ESAs report on automation in financial advice (dec 2016)

The OPSG subgroup on consumer protection can comment on the joint committee of the ESAs report on automation in financial advice

▶ OPSG responded on the consultation March 2016

OPSG OPINION ON AUTOMATION IN FINANCIAL ADVICE

EIOPA-OPSG-16-01 March 2016

Opinion of the EIOPA Occupational Pensions Stakeholder Group (OPSG) on Joint Committee Discussion Paper on automation in financial advice (JC 2015 080)

OPSG view on automation in financial advice in genera

The OPSG welcomes this joint discussion paper from the ESAs to build a general picture of the use of automated tools in financial advice across the different sectors. It is the opinion of the OPSG that as the digitalisation of financial services increases, automation in financial advice presents numerous opportunities for consumers and industry, and carries great potential for further growth and development. At the same time, we acknowledge that the increasing automation of financial advice may also present some potential risks to consumers and industry.

However, the concept of automated financial advice and its prevalence varies greatly across the EU, and even between the different financial sectors, so it is an important starting point to have a common understanding of this concept.

efinition of advice

The OPSG is unsure about the focus of the paper on consumer perception and the broad application

Preliminary comments in the report

Seven preliminary conclusions

- A) Regarding the benefits of automated advice
- B) Regarding the risks with automated advice
- C) There is already legislation tha applies
- D) Regarding the examples of automated advice
- E) Given the potential growth the evolution will be monitored
- F) Hybrid models are more common
- G) Regarding the definition of advice

What to do next

Give a feedback statement

Could be based on the following:

- ► There is already legislation
- ► There is innovation in all sectors (bank, insurance, securities) but most prevalent in the securities sector
- ► Level playing field is important
- ► The development should be closely followed