



The Hidden Cost of Your Tech Stack

May 2026

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transformation and smart adoption of
ERP, CRM, and cloud solutions...

Executive Summary

Financial services firms across the UK and Ireland are under greater operational pressure than at any point in recent memory. Margin compression, regulatory demands, and rising client expectations are all intensifying. Yet for many mortgage brokers, insurance brokers, wealth managers, credit unions, and building societies, the single biggest drag on performance is not market conditions. It is the technology infrastructure they already own.

The typical firm runs five to eight disconnected software systems. A CRM that does not talk to the back office. A compliance tool isolated from client data. A sourcing platform requiring information re-entered from the fact-find. A reporting process built on weekly manual exports. The cost of this fragmentation is substantial and largely invisible, because no single system is capturing it.

The regulatory backdrop makes this urgent. In the UK, FCA Consumer Duty is in its second year of active supervision. In Ireland, the Central Bank's revised Consumer Protection Code 2025 introduces comparable client outcome obligations, while DORA has been in force since January 2025 and is now under active CBI supervision. Both regulators are asking the same question: can your systems and records prove that clients are being well served?

This report sets out the evidence, the scale of the problem across each sector, and a practical path forward for firms of all sizes.

Key findings

Employees waste an average of 12 hours per week chasing data trapped in disconnected systems. Brokerages that fail to modernise risk losing 15 to 20% of potential revenue to operational inefficiency.

A typical mortgage broker enters the same client data into at least three separate systems per case. Legacy systems are already limiting AI efficiency gains unless integrated quickly. 46% of organisations report impaired client service when customer data is fragmented.

Fraudulent payments in Ireland reached €57 million in 2024, with poor systems governance identified as an amplifying factor.

Sources: DATAVERSITY 2025, Redian Software 2026, Mortgage Magic 2026, PKF 2026, Grant Thornton / CBI 2026

1. Why the Pressure Has Never Been Greater

Picture a mortgage brokerage in the East Midlands, or a financial broker firm in Dublin. An adviser takes a new enquiry, opens the CRM, then opens the sourcing tool and enters the same information again, then populates case management, then the compliance documents. Each with its own fields, its own format, its own version of the client's name and address. Multiply that across every case, every adviser, every week.

Nothing has crashed. Nothing is broken. But the firm is carrying a significant structural cost in wasted time, data errors, delayed decisions, and an inability to use AI tools that require clean, connected data to function.

Pressure	UK	Ireland
Margin compression	Soft insurance market rates; thin broker margins under further cost pressure	Cost-pressured environment; KPMG identifies digital transformation as the key differentiator
Regulatory data demands	FCA Consumer Duty: prove good client outcomes from connected records	CBI Consumer Protection Code 2025 and DORA: operational resilience registers and audit trails
AI readiness	AI tipping point in mortgage broking; only firms with integrated data can deploy it	EU AI Act and CBI AI governance focus; same data foundation required for safe deployment

The firms pulling ahead in both markets share one characteristic: connected infrastructure. They have eliminated the manual workarounds that were quietly consuming skilled people's time for years, and they are now deploying AI tools that their competitors cannot yet access.

2. What Disconnection Actually Costs

The costs of fragmented systems are real but rarely captured in a single line item. They are distributed across staff time, delayed decisions, compliance risk, and missed commercial opportunity. The table below summarises the four categories of cost most commonly found in financial services firms.

Cost category	How it shows up	Evidence
Staff time	12 hours per week per employee chasing data across systems	DATAVERSITY, 2025
Client experience	46% of organisations report impaired ability to serve clients with fragmented data	DATAVERSITY, 2025
Compliance exposure	Manual audit trails; inability to produce Consumer Duty or CPC evidence quickly	PKF, CBI / Grant Thornton, 2026
AI lockout	Legacy systems limiting AI efficiency gains unless integrated first	PKF, Baringa, 2026
Revenue leakage	15 to 20% of potential revenue lost to operational inefficiency in unmodernised brokerages	Redian Software, 2026

The time cost alone is striking. For a firm with ten advisers, 12 wasted hours per person per week amounts to 120 hours of skilled professional time consumed not by advice or client contact, but by data administration. Every week.

The AI cost is the one that will grow most sharply. The firms successfully deploying AI tools in 2026 are doing so because they have clean, connected, accessible data underneath. Those that do not are locked out of productivity gains their competitors are already realising.

12 hrs wasted per employee per week (DATAVERSITY)	15-20% revenue lost to operational inefficiency	46% of firms report impaired client service	£12k cost per hour of IT downtime (SMEs)
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3. The Sector-by-Sector Picture

The underlying challenge is consistent across all five sectors: systems acquired at different times, to solve specific problems, that were never designed to share data. The detail varies by sector.

Sector	Core disconnection challenge	Specific 2026 pressure
Mortgage brokers	Swivel-chair workflow: same data entered into CRM, sourcing tool and compliance system separately	AI-native brokers entering the market; clients expect digital-first; 90% of UK mortgages and growing Irish share intermediated
Insurance brokers	Front and back-office not connected; client profitability data unavailable; renewal risk not visible in real time	Soft market margins; CPC 2025 (Ireland) and Consumer Duty (UK) demand auditable client outcome evidence
Wealth management	Client data fragmented across portfolio, CRM and compliance tools; manual reporting and high cost-to-serve	51% of HNW clients demand self-service tools; AI-augmented advisers gaining competitive advantage
Credit unions	UK: regulatory burden disproportionate to headcount. Ireland: digital ambitions under 2023 Amendment Act constrained by legacy infrastructure	Ireland: €1bn mortgage book milestone; digital member expectations rising faster than system capability
Building societies	Legacy infrastructure limits pace of innovation; Consumer Duty compliance requires data consolidation	Neobanks innovating faster without legacy overhead; 43 societies managing £525bn in assets across the UK

Mortgage brokers

In the UK, close to 90% of mortgages are intermediated. In Ireland, Brokers Ireland's 500-strong network accounts for a growing share of new lending. In both markets, the same client data is entered into at least three systems per case. Platforms specifically designed to eliminate this are entering the market because the inefficiency has become commercially untenable. The question is not whether to integrate, but how to sequence it.

Insurance brokers

PKF's March 2026 analysis is direct: firms with disciplined, connected systems will benefit from the current margin pressure; those without will struggle. In Ireland, the CBI's revised Consumer Protection Code 2025 introduces new digitalisation requirements that brokers' current systems frequently cannot meet without manual workarounds. Legacy systems acquired through consolidation are a particular constraint.

Wealth management

Oliver Wyman Management Consultants identify wealth managers as hampered by manual processes and legacy systems, with operating models not fit for purpose. The Unified Client Brain concept summarises what leading firms are building: a single environment consolidating portfolio data, behavioural signals,

and client history. Firms furthest from this model carry the highest cost-to-serve and the greatest regulatory exposure.

Credit unions

In the UK, the average credit union has 6.8 employees. Administrative and regulatory requirements are disproportionate to that size. In Ireland, the 2023 Amendment Act has enabled a step change in digital ambition, with credit unions reaching a €1bn mortgage book in early 2026 and integrating into new payment infrastructure. But the digital layer often sits on top of legacy core systems that were not built for the data requirements of a modern lending operation.

Building societies

The SBS analysis is clear: neobanks, without legacy infrastructure, can innovate at a faster pace. Building societies know this. The challenge is closing that gap without disrupting the operational continuity and member relationships that are their competitive advantage. A phased, sequenced approach is the only practical route.

4. What Integration Delivers

The evidence from comparable deployments across financial and professional services is consistent. The table below summarises documented outcomes from firms that have moved from fragmented to connected infrastructure.

Benefit	What it means in practice	Documented outcome
Staff time reclaimed	Client data entered once, available everywhere; no rekeying between systems	Up to 12 hrs per person per week recovered
Management visibility	Live pipeline, caseload and compliance status without manual report compilation	Faster decisions; real-time identification of bottlenecks
Compliance evidence	Every interaction automatically recorded in a single retrievable record	Audit prep from weeks to hours; DORA registers maintained continuously
AI readiness	Clean, connected data enables AI tools to be deployed safely and effectively	AI-powered CRMs analysing bank statements and spotting protection gaps in real time
Operational resilience	Integrated systems with monitored uptime and incident response capability	DORA and FCA resilience requirements met by design, not by manual effort

Without integration	With integration
<ul style="list-style-type: none"> • Same client data entered 3+ times per case • Compliance evidence assembled manually under pressure • No real-time view of pipeline or productivity • AI tools unavailable without clean underlying data • DORA registers maintained as a separate manual exercise 	<ul style="list-style-type: none"> • Data entered once, flows across all systems • Audit trails generated automatically from live records • Management dashboard updated in real time • AI tools deployable on a trusted data foundation • DORA and resilience requirements met continuously

The forward-looking benefit most firms underestimate is open finance readiness. The FCA published its Open Finance roadmap in April 2026, with mortgages and SME credit as the first two priority use cases. The EU's broader Smart Data agenda is moving in the same direction. Firms with connected infrastructure will be able to receive and act on richer client financial data when it becomes available. Those without will not.

5. The Barriers and the Counter-Evidence

Most business owners in financial services know their technology is not working efficiently. The reasons they have not addressed it fall into a small number of consistent categories, each with a clear counter-argument.

Barrier	The concern	The counter-evidence
Upfront cost	Capital commitment at a time when margins are already under pressure	The ongoing cost of disconnected systems — 12 wasted hours per person per week, 15 to 20% revenue leakage — typically exceeds the cost of integration within the first year
Implementation risk	Horror stories of ERP projects that ran over time, over budget and disrupted operations	Risk comes from big-bang, all-at-once implementations. Phased deployments starting with the highest-pain areas deliver measurable returns within months
No internal IT resource	No dedicated technology team to manage a project	The right implementation partner works within your operational reality and regulatory environment — the business does not need to become a technology organisation
Legacy complexity	Systems inherited through acquisition that are hard to untangle	Every integration starts with a discovery phase that maps what exists and identifies the highest-value connections first. Legacy does not have to be replaced all at once

The data on inaction is unambiguous. Firms that delay integration do not avoid the cost. They continue absorbing the operational losses of disconnected systems while their more digitally mature competitors cut costs, improve margins, and pull further ahead each quarter.

6. How Target Integration Can Help

Target Integration is a digital adoption specialist with 18 years of experience implementing CRM, ERP, and integration solutions for businesses across the UK, Ireland, and internationally. Our work in financial services is grounded in an understanding of the regulatory environment, the specific workflow requirements of each sector, and the practical constraints of firms running client-facing operations.

We do not begin with a prescribed solution. We begin with your processes, your systems, and your most pressing pain points, and we work from there.

Service	What it covers
Process audit and digital maturity assessment	Structured review of current systems and workflows; clear prioritisation of where to start
CRM implementation and integration	Connecting client management, case management and compliance into a single environment
Back-office integration	Linking sourcing tools, policy management and practice management into a joined-up operation
Automated workflow design	Eliminating manual data entry, compliance prompts and renewal processes
Data migration	Moving data cleanly from legacy systems without disrupting live operations
Cloud infrastructure	Scalable, secure architecture meeting financial services regulatory requirements
Ongoing support and training	Structured onboarding and continued support to ensure adoption and sustained ROI

7. A Practical Roadmap

The most effective integration programmes are defined by sequencing, not ambition. Beginning with the highest-impact, shortest-payback interventions generates early returns and the organisational confidence that sustains the programme.

Phase	Focus	Key activities	Typical outcome
1 Discovery	Baseline audit	Map all systems, data flows and manual processes; quantify cost of current workarounds	Clear picture of where time and money are being lost
2 Foundation	Single source of truth	Integrate CRM, back-office and compliance into one connected environment	Rekeying eliminated; real-time case and client visibility
3 Automation	Process efficiency	Automate renewals, document collection, compliance prompts and reporting	Measurable reduction in admin hours; fewer errors; faster completions
4 Analytics	Insight and oversight	Live dashboards; adviser productivity data; client profitability; regulatory audit trails	Management visibility; Consumer Duty and CPC evidence generated automatically
5 Scale	Future readiness	Open Finance API readiness; AI-assisted processing; platform extension as the business grows	Competitive differentiation; operational resilience by design

Most firms begin to see measurable improvements in staff time and management visibility within Phase 1. There is no requirement to reach Phase 5 before realising value. The important thing is to start with an honest assessment of where current systems are generating the highest cost.

Conclusion

The operational pressure on financial services firms in the UK and Ireland is not going to ease. Margin compression, tightening regulation, and rising client expectations are all moving in the same direction. The firms absorbing these pressures most effectively share one characteristic: they invested in connected infrastructure before the pressure peaked.

The evidence is consistent across sectors and both markets. Integrated firms are spending less time on administration and more time on advice. They are meeting Consumer Duty, CPC 2025, and DORA obligations from a single source of truth. They are deploying AI tools on a trusted data foundation. And they are positioned for the open finance opportunity that the FCA and EU's Smart Data agenda are building towards.

The practical question is not whether to invest, but where to start. That is the conversation Target Integration has with every new financial services client across the UK and Ireland, and it begins with a straightforward assessment of where your current systems and workflows are generating the highest cost.

Start the conversation

Speak with a Target Integration consultant for a no-obligation Digital Health Check: a clear, structured view of where your current systems are generating cost and risk, and where the highest-impact improvements lie. No commitment required beyond the conversation.

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This report draws exclusively on research and analysis published between April 2025 and April 2026.

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