moneysense

Difference between robo-adviser and human adviser: Automation vs judgement

Robo-adviser

- Via an app or website
- Typically lower fees and low minimum capital
- Limited customisation

Human adviser

- Via meeting, phone, or email
- More personal judgement
- Can handle multi-faceted situations

Use only robo-advisers on **MAS' Financial Institutions Directory**, and only financial advisers on **MAS' Financial Institution Representatives Register**

One is not always better. It depends on what you need

When a robo-adviser may fit

If you want:

1. **Regular investing** — Invest consistently, without fearing you'll forget
2. **A diversified portfolio** — Get exposure across markets and asset classes, based on your goals and risk appetite
3. **Lower fees and convenience** — Automated investing with lower costs

Works best for clear goals and fewer moving parts

Good for straightforward, long-term investing.
Automation can manage your portfolio. It cannot remove market risk.

How does robo-advisory look like?

1. **You fill in a form** — About your goals, timeline, income, commitments, and risk appetite
2. **You get a portfolio** — Usually built with investment funds across markets and asset classes
3. **You fund the account** — The platform invests based on the recommended portfolio
4. **It monitors and rebalances** — The portfolio is adjusted when it drifts from target weights

Useful for straightforward goals, automation, convenience, and lower starting amounts

When a human adviser may fit

If you want:

1. **Insurance** — Finding the right coverage for you and your family
2. **CPF planning** — Optimising CPF usage and retirement income
3. **Estate planning** — Planning for inheritance and legacy

Some product decisions require a Financial Needs Analysis

Consider human advice for business, inheritance, or foreign assets