

PRESS RELEASE 15/52

■ EBA, EIOPA AND ESMA SEEK STAKEHOLDER INPUT ON AUTOMATION IN FINANCIAL ADVICE

The Joint Committee of the three European Supervisory Authorities (ESAs) – EBA, EIOPA and ESMA – has launched a Discussion Paper on automation in financial advice, aimed at assessing what, if any, action is required to harness the potential benefits of automation in financial advice and mitigate its risks.

The Discussion Paper explains the concept of automation in financial advice, where a financial institution provides advice or recommendations to consumers without, or with very little, human intervention and relies instead on computer-based algorithms and/or decision trees, and highlights potential benefits and risks associated with this particular innovation.

The potential benefits the ESAs have identified include lower costs, higher consistency of advice and a larger number of customers that can be reached. The potential risks could include the inability of consumers to talk to a human advisor who can guide them through the process and provide clarifications, as well as the increased vulnerability to various types of IT failures.

The Discussion Paper is available on the websites of the three ESAs: EBA, ESMA and EIOPA. The closing date for responses is **4 March 2016**.

The document can be accessed directly by the following link:

<http://www.eba.europa.eu/-/esas-seek-stakeholder-input-on-automation-in-financial-advice>

Luxembourg, 10 December 2015

