MARKET PERSPECTIVE

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AI, Advice and Confidence to Act

What early member behaviour tells us about conversational AI, regulated advice and who helps members when their curiosity begins

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PREPARED BY
Borromean Consulting
with Otivo

FOR
Super fund and advice
executives, trustees and boards

BASIS
Ask Otivo conversations,
interviews and research

Independent. Insight-led. Pragmatic.

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In brief

Much of the discussion about AI and financial advice asks whether AI can give advice. A more useful question is what members do when they can simply ask a question. What happens when they bring a financial question, in their own words, to a service that already knows their circumstances and has regulated advice behind it? Ask Otivo, the conversational layer in Otivo's licensed digital advice platform, offers an early look at the answer.

What was observed. Across four weeks of Ask Otivo conversations:

- Before any advice had been given, more than 98% of conversations began with a question the member typed. People knew what was on their mind.
- The first question was rarely the whole question. Conversations moved across topics, and members used them to question the advice they received.
- Members brought consequential questions (drawdown, inheritances, tax), and 41% came back for another conversation within the window.

What is new. Three ideas run through the paper:

- **Conversation and regulated advice are different capabilities.** In Ask Otivo the AI interprets and explains. The personalised figures and recommendations come from a deterministic, licensed advice engine.
- **Confidence alone is not the objective.** Fluent AI can make people feel confident. The objective is well-founded confidence to act.
- **Presence is becoming strategic.** Being there when curiosity begins creates the chance to build confidence. Staying involved as the decision becomes consequential depends on being able to justify it.

What remains uncertain. This is early evidence. It comes from four weeks, among members who chose to use it. It cannot yet tell us whether members went on to act, or whether less engaged members would behave the same way.

> **WHAT THIS MEANS**
>
> The question for funds is larger than whether to deploy conversational AI. It is how useful they want to be when members have financial questions, what role they want to play as those questions become decisions, and what architecture and operating model would justify that role. The evidence is early, but it is enough to put two decisions in front of executives and boards now: what sits behind any member-facing conversation, and who owns the member's first question.

A different question about AI and advice

The debate about AI in financial advice usually starts with capability. Can a large language model give accurate advice? Will it replace the adviser? These are reasonable questions, but they are no longer the most pressing ones.

Consumers are already bringing their financial questions to AI. McKinsey reports that almost a quarter of the consumers it surveyed use generative AI for financial tasks at least monthly. Taha Choukhmane of MIT Sloan, one of the authors of a recent MIT and Stanford study, put it plainly: “Half of Americans say they are using AI to get financial advice, but we know very little about what kind of advice they’re getting and whether they’re acting on it.” In the UK, Scottish Widows found that 30% of adults already trust AI tools to help with their pension.

The more useful question for Australian funds and advice businesses is therefore **what happens when a member can start with whatever is on their mind, inside a service that knows their circumstances, with regulated advice capability behind it**, and what that means for the organisations members already trust with their retirement savings.

Ask Otivo is a conversational layer within Otivo’s licensed digital advice platform. This paper uses it as a lens rather than a model. It draws on four kinds of evidence:

- **observed behaviour** in Ask Otivo conversations;
- **interviews** with Otivo’s leadership;
- the **Engagement Confidence Matrix**, from the Financial Services Council’s *The Role and Value of Digital Advice in Australia* (2026); and
- **Australian and international research**.

It is not a representative consumer study, a prediction about where AI will end up, or an argument that AI will replace advisers. Ask Otivo’s users chose to use it, and the evidence covers four weeks. Nor is it a claim that Otivo’s approach is the only one that can work. The value of the evidence is that it shows what people do in a live, regulated advice setting, rather than what they say they might do.

ABOUT OTIVO

Otivo is a founder-led, privately owned Australian digital advice provider, founded in 2015. It holds its own Australian Financial Services Licence and gives advice under that licence or a partner’s.

Its rules-based advice engine covers cash flow, debt, super, insurance, investment and retirement income. Ask Otivo, launched in 2025, is the conversational layer around that engine.

Recognition in 2026 includes Most Innovative Application of AI in Finance and Innovator of the Year (Digital Advice) at the Fintech Innovation Awards.

Sources: Otivo; Borromean 2026 Digital Advice Market Scan. See About Otivo at the end of this paper.

Throughout, the paper distinguishes what was observed, what Otivo reports from its own experience, Borromean’s interpretation, external research, and questions the evidence cannot yet answer. A note on the evidence appears at the end.

1. People start with what is on their mind

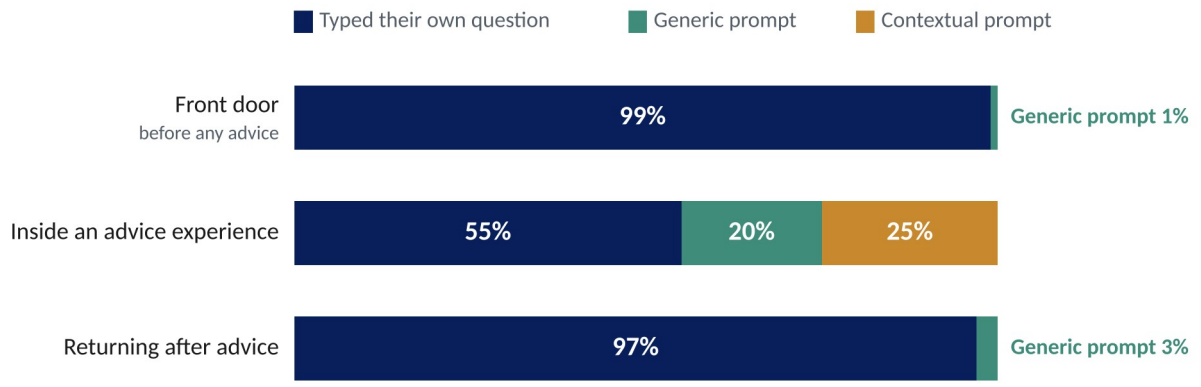
Financial services have traditionally asked people to understand the system before the system can help them. A member visiting a fund's website chooses between contributions, investments, insurance or retirement. A digital advice journey typically starts with a defined use case. The member has to find the right door. This paper calls that point of entry the front door: where a member first brings a question, before any advice has been given.

Conversation changes the starting point. Otivo classified each conversation by where the member was in the advice journey. At the front door, before any advice had been given, **more than 98% of conversations began with a question the member typed in their own words.** On a more conservative classification, which counts the generic suggestions on the entry screen as front-door prompts, the figure is still 86%.

> *"Can I semi-retire now?" "Do you do drawdown predictions?" "I'll receive $170k from my parents as a gift. Is it okay to pay off my mortgage, or buy an investment, or shares and ETFs?"*

These are not product journeys. They are questions. Members may not know whether their question needs general information, modelling or personal advice. But they know what is on their mind.

EXHIBIT 1 **At the front door, members almost always type their own question**



How Ask Otivo conversations open, by stage of the advice journey. 27 August to 22 September 2026. Base: 162 conversations. Figures rounded. Source: Otivo.

This challenges a familiar industry view that members struggle to engage because they do not know what to ask. Two qualifications matter. Ask Otivo's users are already inside an advice platform that holds their data, and they chose to use it. Whether less engaged members behave the same way is an open question.

WHAT THIS MEANS

If members can say what is on their mind, the front door no longer needs to ask them to diagnose their own need. Its job becomes interpreting the question, bringing in context and deciding what happens next. Design effort shifts from ever larger menus to handling free text well, and the moment a question first arises becomes more valuable than it has been.

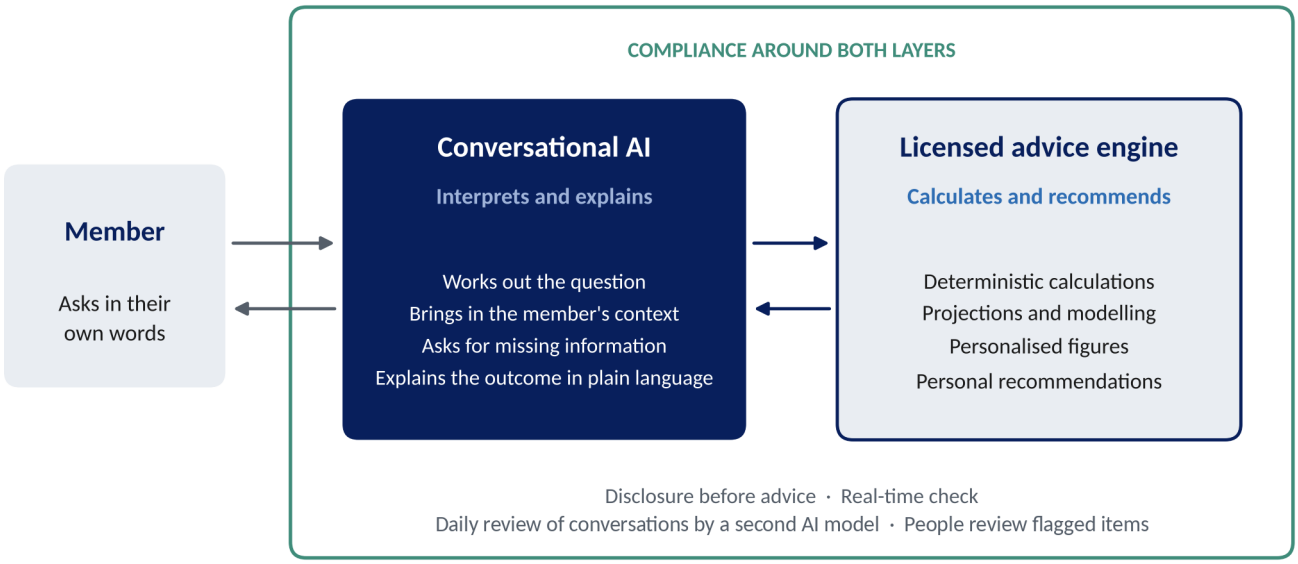
2. The conversation and the advice are two different things

Conversational AI can make the boundary between explanation and advice look seamless. To the member, it feels like one conversation. Underneath, different things are happening, and how they are separated is the most important design choice in the model.

In Ask Otivo, the AI interprets and communicates. It works out what the member is asking, brings in their context, asks for missing information and explains the outcome in plain language. **The personalised figures and recommendations come from Otivo's deterministic, licensed advice engine.** The AI presents and explains them. It is not asked to calculate them. Otivo describes this as a founding design rule.

Compliance sits around both layers. As Otivo describes it, advice is given only after disclosure, a lighter check runs in real time, and a second AI model reviews conversations daily, with flagged items reviewed by people. Otivo reports that genuine issues, frequent in the first generation, are now rare, with the reviewer deliberately set to be conservative.

EXHIBIT 2 **The conversation explains. The licensed engine calculates and recommends.**



The Ask Otivo architecture in simplified form. Source: Otivo interviews; Borromean analysis.

Why the separation matters

The MIT and Stanford study collected financial questions from 1,000 US adults and used leading general-purpose AI models to generate recommendations, before simulating the outcomes of following that advice. The advice was broadly sound, but its quality depended heavily on how questions were framed. In the simulations, less financially literate users and those without prior AI experience accumulated materially less wealth by age 60 than their respective comparison groups..

Set against the Ask Otivo data, this points to a useful insight. **People know their question. The question alone does not carry the context.** A regulated service that already holds the member's circumstances, and routes recommendations through an advice engine, is designed to reduce its dependence on the member asking the "right" question.

There is a second reason. Fluent AI tends to be agreeable, and agreeable is not the same as appropriate. One member asked whether to direct most of their super contributions to their spouse. The conversation explained the spouse contribution offset and, in general terms, why the strategy can be worthwhile. When the question moved to a formal recommendation, the advice engine assessed an extra contribution strategy, including a

spouse contribution, and recommended against it for now: the household did not hold enough liquid savings to cover three months of expenses, and locking more money into super first would leave it exposed.

The conversation helped the member explore the opportunity. The advice architecture decided whether they should act. Sometimes the right answer is "not yet".

Consumers appear to sense the distinction. Among the UK adults who told Scottish Widows they trust AI for help with their pension, 80% most trust it when it comes from their pension provider or a firm that gives financial guidance or advice, rather than from a technology company.

WHAT THIS MEANS

Licensed advice capability and general-purpose AI are not the same thing, and the industry should stop discussing them as one. The separation is also what makes the rest of this paper possible. A member can only safely explore, question and return if the answers they rely on come from capability that is accountable for them. For a fund, "what sits behind the conversation?" is the first due-diligence question, ahead of any question about the interface.

3. The first question is rarely the whole question

If members can start with whatever is on their mind, the first question does not need to contain the whole problem. In the observation period, almost half of all conversations (49%) ran to three or more member turns, and **the substantive conversations touched 2.9 financial topics on average.**

One observed conversation shows how the problem takes shape. A member opened with: "What do you know about me?" Ask Otivo read back their profile in plain English, flagged that their employer contribution rate was recorded at 10% when the current rate is 12%, and presented their retirement projection, which showed their super running out around age 68, well short of their income goal. It named the two main levers, their conservative investment option and salary sacrifice. Ask Otivo then took them through the questions the advice engine needs, and only then did the engine recommend a higher-growth option for their circumstances. Otivo's engine does not recommend anything without following its advice rules. A casual question became a financial health check with a licensed recommendation at the end.

A second example follows a similar pattern. It is a representative composite, with details changed:

> *How much will I have at 60 and 65? → What if I contribute more each fortnight? → Could I get to $1 million? → Should I pay off my car loan first? → Could I get there by 60? → "So it is realistic, not a pipe dream."*

Nobody designed that path in advance. The problem was built up through the conversation. The technical question was a projection. The human question was confidence.

WHAT THIS MEANS

Traditional digital advice is built around defined use cases: identify the need, select the journey, deliver the outcome. Conversation reverses the order: ask, explore, then identify the need and decide what help is appropriate. Funds do not need to anticipate every journey. They do need regulated capability behind the conversation that can respond wherever it leads, which is a different build from a library of journeys.

4. Prompts help members go further, not get started

Digital financial experiences rely heavily on suggested questions and menus, on the assumption that people do not know where to start. The Ask Otivo data suggests prompts do their most useful work somewhere else.

At the front door, the generic list of suggested questions was the least-used way in. Inside an advice experience, the picture changed. Of the conversations that opened from a prompt, 50% used a contextual prompt such as "Explain this recommendation to me", and **every one came from a member who had just been shown a recommendation.** The data is early, but the direction is consistent. Otivo reports a rise in interaction once that prompt was placed on the recommendation screen itself.

Once a conversation is running, Ask Otivo suggests a next step after each answer, generated from the member's data and the answer just given. In 87% of cases where a member responded to one of these suggestions, they took it rather than typing something else.

The distinction is between two kinds of prompt. **Generic prompts ask members to choose from questions the organisation has anticipated. Contextual prompts help them explore something that has just become personally relevant.**

> **WHAT THIS MEANS**
>
> Prompting is less about telling people what to ask first and more about helping them discover what to ask next. The practical investment is in prompts attached to statements, projections and recommendations. An "explain this to me" option beside a retirement income chart may do more than any menu, and it can be tested without rebuilding the front door.

5. Advice becomes something members can question

Traditional digital advice tends to end with an outcome: a recommendation, a projection or a statement of advice. Conversation can make that outcome the start of another interaction.

In one Ask Otivo conversation, a member who had been recommended an index diversified option pushed back. His current option had averaged about 10% a year over ten years, against about 8% for the recommendation. Why would he change? The conversation worked through fees, diversification, defensive assets and how a bucket approach to retirement income works, applied to his own balance. It was candid where he had assumed something that was not so, explaining that the fund does not automatically draw from cash first in a downturn. And it did not manufacture urgency: at 56, he did not need to solve everything that day.

Other members use conversation to test alternatives. A member expecting a $170,000 gift from her parents asked whether to pay down her mortgage or invest. Rather than pick a side, the conversation set out both paths and a blend, drawing on engine modelling, with the risks of each stated plainly.

Advice is not valuable simply because it has been produced. A member may need to understand it, reconcile it with what they already believe and feel confident enough to act. Conversation creates a space between **recommendation and action** where that can happen. The same space can lead to people: Scottish Widows found 31% of UK adults would take AI-generated insights to a financial adviser.

These are individual conversations, not measured patterns. And the Ask Otivo evidence cannot yet show whether members then acted. That is the most important open question in this paper.

WHAT THIS MEANS

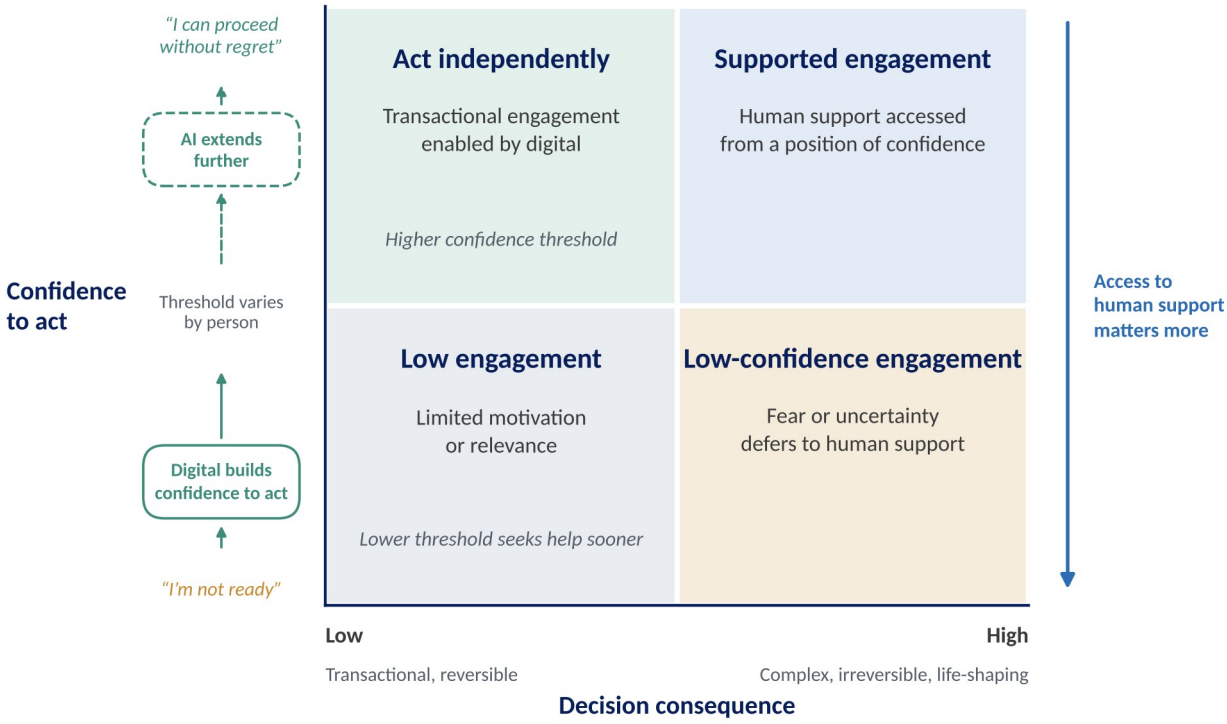
The space between recommendation and action is where confidence is built or lost. That makes it valuable, and it is also where the risk sits. Every answer given there needs to be grounded in the same regulated capability as the advice itself. Otherwise the conversation can talk a member into, or out of, a decision the advice would not support.

6. Confidence is not enough

The Financial Services Council's *The Role and Value of Digital Advice in Australia* (2026), developed with CoreData and Borromean Consulting, introduced the **Engagement Confidence Matrix**. Its premise is that the support a person needs is determined by two things together: the **consequence** of the decision in front of them and their **confidence to act**. It is not determined by the topic, their age or their balance alone.

Three features of the matrix matter here. Access to human support becomes more relevant where confidence is low or falling, or the consequence is high. People move between these states rather than along a line, and the point at which a person is needed varies by individual. And "acting" can mean implementing independently, verifying with an expert or handing the decision to an adviser.

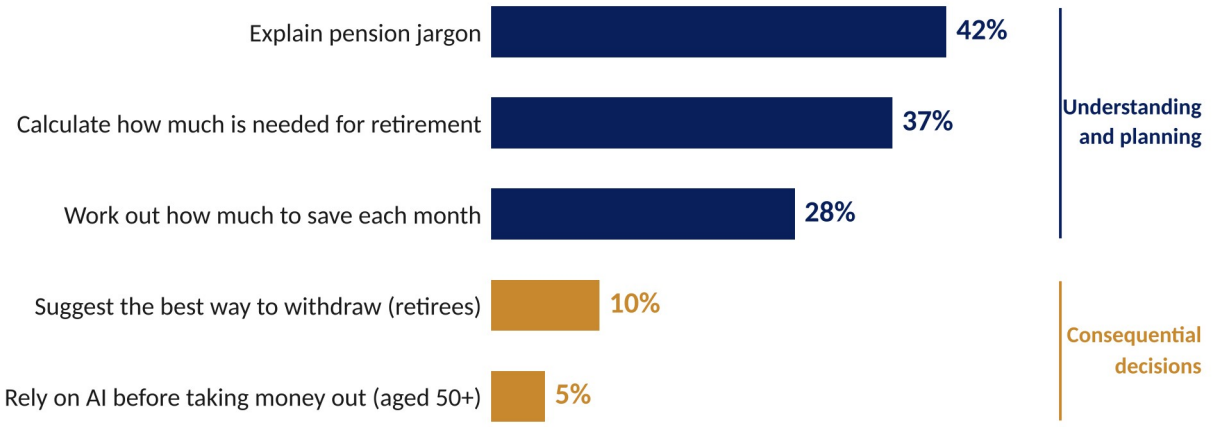
EXHIBIT 3 **The support a member needs depends on consequence and confidence together**



The Engagement Confidence Matrix. The dashed "AI extends further" step is forward-looking: a direction of travel, not a description of what digital can support today. Source: Financial Services Council, The Role and Value of Digital Advice in Australia (2026), Chart 5.6; redrawn by Borromean.

Independent research is consistent with the consequence dimension. Scottish Widows' survey of more than 6,000 UK adults found substantially greater comfort with AI for explaining and planning than decision involving pension withdrawals.

EXHIBIT 4 **Comfort with AI falls as the consequence of the decision rises**



Share of UK adults comfortable using AI for each task. Bases and measures differ: the withdrawal figure is among retirees, and the final figure is the share of people aged 50 and over who plan to rely on AI tools before taking money from their pension. Source: Scottish Widows Retirement Report 2026 (YouGov, fieldwork February 2026).

Yet these are the high-consequence questions Ask Otivo members bring: drawdown, inheritances, capital gains on a business property. The evidence cannot yet tell us why. There are at least three explanations, and they are not mutually exclusive:

- what people say in a survey may differ from what they do;
- AI that knows their circumstances, inside a regulated service, may be trusted differently from AI in general; or
- Ask Otivo's users may simply be more confident than most.

The matrix anticipates a further possibility, flagged in the FSC paper as forward-looking: that AI extends digital support into higher-consequence decisions than it can support today. **The Ask Otivo experience offers an early, observed signal of that shift.**

Well-founded confidence to act

One of the defining features of generative AI is its fluency. It can increase confidence without making that confidence justified. For consequential financial decisions, Borromean's view is that the objective should be **well-founded confidence to act**: confidence grounded in the member's own circumstances, reliable calculations, regulated advice where required, effective safeguards and access to human judgement when the consequence or complexity warrants it.

The spouse contribution example shows the difference. The conversation could have built confidence in a strategy. The architecture made sure that confidence was not misplaced.

WHAT THIS MEANS

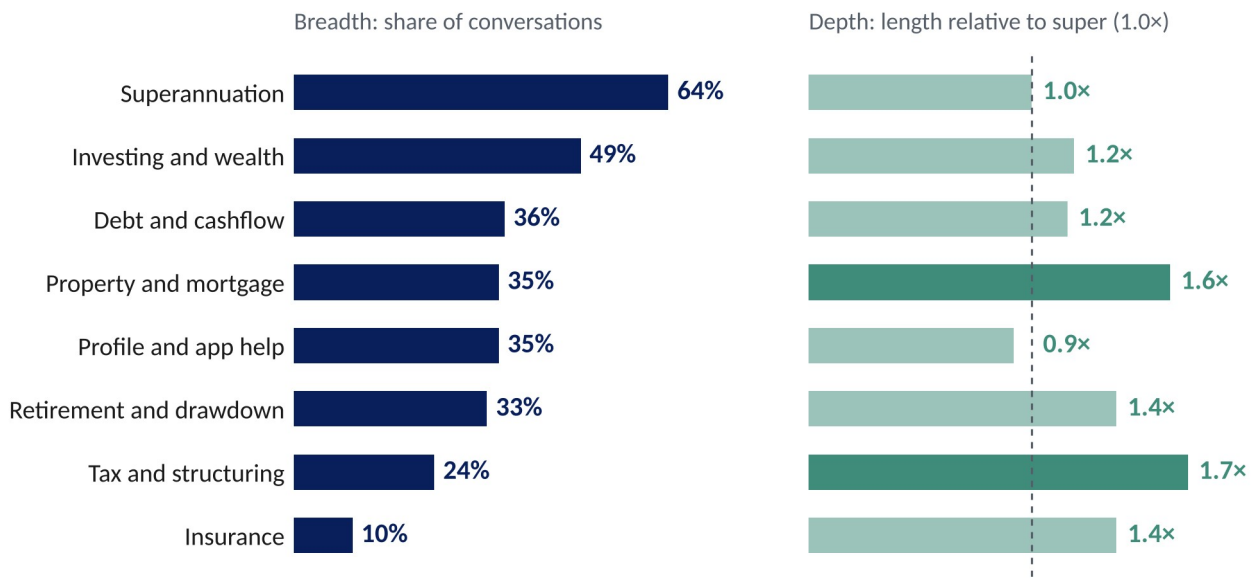
If AI moves support into higher-consequence decisions, the architecture has to move with it. The conversation can create engagement. What sits underneath has to justify the confidence that follows. That gives funds a practical test for any AI capability put in front of members: not "does it make members feel more confident?" but "on what basis should they be?"

7. Members don’t organise their lives by product

Superannuation was the most common subject in Ask Otivo conversations, touched by 64% of substantive conversations. But members also brought investing (49%), debt and cashflow (36%), property and mortgages (35%), retirement and drawdown (33%), tax (24%) and insurance (10%), along with inheritances, aged care funding and separation planning.

Depth is the more interesting pattern. Conversations touching super were among the shortest. Conversations about tax and property ran around 1.6 to 1.7 times as long. That broad pattern held when Otivo retested it on a larger data set, although individual topics moved between periods.

EXHIBIT 5 **Super is the most common topic. Tax and property conversations run longest.**



How often each topic appears, and how long those conversations run relative to super. Substantive conversations, 27 August to 22 September 2026. A conversation can touch several topics. Source: Otivo.

The reason is intuitive. People may have a super account, a mortgage, investments, debts and tax obligations. But they don’t have five financial lives. They have one. A decision to contribute more to super depends on mortgage repayments and cashflow. An inheritance raises questions about the mortgage, investing and super at once.

Scope of usefulness is not scope of advice

This is where member experience becomes fund strategy. Borromean draws a distinction between two things that are often treated as one:

- The **scope of usefulness** is the range of questions an organisation can help a member think through: answering straightforward questions, giving general information, explaining how parts of their finances connect.
- The **scope of personal advice** is the range of topics on which it will make a personal recommendation.

Conversational AI makes it practical to widen the first without widening the second, bringing in regulated advice or a specialist when a recommendation is needed. **Breadth of help does not have to mean breadth of personal advice.** The boundary between the two is a legal one, not a design preference, so where it sits needs to be settled with compliance and legal advisers, not left to the conversation.

Nor does this remove the constraints. Otivo operates under its own licence. A super fund is bound by the scope of intra-fund advice, the sole purpose test and the rules on collective charging, and could not simply replicate Otivo's scope.

The opportunity runs the other way. Members who can ask anything share more: their circumstances, and what they are trying to achieve. A fund that captures that context and intent can offer more than a next best action. When a question goes beyond its scope, the fund can act as orchestrator. It can guide the member to an appropriate subject matter expert, help them prepare by setting out what to ask and what to take to the meeting, and keep the context so the member can pick up where they left off. The immediate need is met, and the fund is still there for the next one.

This is Borromean's view of where the model could go. The Ask Otivo data does not show it, and a trustee would need to settle referral arrangements, consent to retain and share context, and who pays. The alternative is worth weighing too. As Otivo observes, a fund's AI that can only say it cannot help is likely to send the member to a general-purpose tool that will try.

The strategic questions follow: how broad the fund's scope of usefulness should be, which help should be funded collectively, and who keeps the context when a specialist or adviser is brought in.

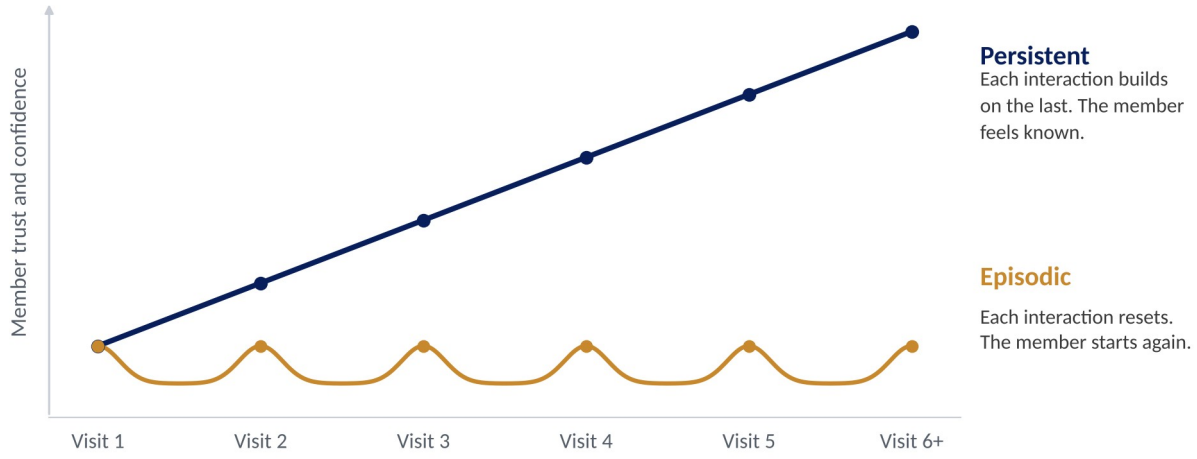
> **WHAT THIS MEANS**
>
> Super may be the subject members raise most often, but their questions do not stop there. A fund that is useful only within its product boundary may find members taking the next question elsewhere. Scope and commercial model are now design decisions to be made up front, not afterthoughts.

8. Remember me: from advice events to continuity

Advice has traditionally been organised around events. A need arises, information is gathered, advice is given, the file is closed. Digital advice made that faster and cheaper, but largely kept the same shape. The next time the member engages, they start again.

Borromean has described this as a memory gap rather than a product gap. When financial engagement resets every time, it does not feel neutral. It feels broken. **Experience persistence** is the principle that what a member shares once should be retained and drawn on in every future interaction, whatever the channel or time elapsed. In Borromean's experience, what members want from digital advice often reduces to something simple: remember me. The FSC research found that digital advice works both as an activation mechanism and as a continuity mechanism. Continuity only works if the experience compounds.

EXHIBIT 6 **Episodic engagement resets. Persistent engagement compounds.**



A conceptual illustration, not measured data. Source: Borromean Consulting.

Ask Otivo shows what that looks like in practice. A member can return, pick up an earlier conversation or ask something new, without explaining their circumstances again. Otivo describes this as one of the most noticeable differences for users. In the observation period, **41% of members came back for another conversation within the four-week window.** Nine members who had already received advice returned with new questions, almost always in their own words.

These are early signals, and they point away from digitising an advice event and towards **continuity around financial decisions**.

Continuity changes the adviser's role rather than removing it. The conversational layer can help a member work out their need before meeting an adviser, understand the advice afterwards and keep the context in between. Less adviser time goes on rediscovering what the organisation already knows, and more on the judgement only a person can provide.

> **WHAT THIS MEANS**
>
> Memory is what turns a front door into a relationship. Without it, each conversation starts from nothing. With it, every interaction makes the next one more useful. Retained context should be a core requirement in any specification, with the consent and governance that go with it, not a feature to add later.

9. Building for a moving target

The technology is changing as quickly as member behaviour. Otivo describes Ask Otivo as being in its third generation, each extending what the AI is trusted to handle as models improved. Otivo expects parts of the current engineering to become unnecessary within months. Capabilities built deliberately can be overtaken quickly.

Its view on a common assumption is equally direct. For an organisation of Otivo's scale, training a proprietary model is not the priority. Ask Otivo runs across a series of different AI models, which Otivo updates and swaps depending on which is most effective for each task. Otivo's own engine does the calculations and recommendations, while the language model handles the interpretation and the conversation, so the advice logic

sits with Otivo rather than the model. Funds weighing whether to "build their own model" should test that carefully.

Conversation also exposes the system around it. The conversations and interviews behind this paper surfaced out-of-date profile data, limits in what the engine could model and, by Otivo's own account, members who did not know the feature existed. That is an argument for reading conversations routinely, not against the approach: the problems were visible because someone was looking.

Traditional technology programs assume a stable destination: set requirements, design, build, then extract value over several years. AI is developing on a different clock. The emerging model looks more like **experiment, observe, learn, redesign, repeat.**

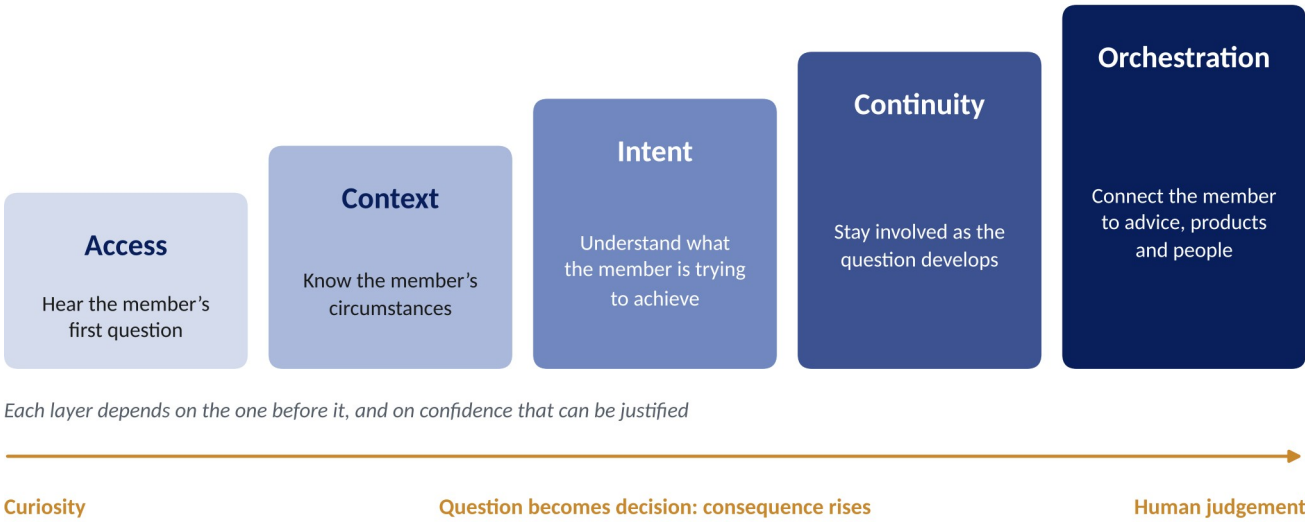
> **WHAT THIS MEANS**
>
> The strategic capability is not simply implementing AI. It is the ability to learn with it. Procurement, governance, partnership agreements and business cases written for a stable destination will struggle with a technology that changes during implementation. Funds should expect to contract for, and resource, continuous review.

10. Who is present when curiosity begins?

Taken together, these observations raise a larger question. A conversational interface that can understand what a member is trying to achieve, help across more of their financial life, connect them to regulated advice and remember them does more than add a service channel. It begins to shape where the member goes next.

In Borromean's view, the value of that position builds in layers. **Access** gives an organisation the chance to hear the first question. **Context** makes its help relevant, because it knows the member's circumstances. **Intent** makes its help useful: understanding what the member is trying to achieve, and how they have framed the question. **Continuity** keeps it involved as the question develops. Only with all four does **orchestration**, connecting the member to the information, advice, products and people they need, become a realistic option.

EXHIBIT 7 **The value of being present builds in layers**



A conceptual view, not a measured one. Source: Borromean analysis.

Presence and confidence are linked

Borromean has argued that if you're not present when curiosity begins, you're too late. The Ask Otivo evidence, read through the Engagement Confidence Matrix, adds a qualification: presence is necessary, but not sufficient.

Being there first gives an organisation the opportunity to help build confidence. As a question becomes a decision, consequence rises, and so does the need for justified confidence and, for many members, human support. Remaining involved at that point depends on whether the organisation can justify the confidence it has helped create, through appropriate data, regulated advice capability, safeguards, continuity and access to human judgement.

A front door that cannot do this has two poor options. It can lose the member at the moment the decision matters most, or keep them in a conversation that is more confident than it should be.

The competition for the front door

International research, largely from banking and wealth management, is converging on the same point.

- **Deloitte** argues that advantage in AI-enabled financial services will compound around control of the **interface** through which customers experience a service, the **workflow logic** that determines what is surfaced, and the **data feedback loop** that improves decisions over time. Its cautionary example is a bank that "had built a better capability without securing the layer that controlled how that capability was surfaced, selected and experienced".
- **McKinsey** found that 62% of surveyed consumers most trusted their primary bank to provide generative AI financial services, compared with 19% who most trusted a major technology company. However, 57% said they would consider using a third-party AI financial agent if their bank did not offer one.
- **McKinsey's wealth analysis** concludes that AI is commoditising planning tasks, while durable value sits in permissioned data, control of the client interface, execution and accountable judgement: "Planning is getting cheaper than supervision."

Separately, Vanguard's August 2026 announcement of its agreement to acquire Altruist, an AI-enabled adviser technology and custody platform, highlighted the gap between those who could benefit from financial advice and the industry's capacity to serve them. Vanguard's rationale was that technology could help advisers serve more people while preserving the human judgement and relationships central to advice.

The lesson is not to copy these markets. Super is compulsory for most working Australians and often passive. Many funds operate on a profit-to-member basis, so banking cross-sell economics do not translate directly. Intra-fund advice rules and the sole purpose test constrain how far a fund can go, and the Consumer Data Right may change what data members can choose to share.

But the underlying question transfers. Funds hold a long-term relationship, important financial context and a legitimate reason to engage about retirement. If the banking evidence is a guide, that trust advantage is real, and conditional on offering the help members are looking for, when they are looking for it.

A choice of roles, not a maturity path

Funds can occupy different positions in that relationship, each with different requirements:

- **Product provider.** The fund answers questions about its own products and services.
- **Source of financial help.** The fund helps members think through a wider range of questions, within a clearly defined scope of personal advice.

- **Financial interface.** The fund becomes a regular starting point for members' financial questions, with retained context and clear pathways into advice and human support.
- **Orchestrator.** The fund connects members to the information, advice, products and people they need, including those it does not provide, and is accountable for how that journey is managed.

This is not a ladder every fund should climb. Each step requires more capability, safeguards, partnerships and clear accountability wherever a member's journey crosses between organisations. For some funds, the right answer will be to do the first two very well.

> **WHAT THIS MEANS**
>
> Who provides the advice will continue to matter. Who is present when a member's curiosity begins, and who can justify the member's confidence as the decision becomes consequential, may matter just as much. This is a choice about role, and it belongs with the executive and the board rather than inside a technology program. Funds that make no choice are still making one.

11. Design principles for funds

The Ask Otivo experience does not provide a blueprint. It does suggest practical design principles for any fund considering conversational AI in member engagement and advice.

- **Start with free text.** Build the front door around members' questions, not the fund's product structure.
- **Keep calculations and recommendations in regulated capability.** Let AI interpret and explain. Let deterministic, licensed engines calculate and recommend.
- **Invest in the next question.** Attach contextual prompts to statements, projections and recommendations.
- **Make advice explainable and open to question,** grounded in the same capability that produced it.
- **Separate usefulness from advice.** Define where general help stops and personal advice begins, and design the commercial model to fit, before members find the boundary for you.
- **Remember the member.** Treat retained context and experience persistence as core requirements.
- **Plan to learn.** Review conversations routinely, expect to find problems, and build procurement and governance for technology that will change during implementation.
- **Decide what role you want to own.** Conversational AI can be a service feature, a front door to help and advice, part of a persistent member relationship, or part of an orchestration model. Make that choice deliberately, rather than letting technology, vendors or member behaviour make it by default.

12. Questions for executives and boards

None of these has a technology answer. Each is a question about what the fund wants to be for its members.

- When a member first has a financial question, where do they take it today, and where would we like them to take it?
- What sits behind any AI our members use through us, and could we explain it to a regulator and a member with equal confidence?
- How useful do we want to be beyond our own products, and how will we fund and govern that?
- What do we know about our members that they should never have to tell us twice?
- Is our current position in the member relationship a deliberate choice, or drift?

For many funds, answering these well starts with an honest assessment of member need, current advice scope and operating model, before any technology decision is made.

A different way to think about AI and advice

It is too early to draw sweeping conclusions from the Ask Otivo experience, and that is not the purpose. What it offers is the chance to watch people use conversational AI inside a real, regulated financial setting and ask what that might mean. None of it suggests AI replaces financial advice or the adviser. It points to conversational AI as the layer that helps members **enter and move through an increasingly connected system of information, advice and human support.**

For funds, that makes the question larger than “should we deploy conversational AI?” It is how useful they want to be when members have financial questions, what role they want to play as those questions become decisions, and what architecture and operating model are needed to justify that role.

The challenge will be making sure that ease, personalisation and conversational fluency are matched by sound advice architecture, governance and human judgement. The objective is not simply to make people more confident. It is to help more people reach **well-founded confidence to act**.

About the evidence

- **Ask Otivo data.** Otivo's analysis of two complete conversation exports covering 27 August to 22 September 2026, de-duplicated by thread. Topic and depth analysis uses the substantive conversations in that window. Conversation examples are drawn from July to September 2026, condensed from transcripts with member details anonymised. One example is identified as a representative composite.
- **Classification.** Openers were classified as typed, generic prompt (an exact match to the platform's suggested questions) or contextual prompt (recommendation-linked prompts such as "Explain this recommendation to me"). Journey stage was assigned by whether an advice-engine run or disclosure occurred in, or before, the conversation. The export cannot see advice received in the app outside the chat. Many next-step suggestions go unanswered, so the 87% figure measures usefulness once a member responds, not reach.
- **Earlier periods.** Otivo's earlier analyses (June to early September 2026) point in the same direction but use overlapping windows and different definitions, so they are not presented as a trend.
- **Users.** Ask Otivo users are self-selected users of a digital advice platform, many with established profiles. They are not representative of all super fund members. Activity is concentrated: a small number of members account for a large share of longer and repeat conversations.
- **Interviews.** Nathan Isterling (Chief Information Officer), Paul Feeney (Founder and CEO) and Rob Morrison (Chief Marketing Officer) of Otivo, interviewed by Borromean in September 2026. Descriptions of architecture, generations and error rates are Otivo's own and have not been independently audited.
- **Framework.** The Engagement Confidence Matrix is drawn from the Financial Services Council, *The Role and Value of Digital Advice in Australia* (2026), Chart 5.6, developed in collaboration with CoreData and Borromean Consulting.
- **External research.** The international studies cited are surveys, simulations and strategy analysis from the UK and US, mostly in banking, pensions and wealth management. They are used to put the Ask Otivo observations in context, not as models for Australian superannuation.
- **Independence.** No fee was paid by either party. Otivo provided anonymised conversation data and access to its team, and Borromean Consulting and Otivo wrote the case study together. The analysis and conclusions in AI, Advice and Confidence to Act are Borromean's own. Otivo Pty Ltd holds Australian Financial Services Licence and Australian Credit Licence No. 485665.

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About Otivo

Otivo is a founder-led, privately owned Australian digital advice provider. Founded in 2015 by Paul Feeney and built first for consumers, it holds its own Australian Financial Services Licence and Australian Credit Licence (No. 485665) and delivers advice under its own licence or a partner's. Its stated purpose is that everyone should have the information they need to make their own financial decisions.

Otivo's advice engine is modular and rules-based, with cash flow as the foundation of every recommendation. It covers cash flow, debt, superannuation contributions and investment, insurance, investment strategy and retirement income. Ask Otivo is the conversational layer around that engine: the AI explains and navigates, and does not generate the advice. Otivo works with super funds, life insurers, advice practices, employers and consumers.

Otivo reports that more than 14,000 Australians use the service and that it is ISO 27001 certified. In 2026 it reports winning three categories at the Fintech Innovation Awards (Most Innovative Fintech Product or Service, Most Innovative Application of AI in Finance, and Innovator of the Year, Digital Advice) and being named a finalist in the AFR AI Awards. More at otivo.com.

About Borromean Consulting

Borromean Consulting is an independent advisory practice specialising in superannuation, financial advice, retirement and the use of digital technology in member engagement and advice. It works with super funds, advice organisations and industry participants at the point where insight needs to turn into action: understanding how the market is changing, weighing the options and trade-offs, assessing providers and partners, and moving from strategy to implementation. Borromean is not a technology vendor or an implementation provider.

Duncan McPherson, Principal, has more than 30 years' experience across financial advice and superannuation, including almost a decade as CEO of Link Advice. He led the research, in collaboration with CoreData, published by the Financial Services Council as The Role and Value of Digital Advice in Australia (2026).

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