THE ADVICE GAP

2026

THE AI WILDCARD

THE LANG CAT

SATURN

02

WELCOME

Hello, it's you! We were wondering when you'd stop by. Welcome to this second paper as part of the 2026 Advice Gap study by the lang cat, kindly sponsored by Saturn.

The Advice Gap is in its second decade now, and we're proud that it's the reference study for the industry on who's getting advice, who isn't, and what to do about it.

If you're a returning Advice Gapper, you will notice a difference in this year's study immediately. Instead of releasing the full, massive report straight away, we're going to publish six individual, themed short papers on the key findings. This is the second of them.

The Magnificent Six

SIZING THE ADVICE GAP

1

Introducing the Advice Gap 2026, sizing the Gap and looking at those who pay for advice.

THE AI WILDCARD

2

Introducing the fifth Advice Gap – those who use AI tools to get financial "advice".

CONSUMER BARRIERS

3

What's preventing consumers from accessing and paying for advice?

ADVISER BARRIERS

4

What's preventing adviser firms from developing propositions to help plug the Gaps?

DEEP IMPACTS

5

Impacts on consumers – what's the consequence for those who are unable to access advice?

ENTER THE REGULATOR

6

Policy and regulatory initiatives. Consumer and adviser views on targeted support and simplified advice.

Once all six are out, we'll publish the main report; it won't simply be the six short papers jammed together, but something more detailed as a reference guide.

As ever, the Advice Gap looks at both the supply and demand sides of advice; we work with YouGov for consumer research and conduct our own adviser research from the lang cat's panel of around 1,700 advice professionals. It's a huge undertaking each year, and we send a blizzard of thanks to everyone who's been a part of it, from survey respondents to those who took part in in-depth interviews and more.

Enjoy this second instalment – there'll be another one along in a minute.

A Little About SATURN, Our Sponsor

We're proud to be able to offer free access to The Advice Gap thanks to our sponsor, Saturn. Saturn provides AI-driven operating systems and technology to more than 750 financial advice businesses and believes in the power of human advisers to transform the lives of ordinary people. Their mission, using technology, AI and compliance expertise, is to close the Advice Gap by making human-delivered financial advice radically more affordable and accessible than it is today.

INTRODUCTION

If you want to find out more about the origins of the Advice Gap, may we humbly point you back to this paper's predecessor, Sizing The Advice Gap, which is available from the website.

> ***...we will cover regulation, but a more thankless game of whack-a-mole was never played.***

We will try hard not to repeat ourself from paper to paper, but let's just take a moment to remember how we size the overall gap for individuals who could reasonably seek paid-for advice now. Our calcs suggest that there are 8.6m adults who could, and together they hold something in the region of £1.61trn in assets. 'Trillion' is a funny word; our minds aren't built to understand such huge numbers. Put it this way, you could fund the NHS for six years with that much. Or rent Turkey for a year or so. Or out-muscle Elon Musk at the poker table by 80%.[1]

It's a lot, that's the main thing to get across. And those 8.6m individuals have never all done the same thing on any given day or in any given way. From time to time, though, there is a shift, a moment of punctuated evolution which fundamentally changes consumer behaviour.

Such a one is the explosion of chat-based generative AI, and that's the theme of this short paper. In our consumer research we took the time to ask who's using it, how seriously they take it and where things might go from here.

We're not the first to write about AI in this context, of course. The FCA has had its own go with the Mills Review[2] and it's a useful piece of work, if inevitably regulation-focused. Interestingly, the paper itself points out that during its preparation, 20 new frontier AI models were released. So we will cover regulation, but a more thankless game of whack-a-mole was never played.

The AI Advice Gap

We estimate

382,000
adults
holding nearly
£47bn
of assets
are acting on unregulated AI guidance which might reasonably be advised business

And if regulators struggle to keep up, someone asking Claude on a wet Tuesday lunchtime if they should move their pension has no chance at all.

This section will be shorter than our introduction because it's simpler. People are using AI, and mostly for free. Some people are making big decisions based on its outputs. And the whole thing is moving at breakneck speed.

Let's get into it.

[1] Based on Forbes, 8 September 2026. Don't come at us if the numbers change and you end up on the short stack.

[2] FCA, AI and the Future of Financial Services (The Mills Review), July 2026, *https://www.fca.org.uk/publications/corporate-documents/mills-review*

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LET'S TALK NUMBERS

24%

of UK adults have asked AI about personal finances

13% use it several times a year or more

Higher already than the FCA's finding of 16%

43%

don't know if AI financial advice is regulated

5% believe it currently is; 61% think AI guidance tools should be

Awareness is low and uncertainty is high

31%

of AI users have asked about investments

18% asked about investing for retirement, **16%** about pensions more generally

It's not just 'the best cash ISA rate' or simple help

29%

would be likely to use a free, government-backed AI guidance service[3]

64% of those who wouldn't say it's because they wouldn't trust it

Who should consumers really trust?

57%

of those who have used AI have acted on what it told them

13% without checking it anywhere else first

Is this the perfect definition of 'foreseeable harm?'

RESEARCH

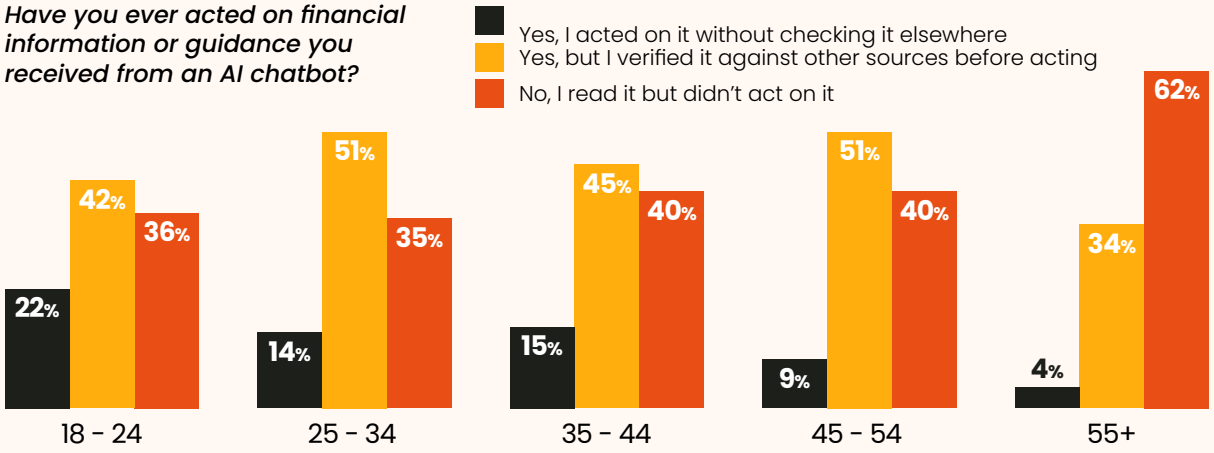
Consumer research was commissioned by the lang cat and carried out by YouGov plc between 24 July and 27 July 2026.

A total of 2,088 adults took part in an online survey. The figures have been weighted and are representative of all GB adults (aged 18+).

[3] On Monday 19 October, the FCA announced it would not seek to build an AI guidance service. Of the seven recommendations made in the Mills Review this is the only one the FCA is not implementing.

LET'S TALK NUMBERS

Have you ever acted on financial information or guidance you received from an AI chatbot?



Question put to those who have used AI in the past two years to ask about personal finances or financial decisions (n=498 people)

How concerned, if at all, are you about each of the following potential risks of using AI for financial guidance?



79% The information could be inaccurate or out of date



76% The AI doesn't know enough about my personal circumstances



79% There is no protection or recourse if I lose money following AI guidance



79% My personal or financial data could be used without my knowledge



73% I could be manipulated by AI-generated content into making bad decisions

Asked of all adults (n=2,088 people)

Top five topics people ask AI:

1. Investments
2. Savings
3. Tax
4. Budgeting / money management
5. Mortgages or property

The wealthier you are the more likely you are to use AI:

In the top household income group, roughly one-third admit some level of usage, and they are the least likely to say they have never used AI for this purpose.

Men are slightly more likely than women to use AI at all, use it frequently, and act on what they see.



40% of the top household income group would use a free Government-funded AI guidance service.

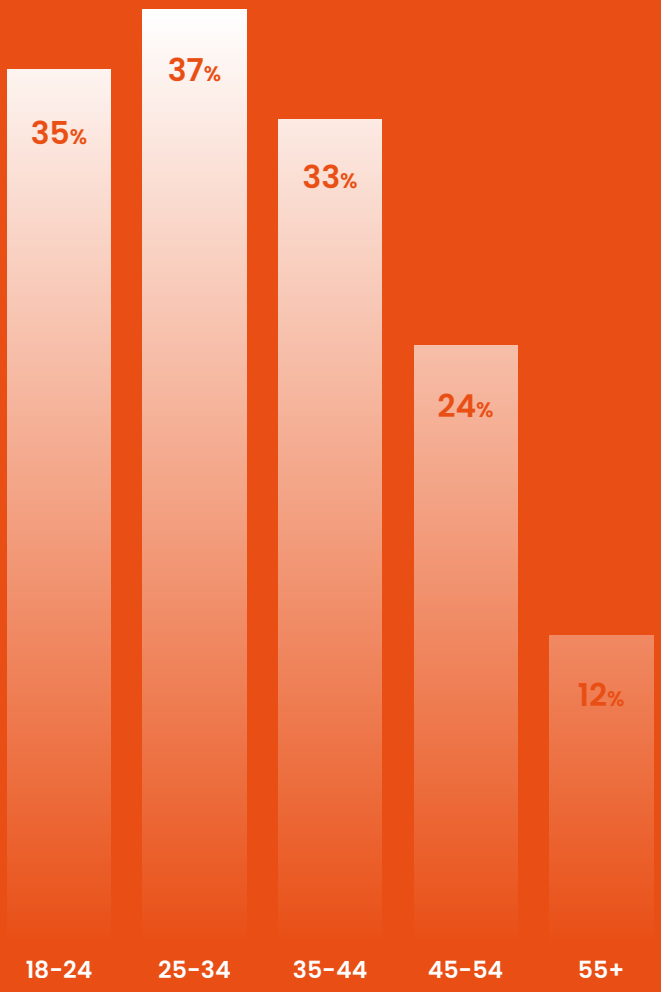
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WHO'S USING AI?

It's perhaps not shocking that AI usage for personal finance drops steadily as you go up the age bands. It's not quite a case of Grandpa being unable to use the remote control, but in our sample the proportion falls from 35% of 18-24s down to 12% of the over-55s. So younger people are three times more likely to check in with the robot.

That's good news for advisers reading this who have books skewing to older clients. But you don't have to go much younger to see big increases in usage. If we agree that typical advised client banks start with people over 35, the chart shows that for all but the oldest segment usage really is quite high.

Usage by age



> ***There is quite a marked gender split – 28% of men vs 20% of women have consulted AI...***

Those pesky young'uns are also the ones most likely to act on what AI tells them without checking it anywhere else: 22% of 18-24s do this, against 13% overall and just 4% of the over-55s. This is one area where listening to one's elders really would be advisable.

There is quite a marked gender split – 28% of men vs 20% of women have consulted AI on finance.

So age is a marker, but it's not the only one. It also turns out that affluence is a key indicator of AI usage. People in the top household income band (£70,000+) are the most likely cohort to have used AI for a financial question, and personal income is the same story.

This is where it gets interesting for advisers; if only less affluent and younger potential clients are trusting AI, then this isn't as disruptive in the near-term as it might be. But that's not the case. Yes, older clients are more reticent, but it's the affluent ones who are checking in with the robot, and that's exactly where financial planners live.

SIZING THE AI "ADVICE" GAP

In much the same way as we did in the first paper in this series, let's now try to work out a reasonable figure for how many clients and how much money is being "directed" by AI rather than by professional financial advice.

Using ONS population figures, we started our calculations with the 26.9 million UK adults aged 35 to 70 who don't take regulated advice[4]. The very useful FCA Financial Lives data, weighted and representative of the UK population, then shows how many people in each sub-set age group hold £20,000 or more in investible assets.

We then applied the similarly representative research we did with YouGov (the data from pages 4 and 5 of this very report) to filter for those using AI on their finances, asking it about investments, and then acting on that guidance.

All of that maths leaves us with around 382,000 people holding £47.4bn in investible assets. Interestingly, nearly three-quarters of those in this final figure are aged 35–54, because AI use falls steeply with age.

> ***...it would firmly place AI as one of the five biggest advice businesses in the country.***

> ***£47.4bn of assets directed by AI would place it ahead of True Potential (£40bn) and behind Evelyn Partners (£69bn)...***

If you were to refer to its influence as a single business – and in this instance we're minded to do just that - it would firmly place AI as one of the five biggest advice businesses in the country.

That £47.4bn of assets directed by AI would place it ahead of True Potential (£40bn) and behind Evelyn Partners (£69bn), the wealth management business recently acquired by NatWest for the not insignificant sum of £2.7bn.

And if you like your apples compared with oranges as well as pears, then this £47.4bn is only a smidge behind the amount of assets on AJ Bell's D2C platform (£51.4bn).

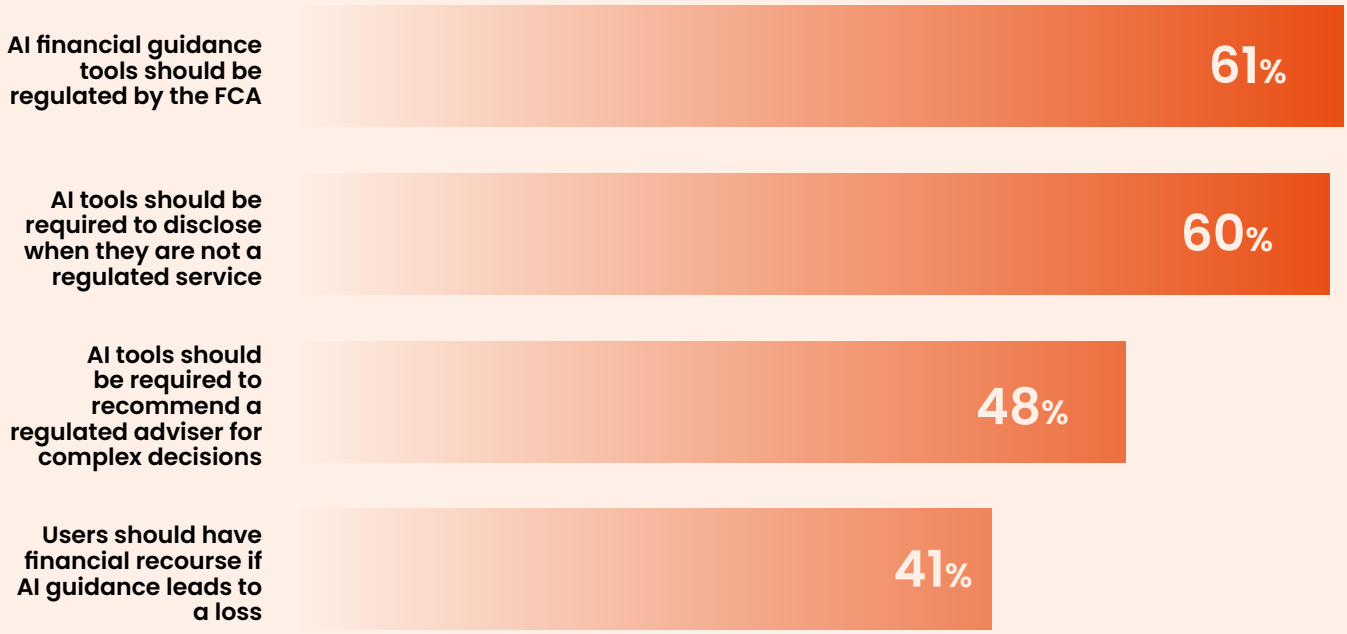
[4] As explained in the first paper, there are almost 31 million UK adults in the 35 to 70 age range. Of the total 4.5 million people who access regulated advice in the UK, we assume around 4 million are in this age bracket. Once we stop rounding to integers that leaves us with 26.9 million people.

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CONSUMERS 1, REGULATORS 0

Everyone wants everything all the time, and that's as true of consumer protection in AI as it is of anything else. We asked respondents what kind of protections they'd like to see.

Which statements should apply to AI financial guidance tools?



Where you start from matters, and 61% of respondents think AI guidance should be regulated; by inference they don't think it is currently. If we step over the regulatory perimeter to advice, 5% of respondents think AI advice is regulated, which is true. Whether they can accurately define advice is a different matter. What's more concerning is that 43% don't know. There are simply too many people putting sensitive data in play and trusting their futures to AI tools without knowing a) if they're getting advice or not and b) whether they will have anyone to turn to if things go wrong in future.

The FCA's own Mills Review reaches a similar conclusion. It found the existing activity-based perimeter, built around what a firm does rather than what tool it uses, is starting to strain under general-purpose AI that gives financial information without ever being 'authorised' to do anything.

All of this is complicated still further by the advent of adviser-specific AI toolsets and propositions like Saturn and others which are custom-built to deliver correct, compliant and defensible advice. Who'd be a regulator in this environment? Not us; it seems unthinkable that regulation can travel at the speed of the client, let alone the speed of the technology at the present time.

A PLAGUE ON ALL YOUR HOUSES

The leading answer on the conundrum of how the financial services industry, the regulator and the government meet the challenge of this new, aggressive and pervasive interloper is to play it at its own game. This takes the form of a free, approved, regulated and publicly-backed AI guidance service, as the Mills Review recommends.

Just one problem. Our data suggests a proposition like this would have a trust problem before it's even built. Only 29% of our respondents say they'd be likely to use it; 58% don't like the idea and the rest don't know.

Underlying that top-line figure, men are more likely than women to acquiesce; 33% to 25% is a fair old gender spread. We're not used to seeing men being more trusting!

Only 22% of older clients like the idea; favourability peaks among the 25-34 cohort at 39%. And again there is a skew towards more affluent households; at the top of the household income scale favourability rises to 40%.

Among those who wouldn't go for it, 64% say the reason is straightforward: they wouldn't trust it to be impartial or accurate. It isn't that respondents are in love with Gemini or ChatGPT; almost nobody (2%) says they'd rather use one of those services instead. The objection isn't really about the delivery mechanism, it's about who's behind it.

> ***There is a huge trust gap here; some people bridge that with advice (and are overwhelmingly happy when they do)...***

Interestingly, the people most receptive to a free AI service aren't the ones who currently do nothing. It's the ones already paying for advice:

41% of existing paid-advice clients say they'd likely use it

vs

23% of people who say they don't need advice at all

That augurs well for anyone building AI tools to sit alongside advice rather than replace it.

What does all this tell us? It is quite striking that consumer trust and faith in government and regulators to give unbiased, truthful information is so low. There is a huge trust gap here; some people bridge that with advice (and are overwhelmingly happy when they do) while others are starting to turn to alternative sources of information. But to our mind we don't see this as a centripetal trend, where clients are attracted to something new and great. Rather it's an act of, if not desperation, then frustration. A plague on all your houses, if you will.

We'll talk about trust a lot more in later papers – no spoilers, but everyone with a vested interest in this sector still has a lot of work to do.

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THE ADVICE GAP 2026

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THE AI WILD CARD

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