

PRESS RELEASE

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Most Luxembourg investors remain cautious about AI-driven investing, Swissquote survey reveals

A survey conducted by Swissquote Bank Europe highlights a cautious approach toward artificial intelligence (AI) among Luxembourg investors. While many are open to receiving AI-generated investment advice, the vast majority are not comfortable handing over control of investment decisions to an AI.

The survey found that only 3% of Luxembourg investors would entrust AI to manage their investments autonomously. Meanwhile, 24% of investors expressed outright refusal to trust AI-generated investment advice. Some investors were willing to integrate AI, but only under specific conditions. 43% of participants said they would be open to AI-based advice, provided they have the final say. Another 25% of respondents indicated they would consider using AI advice only once the technology becomes more tightly regulated.

AI is transforming the investment landscape as investors increasingly incorporate generative tools such as stock selection algorithms and machine learning models into their strategies. While AI adoption is clearly gaining momentum in Luxembourg, the survey reveals that most investors prefer to use these tools as assistants, maintaining control over final decisions rather than allowing AI to act independently.

Attitudes towards AI vary significantly across generations. Baby boomers were most sceptical, with 59% of investors aged 59 years and above expressing discomfort with AI-led investments, even if regulatory improvements are made. In contrast, most Gen X and Millennial investors (ages 27 to 58) displayed a more positive outlook on AI, indicating growing acceptance among younger generations. However, Gen Z investors were notably more cautious, with one-third of respondents aged 18 to 26 preferring to wait until the appropriate guardrails are in place before accepting advice from an AI.

The findings were published in Swissquote Bank Europe's Investment Survey of Luxembourg residents for 2024. The study, conducted in partnership with Luxembourg-based market research firm ILRES, is based on interviews with 1,087 Luxembourg residents between 15 and 30 April this year. Both ILRES panellists and Swissquote clients participated in the survey.

Jeremy Lauret, Head of Direct Investing at Swissquote Bank Europe, said: "Investors have long used technology to assist their investment decisions, but not as a replacement for decision

making. AI promises to make it easier for investors to process vast amounts of information, helping investors to identify and evaluate investment opportunities. This could further level the playing field in favour of individual investors while also helping professional investors and institutions improve operational efficiency and enhance service quality to their clients. Regardless, we expect investors, whether they manage portfolios themselves or with the help of a professional, to continue to value human trust and personalised attention that technology cannot easily replace.”

Reluctance to adopt AI in their investment process hasn't stopped Luxembourg investors from investing in the technology. Over 60% of investors surveyed said they are willing to get portfolio exposure to tech companies with AI capabilities, the most popular thematic trend in 2024. Other popular thematic trends this year include finding value in small and mid-cap stocks and hedging geopolitical risks through commodities.

Other key findings from the survey include:

Cryptocurrencies are popular among young investors

The survey found that nearly one-third of Luxembourg investors invest in at least one cryptocurrency. Of those who invest in cryptos, 40% said the asset class forms part of their long-term investment strategy, while the remaining 60% said they only occasionally invest in cryptos. Gen Z are particularly fond of cryptocurrencies. 47% of investors between the ages of 18 and 26 claim to invest in the digital asset class.

Few Luxembourg residents consider ESG criteria when investing

Luxembourg's financial centre has become a hub for sustainable finance, but have investors here made a similar shift in their own portfolios? Our survey shows that only 8% of Luxembourg investors apply sustainability preferences to their investment decisions. In contrast, 62% of investors do not consider ESG criteria when making investment choices. A third of investors said they would like to know the ESG impact of their portfolio but do not systematically integrate inclusion and exclusion criteria.

Most investors want to grow their wealth but lack a financial plan

The survey also found a significant gap in financial planning among Luxembourg investors. While the vast majority of investors actively participate in financial markets to grow their financial wealth, 60% of respondents don't have a formal financial plan documented. Even among Luxembourg's wealthiest investors – those earning a gross annual income of €220,000 or more – only 25% have documented a plan, the lowest rate of financial planning among income groups surveyed. One-third of Luxembourg's high earners admitted they considered creating a plan but had not yet formalised one, indicating that financial planning is not a top priority for this group.

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About Swissquote Bank Europe

Swissquote Bank Europe is Luxembourg's leading online bank for investors, and has been at the forefront of digital investing for over 20 years. Swissquote Bank Europe combines the trust and security of a Luxembourg bank with the ease of use and transparent pricing that are traditionally the reserve of fintechs.

The Swissquote group employs more than 1,000 people globally, with 35% working in technology roles. With over 570,000 clients worldwide and over 59 billion euros in client assets, the bank offers a wide range of digitally-enabled banking and investing solutions to private, professional and institutional clients.

For more information about Swissquote Bank Europe, visit www.swissquote.lu