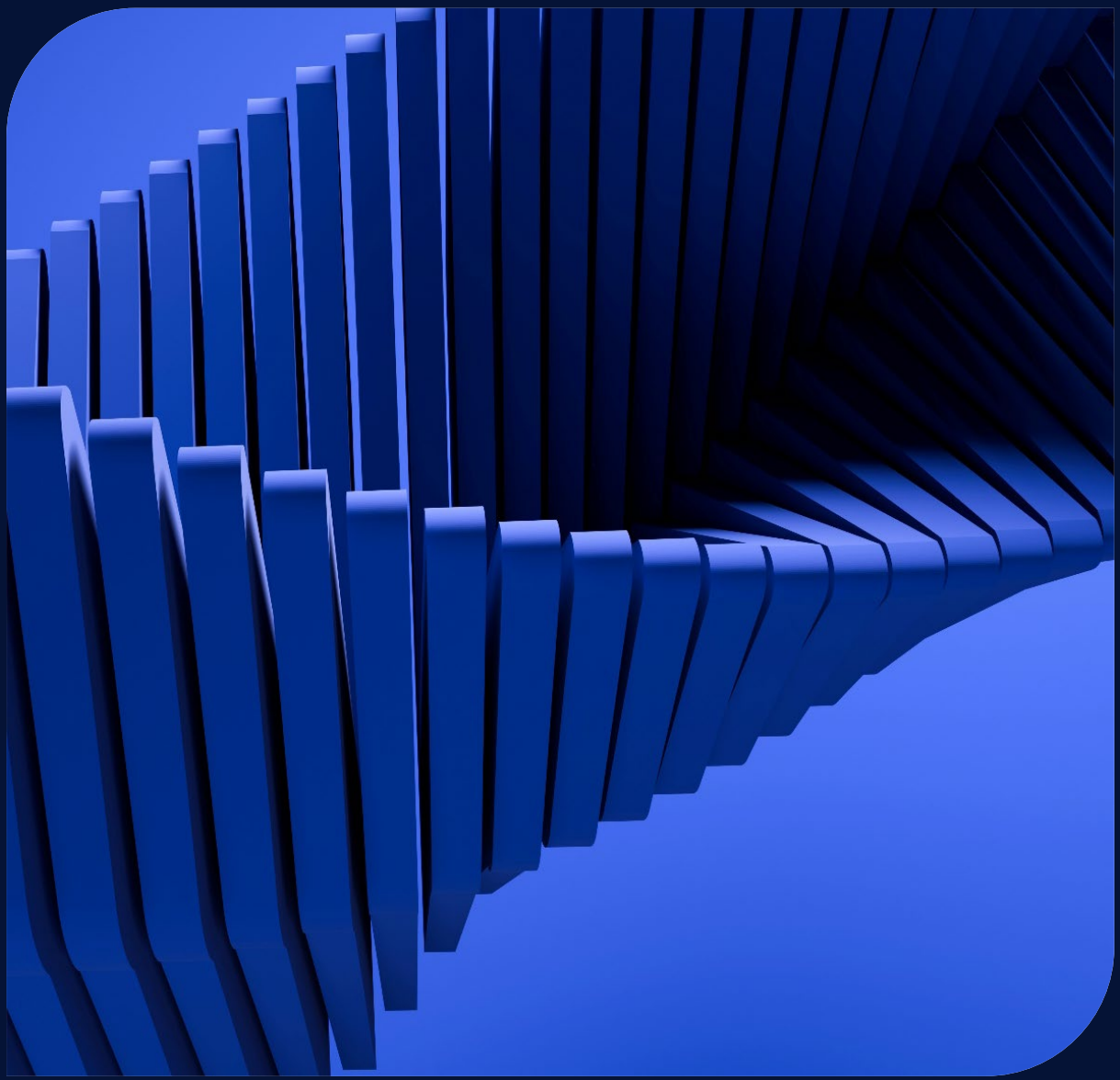
Teneo®

Trusteeship in the Age of Artificial Intelligence: Building the Future Fiduciary

Teneo Insights | November 2026



In the first two articles in this series, we considered how AI may affect the role of the trustee and the relationship with beneficiaries. We now turn inside the fiduciary business itself.

The visible work of a trustee is often the decision itself, or the interaction with beneficiaries around it. Behind that sits a much broader operating model: information must be gathered and maintained, assets protected, monitored and enhanced, advisers and delegates overseen, transactions administered, regulatory obligations met and actions followed through. It is this less visible machinery of trusteeship that AI may change most profoundly.

This final article looks at how information, processes, controls and people may need to change as AI becomes embedded in fiduciary work. The opportunity is not simply to automate today's model, but to decide what the future fiduciary operating model should look like and build towards it deliberately.

A Framework for the AI-Enabled Fiduciary Operating Model

The table below summarises potential AI-enabled shifts across three connected dimensions: information and technology; process and control; and skills and capability. Together they shape the cost, risk and capacity of the fiduciary operating model.

Fiduciary Activity	Records and Information	Process and Control	Skills and Capability
Trust information	Connect sources across existing systems	Surface gaps and outstanding actions	Give professionals a fuller view
Asset oversight	Analyse and compare third-party reporting	Prioritise matters requiring challenge	Focus attention on exceptions
Compliance / reviews	Identify missing or inconsistent information	Move towards event-driven monitoring	Investigate rather than reconstruct
Transactions	Prepare and validate instructions	Embed authority and approval rules	Preserve clear execution responsibility
Reporting	Capture structured information during activity	Generate reporting from the same record	Reduce retrospective compilation
Skills and succession	Institutional AI embeds some knowledge	Redesign training and development	Preserve underlying expertise

A Necessary Caveat

AI does not solve poor data. Incomplete or unreliable records can produce equally unreliable, but potentially more persuasive, outputs. Data quality, provenance and accessibility therefore remain fundamental. AI may also help by identifying inconsistencies and missing information before that data is used downstream.

A Connected Information Layer May Reduce, but Not Remove, the Need for Integration

Growth through acquisitions, multiple legacy platforms and specialist systems means relevant information is often spread across administration, document, accounting, correspondence and investment systems.

AI-enabled retrieval may allow firms to search, compare and assemble evidence across those platforms without first forcing everything into a single system. That may reduce some migration and integration effort, but firms still need to determine which system is authoritative, resolve conflicting data, maintain common identifiers and control access. The connected view is only as reliable as the rules and source information behind it.

Oversight May Become More Active

AI may reduce the manual effort required to monitor delegated activity and allow trustees to identify relevant changes or warning signs earlier. That could strengthen safeguarding and oversight, but greater capability does not automatically mean that more monitoring is appropriate. Trustees will need to distinguish between using better information to discharge existing responsibilities and taking on a level of intervention that changes the nature of the role. Once a system flags an issue, that knowledge also needs clear ownership and sufficient capacity to respond.

That may change the relationship with specialists rather than reduce their use. Trustees may still appoint the same advisers while performing more first-line monitoring and issue identification internally, directing attention towards matters requiring closer review.

Controls Need to Be Risk-Based Before They Can Become Continuous

AI does not remove the need to decide what should be controlled. The starting point remains the purpose and risk profile of the structure: what could go wrong, which indicators matter and what should trigger review or escalation.

Many known control conditions, such as an overdue review, missing approval or a transaction above a threshold, are better detected through deterministic rules and event-driven monitoring. AI can add value around them by interpreting documents, identifying patterns and helping prioritise exceptions.

The control model must then route issues appropriately, assign ownership and ensure sufficient capacity to act. Firms will also need to manage false positives and alert fatigue. Otherwise, technology may simply turn a hidden backlog into a visible one.

The direction of travel is already visible in adjacent financial services. Recent FCA work on frontier AI and cyber resilience illustrates the point: advanced detection can generate findings faster than organisations can assess and remediate them. For fiduciary businesses, stronger detection therefore needs equally effective prioritisation, escalation and resolution.

Reporting May Become a By-Product of the Workflow

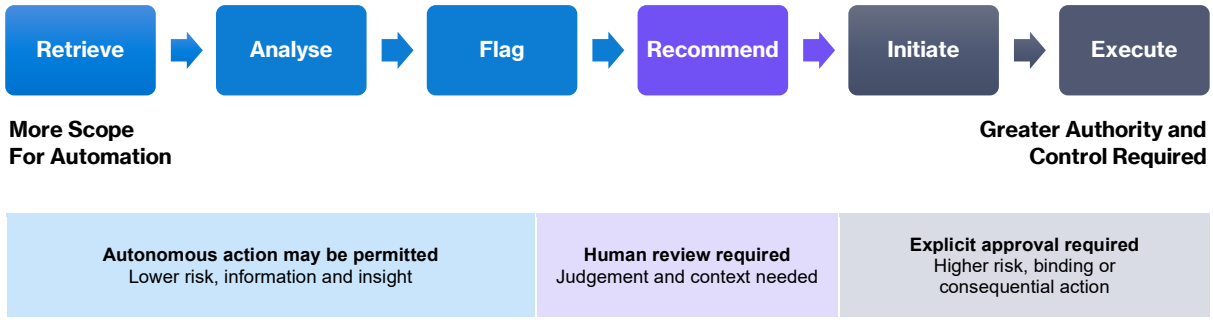
Better data governance and AI-supported tooling could allow management, regulatory and trustee reporting to draw from the same controlled record used in the underlying process, reducing the need to reconstruct information separately after the event.

Authority Needs to Be Designed Into the Workflow

AI may be able to prepare instructions, validate supporting information, confirm approvals and monitor completion. The more difficult issue is authority. A recurring payment within defined parameters is different from a large, unusual or discretionary payment; the appropriate level of automation should therefore reflect materiality, predictability and consequence.

As systems begin to perform activities within fiduciary workflows, governance becomes more granular: not simply which tools are approved, but what each system is authorised to do.

Agentic capability should not imply agentic authority. A system may retrieve records but not amend them; flag an exception but not resolve it; prepare an instruction but not execute it. The more consequential the action, the more explicit the permissions, escalation and evidence requirements should become.



Permissions should reflect and respect the boundaries set by trust documentation, professional ethics and regulation as well as client wishes, the purpose for which information is used and the distinction between retrieving, analysing, recommending, initiating and executing. For material conclusions or actions, the firm should also be able to evidence the source information, what the system did with it, who reviewed it and who approved the outcome.

Accountability Does Not Move to the Technology

Human review is not sufficient if it is merely nominal. For each AI-supported activity, firms need clear accountability, decision rights, evidence and escalation, and the person approving an outcome must be able to understand and challenge what the system relied on.

Existing obligations around delegation and oversight, governing documents, confidentiality and data protection, operational resilience and jurisdiction remain in place. AI changes how work is performed; it does not transfer the trustee's responsibility for it.

Skills, Expertise and Succession Need Deliberate Design

Junior professionals have traditionally developed expertise through document review, research, drafting and preparation for senior review. If AI performs more of that work, firms will need to become more deliberate about how expertise is developed.

This is particularly important when distinguishing institutional AI tooling from general-purpose AI used independently. A controlled system may embed rules, prompts, checks and escalation designed by experienced practitioners; independent use relies much more heavily on the user knowing what to ask, challenge and recognise as missing.

Institutional AI tooling could also become part of the training environment, explaining why issues are flagged and prompting users to test assumptions. But firms will still need deliberate routes for developing underlying knowledge through source review, case-based learning and exposure to difficult decisions. Used well, AI may reinforce the transfer of expertise; used poorly, it could accelerate its loss.

Start With the Operating-Model Vision, Then Build Towards It

Boards and management teams need a view of the AI-enabled fiduciary model they are trying to build before choosing individual use cases. A roadmap can then progress from lower-risk reading and analysis, through flagging and recommendation, towards preparation, initiation and ultimately execution where appropriate, with controls increasing as consequences become greater.

Progress should be measured by outcomes rather than activity: preparation time, outstanding-action ageing, control coverage, false-positive rates, evidence-retrieval time and cost to serve.

The Commercial Consequences Follow From the Operating Model

The market a firm wants to serve should shape the model it builds, and that model may in turn change which markets are viable. A highly bespoke private-client business may use AI to deepen insight and coordination; a broader provider may emphasise standardisation, exception management and lower-cost delivery. As cost to serve changes, so may the structures, asset types and client segments a firm can support economically.

Designing the Fiduciary You Want to Become

The firms that benefit most are likely to be those that align their information, controls, people and technology behind a clear view of the fiduciary model they want to build.
For boards and management teams, the strategic test is not which tools to adopt, but where AI can create meaningful advantage, what capabilities and controls are required around it and whether the resulting model supports the market the firm wants to serve.

Teneo is working with fiduciary businesses on AI strategy, operating model, governance and implementation. We would welcome the opportunity to continue the discussion.

Share your perspective on how AI is shaping the future of fiduciary services.

Findings will inform a forthcoming Teneo report, which will be shared with participants.

Register to participate in Teneo's Fiduciary and AI Survey

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