



MARCH 2026

Access to financial advice in New Zealand

**Challenges and opportunities for the
financial advice sector**

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Foreword from the Chief Executive

Financial advice can play a vital role in helping New Zealanders make informed decisions about their financial futures. When delivered well, it gives people clarity, confidence, and long-term benefits. Yet, despite the importance of this advice, many New Zealanders continue to face barriers to accessing the advice they need.

In our 2025 Financial Conduct Report, we committed to better understanding the challenges and opportunities affecting access to financial advice. This report delivers on that commitment. It reflects our broader ambition to promote confident and informed participation in financial markets by improving access to financial products and services.

We engaged with a wide range of stakeholders across the financial advice sector, reviewed practices, and undertook detailed fieldwork. What we heard consistently was that access challenges are not driven by a single issue, but by a combination of consumer understanding, compliance approaches, and the way advice is delivered. We heard that conservative interpretations of regulatory obligations can, at times, act as a barrier to accessing advice – particularly around determining an appropriate scope of financial advice that could help improve accessibility.

The financial advice regime is principles-based by design. It allows flexibility and proportionality, and supports innovation. We want to see this flexibility used confidently and appropriately, so advice can be delivered in ways that are right-sized for different consumers, circumstances, and channels. This points to a significant opportunity. Technology-enabled and hybrid advice models can expand access and serve more people, particularly those currently missing out.

Alongside this report, we are publishing a companion volume that brings forward the voices of consumers, based on a representative survey of New Zealanders. It explores people's perceptions of financial advice, where they go for information, how demographics shape their choices, and how digital tools are influencing behaviour. Together, these reports provide a fuller picture of where advice is accessible, and where there are challenges and opportunities to do better.

These reports are not the final word. They are the next step in an ongoing conversation with the financial advice sector about how we can collectively deliver on the purpose of the financial advice regime.

Thank you to everyone who contributed – we look forward to continuing the discussion. Together, we can build a financial advice sector that is inclusive, innovative, and focused on delivering meaningful outcomes for New Zealanders.

Ngā manaakitanga

Samantha Barrass

Financial Markets Authority Chief Executive

Executive summary

The main statutory objective of the Financial Markets Authority – Te Mana Tātai Hokohoko (FMA) is to promote and facilitate the development of fair, efficient, and transparent financial markets. The main purpose of our financial markets legislation is to achieve this, and to promote the confident and informed participation in financial markets by New Zealand businesses, investors, and consumers.

Our [2025/26 Financial Conduct Report](#) outlines key outcomes we are seeking in support of this. One of these outcomes is improved access to products and services. This review of access to financial advice in New Zealand contributes to that outcome.

This report presents findings from our engagement with the financial advice sector, focusing on challenges and opportunities relating to consumers' access to financial advice.

We engaged a range of entities across 80 interviews, including licensed financial advice providers (FAPs), professional bodies, financial institutions, technology and digital service providers, education providers and organisations that support the financial advice sector. We received responses from questionnaires to 30 FAPs and reviewed existing literature and research relevant to financial advice accessibility.

This report should be read alongside our [consumer research report](#), which focuses on the consumer perspective.

Key challenges highlighted in this report include:

- Right-sizing the nature and scope of financial advice. Greater confidence is needed to decide how to tailor nature and scope for different consumers, circumstances, and channels.
- Making ongoing advice and support available.
- Banks holding a FAP licence taking conservative approaches to offering advice through their own advisers and nominated representatives, particularly for everyday products.
- An advice gap around decumulation of retirement savings.
- Barriers for Māori to accessing financial advice.

We also identified opportunities such as:

- Building confidence in applying the principles-based regulatory regime. This includes the FMA providing best practice and examples of where we have seen flexibility done well with respect to compliance obligations.
- Technology-enabled and hybrid models, including digital advice and AI that supports financial advice.
- Open banking.

Throughout this report, we highlight questions that the FMA will explore further with the financial advice sector. Key among these are:

- How can the sector build greater confidence in applying the principles-based regulatory regime, including tailoring the nature and scope of advice, while maintaining consumer protection?

- How can firms improve the consistency and delivery of ongoing advice and reviews?
- What can banks do to better use their direct consumer channels to identify when advice would improve outcomes, and make advice more accessible for everyday products?
- How can the sector deliver advice that better supports consumers approaching or in retirement, particularly in managing decumulation risks and long-term financial security?
- How can the sector lift cultural competency and adapt advice tools, templates and advice delivery to better reflect the needs, values and contexts of Māori clients and entities?
- What real-world use cases demonstrate how digital advice, innovation and AI can improve access to advice across the challenges highlighted in this report?

Next steps

This review signals a continuing need for ongoing engagement between the FMA and the financial advice sector. Improving access to advice is a collaborative effort between the financial advice sector and regulators.

We will be engaging with the financial advice sector on the questions set out in this report, to support practical outcomes to improve access to advice. This will include targeted roundtables with FAPs, professional bodies, deposit takers, insurers, fintech providers, education providers and consumer groups. In particular, we will work with the sector to identify and share practical use cases that demonstrate how different approaches to the nature and scope of advice can be applied confidently and proportionately in practice, including how compliance obligations can be met in ways that support accessibility and good consumer outcomes.

We encourage the sector to review the questions in this report and think about how they will engage with their peers, support providers, the FMA, and broader sector stakeholders. Through this engagement, we aim to foster an advice sector that is innovative, inclusive, and responsive to the evolving needs of New Zealanders.

Challenges to accessing financial advice

Determining the appropriate nature and scope of financial advice

What we want to see

Advice that is right-sized to the client's circumstances. The financial advice sector confidently using the flexibility in the regulatory regime to set the nature and scope of advice in a way that treats clients fairly and supports good outcomes. Consumers clearly understand the scope of advice, including its limitations.

What we found

We found that, following the introduction of the financial advice regulatory regime, the nature and scope of financial advice increasingly involved consideration of consumers' wider circumstances. For example, FAPs told us they were integrating financial planning, household budgeting and financial education into regulated financial advice¹. We broadly support this evolution.

Many FAPs saw the value in tailoring the nature and scope of advice to a client's circumstances; however, perceptions of regulatory risk led to a default towards broader scoped advice, even where a more appropriate scope might be sufficient. As a result, some financial advisers were uncomfortable designing new advice journeys, due to uncertainty about how to meet their conduct obligations in practice.

What does the financial advice regulatory regime say about advice nature and scope?

The regime already allows flexibility for FAPs to decide the nature and scope of their financial advice. For example, financial advice can take the client's individual circumstances into account or exclude certain circumstances or analysis.

Under the Financial Markets Conduct Act 2013 (FMC Act):

- Section 431J is a duty to ensure the client understands the nature and scope of the financial advice.
- Section 431M is the duty to comply with the Code of Professional Conduct for Financial Advice Services (the Code). Code Standard 1, Treating clients fairly, is relevant for those giving regulated financial advice in determining an appropriate scope that ensures fair treatment. Code Standard 3, Giving financial advice that is suitable, requires advisers to then have regard to the nature and scope of the financial advice.
- Section 431O is a duty to disclose information that is prescribed in the FMC Regulations 2014. This includes information that must be given when the nature and scope of advice is known.

¹ See [Section 431C](#) of the Financial Markets Conduct Act 2013 for the meaning of financial advice and regulated financial advice.

Why do we care about the nature and scope of financial advice?

While we support the nature and scope of advice involving a broader consideration of consumers' circumstances, we are also interested in engaging with the sector to consider use cases for tailoring the scope of financial advice.

Our consumer research report shows only 28% of respondents had used a financial adviser over the last 12 months. When asked who they had spoken to about their financial situation, 23% of respondents indicated they hadn't spoken to anyone or looked for any advice. 26% indicated they didn't know where to start in terms of getting financial advice. Our view is that not enough consumers get the financial advice they need.

We were told some consumers are not commercially viable for advisers. Advisers often apply widely scoped advice to every client, for every situation (e.g. a full six-step advice process). Some consumers may only require advice that is right-sized to their circumstances.

The following examples illustrate tailoring nature and scope of financial advice with accessibility in mind. The examples are not intended to prescribe how advice must be delivered.

Example – Financial advice on KiwiSaver

A mortgage adviser is advising a client on their first home purchase. The client is using KiwiSaver for their deposit. The mortgage adviser gives financial advice on moving into a lower-risk fund while the client searches for their house, to avoid market volatility and provide more certainty for their deposit. The nature and scope of the advice is limited to a specific aspect of the client's circumstances, and does not take into account wider considerations such as risk appetite and retirement plans.

Example – Financial advice on term deposits

A bank nominated representative meets with a client in a branch who has recently received a lump sum and wants to understand where to hold the money in the short term. The nominated representative provides financial advice on whether a term deposit or an on-call savings account is more suitable, taking into account the client's timeframe for using the funds, and tolerance for locking money away.

We want to see consumers being able to access the right level of advice for their needs. We also recognise that advisers want to meet their obligations while delivering advice efficiently. We will be engaging with the financial advice sector to identify and share practical use cases that demonstrate how different approaches to the nature and scope of advice can be applied confidently and proportionately in practice. This includes how the nature and scope impacts other conduct obligations such as requirements for record keeping, disclosure, and advice suitability.

Questions for the financial advice sector

- How can the sector design new advice journeys that consider different approaches to nature and scope of financial advice?
- How can these new advice journeys be delivered in a way that is also commercially sustainable?
- Are there common 'information-only' scenarios that could be developed into standard advice journeys to improve accessibility for consumers?
- How can the sector confidently determine the right nature and scope for financial advice for different consumers, circumstances, and channels?

Improving ongoing reviews and advice

What we want to see

Consumers have access to ongoing service and advice. Advice is made available in ways that support ongoing engagement and periodic reviews. This includes regular client contact across the life of lending, insurance and investment products (including KiwiSaver).

What we found

FAPs have differing approaches to ongoing reviews and proactiveness in servicing existing clients. Advisers told us that commercial realities can, at times, prioritise new business over servicing.

For life insurance, product providers indicated they had expectations of advisers providing ongoing servicing to their clients. We learned about advisers who faced challenges navigating with insurers the contractual terms around reassignment of trail commission to a new adviser.

We spoke to a range of managed investment scheme (MIS) managers and deposit takers that hold FAP licences and give advice on KiwiSaver. Most indicated they had challenges engaging with clients/KiwiSaver members, which limited their ability to give ongoing advice. Generally, around 10% of consumers engaged in annual reviews. The reasons for not engaging included a lack of understanding of financial advice and KiwiSaver. Some clients with low balances did not consider financial advice relevant to them.

The most common approach for KiwiSaver providers and advisers was to engage with members through annual emails. These emails include general information and ask clients to get in touch if they would like a review or financial advice.

In one example, a KiwiSaver provider that holds an FAP licence partnered with an employer to deliver financial advice to members as part of an employer-chosen scheme. The provider held seminars, which resulted in a much higher level of uptake of a review or advice – around 25%.

We encourage firms to align adviser incentives, processes and resourcing with ongoing servicing and regular client contact across the life of lending, insurance and KiwiSaver products, and to move from passive availability to targeted outreach (where appropriate).

Questions for the financial advice sector

- How can the sector ensure that ongoing servicing and reviews are delivered consistently where they are a part of the service offered to clients?
- What practical approaches can firms use to improve client engagement and review uptake, including for KiwiSaver?

Banks can make financial advice more accessible

Most banks in New Zealand also hold a FAP licence. Banks often distribute their own products without advice being provided. Although most banks we spoke to offered financial advice, this was only offered passively and rarely taken up by consumers.

What we want to see

Consumers know when and how to obtain financial advice from banks, and advice is actively offered where it is likely to improve outcomes.

What we found

Banks

Distribution of financial advice products by banks was mixed between financial advice and information only. Some products, such as KiwiSaver, were more likely to involve financial advice for a client. Some banks had a low rate of financial advice provided by their own financial advisers and nominated representatives for mortgage products.

For savings and term deposit accounts, Banks typically indicated lower rates of advice provided. For example, for low interest-bearing accounts (e.g. on-call or savings accounts) with more than \$10,000²:

- 2 banks indicated 26-50% of consumers did not receive advice
- 2 banks indicated over 75% did not receive advice
- 3 were unsure and didn't have specific data.

Advice barriers within banks mean some consumers may be missing out on meaningful interest, if a more suitable investment product is right for their needs. We acknowledge there may be circumstances where consumers forego the interest for the sake of immediate access to their funds.

For mortgages, given the long-term nature of the product, advice may help inform the client more than information alone, yet we saw a lack of advice available and provided.

² Based on responses from banks that answered a specific question as part of our questionnaires

We acknowledge not all consumers at banks require financial advice. However, our consumer research indicated banks were a common source of information to help consumers make financial decisions. Ensuring advice is accessible, including for everyday products, is important for consumers.

The introduction of the Conduct of Financial Institutions (CoFI) regime reinforces the importance of how banks distribute products and assist consumers to make informed decisions. In this context, where a bank holds a FAP licence, ensuring that financial advice is accessible and likely to improve outcomes is consistent with the fair conduct principle.

Other vertically integrated institutions

The FMA recognises that the provision of financial advice by vertically integrated institutions, such as insurers and MIS managers that hold a FAP licence, varies significantly by product type, distribution model, and consumer need. We do not consider that all products distributed by these entities will require advice in all circumstances. However, similar to banks, these institutions typically have direct consumer channels and ongoing relationships with consumers, including through call centres, digital platforms and service touchpoints. Where products are distributed on an information-only or referral basis, there is an opportunity for vertically integrated firms to be more proactive in identifying when advice may be beneficial and signalling to consumers where and how advice can be obtained.

Questions for financial advice sector

- How can banks better use their direct channels to identify opportunities to provide advice when it is likely to improve consumer outcomes? What role should other vertically integrated firms play in achieving similar outcomes?
- What practical steps can banks take to better integrate advice into their everyday products, such as savings accounts, term deposits, and mortgages?
- What data and controls are being used to understand when advice is being given across products? How does this inform decisions about the availability and promotion of advice?

Gap in financial advice for the decumulation phase of retirement

KiwiSaver is a critical part of New Zealand's retirement savings landscape. Many New Zealanders will need to rely on KiwiSaver to support them in retirement. New Zealanders are also living progressively longer; the number of people aged 65+ is likely to reach 1 million by 2028³.

What we want to see

Consumers can access advice that helps them navigate the decumulation phase of retirement confidently, including managing risks and making informed choices that support their long-term financial security.

³ [One million people aged 65+ by 2028 | Stats NZ](#)

What we found

While advice on establishing and growing KiwiSaver is available, we observed an advice gap for consumers close to or post-retirement.

Decumulation refers to the process of drawing down accumulated savings such as KiwiSaver to provide income during retirement. It involves drawing down assets to fund living expenses once someone has stopped working.

Decumulation can be a complex area to navigate, due to uncertainty over life expectancy, investment returns and spending requirements. For an individual this can result in underspending and missing out on quality of life in retirement, or overspending and exhausting savings too early.

A particular risk during the decumulation stage is 'sequence of returns' risk. Poor investment returns during the early stages of retirement combined with withdrawals to fund living expenses may deplete savings more quickly than expected. Higher investment returns later in retirement may not be sufficient to compensate. This contrasts with the accumulation stage when falling markets may allow investors to benefit from buying assets at a discounted price.

The FMA's 2025 KiwiSaver Report shows that total funds under management grew 10% to \$123b in the year to 31 March 2025. Our consumer research indicated 53% of consumers thought advisers could help with retirement planning. While there was plenty of advice offered about which KiwiSaver fund to be in, there was less about navigating life after retirement.

The 2025 Review of Retirement Income Policies by the Retirement Commission⁴ notes that financial advice can play a vital role in helping people navigate decumulation risks. The Retirement Commission recommended developing a nationally consistent decumulation framework and has introduced the Sorted Retirement Navigator⁵. The 2022 Review of Retirement Income Policies⁶ identified three main retirement scenarios, which included homeowners with stable finances, asset-rich but cash-poor retirees, and renters facing financial stress. The most recent report builds on these scenarios by including four quadrants of retirement needs mapped across a client's capability and capacity. The report highlights that a client's individual circumstances play a role in decumulation strategies.

Questions for financial advice sector

- How can the sector develop and deliver advice that better supports consumers approaching or in retirement to navigate decumulation risks?
- What tailored approaches to nature and scope of advice can support the sector to deliver financial advice about decumulation?

⁴ [2025 Review of Retirement Income Policies | Retirement Commission Te Ara Ahunga Ora](#)

⁵ [Sorted Retirement Navigator](#)

⁶ [2022 Review of Retirement Income Policies | Retirement Commission Te Ara Ahunga Ora](#)

Advice barriers for Māori

Our previous engagement, as well as fieldwork from this review, highlights that Māori consumers disproportionately face barriers to accessing financial advice. Māori communities may be underserved. From our interviews with FAPs and our Matangirua research⁷, we know that sector knowledge of the legislative and legal realities faced by whānau, hapū, iwi, and hapori (community), particularly regarding collectively owned assets, is also lacking.

Our observations and learnings regarding Māori accessing financial advice include:

- A lack of contextual understanding and cultural competency from advisers exacerbates general lack of trust in the financial sector.
- Simple things like manaakitanga (care and respect) go a long way but aren't understood
- Lack of knowledge or understanding:
 - that for many Māori entities, the end client is not the entity, but its members
 - of Māori entities' cultural and legal obligations to their members, including reporting
 - of the complex legal and legislative landscape that is unique to Māori and that many whānau, hapū and iwi entities must operate within
 - of the diverse range of entity types available for whānau, hapū and iwi, and their associated parameters (legislation, Māori Land Court jurisdiction etc)
 - of the worldview, collective identities and values that drive decision making
 - of existing alignment with cultural values, such as environmental social and governance (ESG) standards, so that Māori entities can align their investments with cultural values tikanga.
- Many advisers use a templated approach to investment advice that is not sufficiently customised to account for cultural priorities and context.

This suggests a need for more culturally responsive and accessible financial advice for Māori. Some FAPs had specific programmes in place to improve access for Māori consumers and were continuing to work on improving cultural knowledge, but we believe more can be done across the wider advice sector.

Questions for the financial advice sector

- How can the sector lift cultural competency to ensure advice is designed and delivered in a way that reflect the needs of Māori?
- What practical changes (e.g. advice tools and templates) can the sector implement to make advice more tailored for Māori clients and entities?

⁷ The FMA's te ao Māori strategy, Matangirua, is designed to help the FMA to enable Māori to participate as Māori in financial markets. Our recent research into Māori experiences with investment and savings can be found here: [Two Kaupapa Māori research papers released to fill gaps in sector data | Financial Markets Authority](#)

Opportunities to improve access to financial advice

Strengthening confidence in navigating the principles-based financial advice regulatory regime

What we want to see

The advice sector applies the principles-based regime to their business and clients with confidence, enabling advisers to use flexibility and proportionality in practice. As a result, more consumers have greater access to right-sized financial advice.

What we found

Most FAPs and advisers told us the financial advice regime was working well for them. Many noted that the licensing and competency requirements have contributed to an uplift in professionalism across the sector and improved consumer trust. This provides a strong foundation on which to further improve access to advice.

Our view is there is an opportunity to build greater confidence in how the principles-based regime is applied in practice.

Some FAPs expressed uncertainty in how to meet their conduct obligations when tailoring the nature and scope of their advice. Advisers were concerned about the implications of non-compliance on their clients and reputation, and about the possibility of FMA enforcement action. As a result, some FAPs have implemented overly complex compliance arrangements for their business structures, which impacts the ease of giving regulated financial advice. For example, some advisers follow a templated process that always requires a full detailed fact find, regardless of the nature and scope of advice.

FAPs identified specific areas where additional clarity and practical examples could support more confident, proportionate application of the regime. These included:

- Appropriately tailoring the nature and scope of advice, as discussed earlier in this report.
- What constitutes “reasonable steps” in demonstrating the client has understood the advice, as required by Code Standard 4 of the Code.
- How to provide disclosure, and the timing of disclosure – without leading to excessive or duplicated disclosure being provided to clients.
- Distinguishing regulated advice from information-only services.
- How to demonstrate competence, knowledge and skill by way of an alternative qualification or experience.

Confidently navigating the principles-based regulatory regime presents an opportunity to reduce unnecessary compliance burden while maintaining standards of conduct and consumer protection.

Advisers requested additional guidance from the FMA, such as best practice and examples of where we have seen flexibility done well with respect to compliance obligations. To enable this, we will engage further with the sector to find and share practical examples of what good looks like, including case studies. This will help firms apply the regime proportionately, reduce perceived regulatory burden, and identify areas where advisers may be over-engineering compliance.⁸

Despite the findings around navigating the regime, new advisers are entering the financial advice sector. The 2025 regulatory returns submitted by FAPs show the number of financial advisers grew by 8.4%, rising from 8,472 in 2024 to 9,184 in 2025. Education providers also reported a broader and more diverse pipeline of future advisers, with increased enrolments in the New Zealand Certificate in Financial Services (Level 5) across age groups and ethnicities. The residential property strand remains the most popular specialist pathway, followed by the life, health and disability strand. The majority of licensed FAPs have fewer than twenty advisers engaged to give financial advice. This suggests most licensed FAPs are small businesses, often independently owned and operated.

Questions for the financial advice sector

- How can the sector build greater confidence in applying the principles-based regime in practice, particularly when tailoring the nature and scope of financial advice?
- What examples of proportionate and right-sized compliance have you found useful in improving access to financial advice for consumers, while reducing unnecessary compliance burden?

Digital advice, innovation and AI

We looked at how entities are using technology, including AI, to improve access to financial advice. One of the changes introduced by the current financial advice regulatory regime was allowing advice to be provided through digital advice facilities, to promote innovation and flexibility.

The 2025 FAP regulatory returns show 40 FAPs have a digital advice facility. Approximately 165,000 retail clients had received digital advice from these providers (that resulted in them acquiring a financial product)

⁸ For example, the FMA provided specific guidance on our approach to applying and enforcing Code Standard 3 of the Code of Professional Conduct for Financial Advice Services in relation to financial advice about financial products for investment purposes. This guidance is particularly relevant to situations where it is difficult or impractical to access information to support reasonable grounds for financial advice on an investment product. See [Reasonable grounds for financial advice about financial products | Financial Markets Authority](#)

in the past year,⁹ a 90% increase from the prior period. This shows the potential of digital channels for providing financial advice.

What we want to see

Consumers benefit from accessible digital advice facilities. The financial advice sector takes opportunities for wider adoption of technology and AI, enabling FAPs and advisers to improve advice delivery.

What we found

Many FAPs are taking a cautious approach to adopting or expanding digital solutions, including the use of AI. This reflects an opportunity to build greater confidence in integrating innovation with conduct obligations under the principles-based regulatory regime.

Across digital advice facilities, the sector identified practical areas where improvements could enhance consumer engagement and accessibility:

- Designing disclosure processes that are clearer and less disruptive to the customer journey. Several FAPs reported a drop-off in consumer engagement when they reached the disclosure stage of the digital advice facility. The result was clients not going through to the advice stage of the tool.
- Developing more practical ways to demonstrate reasonable steps have been taken to ensure client understanding of financial advice (as required by Code Standard 4) within digital channels.
- Some banks and KiwiSaver providers require customers to create profiles and log in before accessing digital advice tools, primarily to support record-keeping and suitability obligations under Code Standard 3.
- FAPs also raised commercial considerations, including the cost of developing, implementing and maintaining digital advice tools, and challenges in charging for digital advice services. An FMA poll conducted during the 2025 Financial Advice New Zealand (FANZ) Connect Tour further indicated that information security, system integration and skill gaps are key areas where additional capability and support could enable wider adoption of technology.

Opportunities for fintech

We engaged with a number of fintech entities. Most provided digital support and solutions to the financial advice sector, and did not hold an FAP licence. Some fintech providers expressed interest in developing their products to provide advice directly, but felt constrained by regulatory boundaries, including the distinction between information-only and financial advice in a digital context. Not holding a FAP licence resulted in some entities taking an overly conservative approach with their services and information provided, to ensure there was no risk that it was misconstrued as financial advice. This meant in some cases the information or guidance presented was high level or generic, to remain 'information-only'.

⁹ Retail client use of digital advice facilities is an industry estimate. See more about the regulatory returns on our website: [Financial Advice Providers Regulatory Returns | Financial Markets Authority](#)

Opportunities for AI to improve availability of advice

We observed a range of examples of innovation across the financial advice sector. We also saw both simplified and advanced digital tools that give scalable advice, which included AI. Services and tools we saw included:

- direct comparison tools
- AI agents that provide advice
- compliance-checking tools
- tools that provide deeper analysis of a client's financial situation and summarise this for the adviser, often via dashboards
- record keeping tools that produce fact finds and records of advice, or summarise notes from client interactions
- detailed budget analysis, personal finance and financial wellbeing tools that proactively engage with clients (e.g. through an app that sends push notifications).

We also saw clear examples of how digital technology, including AI, is being used to improve access to advice, such as:

- reducing time spent on administrative tasks, allowing advisers to focus more on client engagement and advice
- developing or enhancing digital advice tools that support scalable advice delivery or assist advisers with analysis, while the advice itself remains the adviser's own.

While we observed some instances of advice delivered purely through AI, the predominant use of AI was to enable rather than replace advisers – leveraging technology to extend capacity and improve reach while maintaining adviser oversight and accountability.

Our consumer research indicates emerging consumer openness to AI-enabled advice. Trust scores for advice provided by AI ranged from 28% to 41% across the products tested with consumers, suggesting that while confidence is not universal, there is a meaningful base from which adoption of and trust in AI-enabled advice could grow.

Our view is that there are strong opportunities for improvement in technology-enabled and hybrid advice models that can reach underserved consumer segments. AI may accelerate this by potentially enabling new approaches to the nature and scope of financial advice, but needs to be done appropriately with a level of oversight and design that ensures conduct obligations are managed and met.

We also acknowledge that increased confidence navigating the advice regime with respect to innovation is needed. We are planning to undertake a thematic review of the use of AI in financial advice. We will consider any learnings from this work and whether there are opportunities to share practical insights on applying AI within the financial advice regime.

Questions for the financial advice sector

- What are some real-world use cases where innovation can make regulated financial advice more accessible for the following key challenges outlined in this report?
 - a. Appropriately scoped financial advice
 - b. Client reviews and ongoing financial advice services
 - c. Advice on decumulation of funds at retirement
 - d. Financial advice for underserved communities, such as Māori
- How can FAPs and financial advisers overcome the challenges of adopting digital advice and AI in their business? How can they become more confident, capable, and open to adoption?

Open banking

The introduction of New Zealand's Consumer Data Right (CDR) and open banking creates an opportunity to improve access to financial advice. Open banking allows clients to securely share banking data with accredited requestors. Advisers can get up-to-date insights into spending patterns, savings behaviour and account balances for some of their clients. This enables proactive identification of clients who may be under-contributing to KiwiSaver, carrying high-interest debt, or missing opportunities to optimise their financial position. With richer data, advisers can deliver more timely engagement and targeted advice solutions, ultimately helping clients make even better decisions that improve long-term financial outcomes.

Questions for the financial advice sector

- What are the opportunities for making financial advice more accessible through open banking?

Appendix 1 – About the review of access to financial advice

This review was undertaken to better understand the challenges and opportunities affecting access to financial advice for New Zealanders, consistent with the purposes of the financial advice regulatory regime to support both the availability and quality of financial advice. The review builds on the FMA's ongoing monitoring and engagement since the introduction of the current financial advice regime and seeks to understand how advice is accessed in practice, where consumers go for support, and how advice sector business models and regulatory settings interact to influence access.

The review focused on four key areas identified in the Terms of Reference:

- **Consumer preferences and demographics**, including how different groups access advice, barriers to engagement, and consumers' understanding of what financial advice is and when it may be beneficial.
- **Industry business models**, including how remuneration structures, service design and distribution approaches influence the availability and delivery of advice.
- **Digital advice and innovation**, including the use of technology and emerging tools (such as AI) to improve scalability, efficiency and access to advice.
- **Ease of providing regulated financial advice**, including how confidently advisers apply the principles-based regulatory regime in practice and whether conservative compliance approaches affect the ability to deliver right-sized advice.

Further detail on the scope and objectives of the review is set out in the Terms of Reference, available on the FMA website: [Review of access to financial advice for New Zealand – Terms of reference](#).

Appendix 2 – Overview of the financial advice sector

The financial advice sector in New Zealand is large and diverse. As at 30 June 2025, there were:

- 1,553 licensed FAPs, ranging from sole adviser businesses to entities with 500 or more advisers, advising both directly through authorised bodies, financial advisers and nominated representatives, and indirectly through interposed persons.
- 1,018 authorised bodies – entities authorised under FAP licences.
- 9,198 financial advisers, who may specialise in a specific type of advice, such as personal risk insurance, mortgages, fire and general insurance, investments (including KiwiSaver) or broader investment planning, or provide a range of advice services.
- 11,019 nominated representatives, which are often operating in branch networks and direct contact centres of deposit takers, insurers and fund managers.

The advice regime allows for different business models and ways to provide advice. FAPs are also able to offer advice digitally, leading to efficiencies and improved client experiences.

- 428 FAPs hold a Class 1 licence. The licence holder can provide regulated financial advice to retail clients on the licence holder's own account or through a 'sole adviser' practice.
- 1,070 FAPs hold a Class 2 licence. The licence holder (and any authorised body) can provide regulated financial advice to retail clients on the FAP's own account and/or through one or more financial advisers. The licence holder and any authorised bodies may engage any number of financial advisers.
- 55 FAPs hold a Class 3 licence. The licence holder can provide regulated financial advice to retail clients in any manner, subject to the limitations in the FMC Act. This includes through Nominated Representatives.

