flanks

An institutional briefing for wealth management leaders

Can wealth firms scale with AI without losing control?

— Owen James WealthTech Matters · London · 7 May 2026

Can wealth firms scale with AI without losing control?

Key findings from the Flanks roundtable on Data, AI and the Future of Advice, led by **Joaquim de la Cruz, CEO & Co-founder, Flanks**, and what has changed since.

The question we put to the room

At Owen James WealthTech Matters in May 2026, COOs, CTOs and senior leaders from across UK wealth management gathered to examine one of the industry's hardest questions: **can firms deploy AI at scale without compromising advice quality, governance and Consumer Duty compliance?**

The backdrop was clear. Consumer Duty is no longer a compliance exercise, it is a data and governance challenge, with firms asked to evidence good client outcomes continuously across a fragmented, incomplete client data picture.

The consensus in the room was blunt: the constraint on AI in wealth is not the model. It is the state of the data underneath it, and the governance wrapped around it.

> **The AI that works in wealth is the AI grounded in the data that you own.**
>
> — Joaquim de la Cruz, CEO & Co-founder, Flanks

Consumer Duty · FCA, 2023

Requires firms to evidence positive client outcomes on an ongoing basis, not periodically. That demands accessible, reliable and auditable client data across all holdings.

FIDA · EU, 2026

Extends open finance to standardised investment data flows across Europe, making data infrastructure a strategic capability rather than a back-office function.

— Session 3 · Data, AI and the future of advice

Five headlines from the room

The session examined how wealth firms can scale AI without surrendering operational control, governance or advice quality. Five headlines emerged.

01 **Data quality and infrastructure are the primary constraint on scalable AI.**

Not the model. The state of the data underneath it now decides whether a firm can put AI to work across its operations.

02 **Consumer Duty is accelerating the need for stronger data governance.**

Monitoring and evidencing capabilities are shifting from a nice-to-have to a standing regulatory expectation.

03 **Fragmented legacy systems still create major operational inefficiencies.**

Disconnected platforms and inconsistent client records quietly limit what AI can actually achieve.

04 **AI adoption is rising fast, but caution runs deep.**

Firms remain wary of hallucinations, liability and regulatory risk in a regulated advice environment.

05 **Human oversight and accountability stay central.**

Governance and clear ownership remain non-negotiable as AI moves into everyday operational workflows.

JC
Expert
Joaquim de la Cruz
CEO & Co-founder, Flanks

HC
Facilitator
Helen Clark
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The discussion · The real constraint

The constraint is the data, not the model

The session opened on a point of consensus: AI capability itself is no longer what separates firms. What does is the quality, accessibility and structure of the data beneath it.

THE CORE FINDING

Capability is no longer the differentiator. The data underneath it is.

Access to AI is now broadly even across the industry. What decides whether a firm can scale AI across its workflows is the quality, accessibility and structure of its underlying data. The advantage has moved away from the model and toward the foundation it runs on.

Unified data architecture

Many firms still run on fragmented legacy systems, disconnected platforms and inconsistent client records. Those gaps create operational inefficiencies that quietly but significantly limit AI effectiveness.

The fragmentation burden

Multiple custodians, numerous logins and overlapping technology environments, often inherited through acquisitions. The strain shows most in onboarding and servicing, which stay highly manual.

CONCLUSION

The differentiator is no longer the model. It is the quality of the data underneath it, and that is where advantage is now won or lost.

The discussion · The regulatory driver

Consumer Duty is becoming a data challenge

Regulation emerged as the central driver of data modernisation, reframing Consumer Duty as a governance and data problem rather than a compliance exercise.

From compliance to governance

Consumer Duty is pushing firms to build structured, evidence-based data environments that can demonstrate good client outcomes, suitability oversight and ongoing monitoring. It is fundamentally a governance and data challenge, not a box-ticking exercise, and it needs accessible, reliable and auditable client data.

The incomplete client picture

Firms struggle when clients do not fully disclose their wider arrangements, assets or external holdings. Psychological barriers, privacy concerns and fragmented relationships all limit a firm's ability to maintain a comprehensive, current view of client wealth.

CONCLUSION

Consumer Duty is no longer a compliance exercise. It is a data and governance challenge, and an incomplete client picture is now a governance liability.

The discussion · The risks

Deploying AI without losing control

AI's operational risks were discussed at length. The productivity upside is real, but so are the failure modes in a regulated advice environment.

The hallucination risk

Participants shared examples of AI confidently generating flawed analysis or incorrect recommendations. In a regulated advice setting, a confident wrong answer is more dangerous than an obviously wrong one.

Productivity versus risk

AI can materially improve productivity and operational efficiency, but the risk of inaccurate outputs stays serious where advice is regulated. Human validation and oversight were repeatedly named as essential safeguards.

Accountability does not transfer

Whatever the level of AI involvement, advisers and firms remain fully accountable for client outcomes, suitability and compliance. Automation can support a decision. It cannot own it.

CONCLUSION

The productivity upside is real, but it comes with real failure modes. Whatever the AI does, the adviser remains accountable for the outcome.

The discussion · The road ahead

Governance, culture and the road ahead

The closing discussion turned to how firms actually operationalise AI: the governance overhead, the cultural brake, and where this lands over the next few years.

The governance overhead

Data protection and governance are a growing load: Data Protection Impact Assessments (DPIAs), AI governance frameworks and approval processes for every new technology.

Controlled versus experimental

Approaches vary widely, from tightly controlled environments with restricted access to experimental, iterative adoption. The tension between innovation and risk management runs throughout.

A risk-averse industry

The industry's naturally risk-averse culture may slow adoption despite clear commercial and productivity benefits.

The three-to-five-year horizon

The room broadly expected AI to become embedded in everyday processes within three to five years, eventually operating as a largely invisible layer across operational infrastructure.

CONCLUSION

Scaling AI is a data and governance problem before it is a technology one. The firms that pull ahead pair stronger data foundations with real operational discipline.

In summary

Ten takeaways for wealth leaders

The practical conclusions from the session, for boards and operating teams building AI-ready data foundations.

01 **Data quality and infrastructure** are the primary enablers of scalable AI adoption.

02 **Consumer Duty** is accelerating investment in data governance and evidencing.

03 **Fragmented legacy systems** still create major operational inefficiencies.

04 **Client data visibility** stays incomplete where assets sit across many providers.

05 **AI hallucinations** and inaccurate outputs are a real risk in regulated advice.

06 **Human oversight and accountability** remain essential, whatever the AI involvement.

07 **DPIAs, frameworks and access controls** are now core operational requirements.

08 **A risk-averse culture** may slow adoption despite clear productivity gains.

09 **AI will become embedded** in operational infrastructure within three to five years.

10 **AI implementation success depends** as much on governance and culture as on the technology itself.

What AI unlocks now

AI solves the advisors productivity problem, and unlocks a $230bn opportunity

Quality advisory reaches only two in ten clients today. Getting AI right collapses the cost to serve and opens the lower HNW and affluent segments most firms leave on the table. **Sources: Morgan Stanley and Oliver Wyman.**

Traditional advisory

$8K–$20K

per client / year

Dedicated RM, bespoke portfolio construction and in-person meetings. Requires more than $5M AUM to break even at 90 bps yield.

Unprofitable below $5M

Hybrid model

$2K–$8K

per client / year

Digital-first with on-demand advisor access. Model portfolios plus periodic human touchpoints. Works from $1M+.

Viable from $1M

Digital-led

$0.5K–$2K

per client / year

Fully automated portfolio management, AI-driven advice and self-service. Unlocks profitability from $300K+.

Unlocks the $300K+ segment

High touch — Cost-to-serve reduction up to 90% — Scalable

Generative AI, one consistent advisor

GenAI brings a banker, an investment advisor and a financial planner together in a single interface, so every client receives consistent, joined-up advisory regardless of who they speak to.

Before you implement

Five practical watch-outs before AI implementation

If your firm is about to put AI into advice workflows, keep these five things in front of the board first.

01

The 20% problem

Capacity limits push advisors to prioritise their largest clients, so quality advice reaches only about two in ten.

02

Data first, AI second

Without clean, standardised data, even the most capable AI engine will not start.

03

Open finance is the fuel

Robust data pipes enable true aggregation across custodians, platforms and asset classes.

04

Democratisation is a business model

The economics now make it viable to serve a €100K client like a €100M one.

05

The next-gen wealth transfer

77% of the next generation leave their parents' advisor when expectations are not met.

— About us

The wealth data infrastructure behind AI at scale

Flanks is a WealthTech leader giving wealth institutions direct access to a unified, institution-grade, compliant wealth data layer to harness AI at scale. Our infrastructure automates the aggregation and enrichment of complex portfolios across all asset classes, including alternatives, delivering a comprehensive 360° view and eliminating client friction and manual work.

We empower global financial institutions, from banks and family offices to asset managers, pension providers and tech companies, to democratise sophisticated wealth management. As an AISP regulated by the Bank of Spain under the supervision of the European Central Bank, Flanks provides secure, compliant infrastructure. Founded in 2019 in Barcelona by Joaquim de la Cruz, Sergi Lao and Álvaro Morales, Flanks now processes over 8.2 million portfolios monthly across more than 33 countries, managing more than €43 billion in assets.

Our wealth management industry footprint

95%
Coverage of main financial entities in the EU

+43b
Euros managed in our systems

+100
Clients spread worldwide

$8.2M
Portfolios processed monthly with precision

+700
Connections with financial institutions

+7
Years servicing the wealth management industry

Ready to build the data foundation for AI?

Connect with our team to understand where your data stands today and what AI-ready looks like in practice.

Watch on demand
Webinar: Data First. AI Second.

Let's talk
Book a data infrastructure review

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Wealth, easily managed

Let's talk!

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