

Catching the FinTech Wave

How to Adopt FinTech and
Transform
Your Financial Planning Business

Ben Goss



Contents

List of figures	ix
About the author: Ben Goss	xi
Acknowledgements	xiii
Summary	xv
 Introduction: The first waves of a tsunami	 1
1. Why read this book?	4
2. The five big challenges in successfully adopting FinTech	9
 Section 1: What is good financial planning?	 15
3. Your financial planning business on its best day	17
4. Harnessing a powerful engine: asset and risk modelling	20
5. Financial planning without numbers	25
6. Investor experience, risk capacity and value at risk	32
7. Building suitability into your DNA	40
8. Why FinTech is great for compliance	46
9. The hierarchy of automation: how far can digital go?	53

Section 2: Catching the wave:	
using FinTech as a force multiplier	61
10. Building your business on strong foundations	63
11. Accessing the customers that traditional services can't	67
12. Dumped by the wave: manual businesses in a digital world.	72
Section 3: A step-by-step guide to overcoming the five challenges	77
13. Two principles	79
14. Eight steps	84
15. How to engage customers	92
16. How to bring advisers with you	106
17. Managing systemic risk	113
18. Building bridges between data islands	122
Section 4: Catching the wave	131
19. Future game changers	133
20. Conclusions	140
21. Appendix 1 – FinTech financial planning service due diligence checklist	142
22. Appendix 2 – Summary of FCA guidance on streamlined advice services	150
23. Appendix 3 – References and resources	157

List of figures

- Figure 1: UK IFA adoption of risk - profiling tools
- Figure 2: A brief history of FinTech in financial planning
- Figure 3: The benefits of FinTech for financial planning
- Figure 4: 50 years of Moore's law
- Figure 5: The 5 challenges
- Figure 6: Long - term, risk - based planning
- Figure 7: Asset and risk model integrity
- Figure 8: UK attitude to risk
- Figure 9: Value at risk
- Figure 10: Risk targeting
- Figure 11: A scientific revolution
- Figure 12: Hierarchy of automation
- Figure 13: Risk profile coherence
- Figure 14: Clients are getting older
- Figure 15: Trust in travel agents
- Figure 16: 8 steps to success
- Figure 17: 3 reasons customer engagement is challenging
- Figure 18: Golden questions
- Figure 19: Nudges
- Figure 20: 3 rules for managing risk

Figure 21: Building bridges

Figure 22: Best - practice systems architecture

Figure 23: 5 Future developments that will change the
game