Wealth Management Trends

Scaling advice, trust and growth for the next generation of wealth

temenos

Scaling wealth management without losing the personal relationship



Wealth management is facing two pressures at once: serve more clients efficiently, while making the experience feel more personal.

Client demographics are changing, wealth is becoming increasingly global and younger investors are bringing different expectations around digital access, transparency and choice. Millennials and Gen Z are rapidly becoming more important within the mass-affluent segment, while the transfer of wealth to younger generations is reshaping traditional high-net-worth relationships.

At the same time, the fundamentals of wealth management remain important. Clients still value trusted advice, particularly for complex decisions. The opportunity for technology is therefore not to replace the human relationship, but to make high-quality advice available more efficiently and to a broader client base.

AI can increase advisor capacity and improve personalization, while digital platforms make it possible to support clients across channels and geographies. Private and digital assets are broadening the investment landscape, and greater regulatory scrutiny is raising expectations around transparency, compliance and resilience.

The best positioned firms will be those that combine these forces rather than choosing between them.

BAIN & COMPANY

AI scales wealth management advice and raises the bar on fee transparency



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AI is reshaping the economics of wealth management. A key mechanism of this transformation is expanding advisory capacity and enabling tailored advice at scale.[1]

For example, AI automates meeting preparation and documentation processes using targeted information, freeing up time for quality interactions with clients and supporting growth in assets under management (AuM). Linking client profiles with product and portfolio insights helps advisors match client needs with products, potentially increasing revenue.

Bain research suggests that AI has the potential to improve unit economics twofold. An estimated 25% to 30% of this uplift will come from reducing non-client-facing tasks, allowing advisors to serve more clients while maintaining personalization and high-quality service at lower cost.

Meanwhile, rising client scrutiny and fee compression are reshaping the economics of wealth management. With 62% of investors reassessing advisory fees in 2025 and average fees down roughly 8% annually in 2023 through 2025, price transparency has become essential. AI is a critical enabler; by automating fee decomposition, benchmarking costs, and real-time client reporting, firms can respond to transparency demands at scale while protecting margins and reinforcing trust. Rather than defending pricing, advisors show value through quantified outcomes.

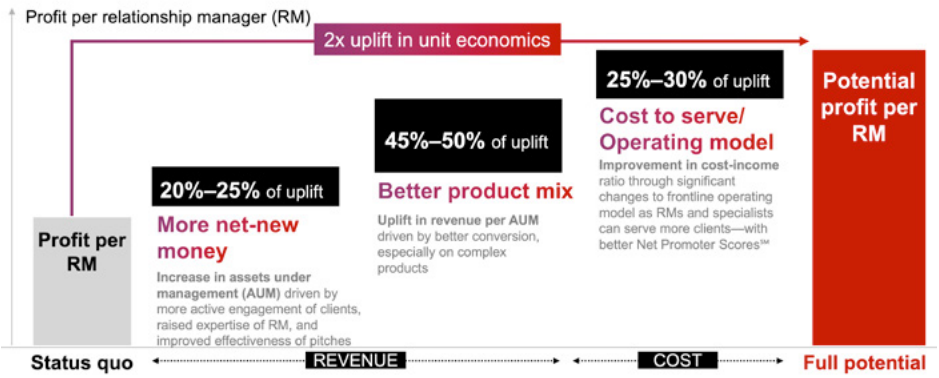
However, most wealth managers still operate on legacy systems and fragmented data stores not designed for AI requirements. Without foundational investment, AI initiatives remain pilot projects rather than enterprise capabilities.

To win, organizations should:

- Modernize their technology foundations around the demands of enterprise-grade AI agents;
- Embed AI into advisor workflows; and
- Redesign pricing communication to emphasize outcome-based value rather than percentage-based fees.

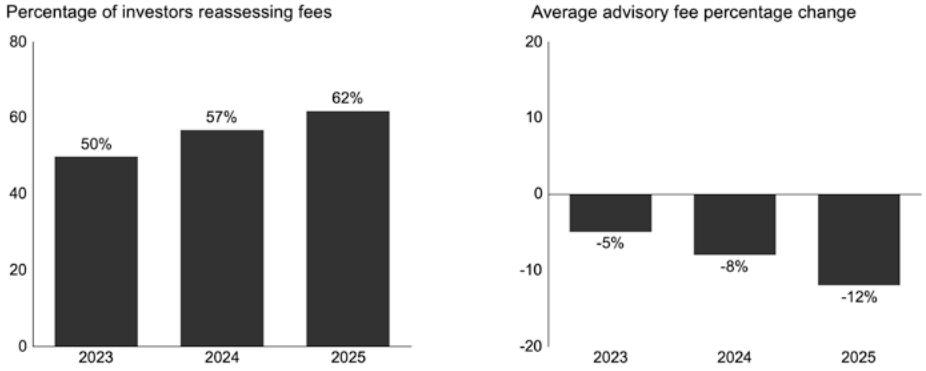
In the age of AI, the key competitive frontier in wealth management is trust, earned through tailored advice and fee clarity. Firms that combine digital intelligence with human judgment will capture that trust. AI does not commoditize advice; it elevates the value.

AI could double relationship manager unit economics



Note: Net Promoter Score℠ is a service mark of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld
Source: Bain analysis

Advisory fees come under increasing pressure



Source: Cerulli Associates, The Advisor Practice Economics Issue, Q2 2025

[1]Explore Technology trends shaping the future of banking

AI adoption will not move at the same speed everywhere

The next phase of AI in wealth management will be shaped as much by trust and governance as by what the technology can do. The EU AI Act applies greater requirements to designated high-risk AI uses, reinforcing the importance of human oversight as firms move from productivity applications towards AI supporting more consequential decisions.

Millionaire migration requires global capabilities

Millionaires are relocating at record levels, with migration numbers more than doubling from 51,000 in 2013 to a provisional 142,000 for 2025.[2] This is being driven by a range of factors, including the rise in remote working and evolving tax regimes, as HNW individuals seek new bases to support long-term wealth and lifestyle planning.

These movers are staying in new locations for extended periods, often beyond six months, creating more complex wealth, tax and investment needs across jurisdictions. Wealth managers are being forced to rethink service delivery and adopt scalable technology that supports clients across borders.

Remote advisory services, multi-jurisdictional compliance capabilities, and the ability to navigate differing tax regimes and local market standards are now essential. Compliance is increasingly being approached through a cross-border lens by default, with implications across payments, KYC, data residency and securities handling.

To meet these evolving demands, wealth firms are investing in solutions that can adapt rapidly to new geographies, enabling them to continue delivering the high-touch experiences the industry is known for without requiring a physical presence in every client location. At the same time, however, many firms are opening branches in markets such as Singapore, Dubai and the Caribbean to provide local expertise, navigate domestic tax laws and regulatory requirements, and meet client needs without delay. Digital infrastructure and local services are therefore increasingly essential to supporting global wealth clients, with digital tools often adopted to complement on-the-ground expertise.

[2]https://www.henleyglobal.com/publications/henley-private-wealth-migration-report-2025/global-wealth-migration-2025

Private and digital assets drive portfolio diversification

Portfolio diversification remains a cornerstone of wealth management, but the way in which investors diversify is changing.

Despite investor appetite to take advantage of private markets, particularly in seemingly fast-growing sectors like AI, access remains largely limited to those that meet the accredited investor criteria. But with demand increasing and policy momentum building to broaden participation,[3] the challenge (and imperative) for banks is to position themselves as the go-to gateway for access. With many investors already turning to private exchanges, banks need to ensure they have the infrastructure (including integration capabilities) needed to safely offer private market opportunities to a wider investor base. This includes managing complex ownership and lifecycle management and addressing risks of fraud.

Digital assets and tokenized securities also continue to attract investor interest, offering a new level of flexibility, including the potential for fractional ownership, faster settlement, and enhanced liquidity. However, legacy systems often struggle to support complex digital asset structures, which can also complicate KYC and AML processes. Banks therefore need secure custody, tokenization, compliance, and API-driven integration capabilities to safely support digital assets and tokenized securities at scale.

Meanwhile, market volatility is driving a renewed focus on active management, with advisors adjusting portfolios more frequently to capitalize on changing conditions and risk. Banks increasingly require technology that supports real-time portfolio management as they continue to navigate volatile and uncertain markets.

[3]https://www.wsj.com/finance/investing/private-stock-market-growth-bb71bde1?gaa_at=eafs&gaa_n=AWEtsqc2vfvJcTaZ2yJQSuadnwj2b_8AUdlNozHHD8X7Gn92jM36JB_ef6yBFexCaD4%3D&gaa_ts=69a84aee&gaa_sig=X0SJlySne3lF-

Digital-first experiences for next-gen wealth clients

Generational shifts are redefining the wealth landscape. At one end, Millennials and Gen Z are rapidly dominating the mass affluent segment, which accounts for nearly 40% of global wealth.[4] Rising incomes, greater financial literacy, and the proliferation of digital wealth platforms are accelerating this transition, making younger mass affluent clients both more visible and more economically viable for firms to serve at scale.

At the same time, the Great Wealth Transfer is reshaping the demographics of the HNW and ultra high net worth (UHNW) segments, with an estimated USD 83.5 trillion expected to pass between generations and spouses by 2048.[5] As Baby Boomers and Gen X continue to pass on their assets, a younger, digitally native cohort of HNW and UHNW clients is emerging. Many of these inheritors have fundamentally different expectations from their predecessors, which firms cannot afford to overlook. Research suggests that even relatively basic gaps, such as limited access to their preferred digital channels, are a leading reason (46%) why new inheritors switch firms within two years.[6]

To capture mass affluent growth and retain clients as they move up the wealth curve (as well as existing UHNW clients), wealth firms are adopting hybrid models that blend digital capabilities with human advice. This requires modern technology and software that can integrate real-time data, support digital onboarding (for the mass affluent) and digital KYC, enable personalization, and provide secure, omnichannel collaboration tools.



[4]UBS, World Wealth Report, 2025
[5]Capgemini, World Wealth Report, 2025
[6]Capgemini, World Wealth Report, 2025

Compliance and operational resilience drive innovation agenda

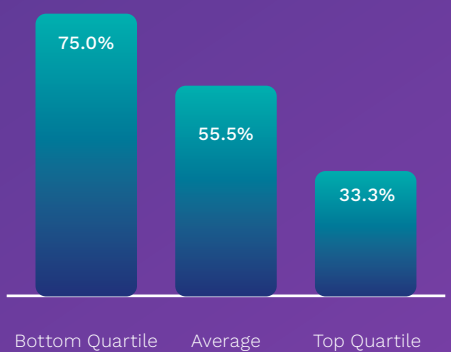
Compliance-focused innovation is a priority as wealth managers seek to address intensifying regulatory requirements, such as those under MiFID II, as well as tighter AML and KYC regimes, more efficiently and without increasing operational complexity.

At the same time, regulators are paying closer attention to operational resilience and system stability, with the arrival of the Digital Operational Resilience Act in Europe early last year a case in point (alongside global developments such as Australia's evolving APRA standards and OSFI Guideline B10 in Canada).

Efficiency pressures compound these challenges, with Temenos Value Benchmark data showing that on average wealth front-office staff spend over half their time on administrative tasks.[7]

Together, these forces are driving investment in compliance solutions that support real-time adherence to legal and contractual frameworks, and internal policies and client guidelines, while also enabling accurate and timely reporting. The way firms assess and respond to customer risk is also evolving, with increasing use of advanced monitoring tools across AML and KYC, and the growing adoption of perpetual KYC models that use automation to continuously monitor client risk profiles and client life cycles.

Administrative burden highlights the operational cost of compliance



% Wealth front-office staff time spent on admin tasks

AI is also being applied to processes such as verification of source of funds (which also applies when clients switch firms), making it faster and more secure to amalgamate supporting documentation.

Keeping operations running smoothly with minimal interruptions and clear audit trails has become non-negotiable. In a trust and transparency-based industry, demonstrating service continuity and real-time compliance intelligence significantly enhances client confidence while protecting the business and its reputation.

[7]Temenos Value Benchmark data, 2025

What this means for banks and wealth firms

Wealth managers face a difficult balance: serve a broader and increasingly diverse client base efficiently while maintaining the personal advice and trust on which the industry is built. Technology can change the economics of delivering advice, but competitive advantage will come from using it to strengthen rather than dilute the client relationship.

Scale advice without diluting its value

AI and automation can increase advisor capacity and make high-quality advice available to a broader client base. The opportunity is not to replace the advisor, but to remove administrative work and provide better intelligence, allowing more advisor time to be spent creating value for clients.

Build for wealth without borders

Wealth is moving across generations, geography and asset classes. Firms need technology and operating models that can support clients across jurisdictions and channels, as well as increasingly diverse portfolios, while retaining the high-touch experience that differentiates wealth management.

Make trust constant as everything else changes

AI, digital assets, regulation and changing client expectations will continue to reshape wealth management. Trust remains the connecting thread. Firms that combine digital intelligence with human judgement, transparency and appropriate governance will be better positioned to deepen relationships as the market evolves.

Talk to Temenos about these trends and what they mean for your bank.

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Meet the experts



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Temenos Value Benchmark

The Temenos Value Benchmark is an industry-leading program that draws on insights from more than 200 banks and 100,000 data points to help financial institutions optimize their technology investments and improve profitability. As a customer value benchmarking and advisory service, it provides C-level banking executives with unique, data-driven insights into how technology can be leveraged more effectively to drive business value. In all graphs referenced in this report, quartiles are defined and sorted per metric.

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About Temenos

Temenos (SIX: TEMN) is a global leader in banking technology. Through our market-leading core banking suite and best-in-class composable solutions, we are modernizing the banking industry. Banks of all sizes utilize our adaptable technology – deployed on-premises, in the cloud, or as SaaS – to deliver next-generation services and AI-enhanced experiences that elevate banking for their customers. Our mission is to create a world where people can live their best financial lives.

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