moneysense

Using AI for your finances:

What you need to know

AI can help with research, but it may not always get things right

Know what AI can do, what to check, and when to seek help

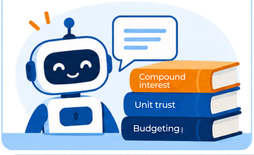


Where AI can help

AI works best with general information you can easily check

01 Learn financial concepts

Ask AI to explain unfamiliar financial concepts and products in simpler terms.



02 Set savings goals

Estimate how much to save each month to reach a target by a certain date.



03 Prepare for an adviser

Identify money topics and questions to discuss with a financial adviser.



Use AI to build understanding before making decisions.

AI can help — but verify before you act



AI can be a useful starting point for some money questions. However, the information may be outdated, incomplete or wrong.

Always check with official sources or licensed financial advisers before acting.

Comparing insurance coverage



- Can help you think through coverage based on your income, dependants and existing policies
- Cannot consider your full financial picture
- Discuss its suggestions with a licensed financial adviser

Planning for retimement



- Can help you explore whether you may have enough to retire
- Will not know your CPF balances, retirement age or lifestyle costs automatically
- Small errors in assumptions can lead to inaccurate projections

Understanding tax matters



- Can explain general concepts like the Supplementary Retirement Scheme (SRS) and available tax reliefs
- May not be aware of new policy changes
- Check current information with the Inland Revenue Authority of Singapore (IRAS)

Some decisions need human advice

Do not rely on AI for personalised financial product recommendations. Financial advice should come from a **qualified and licensed professional** who can consider your needs, financial situation and risk profile.



Greater personal consequences mean a greater need for qualified advice.

Choosing financial products

- Licensed financial advisers must assess your situation, act in your best interests and disclose any conflicts of interest
- AI chatbots do not have these obligations

Keep medical information private

- Avoid sharing your medical information with an AI chatbot
- You may not know how long it will be stored, who can access it and how it will be used

Legal and inheritance decisions

- Do not rely on AI for wills, trusts, Lasting Power of Attorney (LPA) or CPF nominations
- Incorrect or incomplete advice could create legal and financial complications

Why AI answers still need scrutiny

AI can sound confident, but it may give information that is inaccurate or unsuitable.

Common limitations

Outdated information

May use outdated rates, regulations, fees or market information

Convincing but wrong

Can generate incorrect information that sounds believable, which could lead to costly mistakes

Limited personal assessment

Does not know your income, debts, commitments or risk tolerance

You may see only part of the picture

Can give narrow or unbalanced options because of its underlying data

Limited recourse

Does not have the same regulatory protections, complaints process or compensation scheme as a licensed financial adviser

Emerging risks to watch for

More convincing scams

Fraudsters can create realistic phishing messages, fake investment opportunities or deepfake financial experts using AI

Market manipulation

AI can be used to create or spread false information to influence market sentiment and investment prices

Similar answers across tools

Different AI tools may rely on similar models or data sources, so you may not get truly independent second opinions even though you use different AI tools

Five habits for using AI more safely

01 Set boundaries

Decide which money tasks are suitable for AI and which need human expertise

02 Verify everything

Check AI-generated information against official sources before making decisions

03 Protect your data

Do not share banking details, exact income or medical information. Consider using hypothetical examples instead

04 Find qualified help

Check MAS' Financial Institution Representatives Register (FIRR) when you need a licensed financial adviser

05 Stay informed

Build your own financial knowledge through MoneySense resources

Where to verify information

- **Monetary Authority of Singapore** — For regulatory requirements
- **CPF Board** — For retirement information
- **moneysense** — For unbiased financial education
- **Product providers** — For current fees and terms

Use AI as a research assistant, not your financial adviser