

Business and Development

Supplement or substitute – How do advisers view ChatGPT's potential impact on financial services?

by Brandon Russell | Mar 31, 2023

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AI technology is without doubt the future we are heading towards. However, what that future looks like is still unclear.

How will AI be used? Will it replace human labour? When will AI be ready for mainstream use? These are all questions that have come to the forefront of people's minds in recent weeks as news of [Chat GPT](#) dominates headlines and swarms social media.

Chat GPT is an artificial intelligence chatbot developed by OpenAI and launched in November 2022 that allows access to a virtual assistant that can assist professionals in carrying out their duties across industries.

Through machine-learning, these AI chatbots use natural language processing to create humanlike conversational dialogue. The chatbot can respond to questions and compose various written content, including articles, social media posts, essays, code and emails.

The financial services sector has been somewhat split on embracing the technological advancements that [Chat GPT](#) brings to the industry. Whilst some experts see the benefits to efficiency and accuracy that AI can bring, others are sceptical on that a piece of software can achieve the best outcomes for their clients.

Therefore, with Google having just announced its new chatbot called Bard and the aforementioned Chat GPT flooding headlines, we asked financial services experts to tell us exactly what they think of the current state of AI technology and its potential impact on the financial advice profession?

Rhys Schofield, Managing Director at Peak Mortgages and Protection: *"People will always buy from people but if an AI can take care of a lot of the heavy lifting, making advisors' lives easier, then that is something we should embrace."*

Justin Moy, Managing Director at EHF Mortgages: *"We had a similar revolution when it was thought that mortgages could be sold online, without human intervention, a number of online brokers popped up, and we were told this was the future of mortgage sales."*

"However, the happy medium of human intervention and online technology has become the new norm, and parts of the process have been made much slicker through online technology. I would say that AI can be used for parts of the overall process, maybe on criteria, general information on mortgages, and report building for the advisers, but I still believe that the human touch is still vital for what is the most significant purchase of our lives."

Riz Malik, Director at R3 Mortgages: *"In the financial advice profession, embracing AI technology should be viewed as an opportunity rather than a cause for concern. Adapting these cutting-edge tools can result in significant cost savings for businesses, which can then be passed on to their customers, creating a win-win situation. The key to realising AI's full potential is to improve our understanding of these tools as they are developed and ensure the accuracy of input data."*

Bradley Lay, Entrepreneur at Bradley Lay Ltd: *"While some may see this as a groundbreaking development, others believe it's the beginning of the end for human financial advisors. AI technology has made impressive strides in recent years, however, the question remains: at what cost? Many financial advisors are worried that AI technology will replace their jobs entirely. They argue that human advisors offer a level of empathy and understanding that AI chatbots simply cannot replicate."*

"Clients dealing with complex financial issues require emotional support, guidance, and reassurance that only a human advisor can provide. Furthermore, some believe that relying on AI chatbots for financial advice could be risky. The algorithms that power these chatbots are only as good as the data they are trained on. If the data is biased or incomplete, it could lead to inaccurate or even harmful financial advice."

Edward Checkley, Managing Director at Advias: *"If used responsibly, AI chatbots such as Google's Bard & Chat GPT can be a valuable tool in providing faster responses and data-driven insights to financial advisors. However, it is crucial to ensure that AI does not compromise the quality of advice provided to clients."*

"Mortgages are complex, and advice is highly personal, requiring the empathy and understanding of a human advisor. While AI technology can assist in generating data-driven insights, it lacks the emotional intelligence and empathy required to fully understand a client's unique circumstances and needs."

"Therefore, it is important to view AI technology as a supplement to human expertise rather than a substitute. By using AI to automate repetitive tasks and augment the capabilities of human advisors, we can create more efficient and effective processes that ultimately benefit clients."

Gary Bush, Financial Adviser at MortgageShop.com: *"Google's Bard AI offering and Chat GPT's version to us offer further excitement to the fintech movement. From first-hand experience with our bespoke intuitive and automated mortgage application chat system, we know that the UK public just loves being able to interact with online systems for the otherwise quite cumbersome stages of financial matters."*

"I can remember sitting in our costly High Street offices going through endless discussions on what clients' cats had for dinner and wading through reams of paperwork during financial assessment meetings. Now we can fire off our unique open banking authorisation to a total stranger and within minutes, upon receiving their approval, our AI systems can analyse what they have done with their money for the last 6 months and confirm exactly what level of borrowing they can gain from the least cost lender. It makes the regulators' "Know Your Client" processes happen as if by magic and safeguards the industry from potentially fraudulent disclosures."

Joe Stallard, Director and Advisor at House and Holiday Home Mortgages: *"AI's been hitting the headlines recently and it's great to see continued developments here. In our world, we find that clients love the warmth of human interaction."*

"Having someone work through their situation, answering questions as they arise, and explaining the nuance involved with their decisions is a priceless aspect of any professional situation.

"We're embracing technology to make the customer journey better. But the human element is front and centre. ChatGPT may be writing lazy students' essays, but it's not ready to provide mortgage advice yet!"

Austyn Johnson, Founder at Mortgages For Actors: "AI would still need to be checked by someone who is authorised and regulated, so robo-advice may not be as slick as first thought."

John Choong, Equity Research Analyst at Investing Reviews: "AI language models such as Bard and ChatGPT have certainly impressed as they've simplified the ability for people to seek financial knowledge. This has resulted in financial advice professions being called into question.

"That said, there are several crucial tasks that can't be replicated by AI models, or at least not yet. Most prominently, ChatGPT's inability to access the internet will remain its Achilles heel, as financial advising requires up-to-date data. And although Google's Bard can do so, the lack of accuracy and certainty surrounding the data provided makes it unreliable.

"More importantly, it still can't consider data within wider contexts nor process an individual's risk tolerance. This lack of personal insight makes it difficult for AI to give out financial advice.

"As such, we're doubtful that AI will replace financial advisors anytime soon as these chatbots still lack the financial prowess to meaningfully make an impact on the industry — for now."

Wes Wilkes, CEO at Net-Worth NTRWK: "ChatGPT and now Google's Bard should be very exciting for the investment and advice profession. They may currently have huge limitations as I found out when I asked it to invest £1,000,000 only for it to lose £785,000 by not allocating it at all. However, with refinement and the unstoppable pace of their development, it is very easy to see how they can play a massive part in the efficiency and delivery of advice with something as simple as reports. It was only five minutes ago that templated reports were the standard. It's also exciting to envisage how AI can improve and speed up asset choice and even allocation. Much is yet to be revealed but it's a very exciting time to embrace this new technology."

Mike Staton, Director at Staton Mortgages: "Whilst AI may be a good addition to the mortgage industry, they are not designed to give advice. No AI on this planet can display true empathy or sympathy. Nor can it make a rationalised decision on your personal circumstances. People that this will appeal to is the client who feels they already know better than a qualified advisor and that their Google search has more credit than the multiple qualifications that a broker holds. The only winner from advice given by AI will be from the company that is using it to sell."

Kundan Bhaduri Property Developer and Portfolio Landlord at The Kushman Group: "Hey Bard! What's the best option to release equity from an asset for John, a 73-year-old about to go into care, who has two ex-wives and 4 children?"

"Bard: Huh?"

"It's worth noting that financial advice involves more than just clicking buttons. Human advisors provide personalised guidance to clients, taking into account their individual goals, risk tolerance, and financial situation. AI chatbots can sometimes provide some level of personalized advice though, but they are still limited by the data they are trained on, and lack the empathy and emotional intelligence of human advisors. Nonetheless, AI-powered tools like Robo-advisors that use algorithms to manage investments are not uncommon today.

"While AI has the potential to augment and improve certain aspects of the financial advice profession, it is unlikely to completely replace human advisors in the foreseeable future. Instead, AI and human advisors will work together to provide better financial advice to clients."

Whilst individual feelings clearly differ, the general consensus amongst financial service professionals is evident. Chat GPT, and other chatbot technologies, in their current form, are not an adequate replacement for reliable financial advice.

However, advisers using AI to supplement their work may allow them to be more efficient and effective whilst lightening the ever growing workload that is placed upon them.

AI is not going to make advisers surplus to requirement anytime soon, it may however revolutionise the way they work.

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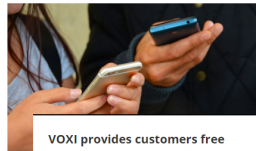


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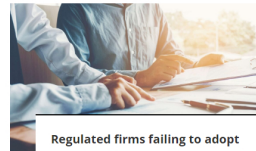
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