



Beyond the Pilot

How asset and wealth management is navigating the data and AI transition

AI adoption in UK Asset and Wealth Management (AWM) has entered a new phase. Research from 225 senior technology leaders explores the gap between experimentation and genuine transformation.

"This industry is partway through a transition. Most firms have moved past curiosity but are still a long way from scale, and closing that gap is the real work of the next few years."

Tim Benjamin, CTO, Softwire

Foreword

The UK manages £10 trillion in assets — the largest pool outside the US — and almost every firm in the sector now accepts that AI will reshape their business. The harder question is how to get there, given the data and technology foundations they need to build on. *Beyond the Pilot* draws on 225 interviews with senior IT and technology leaders across the sector to examine how far firms have travelled.

The starting point is data. 44% of firms told us they don't have the data quality, lineage, and traceability needed for regulatory confidence — a striking figure in an industry of this scale, and one where compliance is existential. It matches what we heard in interviews: fragmented estates, manual reconciliation, and unclear ownership. When a CTO described data governance as "a nightmare where everyone owns data and nobody cleans it," he was speaking for a lot of his peers. 81% told us poor data and legacy systems are slowing their AI progress.

The AI picture itself is more varied than the headlines suggest. Almost every firm is running pilots, and 12% already describe AI as *transforming* their business rather than merely making it more efficient. That 12% represents a cohort pulling ahead at pace, investing in the foundations that have enabled that transformation. Current investment mostly concentrates on making existing tools faster; a smaller group is building capabilities they don't yet have, and that is where the transformation will come from.

The obstacles firms cite are foundational and organisational: leadership sponsorship, strategic clarity, and close business-technology collaboration come up again and again as conditions for progress.

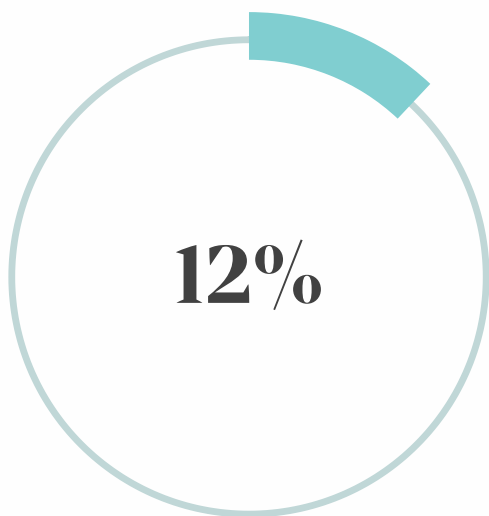
I hope this report is useful, both as a benchmark for your own thinking and as a prompt for conversation.

Tim Benjamin

Chief Technology Officer, Software

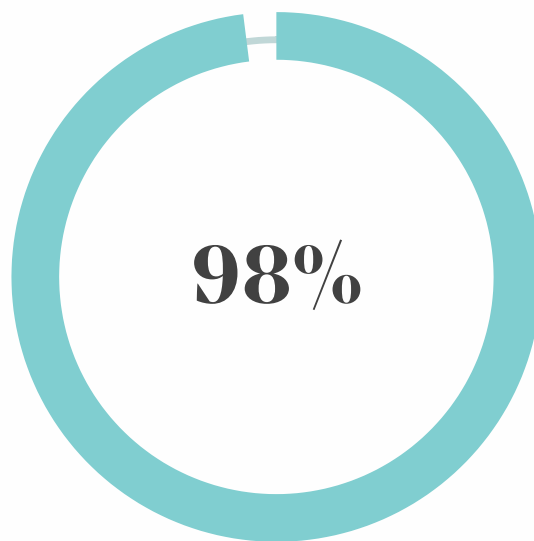


Key findings



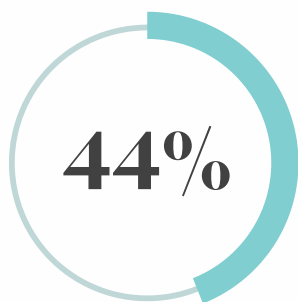
Transforming with AI

only 12% describe AI as transforming the business



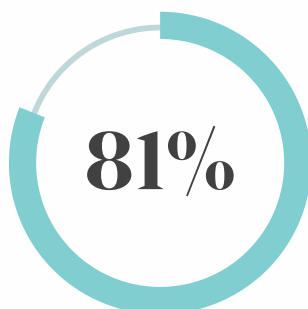
Running AI pilots

have implemented at least one AI POC or pilot



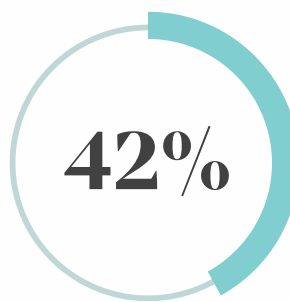
Data not fit for compliance

say their data doesn't have the required quality, lineage, and traceability for regulatory confidence



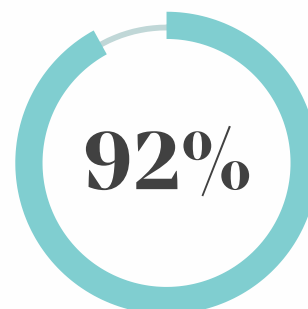
Legacy systems blocking AI

say poor data and legacy systems are limiting their AI progress



Modernisation is key

say improved legacy modernisation would most help them realise AI value



Need more collaboration

with specialist talent to deliver their AI ambitions

The AI maturity landscape

AI pilots are commonplace these days. They're the "easy bit". Real transformation, however, is where many firms come unstuck.

The distribution of AI maturity across firms reveals a sector that is almost entirely engaged in AI activity, but still concentrated in the experimental middle stages, with only a fraction reaching genuine transformation.

12%

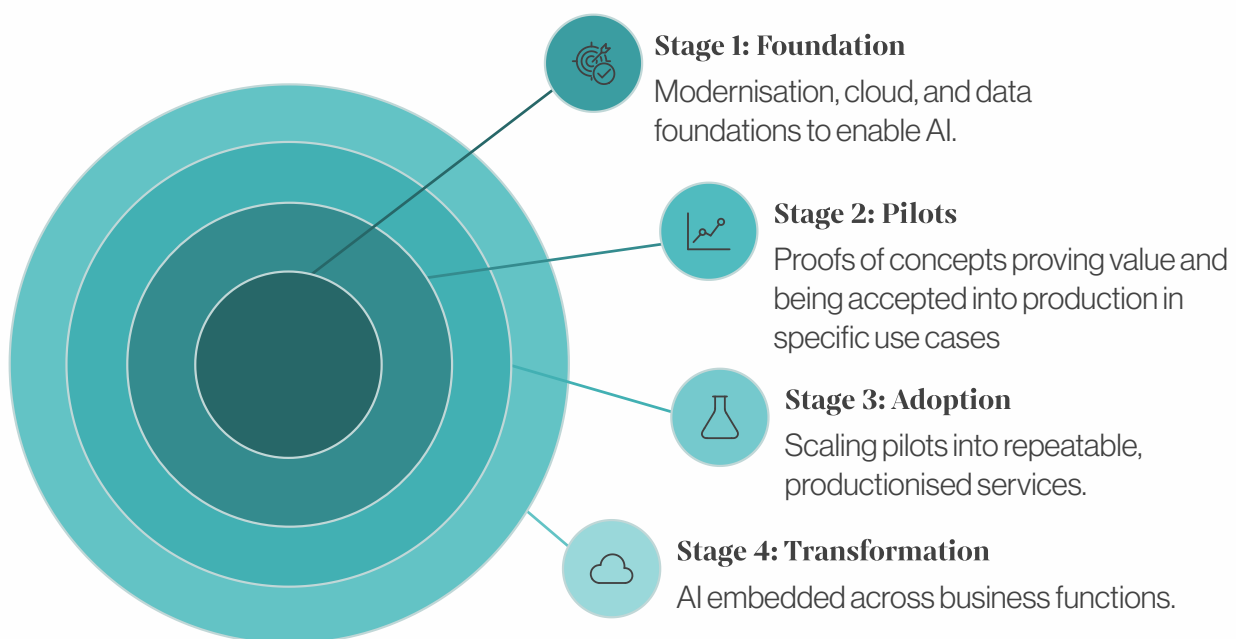
Truly transforming

Describe AI as embedded across multiple business functions — a striking figure this early in the adoption cycle

98%

Running pilots

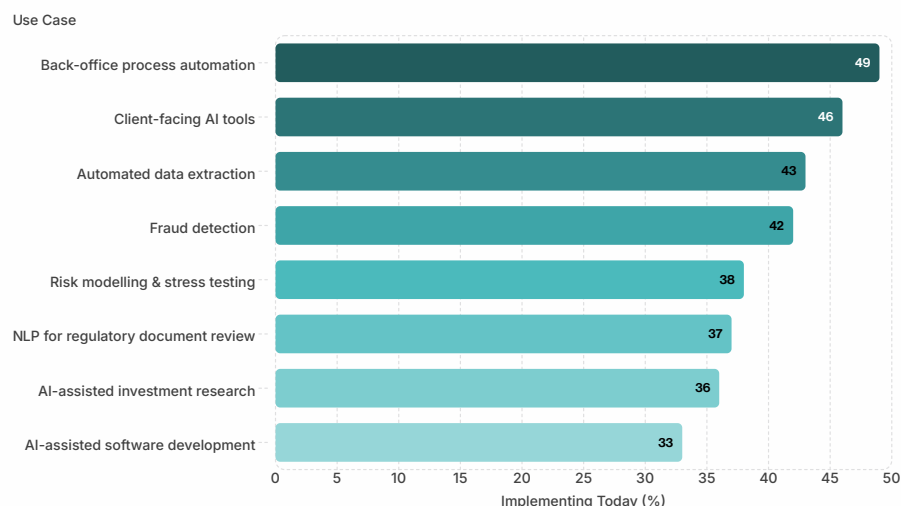
Have implemented at least one AI POC or pilot into production in the past 12 months



Today's AI

There is a clear shift between where firms are investing today and where they plan to invest next.

Unsurprisingly, most current investments are safe experiments to see quick value and support learning with limited risk.



“Most firms are investing in AI to do what they already do, faster. A smaller group are investing in capabilities they don’t yet have. Both approaches are sensible. But the second group are building a different kind of business, and the gap is going to widen.”

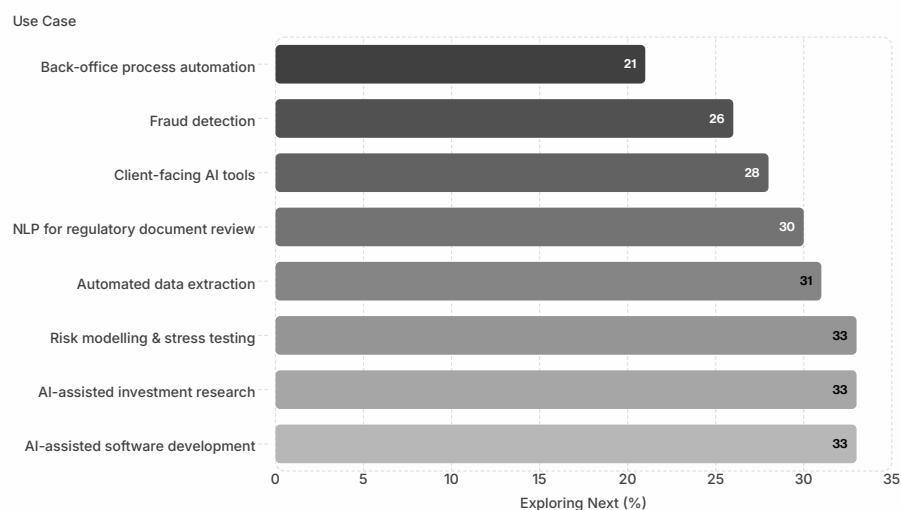
Tim Benjamin, CTO, Software

Tomorrow's AI

The good news is that tech leaders have a clear idea of what they need to do next.

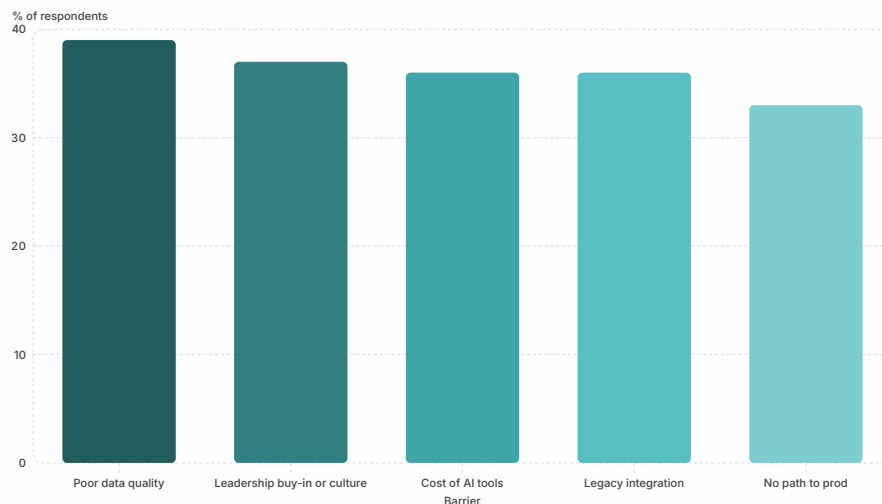
The chart reshuffles and the use cases that rise, or hold, are the ones that build new capabilities rather just speed up work. AI-assisted software development, AI-assisted investment research, and risk modelling cluster at 33% as the next wave.

Client-facing AI tools also drop 18%. Despite much traction in transformative consumer-facing AI tools in the space, this signals a lack of success using GenAI where consumer trust and regulation are key. However, we think this is a trend to watch into 2027 and beyond as models become more reliable and regulation catches up.



The road to transformation: 5 barriers

While leaders can see the next significant plateau, there are five barriers to scaling AI and reaching a transformational state. A clear pattern emerges: until the data and architecture are addressed, investment models will deliver diminishing returns.



The top barrier is technical — data quality — but the second is cultural. Leadership resistance sits above cost and integration complexity, confirming that the path to AI scale runs through organisational change as much as technology investment.

The main issue lies in the huge legacy technical debt, which limits agility and hinders our ability to quickly adopt cloud-native and AI-driven solutions.

CIO, Asset Management, 501–1,000 employees

Road to transformation: the use case shift

It's easy to see the links between the obstacles to adoption and current priority use cases. Today's priorities have focused on ease of adoption and speed of value realisation. Taking unstructured data, reading documents, and automating manual processes have all skirted around transformative use cases that require modern underlying platforms, strong data foundations, and organisational acceptance.

Use case (% exploring next)	1- Data Foundations Complexity	2- Legacy Modernisation Complexity	3- Organisational Change Complexity
Risk modelling & stress testing (33%)	High	High	Medium
AI-assisted investment research (33%)	High	Medium	High
AI-assisted software development (33%)	Low	Medium	High
Automated data extraction (31%)	High	High	Medium
NLP for regulatory document review (30%)	High	Medium	Medium
Client-facing AI tools (28%)	High	High	High
Fraud detection (26%)	High	Medium	Low
Back-office process automation (21%)	Medium	High	Low

Summary: Connect the dots

As ever, it's not as simple as throwing technology at the problem. The 12% who describe AI as transforming their business are the firms rebuilding three foundations together — data, modern architecture, and the operating model around them.

They've also, crucially, secured the all-important organisational buy-in. They're identifying demand across the business and have clear messaging on the cost of standing still: stunted growth, high operational costs, and losing market share or reputation.

While efficiency savings is often the easiest business case, most of these claims are unproven, so a more creative growth mindset and investment is needed. That is particularly true for technologists, whose expertise underpins effective delivery and who stand to develop genuinely new skills along the way.

"The major challenges include outdated systems, scattered information, and an insufficient AI workforce. Automation and AI projects face delays because of these issues."

CEO, UK Asset Management firm, 501–1000 employees

Three key obstacles to transformation

This 2026 survey is timely snapshot of the industry's data and AI transition.

The findings surfaced three recurring and interconnected obstacles preventing firms from effectively scaling AI.

Obstacle 1 – Data not fit for AI and compliance

Data foundations are still a weak spot. 76% rate data auditability as highly important or critical, yet only 20% are fully confident their stack can meet evolving compliance demands. The usual suspects—fragmented estates, siloed data, and unclear ownership—continue to plague data management at scale.

Obstacle 2 – Modernisation stalling new capabilities

The next wave of AI capability cannot run on existing technology estates. A staggering 81% are blocked by data quality or legacy architecture. Modernisation must go back to the top of the agenda if firms are to successfully build new capabilities that generate new revenues and drive growth.

Obstacle 3 – Organisational blockers: the knowing vs. doing gap

Tech leaders know what needs to change. Yet 37% of respondents identified leadership alignment or cultural resistance as major obstacles to scaling AI. Success hinges on aligning tech investment with business priorities, building cross-functional delivery models, and treating AI adoption as organisational change.



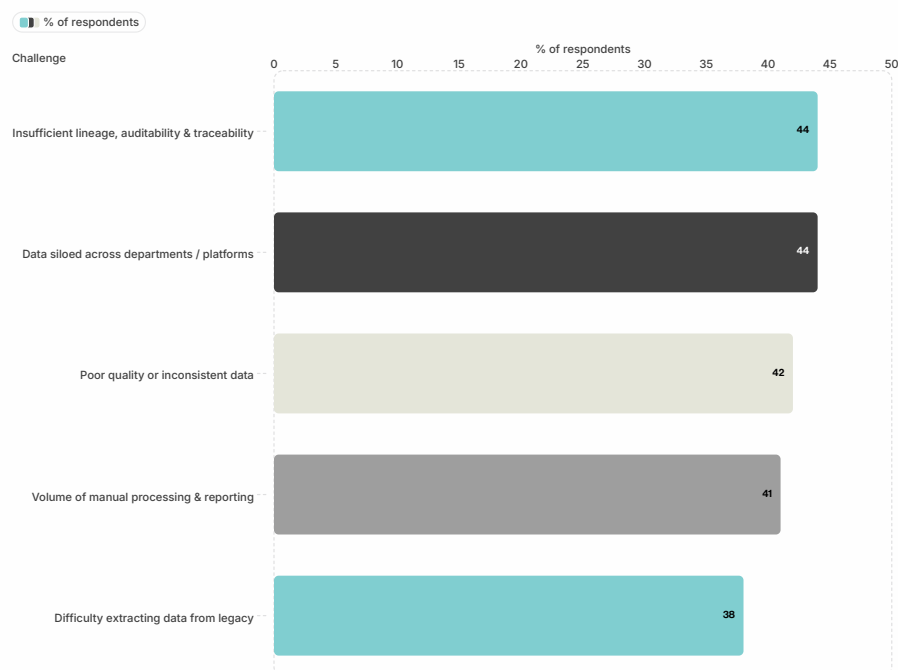
OBSTACLE 1

Data not fit for AI and Compliance

Without strong data foundations, firms struggle to deliver claimed AI benefits and keep pace with regulatory change.

Top 5 data Challenges facing AWM firms

Respondents identified five data challenges with near-equal severity, reflecting systemic issues rather than isolated failures across the sector.



The clustering of results between **38–44%** indicates that no single challenge stands alone; they compound one another. The data remediation challenge, therefore, is not a small project, but rather a programme of work.

Everyone owns the data, no one owns the outcome

A programme of data work is inherently complex and leads us into data ownership. A hot topic for the last decade, ownership has helped bring accountability and improve data accuracy.

But data is being used for much more than management reporting, which has limited value across departments. The immediate challenge is making these different pools of data and data owners work together.

This shift will see a significant change how data is managed and connected across the business, away from localised rules and knowledge.



AI pursuits are limited

Because of data quality or accessibility



Have limited governance

Describe data governance as immature or emerging



Have data silos

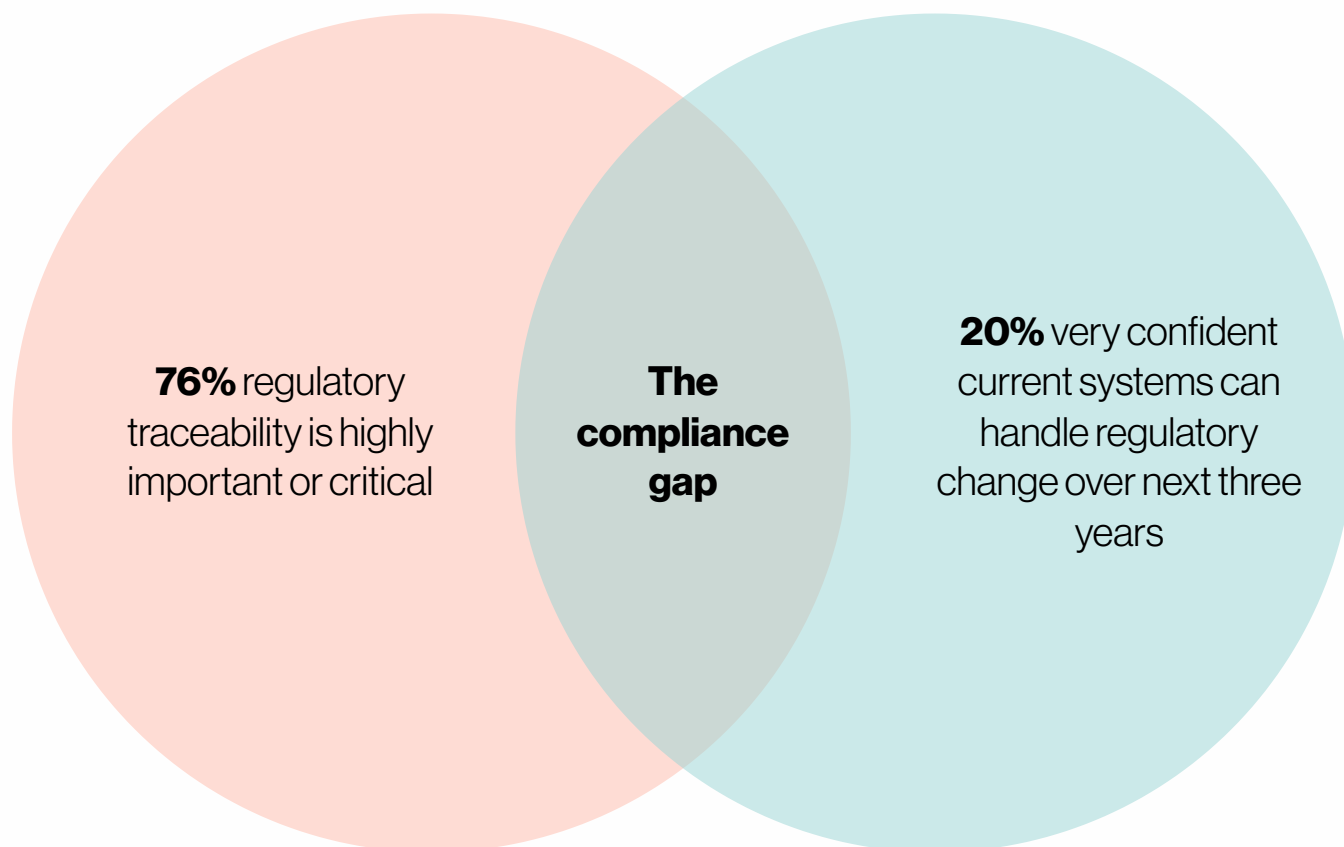
Across teams and departments, described as one of the most significant challenges

"Data governance is a nightmare — everyone owns data, nobody cleans it, and auditors panic when we try to use it creatively."

CTO, UK Asset Management, 501–1000 employees

The compliance data gap

Our findings identified a clear gap between the importance of regulatory traceability and the confidence of leaders in their current capability to meet evolving compliance requirements.



Summary: The data foundation

It's clear that firms with modern data platforms and robust data management capabilities are in the best position to meet regulatory change and scale AI.

Trusted, curated data delivered to multiple operational, regulatory, and analytical use cases drives down cost and time to insight. It reduces the pressure of every new requirement that lands and strengthens business ownership of data as they start to see the correlation between their data and AI-powered automations, enabling their growth.

The reverse is also true. 81% of leaders say data quality or accessibility is currently limiting their ability to pursue AI or automation. While 44% say their data is not yet fit for the lineage, quality, and traceability regulators are increasingly expecting. These aren't two separate problems. They are the same problem, named twice.

Firms making real progress treat them as one investment. A single data product serves regulatory, analytical, and AI use cases in parallel — funded once, governed once, and owned by someone whose remit is the outcome, not the asset.

Even where regulatory burden eases, the data demand doesn't disappear; it just moves elsewhere. The FCA's review of transaction reporting for buy-side firms is one example: conditional single-sided reporting still requires firms to transmit high-quality data to benefit. The bar for "good data" keeps rising regardless of which specific rules apply.

"Siloed data, limited interoperability across systems, and gaps in data governance — these challenges reduce the effectiveness of analytics and AI initiatives."

CIO, Asset Management, 50–99 employee



OBSTACLE 2

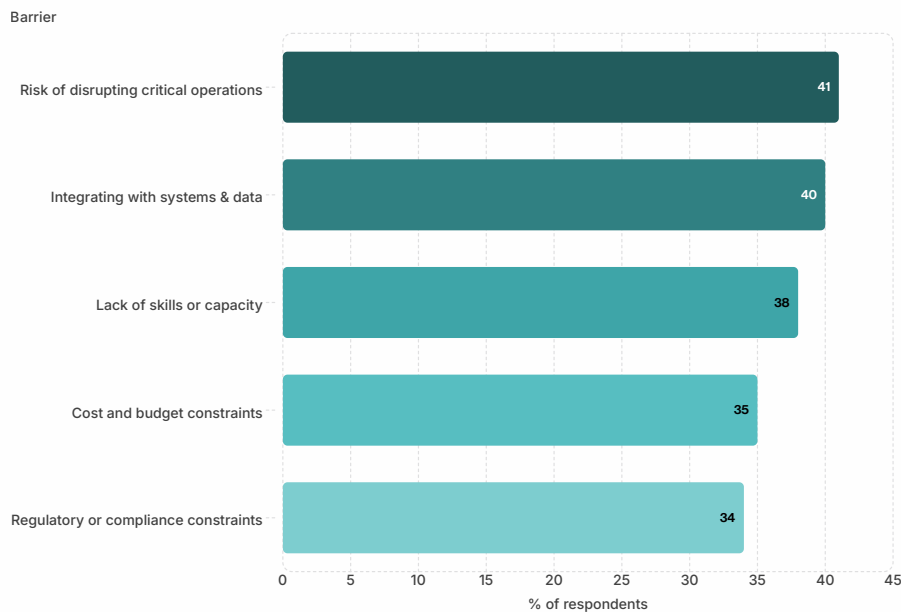
Modernisation stalling new capabilities

The ability to build new capabilities is held back by legacy systems directing the path taken.

Top 5 barriers to legacy modernisation

The barriers to modernisation are the barriers to transformation. While modernisation efforts often get postponed due to complexity and other priorities, the pain is becoming more acute and serious; firms that cannot modernise cannot scale AI.

These findings explain why **88%** remain below the transformation threshold.



"Fragmented data, legacy systems, and limited specialist capacity to deliver change alongside BAU — these issues make it harder to turn technology investment into measurable business value."

COO, Asset Management, 100–149 employees

Why modernisation stalls from those living it

Modernisation isn't blocked by one obstacle. It's blocked by several that reinforce each other. The survey ranks them:

1. **Risk of disruption (41%)**
2. **Legacy integration challenges (40%)**
3. **Lack of skills or capacity (38%).**

Firms that treat each as a separate problem usually find themselves with long programmes where core capabilities aren't built making the required disruption untenable.



"The main issue lies in the huge legacy technical debt, which limits agility and hinders our ability to quickly adopt cloud-native and AI-driven solutions."

CIO, UK asset management firm (501–1000 employees)



"Slow cloud migrations keep us stuck on brittle legacy infrastructure."

CTO, UK asset management firm (250–500 employees)



"Integration issues between new and existing platforms create constant friction, leading to delays and added costs that eat into the expected return on technology spending."

COO, UK hedge fund (501–1000 employees)

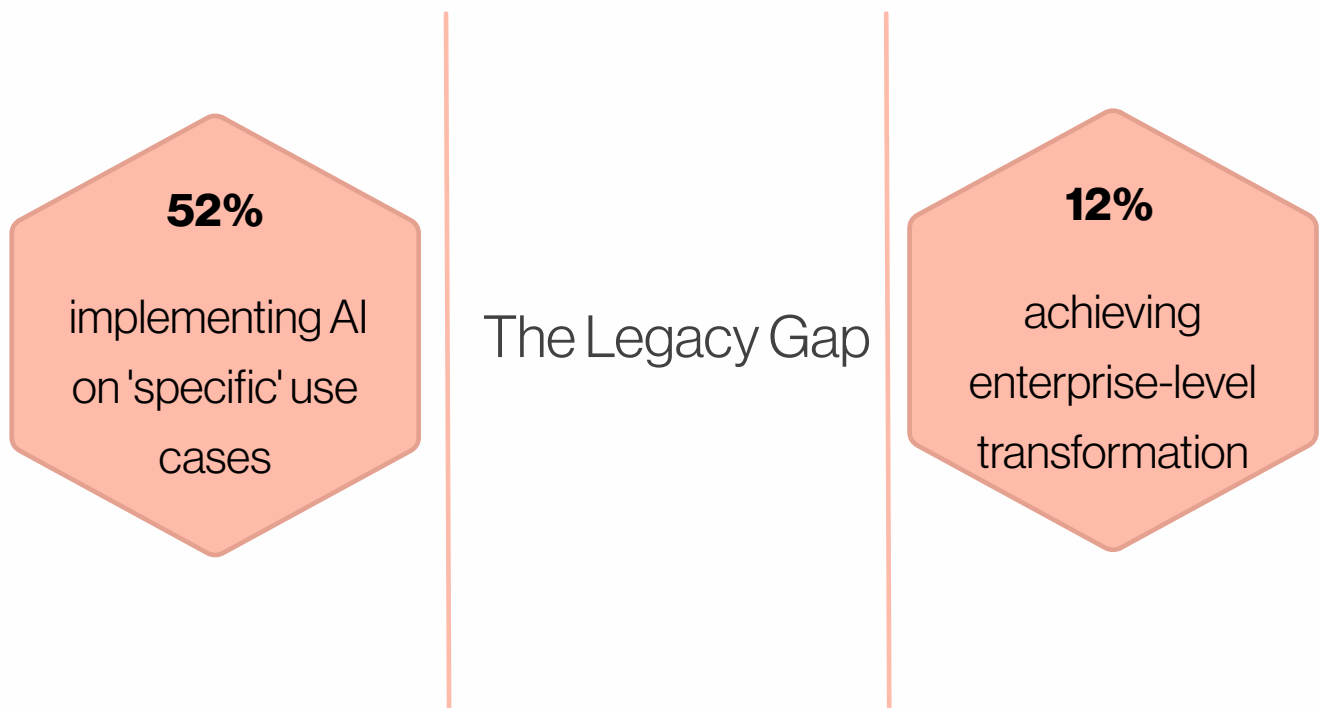


"The biggest obstacles... are outdated systems, inconsistent data, and limited skilled technology talent."

CIO, UK asset management firm (501–1000 employees)

The new foundations needed

Today's AI delivers efficiency. Tomorrow's AI builds new capabilities. Only firms that modernise first will get there — and across UK Asset and Wealth Management, the architecture beneath today's stack is the single largest blocker to the next wave.



The use cases AWM firms describe as "exploring next" — risk modelling, AI-assisted investment research, agentic workflows, real-time analytics — don't run on the same architecture that powers back-office automation today. They demand unified data, modular compute, and the ability to deploy and retire models at speed. Most existing AWM platforms weren't designed for any of that.

"Many new capabilities must circumvent the old architecture, significantly slowing innovation."

CISO, UK Asset Management firm (250–500 employees)

Summary: Embrace continuous modernisation

Firms who treat modernisation as a separate IT programme typically stall. The risk profile of modernisation has shifted: cloud platforms, modular architectures, and accelerated delivery mean firms no longer need multi-year, big-bang programmes that consume budgets for years before delivering value. Compute can scale as needed, functionality lands in slices, and AI-ready data foundations can be built alongside the migration itself.

Where firms stall, the pattern is consistent. 41% of leaders name risk of disruption as their top barrier, while 40% name legacy integration, and 38% name skills and capacity. These aren't three separate problems to be resourced in parallel. They are the inertia that long-lived programmes create — and the inertia that incremental, AI-led modernisation can break. Firms that treat modernisation and AI as one investment, not three, close the gap on the early movers fastest.

The mistake we see most often is firms attempting to modernise the entire estate before the AI investment lands. The firms in the 12% take the opposite approach. They modernise the slice of the estate that the next AI use case needs, prove the value, and expand the modernised footprint behind it. Each AI use case becomes both a deliverable and a forcing function for further modernisation. The estate transforms incrementally, with returns being measurable without as much fear of upfront investment.

"The most difficult challenge is balancing the allocation of resources between innovation investment and the maintenance of existing systems — over-emphasising either will affect overall efficiency."

CDO, UK Asset Management firm (150–249 employees)



OBSTACLE 3

Organisational blockers

Closing the gap between ambition and realising ROI from AI

What would most help leaders realise AI value?

Senior AWM leaders are not short of ambition — nor diagnosis. They know precisely what is holding them back. The three building blocks below represent their own prescription for closing the gap.

42% – Improved modernisation to unblock AI adoption

Focus on modernising systems to enable AI integration.

38% – Clearer AI & technology strategy aligned to business goals

Develop a strategic plan that links AI to business outcomes.



37% – Better data foundations, governance & platform infrastructure

Strengthen data management and governance for reliable AI.

"Organisational inertia often means teams stick to old processes, so even when new data tools are available, adoption is patchy, and insights are inconsistent across the business."

VP of Technology, Hedge Fund, 250–500 employees

The knowing vs doing dilemma

Most tech leaders know what's wrong and cite the same challenges: Leadership sponsorship, strategic clarity, and business-technology collaboration. The dividing line comes down to execution.

Strategy without execution

"The biggest obstacle is inconsistent execution. Plans look good, but implementation is frequently interrupted by other urgent matters."

Programme Director, UK Hedge Fund (100–149 employees)

Leadership / sponsorship

"Leaders short-sighted, focus on short term, tech investment cautious, future value unrealised."

Head of Technology, UK Asset Management firm (250–500 employees)

Strategy alignment

"The biggest obstacles are misaligned strategy, poor data quality, and resistance to change slowing real impact."

Head of Technology, UK Asset Management firm (1000+ employees)

Pilots not scaling

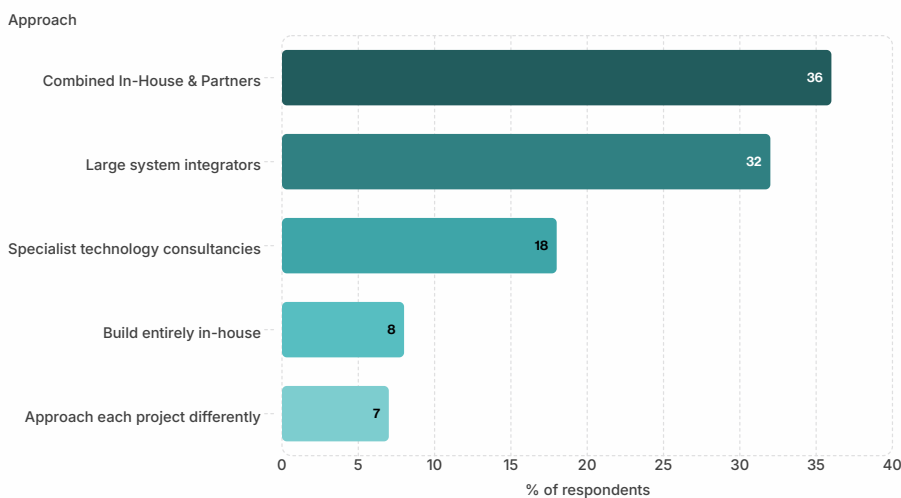
"The biggest obstacle is the difficulty in expanding the pilot project to a solution that covers the entire enterprise."

CDO, UK Hedge Fund (250–500 employees)

Four different roles, four different firm sizes and four versions of the same observation. What stops most firms is the operating capacity to act on it. Those transforming have closed that gap by removing the conditions that interrupt execution.

Closing the Skills Gap in AWM

The **38%** of firms naming skills and capacity as a barrier to modernisation can't hire their way out of it. The market for AI, data, and modern engineering talent is too tight, and the skills firms need are evolving too quickly to recruit against. AWM firms have understood this — and the preferred delivery model is built around partnership over procurement.



The survey shows the sector has settled on a working answer to the talent shortfall: collaborative delivery. **92%** of AWM firms expect to work with external partners in some form. Only **8%** intend to build entirely in-house. The dominant preference is a combination of internal teams and external specialists.

This is the right instinct for a sector where the work is now half-technology, half-capability-build. The firms making real progress aren't outsourcing AI delivery, they're using external specialists as the route by which their own teams pick up new skills. Each project becomes both a deliverable and a learning curve, with knowledge transferring inward as the work ships. The technologists who emerge from these engagements are the ones who carry the next wave of AI investment back into the firm.

Summary: Conditions for progress

Creating the right conditions for progress starts and ends with business and technology alignment. The recurring themes of leadership sponsorship, strategic clarity, and business-technology collaboration hammer home the point that too many firms are still working from different priorities. Without aligning around the same goals, firms will struggle to remove the other key obstacles. Bringing teams together, supported by external partners, can improve coordination across departments while providing the capacity needed to move faster.

"For most firms in this sector, the constraint is organisational shape. The technology is available and, increasingly, proven."

Tim Benjamin, CTO, Software

"Executive buy-in is weak, so projects stall and lose momentum."

Head of Change & Transformation, Pension Fund, 100–149 employees

3 questions to ask before your next AI investment

When embarking on significant, high-collaboration projects, clarity in communications and structure is essential. Trying to deliver transformation through an operating model not designed for it will always fall short. In our experience, there are three questions worth asking early to determine whether your operating model is truly set up to deliver the outcomes you're after.



What enduring capability will you develop?

What capability is your organisation going to walk away with at the end of this, and who in your team will carry it forward into the next investment?

Guaranteeing lessons learned is a huge part of any successful AI investment.



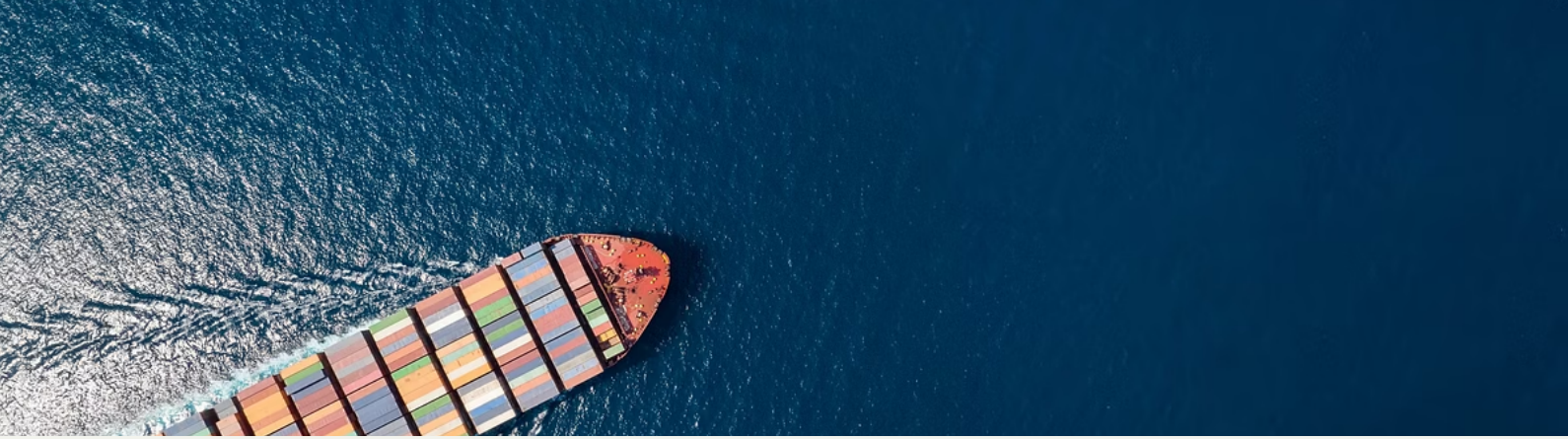
Are tech & business teams aligned and collaborating?

Are the business and technology teams in the same conversation from day one, or is one delivering to the other? Removing barriers and getting closer to the end user is critical for realising measurable benefits quickly.



Who is the named owner of the outcome?

Establishing clear leadership and accountability for the outcome, not just project teams or portions of the delivery, who owns this? If the answer is no one, or someone in the C Suite, consider naming an Outcome Owner who's job is cross departmental but still close to the coal face.



WHAT NEXT

Charting the course

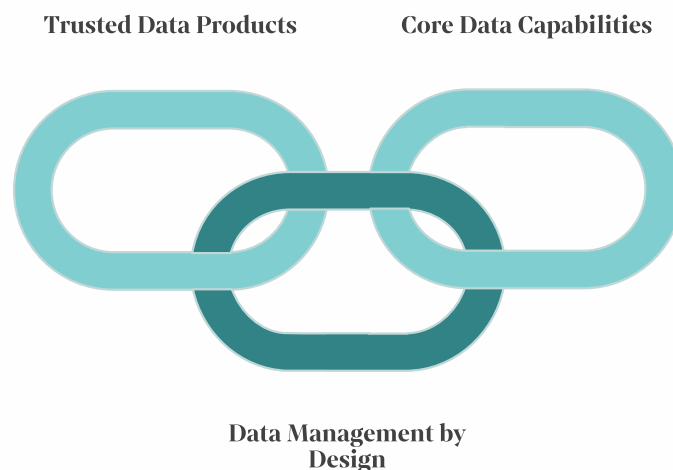
Most firms are well past curiosity; few are yet at scale. So, what should AWM technology leaders do next?

Overcoming the obstacles

Obstacle 1 - Data not fit for AI and compliance

Success in both regulatory compliance and effective AI use rests on the same foundation: trusted, high quality data, delivered reliably to the people and systems that depend on it. That demands three things.

- **Trusted data products:** modern data platforms that ingest from disparate sources and curate them into reusable, trusted data products serving operational, regulatory and analytical use cases. Lineage and transformation documentation give downstream users confidence, and controlled provision ensures a single version of the truth. Data products can be delivered incrementally, prioritising reusability or the highest value use cases first.
- **Data management by design:** data ownership sits with the business, not technology, and ties to business outcomes rather than the systems holding the data. Lineage and quality are embedded by design, so trusted data is the default.
- **Core data capabilities:** a data catalogue available across the organisation with standardised definitions, the right tooling for each job, centrally managed reference and master data, and controlled provision via internal marketplaces.

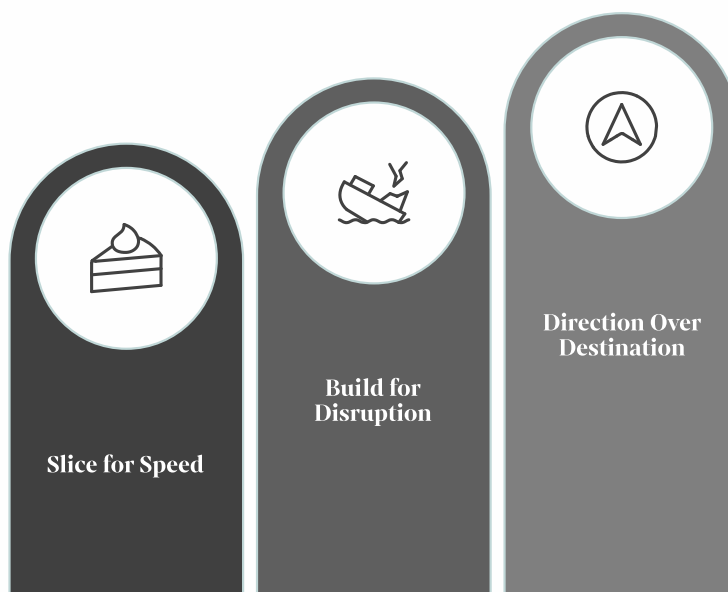


Overcoming the obstacles

Obstacle 2: Modernisation stalling new capabilities

Closing the gap between today's stack and tomorrow's AI demands a different approach to modernisation: incremental, outcome-led, and built to absorb change. That demands three things.

- **Slice for speed:** modernise the slice of the estate that the next AI use case needs, prove the value, and expand the modernised footprint behind it. Each AI use case becomes both a deliverable and a forcing function for further modernisation. The estate transforms incrementally, paid for by the value the AI delivers, and the disruption risk shrinks with every slice that ships.
- **Build for disruption:** modern infrastructure should welcome change, not resist it. Modular services, observable systems, and tested rollback paths make disruption survivable rather than catastrophic. The architecture beneath the next wave of AI must be built to be changed, retired, and recombined as use cases evolve, not protected from the disruption that progress demands.
- **Direction over destination:** hold a clear view of the architectural end state, but do not march directly towards it. Use it as a compass, prioritising the next 12 months of value over the next five years of vision. A whole platform modernisation delivered in one go arrives years behind the firms that shipped value continuously.



Overcoming the obstacles

Obstacle 3: Organisational blockers

The firms making serious headway with their AI transformation are prioritising investment in organisational issues. They're focusing on:

- **Build cases that hold:** anchor investment cases to capabilities that compound over years, not efficiencies that save weeks. A case built on saving 6 weeks of manual reporting survives one budget cycle. A case built on becoming a different kind of business in three years attracts senior sponsorship, pulls conviction through the organisation, and withstands the scrutiny that comes when delivery gets hard. Short cases create weak buy in and quiet skepticism. Long cases create momentum as long as value is delivered incrementally.
- **Build with, not for:** partner with organisations who close the skills gap by transferring capability, not just delivering software. The work shouldn't end with a working system. It should end with internal teams who can extend, retire, and recombine what has been built. Choose partners who co build the platform you will be running for years, with the people you intend to keep. This is your future platform. The people maintaining it should be yours.
- **Own the outcomes:** create structures and teams that own outcomes, not projects. Give them authority to scale what works, retire what doesn't, and surface the systemic blockers no single team can see alone. Feedback loops between business, technology, and operations turn one off insights into compounding capability, and turn slow learning into fast iteration.



How Softwire Helps

We believe technology in financial services is too important to be done badly.

When technology is done well, it changes the outcomes for clients, the resilience of firms, and the competitiveness of the industry. In Asset and Wealth Management, where data, AI, and regulation are reshaping the business at speed, we know getting it right matters more than ever.

So we offer thoughtful solutions to the three obstacles this report identifies. We deliver them at the pace the sector demands, with the engineering discipline regulated industries require, and we ensure every client has access to the technology and the talent that's right for them.

The Softwire AI Hack Day — Close the knowing-doing gap in a day

A fixed-price, single-day workshop where an expert teams run parallel sprints on your AI challenge or aspiration. You leave with demo-able software at the end of the day, a clear view of data needs, viability, and real cost-per-query figures. Within two weeks, we deliver a custom report with an investment-ready case along with an outcome focussed Delivery Model

Data Illuminate Programme — See your data differently and act on it faster

A three-phase data programme where each phase delivers value on its own. **Illuminate** maps your data landscape and prioritises 2–3+ high-value opportunities with a clear path to delivery. **Accelerate** builds and deploys a production-ready solution against the strongest of those opportunities. **Transform** embeds the partnership and stacks cumulative capability across multiple use cases, integrated data assets, and advanced analytics.

Zero-downtime modernisation — Move the AI foundations without breaking the business

We replace, migrate, and modernise critical infrastructure in regulated environments without disrupting the business that runs on it. At Railpen — the UK rail workers' pension fund, £34bn AUM — we replaced an end-of-life data feed serving **70+** critical applications on time, within a fixed cutover window, with zero downtime and **100%** data consistency verified across every consuming app. Modernisation done right is a non-event for the business.

About Softwire

Softwire is an independent UK technology consultancy. We design, build, and modernise software, data platforms, and AI systems for organisations that take their technology seriously. Our delivery model is collaborative by design — embedded teams working alongside our clients' own people, bringing business and technology together to do work that scales.

Capabilities

- Software Engineering
- Data Platforms & Engineering
- AI & Machine Learning
- Cloud & Infrastructure
- Legacy Modernisation
- Technology Strategy

Sectors

- Asset & Wealth Management
- Insurance
- Financial Services & Banking
- Public Sector & Central Government
- Media & Publishing
- Energy & Utilities
- Public & Private Healthcare



Sean Judge

Sector Director - Banking & Financial Services



David Wilson

Sales Director - Banking & Financial Services



Elliott Nix

Principal Consultant - Asset & Wealth Management



Get in touch — To discuss these findings or explore how Softwire can support your data and AI programme, contact us at **financialservices@softwire.com** or visit **[softwire.com](https://www.softwire.com)**.

How This Research Was Conducted

1

Why We Commissioned This Study

The shift now under way in financial services is one of the largest the industry has seen since the move to cloud. Softwire commissioned this research to ground our own thinking — and that of our clients — in evidence rather than narrative. The design prioritised the quality of respondents over headline sample size, and the resulting conversations are candid and specific, grounded in the daily experience of running technology in a heavily regulated industry.

2

Who Conducted the Fieldwork

Vitreous World, an independent specialist research firm, designed and conducted the quantitative study on Softwire's behalf. All findings reported here reflect responses from senior IT and technology leaders interviewed by Vitreous World between 16 and 24 March 2026.



3

Methodology Snapshot

225 respondents — senior IT and technology leaders in UK asset and wealth management firms (50+ employees). Online quantitative survey. Fieldwork conducted 16–24 March 2026.

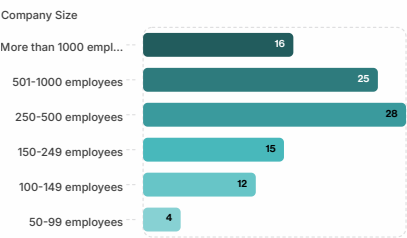
This research was commissioned by Softwire and conducted independently by Vitreous World.

Appendix — Methodology and Respondent Profile

Sample & Qualifying Criteria

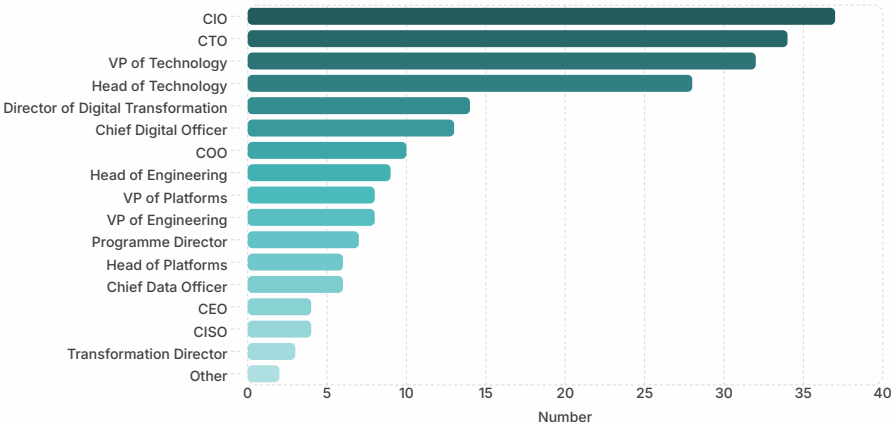
- Senior IT and technology leaders (CTO, CIO, CDO, COO, Head of Technology, and equivalents)
- UK-based asset and wealth management firms
- Minimum company size: 50 employees
- Sectors: asset management, wealth management, hedge funds, pension funds, and adjacent AWM sub-sectors

Company Size Distribution



Job Title Distribution

225
Total Number
Job Titles





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