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FinTech Innovations & Personal Financial Planning: Transforming Financial Behavior and Accessibility

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Abstract

Financial technology (FinTech) has experienced rapid development that has fundamentally changed the face of personal financial planning (PFP), changing the way individuals manage, plan and make financial decisions. This chapter examines the impact of the FinTech innovations of robo-advisors, digital budgeters, open banking, micro-investment platforms, and artificial intelligence on financial behavior and increasing access (or affordability) to financial planning services. Based on behavioral finance, technology adoption, and financial inclusion theories, the chapter suggests a conceptual model between the adoption of FinTech and better financial results in terms of behavior change and increased inclusion. Empirical and conceptual data show that FinTech has an effect of increasing financial visibility, promoting saving and investment behavior, and making professional-level financial planning instruments more accessible even to poorer customers. Nevertheless, there are still issues related to data privacy, algorithmic transparency, behavioral over-confidence and unequal digital literacy. The chapter ends with a conclusion that the promise of inclusive, behaviorally intelligent financial planning by FinTech can only be achieved by regulating it evenly, designing it in ways that are user-friendly, and offer greater financial literacy efforts. The potential directions of future research are specified in the domains of hybrid advising mechanisms, ethical AI-based financial decision-making, and long-term effects of planning with FinTech on financial health.

Keywords: FinTech, Personal Financial Planning, Financial Behavior, Financial Accessibility, Robo-Advisors, Financial Inclusion, Digital Finance, Financial Literacy.

Introduction

The introduction of digital financial technologies (FinTech) has created a revolutionary period of individual financial planning. Whereas in the past financial planning advice was limited to relatively high-income earners who would have had an advisor to assist them, current innovations allow wide sections of the population to participate in budgeting, saving, investing, and risk-management in much more

accessible means. This way, FinTech can contribute to transforming financial behaviours and increase financial accessibility - personal financial planning becomes more democratic.

The chapter discusses the ways that FinTech innovations are changing three interrelated aspects of personal financial planning: financial behaviour, accessibility/inclusion, and the planning process itself. The theoretical underpinnings are mapped and key terms are defined. At this point, we look at some of the bigger innovations (robo-advisors, digital wallets, AI/ML personal finance tools, open banking), and then discuss the behavioural and accessibility implications of such innovations. We wrap it by giving implications to the practitioners, the regulators and future directions.

Definitions and Scope

FinTech: in general, digital technologies can be used to provide, develop or disrupt financial services and products. As an illustration, Kou and Lu (2025) review see AI, machine learning and blockchain as key emerging technology in the field of finance.

- **Personal Financial Planning (PFP):** a systematic approach of planning the achievement of financial objectives of individuals (e.g., retirement, home purchase, education), evaluation of the present financial condition, and planning (budgeting, investing, protection) to reach these objectives.
- **Accessibility:** this term has the connotation of access to tools or guidance that were not previously accessible to traditionally under-served populations (lower income, younger adults, digital-native).

Financial behaviour- the real decision making and the spending, saving and investing as well as the risk taking behavior of individuals. FinTech has the ability to shape behaviour by design, nudges, automation and data-driven insights.

Why This Topic Matters

The significance of the topic can be characterized in many ways: more financially stable and healthy individuals in the individual level because of improved personal financial planning and in the overall perspective of the society it promotes financial inclusion and decreases vulnerability. According to CFP Board, FinTech and AI can enhance financial wellness of the population that traditional advisors are unable to reach. In addition to that, the literature on FinTech has been increasing at a very fast rate; bibliometric analysis revealed that the FinTech literature has been increasing massively in the period between 2010 and 2025. Simultaneously, there are concerns - of data-privacy, bias in algorithms, regulatory control and risks of behaviour. These deserve a critical, even-handed opinion.

Theoretical Foundations

In order to comprehend the role of FinTech in the process of personal financial planning, it is beneficial to base the discussion on the theoretical contexts of relevance:

The reason is that Behavioural Finance and Technology Adoption B.F.T.A. represents a practice at the intersection of behavioural finance and technology adoption.

- **Behavioural Finance and Technology Adoption**

The classical theories of the financial behaviour (e.g., the theory of planned behaviour, TPB) indicate that the intentions and behaviour are based on the attitudes, subjective norms and perceived behavioural control. These models of technology adoption include the Technology Acceptance Model (TAM) or the Unified Theory of Acceptance and Use of Technology (UTAUT), both of which assume that the perceptions of usefulness and ease of use play a role in the adoption of new technologies. Perceived value of apps/tools and ease-of-use are also important in the perception of users in FinTech settings. To illustrate, digital literacy and features of platforms were found to impact the adoption of FinTech in personal financial planning among millennials in Indonesia.

- **Financial Poverty and Inclusion**

As noted in the financial inclusion literature, the under-served populations are highlighted in terms of access to financial services (formal banking, credit, savings, insurance). FinTech will lower entry-barriers (cost, geography, scale) and thus increase accessibility. In the case of PFP, it implies that tools that were traditionally restricted to advisors and minimum amounts or institutional access are now accessible online.

- **Inclusion in Personal Financial Planning Process**

The individual financial planning process generally consists of setting of goals, data collection, analysis, strategy formulation, execution and surveillance. FinTech has the opportunity to intervene at every phase: e.g. digital goal-setting interface, data aggregation algorithms, scenario analysis by AI, implementing robo-advice, and real-time tracking. The integration capability in the course of this process plays a critical role in changing PFP.

- **Conceptual Framework**



Figure 1. Conceptual Framework

Such changes in financial behaviour and accessibility are brought about by FinTech innovations and, in turn, allow an individual to plan their finances more effectively. This is the guiding logic in this chapter.

Personal Financial Planning FinTech Innovations

Here, we summarize the important type of FinTech innovations and their personal financial planning application.

- **Robo-Advisors and Automated Investing, addresses the idea of automated investing and robots.** Robo-advisors offer pointless automated investment recommendations and portfolio management with little to no human supervision. They make investments cheaper, lower the asset minimums and make investment advice accessible to more individuals. As an illustration, Rao and Lakshmi (2024)

conducted a review of how robo-advisors are changing personal finance in the digital age due to their ability to be available, affordable and easy to use. The main characteristics include risk profiling through questionnaire, algorithmic asset allocation, automatic rebalancing, low fees, automatic on boarding. Customers that could not initially get personalised investment advice can join.

- **Digital Budgeting, Saving and Expense-Tracking Applications:** Expense-tracking and budgeting applications concentrate the bank/credit transactions, organize the spending, and offer dashboards and insights and frequently include automation (round-up, saving triggers). Handayani et al. (2024) assert that millennials using personal finance apps found personalization important but were concerned with data-security. These applications can help in the initial phases of PFP: the collection of data, the openness of expenses, the formation of saving patterns, the assessment of the results.
- **Open Banking and Aggregation Platforms:** Customers can set third-party applications to their various bank/finance accounts and provide cohesive updates through open banking programs (e.g., through APIs). This helps in holistic planning in that the users or advisors view the complete financial picture: assets, debts, cash-flows. It increases transparency and analysis is easier.
- **AI / Machine Learning / Big Data Personal Finance:** More developed FinTech abilities are based on emerging technologies. According to Kou and Lu (2025), AI/ML and blockchain are being introduced in the financial industry to develop more responsive, secure, and personalized products.
 - Virtual financial assistants or chatbots which provide personalised advice, situations or recommendations, which are AI-driven.
 - Predictive analytics predicting cash-flow in future, notifying of excess or deficit.
 - Algorithms used to provide behavioral cues to save or invest.
- **Micro-Investing, Fractional Shares and Neo-banks:** FinTech has reduced investment minimums: micro-investing platforms, investor fractional share, neo-banks with savings/investment capabilities. According to Durtorisat (2023), the traditional barriers have been broken down by micro-investing and fractional ownership. These models are open to a younger and lower-asset person who has never been in the market before.

Table 1.:Summary Table

Innovation	Primary Benefits for PFP	Typical Users / Reach
Robo-advisors	Lower cost advice; diversification; automation	Mid-asset investors
Budgeting/ Saving Apps	Real-time tracking; behaviour-change; automation	Mass-market, younger adults
Open Banking	Holistic view; data integration	Everyone with multiple accounts
AI/ML tools	Personalisation; predictive insights; nudges	Tech-savvy users, digital-first
Micro-investing & Neobanks	Low entry barrier; fractional ownership	Younger/low-asset individuals

Effects on Financial Behaviour

This part will look into the effect of FinTech innovations on the real behaviour of people in personal financial planning. The result of implementing the change in the prior three steps is enhanced financial visibility and self-control.

- *Budget management and monitoring applications* enhance transparency of expenditure, savings and cash-flows. The higher level of transparency improves self-control, goal-setting and monitoring which are important behavioural elements of planning. Indicatively, Handayani et al. (2024) discovered that millennials who were using apps were more effective at tracking expenses. According to the behavioural theory, self-regulation is improved by observing the behaviour. The fact that nearly all tasks are automated and we become used to them leads to a lack of originality and creativity in thought processes (Ferguson 59).
- *The automation and habit-forming nature* of almost everything makes us fail to think creatively and innovatively (Ferguson 59). Technologies such as automatic savings (round-up, triggered transfer) minimize the use of willpower, and can be used to facilitate habit formation. FinTech facilitates set and forget behaviours—this matters as the advice provided by traditional advice fails to work because there are no consistent follow-throughs. Besides, nudges and personalised reminders, which are powered by AI, can influence users to engage in savings and investment behaviour.
- *Democratised Risk Behaviour and Investing.* FinTech is a motivating factor that increases the number of people investing sooner and more often because of the reduced entry levels and automated investment distributions. But that also begs the question of risk behaviour: as one study discovered, in China, FinTech usage was also linked to riskier financial investment adoption by urban households (through FinTech adoption mediated by financial literacy) (Zhou et al.). In this way, the innovations affect behaviour at both levels positive (more engaging, diversifying) and potentially dangerous (traditionally, it may lead to excessive risk-taking, insufficient knowledge).
- *FinTech and Behavioural Barriers.* Nonetheless, regulatory obstacles are still present: poor financial literacy, distrust in the algorithm, too much information, and digital fatigue. The Indonesian research discovered that FinTech was able to enhance the organisation and budgeting of millennials but lacked in long-term planning and awareness of risks. Shifting behaviour is not merely of the access but also of the sustained engagement, maintaining goal discipline and carrying out risk management in a proper way.
- *Financial Planning Advice-Seeking and Behaviour.* The accessibility of digital solutions alters the process of advice-consulting: robo-advisors, in-app advice, peer-to-peer communities decrease the use of human advisors. As the CFP Board article points out, technology provides financial planning advice to those populations that are not usually served through traditional advice. In behavioural terms, this can make the planning of interactions more frequent, increase the continuousness of tracking and procrastination less severe.

Enhancing Accessibility and Inclusion

Another main promise of FinTech in PFP is the greater accessibility -the introduction of planning tools and services to underserved groups. In this section, the answer to this question is unpacked and the caveats.

- **Lowering Cost and Minimums:** The conventional financial guidance was often expensive and needed a substantial amount of assets, which was not accessible to everyone. Online platforms save money (automation, self-service) and minimums (micro-investing, fractional shares). This democratizes investing and planning.
- **Geographic and Demographic Reach:** Digital delivery implies that the tools can be accessed anywhere (unless the internet/mobile is available). Youthful and tech-savvy generations use personal finance applications in large predispositions. Indicatively, Handayani et al. (2024) found that millennials use personal financial application to a great extent in budgeting and transactions. FinTech can also access populations which did not access banks in emerging markets. According to the Indonesian research, FinTech promoted saving, access to investment and insurance among urban millennials.
- **Financial Wellness to the Masses:** As noted in the CFP Board article, financial wellness is not the only potential benefit of FinTech/AI- not only in accumulating wealth, but to people who cannot access conventional advice. This is in line with the inclusivity objectives: empowering people to plan, save, and invest, which can make them less vulnerable, feel more resilient and create an upward mobility.
- **Objections to Accessibility:** Accessibility, though not limited to the availability of the tool, demands the presence of digital literacy, trust, data privacy, proper design to support lower-income groups, and regulatory frameworks. Research indicates that financial literacy continues to be a robust modifying variable in FinTech involvement and effectiveness. Moreover, being easily available does not mean good advice or results. Other digital tools can simplify the planning process or exclude behavioural advice, which creates a risk of the user using sub-optimal strategies.

Challenges, Risks and Regulatory Implications

Whilst the change is dramatic, there are non-trivial issues that need to be resolved in order to make FinTech-enabled personal financial planning to live up to its words.

- **Data Privacy, Security and Algorithmic Transparency:** FinTech applications are based on high amounts of sensitive financial and algorithmic information in order to provide advice or forecasts. The fears of data breaches, data misuse, the existence of algorithmic bias, and non-transparency are valid. To highlight an example, Handayani et al. (2024) identified that data security and privacy are still an issue among the users of personal finance apps. Data protection, algorithm audits and user consent standards should be enforced by the regulators.

- **Behavioural Risk and Over-Simplification:** Although automation and simplification are strong points, they can be a strength, yet a weakness, as users can become over-confident, they might also lack full knowledge of portfolio risk, and they can also have set and forget tools without reviewing them periodically. The Chinese research identified the use of FinTech to be associated with hazardous financial investment behaviour. Tools require the integration of behavioural protection and learning components.
- **Financial Stability and Systemic risks:** At a more general level, there are also systemic implications of FinTech. According to the article by Ioannou, Wojcik and Urban (2024), the balance-sheet interconnections and regulatory arbitrage are among the potential systemic risks that FinTech payment and lending platforms may have. In the case of personal financial planning platforms, scale can create the problem of concentration risk, competing with banks, or even regulatory requirements.
- **Implications of the Regulation and Policy:** Policymakers and regulators have to struggle with a number of problems: consumer protection in digital advice of mass-market, the licensing of robo-advisors, the ability of open banking systems to interoperate, the issue of digital literacy programmes, data governance systems, and balancing innovation with risk-management. In the personal planning viewpoint, policymakers can promote the use of FinTech by underserved communities, possibly through incentive programs or financial institution and regulatory collaborations.
- **Ethical and Inclusion Considerations:** With FinTech being made more user-friendly, such ethical concerns as algorithmic fairness (preventing bias), contextually (tools to use by lower-income), language/digital-culture, and relevance are important. Accessibility can be shallow without inclusive design. Human-centred AI research in FinTech has focused on matching tools to the user experience, ethics and fairness.

Conclusiveness and Future Research Direction.

- **Summary of Key Insights:** This chapter has also posited that FinTech innovations are greatly altering personal financial planning, both through reshaping financial behaviour (through visibility, automation, and access to investment) and through increasing accessibility (through digital delivery, reduced cost, inclusive tools). With these changes, the more continuous, data-driven, and personalised planning processes become possible. Benefits are not automatic, however, being limited to the literacy of users, trust, quality of design and regulation frameworks.
- **Implications for Practice:** To financial planners, FinTech implies the change of roles: financial planners can turn into facilitators of technology-enhanced advice, as opposed to independent advisers. In the case of FinTech companies, more comprehensive inclusion and consideration of behavioural patterns will make a difference. As regulators/ policymakers, it is important to support a digital literate society, consumer protection, data regulation and regulatory innovation-friendly regulation.

- **Future Research Directions:** Research gaps remain. The FinTech-investment-risk area is still disjointed as the bibliometric reviews (e.g., Chuang and Shrestha, 2025) indicate. The future directions involve:
 - Longitudinal FinTech utilization and long-term financial planning performance (e.g., retirement preparedness).
 - Experiments of behavioural comparison between digital tool-only planning, human/advisor-only planning and hybrid models.
 - New diversions into under-served populations (emerging markets, low income) and barriers to adoption of FinTech.
 - Robo-advisory and budgeting application ethical/algorithmic fairness studies.
 - Regulatory impact research: the effect of policy variations between jurisdictions on FinTech-driven planning adoption and success.
 - It was the integration of emerging technologies (AI, blockchain, VR/AR) into PFP and their implications on behaviour.

FinTech is at the nexus of technology, financial services and behavioural science. Within the personal financial planning sphere, it offers the potential of democratizing access, enhancing results and making people more involved in their financial lives. But such a promise has to be informed by a considerate design, empirical testing and moral action. The following decade will see the development of further evolution: what is important is that the design of tools ensure the maintenance of keeping the human financial-life-goal in the limelight.

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