INFORMATION DESIGN IN ROBO-ADVISING

Marika Salo
D.Sc. (Econ.), Assistant Professor of Business Law
University of Vaasa
Investment advising as a service

- New EU regulation: MiFID II
  - Stricter duties

- There have been defects and problems in investment advising

- Problems and disputes arise often if customers do not understand the investment products
Robots as investment advisors

- Investment advice = provision of personal recommendations to buy/sell/hold investment products
- The duties of investment advisors
- Robo-advising is a growing field in finance
- How do robo-advisors work?
Robo-advising - The advantages

- 24/7 availability
- Low costs
- Unbiased advices

(The Huffington Post)
...and challenges

- MiFID II regulation: Information must be provided to investors in an understandable manner
  - User-friendly information?

- How can robo-advisors cope with the duties of investment advisors?

- People do not often read information in online settings

The biggest lie on the internet just happening ➔ Seriously, did you read them? (see Lannerö 2013)
Here comes one solution:

**Information design**

- Information design is an emerging stream of research and practice
- Information design seeks to make it easier for people to read and understand information
The means of information design

- Understandable communication and user-centered design
- Simplification
- Visualization

These ones → are not wanted!
Merging information design and robo-advising

- Visualizations, such as icons, highlighting the main features of products

- Comparison lists, tables, plain language and simplification making the financial language more accessible
• The possibilities of online contracts and documents
  - Links to plain language explanations
  - Layered approach

  *See Creative Commons licences and their three-layer design*

• The future of AI – speaking with robo-advisors?

“Hey Siri, who sings this song?”

(Apple)
Thank you for your attention!
Any questions?

Pssst, check out this article: