Personal Financial Agents:
Legal & Regulatory Landscape Overview

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Acknowledgments

"Personal Financial Agents: Legal and Regulatory Landscape" is a collaboration between FinRegLab and Paul Hastings' Consumer Finance, Investigations & White Collar, and Corporate Teams. The collaboration was led by Kelly Thompson Cochran of FinRegLab and Jonice M. Gray of Paul Hastings. Other contributors include Jeanette Quick and Karla Renschler, FinRegLab, and Kenneth Herzinger, Kari Hall, Jessica Shannon, Jacqueline May, and Matthew Rutchik, Paul Hastings.

About FinRegLab

FinRegLab is a nonprofit, nonpartisan innovation center that tests new technologies and data to increase access to responsible financial services and drive long-term economic security for people and small businesses. Through research and cross-ecosystem engagement, we inform market practices and policy solutions.

About Paul Hastings

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Background & Purpose

Market context. Almost twelve months to the day after FinRegLab published a market scan in September 2025 highlighting the implications of agentic artificial intelligence for financial services,[1] Meta released a new personal agent called Muse that offered to execute on consumers' goals and tasks across their "whole lives," from "saving money and improving your health to smart shopping and helping you strengthen your relationships."[2] Muse went on to become one of only a dozen apps to exceed 10 million U.S. downloads in 40 days, substantially beating ChatGPT's record in 2022.[3] With customer permission, Muse can access and analyze bank account data, make proactive budgeting suggestions, cancel subscriptions and draft dispute letters, and execute purchases and payments via credit or debit card, though it does not currently offer to open financial accounts or transfer funds between them.[4]

Muse is a particularly high profile example of a flurry of new AI-enabled tools that offer to help consumers manage their day-to-day finances, build toward long-term goals, and execute various financial actions on their behalf. We refer to these tools broadly as personal financial agents ("PFAs"), though their scope and function may vary. Other examples announced since September 2025 include personal finance functions offered by OpenAI and Anthropic that can access and analyze consumers' account data with consumer consent,[5] other general personal agent offerings with varying degrees of financial capability by companies such as Instinct and Grok,[6] and a range of AI-enabled tools being developed by financial services providers including traditional depositories, existing personal financial management apps, other fintechs, and mission-based organizations.[7]

These offerings are attracting interest from a substantial number of consumers. Company-specific numbers include the Muse downloads and OpenAI's report that more than 200 million users globally are asking ChatGPT questions about personal finances each month.[8] Broader surveys suggest that between 15 and 40 percent of consumers have used AI tools for financial guidance and management activities, with usage rates as much as two or three times as high among younger as compared to older cohorts.[9] The vast majority of respondents report that they verify AI-generated recommendations with other sources – including evidence of increasing demand for human advice among some users – and that their trust in and use of AI to make final decisions and take financial actions on their behalf is much lower.[10] Nevertheless, these trends are striking, particularly given that surveys suggest that only 40 percent of Americans (and 20 percent of lower income consumers) work with a human financial adviser/planner.[11]

As offerings proliferate and consumer use grows, interest in the potential long term impacts of AI-enabled PFA tools is increasing.[12] With as many as 150 million U.S. consumers not using human financial advisers and planners, a new source of round-the-clock, high quality educational content, budgeting tools, and financial guidance could be highly influential. Through proactive support and execution PFAs also have the potential to save consumers time, mental effort, and money in managing shortfalls and emergencies, identifying ways to reduce expenses and increase income, taking various steps to increase savings and improve credit histories, and advancing toward long term financial goals. PFAs could also help consumers keep better track of and leverage their own financial data more effectively, addressing

concerns about privacy, security, and empowerment. Yet tools that are not reliable, secure, and sufficiently personalized and aligned to the users' goals and circumstances could also actively undermine their financial well-being and privacy, even potentially causing or resulting in direct financial losses to consumers, particularly among lower income populations who have little margin for error.

Traditional federal legal and policy frameworks governing certain types of financial advice and actions by human advisers/planners were not developed with these kinds of AI-enabled tools in mind. Actors in this diverse and rapidly evolving ecosystem disagree as to whether and how existing frameworks apply to PFA tools (or to the companies that provide them to consumers), whether they are sufficiently tailored to the needs of stakeholders, and whether they advance important public policy objectives. Many providers of personal agents are disclaiming liability when agents make mistakes, warning that consumers bear the risk of losses.[13] A number of banks have also warned that they are concerned that consumers do not understand the risks they bear when agents make mistakes.[14] It is unclear whether consumers are focusing on these disclaimers in terms and conditions documents or heeding more generalized warnings.

Surveying the consumer financial regulatory landscape. Questions about what customer protections do or should apply to PFAs are potentially critical to further development of the market. The materials that have been compiled for this Legal and Regulatory Landscape project are designed to help inform these debates by providing overviews of current frameworks to inform future policy analyses and dialogues. They focus primarily on federal financial laws, with some brief discussions of state law analogues and a few more generalized federal frameworks. For the covered frameworks, the Landscape materials provide overviews of:

- How the different laws and regulations describe their coverage of entities, activities, and consumers/investors;
- Their substantive requirements (and related core concepts); and
- Which government agencies administer and enforce the frameworks, and whether individual consumers or investors can bring lawsuits over violations.

The Landscape materials do not provide legal advice or detailed analyses of competing arguments about whether and how the existing frameworks apply to different types of PFAs that are emerging in the marketplace. Rather, they are intended to provide a baseline resource in understanding core elements of existing laws and to start helping to catalogue ambiguities, open issues, and potential constructs that could inform the evolution of those frameworks or the design of new ones. The materials are not exhaustive, but are meant to potentially help facilitate additional analyses and dialogues as PFAs continue to be developed and use of PFAs by consumers grows.

The materials are being released as working drafts in matrix form rather than extended narrative, and may be revised, restructured, and expanded over time both as to the scope of what is covered and how the information is presented. For instance, FinRegLab is actively considering ways to make the materials

more searchable and distillable on its website. We welcome input on the descriptions of current law and potential issues as well as how to present the information in ways that meet the needs of particular readers. Please forward feedback and suggestions to personalfinancialagents@finreglab.org.

What the review does not include. As stated above, the matrices briefly note state law analogues to various federal frameworks, but do not provide a systematic summary of those laws or of state AI legislation. The Landscape materials also do not address general state laws regarding agent-and-principal relationships, tort, contract, or product liability frameworks.

Findings Overview

Existing legal and regulatory frameworks are substantially different depending on whether advice and related activities are focused on (1) general budgeting and household financial management, including use of retail financial products and services such as savings and transaction accounts, payments options, and credit, or (2) securities and retirement holdings. We shorthand these topics as "general financial management" and "investment management" throughout this overview and the more detailed matrices on each topic. The following table briefly summarizes important distinctions:

	General Financial Management	Securities & Retirement Management
Overarching structure	Federal laws do not provide comprehensive regulation of financial advice and related activities on behalf of consumers. Different frameworks prohibit unfair, deceptive, or (in some contexts) abusive acts or practices; impose consumer data protections; and impose specialized requirements on some types of advice and referrals (mainly relating to credit and real estate settlement services).	Federal laws impose fiduciary duties and other best interest standards on investment advisers, broker-dealers that execute transactions on behalf of individual investors, and providers of advice on covered retirement plans. These regimes address duty of care (quality), managing conflicts of interest, registration and disclosure requirements, and other compliance obligations such as data protections.
Application to digital advice platforms & financial management tools	Federal regulators have taken some enforcement actions against personal financial management apps primarily over concerns about unfair, deceptive, and abusive acts or practices but have not issued broad-based guidance on application of different regulatory frameworks to digital tools. They also have not addressed how existing laws that generally limit consumers' liability for unauthorized transactions do or do not apply to transactions by AI agents.	Federal laws have been applied to the companies that offer robo-adviser tools and platforms since at least 2017 via guidance, summaries of examination findings, and individual enforcement actions. Topics have included compliance programs, tailoring advice to individual investors' situations, and disclosures of conflicts of interest.

Within each topic area, laws may differ as to what entities, activities, and customer bases are covered. An important recurring question concerns whether and how companies that are not traditionally considered to be financial services providers are subject to existing frameworks when providing information or services relating to general financial management or investment and retirement management. Some general technology companies that provide information or personal agents across a broad range of topic areas describe their financial-related activities as generalized information and tools rather than the provision of advice or other regulated services, or otherwise structure their terms of service to prohibit users from relying on the tools when engaging in securities sales or providing securities advice.[15]

Where existing laws are triggered, a second important question concerns how to apply particular standards in the context of digital tools and platforms. Securities regulators have addressed this topic over the past 10 years in the context of robo-advising platforms, though many of those systems did not originally offer highly personalized advice generated by AI models to individual users. Thus, even in that context there are important questions about how to apply existing standards to systems that rely on generative and agentic AI to provide information and execute on particular actions. Questions on the general financial management side are even broader, both because the existing frameworks do not focus in as much detail on articulating standards for advice in general and because there has been less focus in guidance on the use of electronic systems.

A third important question concerns whether and how generalized backend processes and protections that have evolved to handle unauthorized transactions involving human actors and older forms of technology should be applied in the context of AI agents taking action on behalf of consumers. A critical example of this occurs under the Electronic Fund Transfer Act (EFTA) and Truth in Lending Act (TILA). The two regulatory regimes generally limit consumers' liability for errors and unauthorized activity involving electronic transfers from transaction accounts (checking, savings, prepaid) and credit card purchases, respectively, leaving it to the various commercial parties involved in the underlying money transfers to sort out ultimate responsibility. However, both frameworks contain exceptions where consumers have provided their payment devices or otherwise authorized other humans to conduct transfers or transactions on the underlying accounts. Application of these regimes in the context of personal AI agents has not yet been addressed by regulators or the courts. As noted above, some personal agent providers disclaim liability for mistakes and some banks are warning that consumers may not understand the risk of losses. At the same time, some financial services providers are creating specialized wallets and offering some level of purchase protection in the context of personal agent payments.[16] In practice these distinctions may not yet be registering with many consumers, given that personal agents are still generally requiring sign offs to individual payments, cancellations, and other actions with consequences that may not be easy to reverse.[17] However, they could become highly consequential as the degree of use and reliance on PFAs continue to expand.

Across all of these topics, structural differences between subject matter areas may also become more consequential as individual tools and use cases broaden in function. Where a single PFA assists with

both general and financial management and securities or retirement holdings, the applicable standards and consumer protections may shift depending on the subject of a particular interaction. How significant this proves in practice will depend on how broadly individual tools are deployed and on whether existing frameworks are clarified or adjusted over time.

The current version of the matrices are designed to focus on providing financial advice and taking financial action on behalf of consumers as primary activities in their own right. It is important to note that in the general financial management context, personal financial agents that perform these functions may be offered by companies that also provide retail financial products and services such as transaction accounts or loans. The general financial management matrix does not summarize provisions that are applicable to those downstream products and services or consider in detail whether playing both roles may have implications for how advice and execution actions are regulated.

Tips for Navigation and Review

This section provides a link to each matrix, as well as a brief overview of how each matrix is organized. Summary charts briefly listing the federal regulatory frameworks that are summarized in each matrix are provided on subsequent pages below.

In both matrices, proposed changes, stayed rules, and certain rescinded or withdrawn guidance are noted for context. For example, some states may continue to look to materials that have been withdrawn by the Consumer Financial Protection Bureau as persuasive in construing analogous statutes.

General financial management

Because the regulatory frameworks that apply to various financial advice and actions on behalf of consumers tend to have a narrower focus than in the securities context, the matrix is organized by subject matter first, with subsequent rows to discuss relevant federal laws and brief information about state law analogues. Each row discusses what entities are covered by the particular framework, whether the framework only protects specified groups of customers, core concepts and requirements, considerations relating to covered activities that involve providing advice or taking financial actions on behalf of consumers, and rulemaking and enforcement authority.

Securities & retirement management

Because federal laws governing advice and related actions in connection with securities and retirement accounts tend to be organized to focus on a few key categories of actors with a more comprehensive set of requirements applicable to each category, the matrix is organized by actor type, with subsequent rows to discuss major requirements relating to registration and to substantive conduct and compliance rules under each legal framework. The matrix also includes a row summarizing guidance materials relating to providing advice or conducting other activities through digital platforms and tools for investment advisers and broker-dealers.

General Financial Management Matrix		
Topic/framework	Entities covered	Focus
Unfair, Deceptive, or Abusive Acts or Practices		
Unfair or deceptive acts or practices (UDAPs) under Federal Trade Commission Act	Most commercial entities	Prohibits UDAPs across a broad range of activities and functions
Unfair, deceptive, or abusive acts or practices (UDAAPs) under the Consumer Financial Protection Act	Covered providers of consumer financial products and services	Prohibits UDAAPs across a broad range of activities and functions
Consumer Data Protections		
Consumer data access under section 1033 of the Consumer Financial Protection Act	Covered data recipients and data providers	Regulates access and use of consumers' data held on the systems of covered financial services providers; implementing rules are stayed and under reconsideration
Data access and disposal under the Fair Credit Reporting Act	Users of consumer reports	Specifies permissible purposes for accessing credit reports and protections when disposing of data
Data privacy and security under the Gramm-Leach-Bliley Act	Covered financial institutions	Requires data safeguards and limits certain data sharing without notice and an opportunity to opt out
Model, AI, and Third Party Risk Management		
Model and AI risk management frameworks	Banks	Considerations for managing and mitigating risks in model/AI development and deployment
Third party risk management frameworks	Banks' covered business relationships; vendor relationships with entities supervised by the CFPB	Expectations for conducting due diligence and ongoing monitoring of vendors or other entities in covered relationships

Credit and Settlement Services Related Activities		
Credit Repair Organizations Act	Commercial entities that perform covered activities, but not creditors, nonprofits, or banks/credit unions	Requires disclosures, imposes contract limitations, regulates timing of payment collection, prohibits false or misleading statements.
Debt relief and credit counseling organizations under the Telemarketing Sales Rule and Internal Revenue Code	TSR: Commercial entities that perform covered activities. IRS rules: Nonprofits that perform covered activities.	TSR requires disclosures, regulates timing and structure of payment collection, prohibits false or misleading statements. IRS requirements restrictions to ensure nonprofit counseling agencies are bona fide
Regular referrals to lenders under the Equal Credit Opportunity Act	Entities that make regular referrals or select creditors to whom applications may be made	Prohibits discrimination and discouragement by covered entities
Referrals to settlement service providers under the Real Estate Settlement Procedures Act	Parties that refer consumers to settlement services in connection with covered mortgage loans	Prohibits giving or accepting thing of value in exchange for covered referrals
Payments and Money Transmission Related Activities		
Credit card use by agents under the Truth in Lending Act	Parties who have actual, implied, or apparent authority to use card	Exempts actions by such parties from provisions that limit consumers' liability in the event of unauthorized transactions or errors
Electronic fund transfers by agents under the Electronic Fund Transfer Act	Parties who are provided with an account access device by the consumer or otherwise have actual authority to make transfers	Exempts actions by such parties from provisions that limit consumers' liability in the event of unauthorized transactions or errors, until consumers inform financial institutions that authorization has been withdrawn
Money transmitter and money service business laws	Parties that receive money or monetary value and transmit it to another person or location; some states also focus on functional control over transfers	Federal laws focus on registration and Bank Secrecy Act/anti-money laundering requirements. State laws may include compliance and reporting requirements.

General Applicability		
Contract execution under E-SIGN	Transactions in or affecting interstate commerce	Prohibits denying legal effect of contracts merely because their execution involved electronic agents
Accessing computers under the Computer Fraud and Abuse Act	Entities accessing third party websites or computer systems	Prohibits intentional access to covered systems that lack or exceed authorization

Securities & Retirement Management Matrix		
Actor/Framework	Entities covered	Focus
Investment advisers under the Investment Advisers Act	Entities who engage in the business of advising others about securities for compensation.	Requires registration Imposes fiduciary duties (care and loyalty) Imposes compliance duties concerning various topics
Broker-dealers under the Securities Exchange Act and the Financial Industry Regulatory Authority rules	Persons engaged in the business of effecting transactions in securities for the account of others (brokers) or of buying and selling securities for their own account (dealers).	Requires registration Imposes duty to act in clients' best interest Imposes compliance duties various other topics
Broadly applicable anti-fraud provisions	Apply to investment advisers regardless of registration and to persons or companies in connection with the purchase or sale of a security directly or indirectly.	Generally prohibit fraudulent and misleading practices
Retirement advisors under Title I of the Employee Retirement Income Security Act & Section 4975 of the Internal Revenue Code	Entities that exercise discretionary authority or control concerning the management of a plan or its assets, including employee benefit plans and health savings accounts. Entities that provide investment advice for a fee to plans, including employee benefit plans and health saving accounts.	Imposes fiduciary duties Restrictions on prohibited transactions unless an exemption is satisfied

Conclusion

As noted above the materials are being released as working drafts in matrix form rather than extended narrative, and may be revised, restructured, and expanded over time both as to the scope of what is covered and how the information is presented. We welcome input on the descriptions of current law and potential issues as well as how to present the information in ways that meet the needs of particular readers. Please forward feedback and suggestions to personalfinancialagents@finreglab.org.

Endnotes

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