend, with heavy focus of investments in firms on data foundations to enable more sophisticated data technology implementations. The pace at which AI tech is evolving means that those who are experimental, and continuing to invest in innovation are experiencing returns faster, and staying ahead of the curve.

Machine learning is being leveraged across a huge variety of use cases in firms - scanning vast data sets in portfolio optimisation, highlighting risk and potential fraud in existing data and using predictive analytics to get ahead, creating efficiencies through algorithmic trading, in ML-powered NLP scanning of market sentiment, and in highly tuned customer segmentation and personalisation.

GenAI presents opportunities for personalised content creation, such as tailored market reports and investment proposals - creating even further value by reducing the need for costly services like translation. It can also generate realistic simulations for stress testing portfolios, providing valuable insights into potential risks and returns.

GenAI can also assist in creating sophisticated financial models, allowing for more accurate forecasting and scenario planning. Agentic AI, or AI agents, are being used to automate complex tasks and provide proactive client support. These agents can manage routine inquiries, schedule appointments, and even provide personalised investment recommendations based on individual client profiles and market conditions. They can also be deployed for continuous portfolio monitoring and automated rebalancing, ensuring alignment with client objectives.

Data analytics plays a crucial role in supporting these AI applications. By aggregating and analysing client data, market data, and economic indicators, firms can gain deeper insights into client behaviour and market dynamics.

The evolution from machine learning to agentic AI in wealth management represents a profound transformation with the potential to unlock significant benefits in terms of efficiency, personalisation and service innovation.

While challenges pertaining to client trust, regulatory compliance and ethical considerations must be addressed with focused attention, the sector will likely be shaped by a ecosystem where advisors and intelligent AI agents work in tandem.
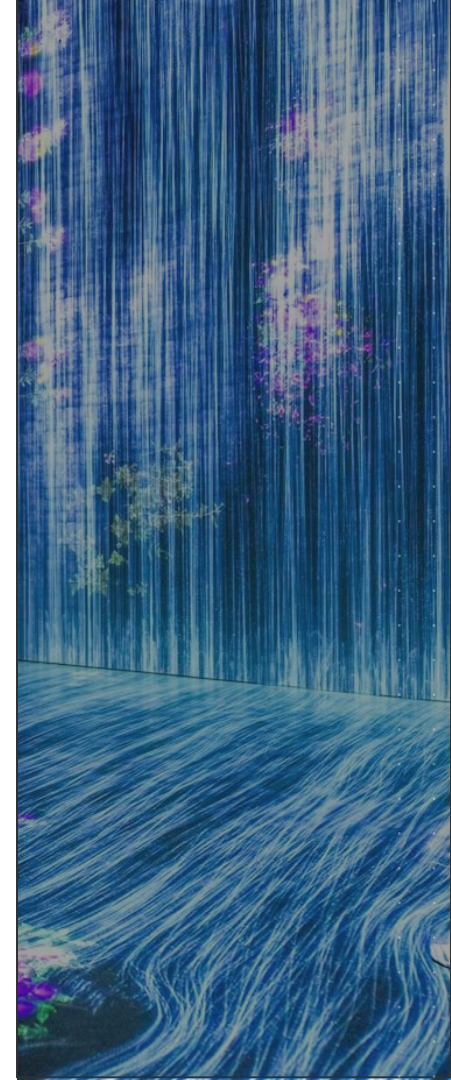
What are firms doing today?

Machine learning tools are being deployed to analyse vast datasets, automate decision-making and enhance service delivery in wealth management. From investment research (using AI to parse news and earnings reports for insights) to customer service chatbots and fraud detection, flexible and adaptable algorithms have become part of the business furniture so to speak.

Investment in ML has increased investment performance, reduced operating costs and enhanced employee experience. However, the world of AI, GenAI and Agentic AI provides further opportunity and further untapped effectiveness & efficiency.

So how do future-fit firms know where to place their bets?

What's coming next?

Agentic AI is discrete artificial intelligence that uses sophisticated reasoning and iterative planning to autonomously solve complex, multi-step problems, in many cases whilst operating autonomously.

Agentic AI's work especially well in areas of deep specialisation, as agentic models are explicitly designed to carry out very granular tasks, when compared with previous broad-brush automation systems. What's more, multiple agentic roles can be created rapidly. In knowledge work, for example, agents can be created for information retrieval, analysis, workflow generation, and employee assistance — all working in tandem.

STAT

BigTech references to Agentic AI in corporate documents surged 17x in 2024, with projections for exponential growth in 2025.

WHO WE ARE

Working with Waracle

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Working with Waracle

Waracle is a leading UK consultancy that creates innovative digital products trusted by millions of users.

We focus on solving business-critical challenges, leveraging big opportunities, and staying user-centric - leading with problem-solving over specific technologies. This means the products we build deliver on real outcomes, and are loved by the people that use them - even in highly regulated industries.

A consultancy is only as good as its people. Our cross-functional teams of expert crafts people are the best in the industry. We achieve this with a tight focus on the work we do, and an unwavering focus on quality and culture.

Across strategy, product, design, delivery, data, and engineering, we've helped businesses transform their infrastructure, operations, and customer experiences for over 20 years.

Our Services

From business cases and discovery, to new product build and launch, existing product optimisation and development, and ongoing running of your services - Waracle is a truly end-to-end partner.

We tailor every engagement to the needs of our clients, always keeping the focus on your business challenges.

Why work with Waracle?

- **Proven Track Record:** We've been delivering cutting-edge digital products for diverse clients for over 20 years

- **Expert Team:** Our team comprises highly skilled craft consultants, working cross-functionally to deliver success

- **Innovation & Creativity:** We're passionate about exploring new technologies, and are constantly pushing the boundaries of what's possible

- **Client-Focused Approach:** We prioritise client satisfaction by focusing on results, and build strong relationships based on trust

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