

PRACTICE GUIDANCE NOTE

Use of Artificial Intelligence in Financial Planning



Copyright © 2026 Financial Planning Standards Board Ltd. (FPSB) All rights reserved.

Published by Financial Planning Standards Board Ltd.


Phone: +1-720-407-1914

Email: info@fpsb.org

www.fpsb.org

Internet addresses: At the time of publishing, the internet addresses appearing in this book were correct. Owing to the dynamic nature of the internet, however, we cannot guarantee all these addresses will remain current.



FPSB owns the CFP, CERTIFIED FINANCIAL PLANNER and  trademarks (the CFP Marks) outside the United States, and permits qualified individuals to use the marks to indicate that they meet FPSB's initial and ongoing certification standards and requirements. CFP professionals may use the CFP marks in the territory or region in which they are certified.

Introduction

This Practice Guidance Note has been developed by Financial Planning Standards Board Ltd. (FPSB) to help financial planning professionals understand their professional and ethical obligations when using artificial intelligence (AI) technologies in practice. It is intended to complement existing legal, regulatory, and professional standards, and to provide practical guidance on how to use AI in a manner that is ethical, client-focused, and consistent with professional judgment.

The guidance emphasizes that AI should be used as a support tool rather than a substitute for professional expertise, critical thinking, and human oversight. Financial planning professionals are expected to exercise due care, skill, and diligence in the selection, implementation, and ongoing monitoring of AI tools, in a manner that serves clients' best interests and upholds public trust in the profession. Where professionals are employed by firms, this includes complying with the firm's AI policies and procedures.

AI and related technologies are increasingly being adopted across the financial planning profession, offering significant opportunities to enhance efficiency, insight, and client service. According to FPSB's 2025 Impact of AI on Financial Planning Global Research¹ – a study of more than 6,200 financial planners – found that nearly two in three (64%) report their firm is using AI. Tools such as data analytics, automated advice support, predictive modelling, and generative AI can assist financial planning professionals in research, strategy development, client communication, and administrative processes. When used appropriately, AI has the potential to support and inform decision-making and improve outcomes for clients. In addition, increased efficiencies due to AI may increase access to financial planning, particularly amid increasing consumer demands for services and financial advice.

However, the use of AI in financial planning also introduces ethical, professional, and governance risks. These include concerns around data privacy and security, transparency and explainability of advice, algorithmic bias, over-reliance on automated outputs, and accountability for decisions that affect clients' financial wellbeing. Financial planning professionals remain responsible for the advice they provide, regardless of whether AI tools are used to inform or support that advice. Moreover, because the use of AI is evolving rapidly, this Practice Guidance Note sets out general principles intended to be applied flexibly as technologies, use cases, and risks continue to develop. Financial planning professionals should remain informed of changes in the AI landscape and apply the guidance appropriately as the AI landscape evolves.

This document applies to all forms of AI used within financial planning practices, whether developed in-house or provided by third parties, deployed as standalone tools or

¹ [FPSB 2025 Impact of AI on Financial Planning Global Research](#)

embedded within other technologies, or used directly in advice formulation or in supporting business processes.

Regardless of how sophisticated AI may become, the financial planning professional is responsible for the final work product communicated and delivered to a client. As AI moves toward greater autonomy, financial planning professionals should remain vigilant in their professional oversight of the tools used to support their practice.

Financial planning remains fundamentally a human endeavor; clients seek understanding, wisdom, and partnership to achieve their personal goals.

Scope

FPSB's Practice Guidance Note provides guidance to financial planning professionals on how to use AI technology responsibly and ethically in financial planning practices. This Guidance should be implemented in the context of FPSB's Global Financial Planning Standards², which define standards that:

- Establish the level of practice expected of a financial planning professional engaged in the delivery of financial planning to a client
- Establish norms of professional practice and allow for the consistent delivery of financial planning by financial planning professionals
- Clarify the respective roles and responsibilities of financial planning professionals and their clients in financial planning engagements

This guidance is directed to financial planning professionals in their use of AI to enhance the value of the Financial Planning Process.

The guidance does not replace local laws or regulations applicable to financial planning professionals.

² [FPSB's Global Financial Planning Standards \(2023\)](#)

Glossary

Artificial intelligence (AI): Software used to perform tasks or produce output previously thought to require human intelligence, especially by using machine learning to extrapolate from large collections of data³.

Categories of AI tools:

- **Assisted AI** supports specific tasks while the professional maintains direct control (e.g., AI drafts a communication that the financial planner reviews and sends)
- **Augmented AI** enhances professional capabilities through deeper collaboration (e.g., AI provides scenario analysis that informs the financial planner's recommendations)
- **Autonomous AI** operates with minimal human intervention (e.g., automated rebalancing or robo-advice platforms)

Each of the above can be further categorized into:

- **Explainable AI** which provides clear reasoning for its outputs, enabling proper validation
- **"Black-box" AI** which operates in an opaque manner, creating accountability challenges

Client: A natural person, persons, or legal entity using the services of a financial planning professional or financial planning/advisory firm.

Financial planning: The process of developing strategies to help people manage their financial affairs to meet personal goals.

In developing recommendations and creating financial plans, financial planning professionals review the relevant aspects of a client's situation across a breadth of financial planning activities, including interrelationships among often conflicting objectives⁴.

Hallucinations: Factually incorrect outputs produced by AI systems⁵.

³ Oxford English Dictionary

⁴ [FPSB's Global Financial Planning Standards \(2023\)](#)

⁵ United Nations University

Ways financial planning professionals might use AI

Financial planning professionals are likely to encounter several categories of AI tools, each with distinct applications and considerations:

AI Type	Applications	Key Considerations
Generative AI	Drafting communications, document summarization, preliminary research	Risk of hallucinations requires human validation
Analytical AI	Cash flow analysis, retirement projections, portfolio stress testing	Relies on historical patterns, so may not be able to anticipate unprecedented events
AI-Enhanced Planning Software	Tax optimization, rebalancing recommendations, opportunity alerts	Advice based on AI outputs requires validation by a competent professional
Practice Management AI	Intelligent Client Relationship Management (CRM), scheduling	Lower risk due to minimal direct impact on advice
Robo-Advice Platforms	Automated advice and portfolio management with minimal human intervention	Can raise accountability questions and should be assessed for alignment with professional obligations and service standards

Key Guidance & Principles

01

Financial Planner Code of Ethics and Professional Responsibility

FPSB's Financial Planner Code of Ethics and Professional Responsibility establishes the level of practice expected of a financial planning professional engaged in the delivery of financial planning to a client. This Code of Ethics applies to the use of AI, including:

PRINCIPLE 1 | Client First

Before adopting the use of AI in the Financial Planning Process, financial planning professionals should investigate the AI tools proposed for use to understand how they operate, their limitations, and the assumptions they rely on. This understanding supports appropriate assessment of the reliability and suitability of AI outputs, any advice informed by those outputs, and whether any disclosures are required. Financial planning professionals should provide oversight of all AI-assisted recommendations.

Professional Skill 5: Client Advocacy, Practice Standard 1,12,13

PRINCIPLE 2 | Integrity

Financial planning professionals should disclose to clients any use of AI in the Financial Planning Process or in otherwise providing client services (including use in client communications). Disclosures should be made as early as possible (ideally prior to engaging the client), be open, honest and understandable, and include any benefits, known limitations, risks, or additional costs to the client arising from the use of AI.

Professional Skill 3: Effective Communication, Practice Standard 1

Where AI tools are used to process client data, the disclosure obligations under this principle operate alongside the data protection requirements under Confidentiality (see Confidentiality below).

PRINCIPLE 3 | Objectivity

Financial planning professionals should critically evaluate AI outputs. AI recommendations require human oversight and professional judgment, as outputs can produce false information, incorrect outcomes, or exhibit bias. Moreover, the review of AI outputs and associated advice must be done by someone competent to do so (see Principle 6 below). Financial planning professionals should also consider whether conflicts of interest may be embedded in an AI model, including the assumptions it makes and the range of alternatives it considers.

Professional Skill 6: Critical Thinking, Practice Standard 7,8,9

PRINCIPLE 4 | Fairness

Financial planning professionals should monitor AI outputs for discriminatory bias and work to ensure equitable access to AI-enhanced services.

Professional Skill 6: Critical Thinking, Knowledge Topic 1.10: Due Diligence Process of Selecting Products and Services

PRINCIPLE 5 | Professionalism

Financial planning professionals should act in a manner that demonstrates exemplary professional conduct.

Prior to implementation, financial planning professionals should evaluate use of AI to assure themselves that it will not impair the professional character of financial planning services they provide and that it complies with local regulatory requirements and guidelines on use of AI.

Professional Skill 1: Building Trust, Knowledge Topic 1.5: Law and Compliance

PRINCIPLE 6 | Competence

Financial planning professionals should invest in development of their knowledge and technology skills to ensure their ability to competently investigate and use AI tools and understand any associated ethical implications. This includes understanding where AI can be used as an efficiency tool (e.g., data entry, analysis, forecasting) and where it can support complex decision making (which may require more significant human judgment). It also includes ensuring that AI outputs and associated advice are reviewed by an individual with the appropriate knowledge and skill to do so, whether that be the professional themselves or someone else.

Professional Skill 9: Tech Savvy

PRINCIPLE 7 | Confidentiality

Financial planning professionals should not enter or upload client data into public-facing AI tools (such as publicly accessible generative AI tools), or to other AI tools where privacy cannot be assured. When using in-house or vendor-provided AI, robust data protection measures, access controls, and compliance with local privacy laws are essential. Financial planning professionals should also consider applicable data residency and sovereignty requirements in their territory.

Knowledge Topics 1.2.5, 1.10

PRINCIPLE 8 | Diligence

Financial planning professionals should understand how AI affects the advice given to clients, including financial product and service recommendations. This includes ensuring that AI-assisted advice and analysis is accurate and complete, and that material information, assumptions, or client goals are incorporated. Thorough analysis and understanding of outputs, and ongoing oversight are expected throughout the Financial Planning Process, whether or not the use of AI is incorporated.

Practice Standards 12,13,14,15,16

02

The Financial Planning Process

FPSB's Financial Planning Process and the related Practice Standards establish norms of professional practice and allow for consistent delivery of financial planning by financial planning professionals. Use of AI in the Financial Planning Process requires proper understanding, oversight, and analysis of the effectiveness of the AI. The professional judgment of the financial planning professional should determine the advice to clients.

The following tables set out some examples of AI applications that could be used during each element of the Financial Planning Process along with guidance on the level of oversight required of the financial planning professional:

PROCESS ELEMENT 1

Establish and define the relationship with the client

AI Applications	Communication drafting, background research, document templates
Expected Oversight	Professional review; clear disclosure of AI use

PROCESS ELEMENT 2

Collect the client's information

AI Applications	Data gathering tools, document analysis, preliminary risk profiling
Expected Oversight	Verify completeness; qualitative verification through discussion

PROCESS ELEMENT 3

Analyze and assess the client's financial status

AI Applications	Scenario modeling, risk assessment, strategy research
Expected Oversight	Validate calculations; detect potential biases present in the AI tool(s); apply professional judgment

PROCESS ELEMENT 4

Develop the financial planning recommendations and present them to the client

AI Applications	Strategy generation, presentation materials, sensitivity analysis
Expected Oversight	Professional judgment determines final recommendations and takes account of any AI tool bias; customize for client

PROCESS ELEMENT 5

Implement the client's financial planning recommendations

AI Applications	Document preparation, product research, progress tracking
Expected Oversight	Professional oversight; appropriate due diligence on products

PROCESS ELEMENT 6

Review the client's situation

AI Applications	Performance monitoring, environmental scanning, review triggers
Expected Oversight	Professional assessment; validate calculations; evaluate needed adjustments

03

Financial Planner Professional Skills

FPSB's Financial Planner Professional Skills enhance the value of the Financial Planning Process. The following Financial Planner Professional Skills become particularly important for responsible AI use:

Professional Skill 6: Critical Thinking

Actively evaluate information from AI



Do: Cross-check calculations, search for bias patterns, question the reasoning behind outputs, and be aware that AI may provide agreeable or convenient answers based on interaction patterns rather than objective analysis



Avoid: Accepting outputs without validation or assuming a polished presentation equals accuracy

Professional Skill 9: Tech Savvy

Understand AI capabilities, limitations, biases, and appropriate applications



Do: Understand different AI types, assess platform security, and evaluate vendor claims realistically. Review the terms of service and data practices of AI platforms used professionally



Avoid: Assuming all AI is equivalent or accepting marketing claims without verification

Professional Skill 1: Building Trust

Establish trust when using AI technology in the Financial Planning Process



Do: Openly disclose and discuss where and how AI is used in your practice, take clear responsibility, and ensure alignment with local regulatory requirements and firm policies



Avoid: Hiding AI involvement, attributing errors to technology, and allowing AI to create distance in relationships

Professional Skill 3: Effective Communication

Translate complex technology and other key disclosure concepts into understandable terms



Do: Use familiar analogies, focus on outcomes, listen actively to client concerns



Avoid: Overwhelming clients with technical jargon, dismissing fears, and over-promising capabilities

Professional Skill 5: Client Advocacy

Ensure AI serves genuine client interests



Do: Evaluate tools based on client benefit, ensure equitable service access, prioritize security over convenience



Avoid: Adopting AI primarily to reduce costs or providing diminished quality of service to clients

04

Limitations and risks associated with use of AI

Financial planning professionals should be aware of several significant limitations and risks inherent to current AI systems:

Hallucinations

AI systems can produce outputs that appear credible yet are factually incorrect

Bias

Information used to teach an AI tool (training data) may embed historical biases that persist in AI outputs

Data dependencies

Reliability depends entirely on the quality and currency of training data

Context limitations

AI cannot be depended upon to fully grasp nuanced personal circumstances or the emotional dimensions of financial decisions

Over-reliance risk

Impressive outputs can instill unwarranted confidence leading to a reduction in the amount of judgment applied in the Financial Planning Process

Completeness

AI may omit material information, assumptions, or relevant considerations without indication

Confirmation bias

AI systems may generate outputs that align with user expectations or interaction patterns rather than providing independent, objective analysis

Conclusion

Responsible AI integration offers the potential to enhance service quality, expand access to financial planning, and reduce costs. Yet realizing these benefits while maintaining professional standards requires thoughtful implementation of AI that keeps fundamental responsibilities in clear view. Financial planning professionals are expected to:

- Investigate and understand the AI tools they use in their practice
- Make appropriate, understandable disclosures regarding their use of AI to clients
- Maintain the confidentiality of client data
- Review AI outputs, including any advice based on AI outputs, to ensure the reliability, accuracy and suitability of all advice and communication with the client

The use of AI does not diminish or transfer professional accountability. Financial planning professionals remain responsible for the advice they provide and the outcomes for their clients.

Financial planning professionals who approach AI as a tool to enhance – not replace – professional expertise position themselves to harness technology's benefits while maintaining the human judgment, ethical standards, and personal relationships that clients value. The choices financial planning professionals make today about AI integration will shape how the profession evolves and serve future generations of clients.

FPSB wishes to acknowledge the contributions of its Professional Standards Committee, Regulatory Evaluation Group, and FPSB's network of organizations, which provided input and review for this Practice Guidance Note.

AUSTRALIA

Financial Advice Association Australia (FAAA)

AUSTRIA

Österreichischer Verband Financial Planners (OVFP)

BRAZIL

Planejar – Associação Brasileira de Planejamento Financeiro (Planejar)

CANADA

FP Canada

PEOPLE'S REPUBLIC OF CHINA

Financial Planning Standards Board China, Ltd. (FPSB China)

CHINESE TAIPEI

Financial Planning Association of Taiwan (FPAT)

COLOMBIA

Financial Planning Standards Board Ltd.

FRANCE

Association Française des Conseils en Gestion de Patrimoine Certifiés (CGPC)

GERMANY

Financial Planning Standards Board Deutschland e.V. (FPSB Deutschland)

HONG KONG and MACAU

Institute of Financial Planners of Hong Kong Ltd. (IFPHK)

INDIA

FPSB Institute India Private Limited (FPSB India)

INDONESIA

Financial Planning Standards Board Indonesia (FPSB Indonesia)

IRELAND

Financial Planning Standards Board Ireland (FPSB Ireland)

ISRAEL

Financial Planners Association in Israel (FPAI)

ITALY and SAN MARINO

Financial Planning Standards Board Italia (FPSB Italia)

JAPAN

Japan Association for Financial Planners (JAFP)

MALAYSIA and BRUNEI

Financial Planning Association of Malaysia (FPAM)

THE NETHERLANDS

Federatie Financieel Planners (FFP)

NEW ZEALAND

Financial Advice New Zealand (FA NZ)

REPUBLIC OF KOREA

FPSB International Korea

SINGAPORE

Financial Planning Association of Singapore (FPAS)

SOUTH AFRICA

Financial Planning Institute of Southern Africa (FPI)

SWITZERLAND

Swiss Financial Planners Organization (SFPO)

THAILAND

Thai Financial Planners Association (TFPA)

UNITED KINGDOM

Chartered Institute for Securities & Investment (CISI)

UNITED STATES

Certified Financial Planner Board of Standards, Inc. (CFP Board)



About FPSB

Financial Planning Standards Board Ltd. (FPSB) is the nonprofit, global standards-setting body for the financial planning profession and owner of the international CFP certification program outside the United States. FPSB establishes, upholds, and promotes worldwide professional standards in financial planning.

www.fpsb.org

Version: 2026.1

Publication Date: June 2026