

Transition of wealth management into the digital era

Swiss bank Swissquote serves its global client base of more than 300,000 customers entirely through digital interface. Damian Hitchen, CEO for the Middle East and Asia, believes the digital revolution has much further to go and has major implications for Asia's independent wealth sector.

[Link to slides](#)
[Link to Article on website](#)
[Link to Event Homepage](#)
[Link to Content Summary page](#)
[Link to Photos](#)
[Link to Video Highlights](#)

“FOR WEALTH MANAGEMENT FIRMS TODAY, having a digital platform in various means or ways is a prerequisite to remaining in the business,” reported Hitchen as he addressed the audience at the Hubbis Independent Wealth Management Forum in Singapore on March 8.

Hitchen explained that Swissquote Group Holding SA (Swissquote), listed on the Swiss stock exchange since May 2000, is a Swiss banking group specialising in the provision of online financial and trading services. “Swissquote is both solid and well capitalised. The bank has around US\$25 billion in assets under management and with a Tier 1 capital ratio of 26.1% which would place it in the top 50 banks in the world in terms of Tier 1 capital ratios.”

Swissquote is a global execution trading platform. “And as we



DAMIAN HITCHEN
Swissquote

are also an execution-only platform,” Hitchen elucidated, “there is no conflict between us and our B2B partners because we do not provide clients with advice. We

operate globally and across multi-asset classes.”

The digital (re)volution

Hitchen reported that all Swiss-

Transition of WM into the digital era

‘Consumer behaviours and expectations are shifting in ways that will challenge financial services providers to rethink how they service their customers—’

‘The use of digital delivery platforms are becoming not only a driver but a prerequisite to remain, defend and compete in wealth management...’



quote clients around the world manage their bank accounts and their global trading via a PC, a tablet, or a smartphone. “And according to one survey,” he told the audience, “at least 65% of high net worth individuals review their portfolio at least weekly. Independent wealth advisers in this high-growth Asian wealth market need to be able to offer the clients, as well as their relationship managers, full information, access, and functionality.”

And that, he said, is precisely what Swissquote provides to its B2B partners globally via its worldwide platform that houses some three million investment products. “We are committed and professional partners to greatly enhance the capabilities of the independent asset managers, wealth and advisory community.”

Swissquote’s customers include B2B, for example, full-service global banks, private banks, independent asset managers, or family offices, all of which are looking to provide their clients with an enhanced digital experience.

Investing in ‘accessibility’

For those firms creating or optimising their own digital platforms, it is essential to make significant financial and managerial investments in innovative technology. “Any firm considering taking such steps should do so deliberately,” Hitchen advised, “with the appropriate investment and with the best possible partners.”

As banks and wealth providers of all sizes move ahead into the new digital landscape, Hitchen advises that they constantly reassess their digital journey. “Too often,” he said, “the digital experience simply does not work properly, slowed down by inappropriately structured technology solutions or for many of the banks their legacy systems.”

Hitchen highlighted certain other risks to moving fully digital. “When you become a digital provider of services, you need to be aware that there will be increased cyber risks. My advice is you must be comfortable with your partners, your custodians, your execution brokers and so forth.”

Watch the competition... from every angle

Hitchen also cautioned against complacency. “Here I am addressing banks and wealth advisers of all sizes and types. Competition is emerging from many different directions, for example from the major global platforms and social media platforms, that have hundreds of millions or billions of clients, as well as the fintech start-ups and everyone in between.”

Hitchen, therefore, advised institutions, from the very large to the smaller IAM or EAM firms to assess and understand the implications of the ongoing digital transformation for clients and counterparties, even for the regulators and authorities.

“HNW clients will increasingly prefer to deal with those providers that offer ease of interface as well as financial market expertise and advice. And in the growing realm of regulatory compliance, being data and digitally sophisticated is no longer a luxury, it is a necessity. We must all adapt to these exciting challenges.” ■