



Fintellect

Fintellect: Phase One Report

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Christopher Dewdney, CFP®
Chair, Fintellect Task Force
Principal, Dewdney & Co.

Message from the Chair

I am honoured to share with you the remarkable journey of the Fintellect Initiative, a collaborative endeavour between FP Canada™ and the Institute of Financial Planning (formerly IQPF), dedicated to championing better financial wellness for all Canadians by leading the advancement of professional financial planning in Canada.

At the core of our mission is one profound question: How do we leverage new and emerging technologies to enable financial planning to be more relevant, inclusive, and accessible to all Canadians? In a world characterized by relentless technological advancements and shifting consumer preferences, we are determined to lead the way in advancing professional financial planning in Canada.

The Fintellect Initiative brings together a diverse group of industry stakeholders, all united by a common vision – to understand and harness the transformative potential of technology in the realm of financial planning. Our journey is structured around three pivotal phases: discovery and planning, research, and translating insights into actionable strategies.

Our commitment is unwavering. We strive to empower financial planners with resources and insights that will allow them to thrive in the digital era, ultimately benefiting Canadians from all walks of life. We firmly believe that by embracing technological change, we can craft a future where financial planning is not only more accessible, but also more inclusive.

Thank you for embarking on this extraordinary journey with us. Together, we are forging a path towards a financial planning landscape that is characterized by inclusivity and accessibility to all Canadians.

Christopher Dewdney

Christopher Dewdney, CFP®

Introduction

In an age defined by technological innovation, Canadians are facing an increasingly digital financial marketplace. Rapid advances in technology are reshaping how they manage their money and access financial advice. Whether we consider the rise of do-it-yourself/roboadvice solutions, the application of sophisticated big-data analytics or the still unknown impact of generative AI, technological advances are redefining how financial planning advice is conceived, executed and experienced.

First and foremost, technology has the potential to democratically open the doors to financial planning for a broader spectrum of Canadians. Through accessible online platforms and user-friendly applications, individuals from all walks of life can have the opportunity to benefit from financial advice. This inclusivity not only fosters greater financial literacy but also empowers Canadians to make informed decisions about their financial futures. Moreover, technology's role in simplifying complex financial concepts and providing customized recommendations has the potential to break down barriers of intimidation and anxiety that often surrounds financial planning discussions. As we embrace this digital age, it is imperative that we continue to bridge the gap of financial inequality by ensuring that the benefits of technology-driven financial planning are accessible to all.

The intersection of human skills and technology in the field of financial planning, represents an opportunity to redefine the profession. Technology can automate routine tasks, provide data-driven insights, and enhance efficiency, thereby allowing financial planners to focus on what truly matters: building meaningful client relationships, understanding life goals, and providing personalized financial advice to a broader range of Canadians. This blend of human insight and technological analysis can elevate the quality of service and ensure that the financial planning profession remains a trusted, high-value partner in helping individuals navigate their financial journeys.

Furthermore, as integration is at the core of practice in financial planning it is essential to closely follow the evolution of even more advanced technologies. For a financial planner to develop appropriate strategies and recommendations, they must thoroughly understand the interdependencies across various areas of financial planning, as well as the challenges and opportunities unique to the client's situation. This capacity for integration requires the simultaneous mobilization of skills associated with multiple areas of expertise. As of the publishing date, technology is on the verge of performing these distinctive elements of integration and personalization to client circumstances. This evolution will continue to develop rapidly which is why it is necessary to remain vigilant.

However, the integration of technology into the financial planning profession, while undeniably transformative, also brings forth a host of challenges and risks. The fast pace of technological change demands constant adaptation, requiring financial planners to invest time and resources in ongoing education to stay abreast of the latest innovations and ensure their clients receive the most current,

relevant, and human-centric advice. Canadians will be faced with exponentially more channels that purport to deliver financial advice but may be aimed at financial exploitation, not empowerment, or simply do a poor or limited job in the advice delivered.

With these opportunities and challenges top of mind amid this period of accelerating technological change, FP Canada and the Institute of Financial Planning have launched a joint initiative, Fintellect, to answer a key question:

How do we leverage new and emerging technologies to enable financial planning to be more relevant, inclusive and accessible?

Fintellect is exploring the use of technology in the financial planning profession and its impact on both the profession and Canadians. Among other things, Fintellect aims to determine how technology can be leveraged to enhance access to financial planning for more Canadians, how the planning profession can embrace technology to offer better services to clients, and what are the skills and competencies financial planners need to develop as technological advances fundamentally change how professional financial planning is delivered. Fintellect’s goal is to ensure the profession is a key player shaping a new future defined by a harmonious blend of human insights and technological advancement.

Executive Summary

1. Technology can enhance the delivery of advice by professional financial planners. It does this by improving the quality, availability and timeliness of client data as well as simplifying analysis and forecasting of that data, thereby increasing productivity, and allowing planners to work with more Canadians.
2. Where Canadians have restricted access to human professional planners due to financial, cultural, geographic, or other factors, technology will provide access to professional financial advice directly or through suitable community, pro-bono or other channels.
3. Some technology promoted directly to Canadians may purport to be “professional financial advice” but is in fact unethical and not in the client’s best interest. The profession needs to do its part to try and protect Canadians.
4. FP Canada and the Institute have a role to play in providing guidance to technology providers to ensure solutions used by professional financial planners meet ethical and professional standards, and to encourage those firms providing solutions directly to Canadians aspire to the same professional and ethical standards.
5. In a world where technology continues to evolve at a rapid pace, professional financial planners must be prepared to embrace technological change while leveraging the unique value of human-centric advice. FP Canada and the Institute need to continually advance the educational competency standards and curriculum for both new financial planners and those already in practice to ensure they are prepared to leverage new and emerging technologies.

About the Fintellect Initiative

FP Canada and the Institute of Financial Planning are dedicated to championing better financial wellness for all Canadians by leading the advancement of professional financial planning in Canada. The Fintellect Initiative was created to specifically address the impact of technological change in the delivery of financial advice, both from the positive impacts it can continue to have in increasing accessibility for Canadians, or like any technology, some of the potential downside outcomes it can lead to where it is designed to simply drive business profits under the guise of valuable advice not in the best interest of the people using it.

Because of the phenomenal complexity of the fast-evolving issue of technology impact and the many stakeholders involved – both old and new – FP Canada and the Institute engaged a wide variety of participants in the process to ensure broad perspectives were explored.

The outcome of the Fintellect Initiative will provide guidance to FP Canada and the Institute on how best to educate new and existing financial planners in Canada as well as the role we can play in protecting Canadians when necessary or encouraging new and creative solutions to ensure all Canadians can receive the financial planning advice they need and deserve.

The Fintellect Initiative is a multi-year project with three phases: exploration, investigation, implementation.

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- 1. Phase One**, which this report addresses, was an exploration of the ramifications of continued technological advancement in financial planning advice delivery, whether direct to Canadians or through the services provided by financial planners. The objective was to reach consensus on the primary areas of opportunity and concern that would have the most impact (positive or negative) on the financial wellness of all Canadians.
 - 2. Phase Two** will be separate research projects to perform a deep dive into the areas where FP Canada and the Institute can best take informed actions to “be in the driver’s seat” in these critical areas as opposed to being relegated into a more reactive role.
 - 3. Phase Three** will be the prioritization and active implementation of recommendations forthcoming from Phase Two. Priorities will be established based on resource requirements and stakeholder alignment.
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Phase One

Process and Key Outcomes

For Phase One, we employed a series of interactive workshops with key stakeholders acting as thinktanks to explore the topic of technology impact from multiple vantage points. Eighteen individuals from the broader community (see Appendix One) were invited to sit on the Fintellect Task Force to support the exploratory phase and provide continuity and validation of the approach through all workshops. Additionally, dozens of additional participants were invited to each workshop to ensure broad, engaging and divergent views. Individuals were chosen to represent a variety of perspectives including:

- Individual/independent financial planners
- Representatives from large financial institutions
- Academics/researchers in the finance area
- Technology companies that build financial advisory solutions
- Consumer advocate and protection groups
- Regulators who oversee the finance area
- Associations that educate and certify financial planners—FP Canada and the Institute

“For technology to be useful we need to resolve a pivotal question – how to access data and present it in a comprehensible and compelling way? Regardless of how smart the analysis is, without an individual having open access to their own data and the results being presented so they understand what to do, it will not have an impact.”



William Trout, Director of Wealth Management, Javelin Strategy & Research

After four in-depth workshops the participants articulated six general ideas that encapsulated the discussions and, for each idea, some specific actions.

Empowering Planners

- **Widen core financial planner competencies to include technology psychology as base skills**
 - Update the Canadian Financial Planning Definition, Standards & Competencies to include technology and psychology base skills
 - Develop new university course curriculums to train future planners
 - Create ongoing educational programs for existing planners to upskill them with the technological know-how needed to stay relevant
- **Provide clear guidance and validation for the development and use of advanced financial planning technologies in Canada**
 - Create exploratory tests for fintech on new financial planning technologies
 - Create Canadian standards for what constitutes “good” financial planning technology with testing, validation and rating system
 - Create process and governance to recognize and warn consumers of dangerous sites purporting to provide financial advice

Leveraging Technology and Partners

- **Create new match-making opportunities between planners and more diverse users through technology**
 - Build new channel partnerships to develop tailored financial planning services that are accessible to underserved groups
 - Offer tech tools like “Find Your Planner” to refer the right planners based on specific socio-economic-/ cultural needs
 - Introduce non-for-profit platform (pro-bono or reduced cost) for delivering financial planning tools and advice services
- **Foster the development and use of transparent, open sourced, and/or shared engines and tools for use by Canadian financial planners**
 - Develop a shared framework for making all financial planning black box engines and tools transparent
 - Co-develop a shared financial planning engine and database with banks, fintechs, and government that are accessible to all planners

Empowering Consumers

- **Use technology to develop sound financial literacy programs**
 - Create programs that span primary, secondary and university schooling
 - Create context-specific programs that reach into different cultural and social communities
 - Create guidelines and/or oversight of financial literacy programs
- **Make Canadians the owners of their financial data with the right and ability to move it across tools and service providers**
 - Support open banking in Canada to allow planners or consumers to aggregate the data from multiple service providers into their financial planning tools
 - Develop financial planning-specific data (not included in open banking) that planners or consumers can aggregate from multiple service providers
 - Allow either planners and consumers to easily transfer their data from one service provider to another or to their tool

Participants were then asked to rate which of the ideas and actions would be the most impactful to achieve our objective of “leverage new and emerging technologies to enable financial planning to be more relevant, inclusive and accessible”.

This resulted in three outcomes:

1.	Technology can and must improve access to financial planning
2.	FP Canada and the Institute have a role to play in influencing the impact of new and emerging technologies and the resulting implications for consumer protection, including access to Canadian’s personal data
3.	Financial planners must continually adapt and learn

Outcome One:

Technology can and must improve access to financial planning.

Online financial planning tools, mobile apps, and digital platforms have reduced barriers to financial planning, allowing individuals from diverse backgrounds and locations to access increasingly sophisticated financial guidance. Furthermore, these technologies have the potential to drastically reduce the cost of financial planning, making it more accessible to a broader demographic of Canadians. With just a few clicks or taps, individuals can create budgets, set financial goals, and receive personalized recommendations, thereby supporting Canadians who cannot afford the services of a financial planner to take control of their financial futures. This increased accessibility not only promotes financial literacy but also fosters a sense of financial empowerment, ensuring that more people can make informed and strategic decisions about their money.

The task force agreed that all Canadians should have access to affordable, trustworthy financial advice, regardless of their wealth, income, location, demographics or culture. It was acknowledged that this will only be accomplished by leveraging technology to provide financial planning to those not served by traditional face-to-face, high-touch models that require a minimum level of investable assets. There was consensus that technology has the potential to play a pivotal role in democratizing access to financial planning services, making it more inclusive and accessible than ever before.

Increasing access will also involve the development of better technology tools for financial planners that enhance their efficiency so they can provide services to clients from a broad cross-section of socio-economic/cultural demographics. These tools will ensure a more seamless blending of technology and human interaction that keeps the focus on the consumer as well as improving access for all Canadians, especially those in under-served communities, to professional financial planning.

Potential research topic/questions:

- What kinds of technology are the most accessible and affordable for Canadians seeking professional financial planning advice?
- Are there any gaps or areas where additional technology-based tools or supported channels could be encouraged by FP Canada and the Institute?

“We have focused on using a self-help financial fitness approach servicing millions of individuals. These simplified tools can improve financial literacy and are critical if we want to achieve radical accessibility.”



Dr. Cora Pettipas, Global Senior Manager, Financial Planning, HSBC Global Wealth Management

Outcome Two:

FP Canada and the Institute have a role to play in influencing the impact of new and emerging technologies and the resulting implications for consumer protection, including access to Canadian’s personal data.

The task force members spent significant time discussing how technology will continue to advance professional financial planning and agreed that FP Canada and the Institute are well positioned to be at the forefront of engaging with technology providers, regulators and governments to ensure that financial planning processes and assumptions are appropriately embedded into new and emerging technologies and that regulatory and other policy decisions are developed to ensure that Canadians are protected and supported.

There was a consistent concern raised throughout the discussions about black-box proprietary AI systems creating opaque, biased or unethical “advice” without the ability of planners or Canadians to understand and trust the advice or the data used to drive it. This concern escalated dramatically with the rise of generative AI during the period of the final workshops. The task force acknowledged this emergent domain requires significant research to understand its potential and challenges.

Participants observed there is an opportunity for the profession to take a leadership role in exploring the potential of open access to data, focusing on a future where Canadians own and can control their personal financial planning data, to use it as they see fit and keep others from using it without their knowledge or in ways not in their best interest. This was not only an ethical consideration but would materially improve the ability of professional financial planners to more cost effectively develop and monitor comprehensive financial plans for clients; for Canadians to have the flexibility to select different professionals or financial institutions to work with and not lose all their accumulated planning data, or for Canadians to utilize other appropriate channels where necessary or desired.

“AI will be able to improve access to financial planning by providing or helping to provide personalized and comprehensive financial plans. It can help advance financial literacy among all Canadians, BUT, there is a fundamental need for AI-focused privacy regulation and transparency if we are to do this safely.”



Dr. Nathalie de Marcellis-Warin, President and Director General, CIRANO

The task force also acknowledged that while FP Canada and the Institute are not technology providers, there is a belief that these organizations can influence those that develop systems to support best practices in line with ethical and professional standards for financial planning. As technology continues to develop, FP Canada and the Institute have an opportunity to take a leadership role working with technology providers to help shape the development of new and evolving financial planning tech that leads to increased access to financial planning and, ultimately, financial wellness for Canadians. That way the profession will be active in shaping the technologies of the future as opposed to being reactionary. There was a consensus that FP Canada and the Institute should be the leader and define the “moral high ground” for professional financial advice delivery.

Potential research topic/questions:

- How can data portability be enhanced while at the same time the data privacy of Canadians be protected? What must the financial planning profession do to ensure clients that their data privacy is paramount?
 - What role do professional associations/bodies play in bringing about change in their professions as it relates to new and evolving technologies? What are some success stories or failures, and what are established best practices? How does this inform FP Canada and the Institute for best the approach to influence the development of future financial planning technology?
 - What is the potential impact of new and emerging generative AI models on professional financial planning. How can this new technology benefit Canadians? What are the challenges we need to consider?
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“Between 2019 and 2022, COVID resulted in a huge increase in what we call ‘Enthusiastic Experimenters’ – from 16% to 30% of Canadians. These are people who may be most interested in fintech adoption. We also believe that the opportunity to better serve new Canadians is full of potential.”



Bernice Cheung, VP Financial Services & Cultural Markets, Environics Research

Outcome Three:

Financial planners must continually adapt and learn.

A recurring theme and area of “primary concern” by many of the Fintellect participants was the challenge to keep new and existing financial planners relevant and competent considering the rapid pace of digitization of the profession.

The financial planning profession stands at a crossroads, where the successful financial planner of the future will be one who adeptly combines the capabilities of technology with the wisdom of human judgment. Financial planners must be empowered with the technology and skills to continue to provide efficient, transparent professional financial planning advice that is always in Canadians’ best interest. To remain competitive, financial planners need to embrace new and evolving technologies and find ways to use technology to reduce, automate or eliminate routine tasks so they can focus on their core strength: the human dimension they bring to financial planning. This can include skills related to relationship-building and understanding psychology and behavioural economics and how it can play into consumer anxieties when it comes to managing their personal finances.

Potential research topic/questions:

- What are the new skills and competencies that existing professional financial planners need to develop in the future to best serve their clients?
 - Will the competencies required to be a professional planner change considering new and evolving technologies?
 - How can financial planning education programs adapt to equip future professionals with the skills and technological competencies needed to address the changing needs and goals of clients in an ever-evolving financial technological landscape?
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“Financial planners will need to prepare themselves for the future – developing competencies that will complement their human value, such as abilities to build relationships and emotional intelligence to understand their clients’ thoughts and needs. Our Financial Planning program integrates the use of technology to accomplish this directly in the curriculum.”



Dr. Rachel Bi, Chair, Finance and Economics Department, Associate Professor Director,
WSB FinTech Center, Utah Valley University

Conclusion and Next Steps

The integration of technology into the financial planning profession heralds a transformative era that holds immense promise for both financial planners and Canadians seeking financial guidance.

The adoption of technology within the financial planning profession itself is a pivotal trend that cannot be underestimated. However, as our Phase One research has highlighted, embracing technology is not without its challenges. Financial planners must navigate the fine line between embracing automation and preserving the critical human element of their profession. The ability to harness technology while retaining the trust, empathy, and intuitive understanding of individual client needs will be the hallmark of successful financial planners in the digital age.

Finally, this digital transformation necessitates a parallel evolution in the skill set and competencies of financial planners. The landscape of financial planning education and professional development must adapt to equip future professionals with the digital literacy, data analysis skills, and ethical awareness required in an increasingly technology-driven field. Continuous learning and a commitment to staying up to date with best practices will be fundamental to maintaining professional relevance. As financial planners cultivate these new skills, they will be better equipped to harness the full potential of technology to serve their clients' needs effectively.

The task force acknowledged that FP Canada and the Institute are not technology providers, but there was a strong consensus that these organizations need to play a pivotal role in all three of the areas of focus highlighted in Fintellect Phase One. FP Canada and the Institute must be the leaders and define the "moral high ground" for professional financial advice delivery by being active in shaping the technologies of the future as opposed to being reactionary.

FP Canada and the Institute can:

- Support the development of high-quality, reliable advice channels via the integration of technologies informed by professional standards, use of the appropriate planning assumptions, professional best practices and established ethical requirements to always act in the client's best interest.
 - Influence those that develop systems to support best practices in line with ethical and professional standards for financial planning.
 - Champion the development of the appropriate regulatory frameworks to ensure consumer protection and data portability related to the development and use of new and emerging technologies.
 - Help deliver the training that planners need today and, in the future, to leverage new technologies and deliver better professional financial planning to a larger number of Canadians.
 - Lead the development of curriculum and knowledge that will advance professional financial planning.
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Over the coming months, FP Canada and the Institute will be embarking on a series of research initiatives designed to further explore each of the outcomes identified in the initial Phase One explorations. A detailed research plan is being created which will help guide and prioritize the activities of Fintellect Phase Two.

Further information on the outcomes of research will be released over the coming months as Fintellect continues its journey to determine how professional financial planners can best leverage new and emerging technologies to enable financial planning to be more relevant, inclusive and accessible.

In summation, the convergence of technology, accessibility, and evolving competencies within the financial planning profession ushers in a new era of promise and opportunity. By expanding access to financial planning services, improving technological integration, and supporting the development of skills and competencies, we can work together to ensure that more Canadians have the tools and resources they need to achieve financial well-being. While technology is a powerful enabler, it is the human touch, guided by a deep understanding of individual financial aspirations, that will continue to define excellence in the financial planning profession. In this dynamic landscape, the future is bright for financial planners and the Canadians they serve as they embark on a digital journey toward financial empowerment and security.

“We are in an era of disruption politically, environmentally, and technologically. New Artificial Intelligence software will continue to accelerate disruption for all Canadians. Financial planners can play a crucial role if they understand these often-opaque tools and help Canadian’s separate good advice from opportunistic salesmanship.”



Robert J. Sawyer, Futurist, Consultant, Hugo Award-winning SF writer

Appendix One

Task Force Members

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