# Agentic AI poised to transform wealth management while navigating trust and regulation challenges



As the wealth management sector stands poised on the brink of widespread adoption of agentic AI, the excitement about its transformative potential is tempered by questions of trust and governance. Agentic AI represents a leap beyond traditional automation, offering autonomous decision-making with minimal human interaction. Its applications are highly promising—from functioning as digital chatbots with human-like interaction capabilities to automating complex tasks such as portfolio monitoring, rebalancing, and compliance reporting.

Petr Brezina of KBC Asset Management likens agentic AI to the next evolutionary step in financial advice. It promises to expand scalability, personalisation, and inclusivity in investing. For instance, it could democratise access to tailored financial guidance, a service once largely confined to high-net-worth individuals. By automating routine tasks, wealth managers could redirect their efforts toward strategic decision-making and client engagement, thus enhancing the client experience.

However, trust remains the pivotal challenge for broad deployment. Hari Menon from Intellect AI frames trust as “the new currency in the AI agent economy,” driven fundamentally by competence—the tool’s consistent performance—and intent—the alignment of AI actions with client interests. Without these, unchecked AI could swiftly erode confidence, but with them, agentic AI can significantly enhance efficiency and redefine trust in wealth management.

Regulatory frameworks are beginning to catch up with these technologies. Both the UK and EU have introduced stricter rules addressing AI accountability and explainability, mandating firms maintain transparency and detailed audit trails to clarify AI decision-making processes. This regulatory momentum reflects the financial sector’s growing awareness of risks such as biased decisions, hallucinations in AI outputs, and the imperative of acting in clients’ best interests.

Industry voices stress the importance of building AI platforms that incorporate compliance, transparency, and ethical safeguards from the outset. Systems like Intellect’s Purple Fabric demonstrate how agentic AI can deliver impressive efficiency gains—processing complaints 90% faster while maintaining near-perfect accuracy—without relinquishing human oversight. Hybrid models, where AI supports but human advisers retain final control, are widely regarded as the prudent path forward, balancing innovation with the trust that clients and regulators demand.

Investor trust, unsurprisingly, can vary significantly. Retail investors often demonstrate more scepticism, partly due to limited financial knowledge and concerns over blindly relying on AI-generated advice. Conversely, institutional investors, accustomed to quantitative models and algorithmic trading, may be quicker adopters provided AI tools offer explainability and comply with fiduciary standards. Data supports this divide: global studies reveal a significant trust gap among retail investors, with over 90% of US participants expressing doubts about the accuracy of corporate disclosures. Achieving transparency and demonstrating AI’s role as a complement—not a replacement—to human advisers could alleviate such concerns.

The practical challenges of agentic AI adoption extend beyond trust. Issues around regulatory compliance, data privacy, and integration with existing legacy systems must be navigated carefully to avoid operational disruptions or penalties. Ensuring data quality and embedding robust governance structures is essential to foster confidence and mitigate the risks of biased or erroneous AI decisions.

Looking ahead, the prospect of fully autonomous AI in wealth management remains distant. Both Brezina and Menon anticipate that human oversight will endure, given the inherently relational nature of wealth advising—where empathy, judgement, and shared values play crucial roles. Nevertheless, advancements in AI capability suggest a gradual shift: as agentic AI matures and proves its reliability, it will assume more responsibility for routine functions, freeing human advisers to focus on value-added interactions.

Intriguingly, research led by MIT is testing whether generative AI models can meet fiduciary standards, potentially setting new benchmarks for AI trustworthiness. Passing such exams could become a regulatory prerequisite for deploying AI in decision-making roles, further reassuring investors of its ethical and professional rigor. However, continuous monitoring, retraining, and independent audits will remain vital to maintain compliance and adapt to evolving market conditions.

In summary, agentic AI holds vast promise to reshape wealth management by enhancing accessibility, efficiency, and personalised service. Yet, realising this potential hinges on instilling trust through transparent, accountable, and ethically designed systems underpinned by a balanced partnership between AI and human expertise. As Menon aptly concludes, AI adoption is not just an operational upgrade but a moral imperative if the industry is to scale inclusive, affordable financial advice for the mass affluent and beyond. The coming years will prove decisive in crafting a responsible innovation environment where the UK can indeed lead in harnessing AI’s full potential for wealth management.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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2. <https://www.deloitte.com/us/en/about/press-room/trust-main-barrier-to-agentic-ai-adoption-in-finance-and-accounting.html> - A Deloitte survey reveals that while 80.5% of finance and accounting professionals anticipate AI-powered tools becoming standard within five years, trust remains the primary barrier to adoption. Only 13.5% of organisations currently use agentic AI, with 21.3% citing trust issues as the main obstacle. The study underscores the necessity for clear policies and controls throughout the AI lifecycle to build trust and ensure successful implementation in financial services.
3. <https://www.pwc.com/us/en/industries/tmt/library/trust-and-safety-outlook/rise-and-risks-of-agentic-ai.html> - PwC discusses the rapid advancement of agentic AI, highlighting its potential to transform industries by autonomously executing tasks. However, the article also points out significant risks, including misinformation, biased outcomes, and the need for human oversight. It emphasises the importance of responsible AI practices, such as adversarial testing and continuous monitoring, to mitigate these risks and build trust in AI systems.
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5. <https://www.palatinowealth.com/post/agentic-ai-and-the-future-of-alternative-investments-opportunities-challenges> - Palatino Wealth examines the role of agentic AI in alternative investments, highlighting opportunities for improved decision-making and efficiency. The article also discusses challenges, including trust and transparency issues, data privacy concerns, and the need for integration with existing systems. It suggests that clear explanations of AI recommendations and the involvement of human advisors are crucial for building trust among investors.
6. <https://kitrum.com/blog/ai-in-wealth-management/> - Kitrum outlines the challenges of implementing AI in wealth management, such as regulatory compliance, data privacy, and integration with legacy systems. The article highlights the importance of addressing these issues to avoid penalties and operational disruptions. It also discusses the need for high-quality data and the potential costs associated with AI adoption, emphasising the importance of strategic planning and investment.
7. <https://www.fstech.co.uk/fst/The_Next_Level_How_Will_The_Adoption_Of_Agentic_AI_Play_Out_In_Financial_Services.php> - FStech delves into the adoption of agentic AI in financial services, discussing risks like cybersecurity threats, market volatility, and conflicts between autonomous agents and human oversight. The article highlights the need for robust governance, transparency, and continuous monitoring to mitigate these risks. It also notes the growing demand for upskilling to manage AI effectively and the importance of balancing automation with human intervention.