Ten trillion in a bank account

What changes now that Europe is trying to steer its savings towards the capital market

2026

At a glance

Roughly ten trillion euro of European household savings sits in a bank account, and that is the only statistic in this sector that really counts. The technology to invest that money has existed for fifteen years; what was missing was a vehicle, a distribution channel and a rule. All three are shifting: a reformed fund type brought private markets within reach of retail investors and grew 55% in a year, securities settlement moves to one day in October 2027, and the payment rules are being replaced. At the same time the most heavily sold story, that retail investors are now getting access to private markets, is for the moment mainly true for wealthy individuals and for the banks and insurers that already had that access. This document describes that shift, with the figures behind it, and names what is not yet settled.

10 trillion

euro of European household savings in bank deposits, roughly 70% of their savings holdings. European Commission, savings and investments union strategy, 19 March 2025.

Foreword

Technology in wealth management is written about as if the interface were the problem. It has not been for a long time. A retail investor has for years been able to buy a globally diversified portfolio with three taps on a screen for a few basis points, and most Europeans do not. The problem is therefore not in the screen, and not in the product either.

This document therefore looks at what lies underneath the screen: which vehicle has been added and how big it really is, who buys it, what it costs, which settlement rules change in 2027, which data legislation is coming and what a supervisor actually expects from anyone deploying AI in advice. The sources are given per chapter and are primary where possible: regulations, publications from the European Commission and from ESMA, and the annual market study by the rating agency that follows this segment.

It is not a survey of providers and not investment advice. The companies and institutions named are there as evidence of a shift. Where a text has not yet been adopted, that is stated as well.

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01 The shift: the money is standing still

The European Commission opened its savings and investments union strategy in March 2025 with a finding that condemns its own policy: roughly 70% of European household savings, together some ten trillion euro, sits in bank deposits. Safe, liquid, and with a return that over a saving lifetime makes a considerable difference to the saver's disadvantage.

The European Central Bank calculated what would happen if European families invested the way American ones do: up to eight trillion euro would shift to the markets, worth roughly 350 billion euro a year extra for the productive economy. That figure is quoted in Brussels as an opportunity. It is also a finding about how stubborn behaviour is, because the instruments to make that switch are sitting in every banking app.

The country figures sharpen it. Research by the Irish central bank, published at the end of 2025, shows that Irish households hold 2.3% of their financial assets directly in listed shares and bonds, against a European average of 7.5%. That same country is one of the largest fund centres in the world, with more than five trillion euro of assets under management on its territory. So the infrastructure is there. It is simply being used by the neighbours.

There is one more figure that knocks out every assumption about self-service. According to a 2023 Eurobarometer, 18% of European citizens have a high level of financial literacy. Whoever builds a product that assumes the user understands it is therefore building for less than a fifth of the market. That is not an education problem you solve with a blog series. It is a design condition.

Source: European Commission, savings and investments union strategy, 19 March 2025 · Central Bank of Ireland, research on retail investor participation, published end 2025, set out in a speech of 31 March 2026 · Eurobarometer on financial literacy, 2023

02 What Brussels is doing about it

The trigger is not the saver but Europe's bill. The Draghi report put the additional investment the Union needs at 750 to 800 billion euro a year by 2030, and that sum has only grown since, through defence. There is no public budget that carries it. The money that does exist sits in the citizen's savings account.

The strategy of 19 March 2025 tackles that along four lines: citizens and savings, investments and financing, integration of the markets, and supervision. On 30 September 2025 a financial literacy strategy followed. In December 2025 came a package on market integration and supervision, which is meant to reduce the fragmentation between twenty-seven national regimes. An interim evaluation is planned for the second quarter of 2027.

The most concrete idea is the savings and investment account: a simple, tax-encouraged wrapper in which a citizen without much knowledge can invest. That demonstrably works, because it already exists in Sweden and in France in various forms. The problem is that taxation is a national competence, which means Brussels can recommend it and not impose it. A number of member states, among them the Netherlands, are therefore working together in a coalition of the willing outside the ordinary route.

For anyone building in this sector, that is the most important structural finding. The demand side is driven by tax rules that differ per country and can tip with every election, while the supply side is regulated at European level. Your product is therefore cross-border and your market is not, and that is precisely the reverse of what a product manager wants.

Source: European Commission, savings and investments union strategy, 19 March 2025, and financial literacy strategy, 30 September 2025 · Council of the European Union, overview of the savings and investments union, consulted July 2026 · Speech by the governor of De Nederlandsche Bank on the savings and investments union, February 2026

03 The vehicle: private markets in an ordinary account

The most interesting product of this decade in European wealth management has an unattractive name: the European long-term investment fund, ELTIF for short. It is a wrapper holding unlisted assets, such as infrastructure, private debt and stakes in companies, and it is the only fund type of its kind that may be sold to retail investors across the whole Union.

The first version, from regulation (EU) 2015/760, was a failure and it is instructive why. A retail investor had to put in at least ten thousand euro and could hold at most 10% of their portfolio in it, the list of permitted assets was narrow, and 70% had to sit in those assets. After eight years there were roughly a hundred funds in four countries, together worth a little over two billion euro. A product that may only be sold to those who do not need it does not sell.

The revision that applied from January 2024 scrapped the minimum investment and the portfolio limit, lowered the threshold to 55% permitted assets, widened the list and made possible funds that stay open continuously and allow exits at fixed moments. The technical standards followed in October 2024, and only then did the market start to move.

The figures, from the annual study by Scope Fund Analysis of 16 April 2026: assets under management went from roughly 20.5 billion euro at the end of 2024 to roughly 34 billion euro at the end of 2025, a rise of roughly 55%. At the end of 2025 there were 268 authorised funds from 129 managers, of which 113 were launched in that one year and 231 had actually raised capital. Fifty-six managers launched their first. For 2026 the sector expects roughly a hundred more.

Source: Regulation (EU) 2015/760 and its revision, applicable from January 2024, with the technical standards of October 2024 · Scope Fund Analysis, annual ELTIF study, 16 April 2026 · EFAMA and Arendt, updated questions and answers on the revised ELTIF regime, 2026

04 Who buys it, and what it costs

Now the uncomfortable part. The instrument was sold as the democratisation of private markets. The main customers so far are wealthy individuals, banks and insurers. Adoption by the broad public is, according to the sector federation itself, still at an early stage. That is not a failure, it is a normal order, but it is not the story being told.

The price explains part of it. The average management fee of funds accessible to retail investors came, according to Scope, to 1.92% a year, with private equity at the top on 2.17% on average. Set that beside a global index fund of a few basis points and the question asks itself: what does this fund have to do to make up that difference every year. There is a defensible answer, because these assets cannot be bought on an exchange and the diversification is real. But the answer has to be given, every year, and most sales documents do not give it.

> A fund that costs 1.92% a year has to explain every year what it does that an index fund of a few basis points does not.

The channel is the second surprise. In a Scope survey of market participants, with 2 October 2025 as the reference date, four in ten see online platforms as the most important distribution channel, with names like Trade Republic and Scalable Capital, ahead of wealth managers and private banks on 23% each. The fund type designed for the long term and for illiquid assets is therefore sold through the channels built for taps on a screen.

Those same respondents name as the biggest risk to the product not the returns but the selling itself: more than 60% point to the lack of advice and to the complexity. That is the sector looking at its own distribution model and saying it does not fit what is being sold. And it touches the most dangerous misunderstanding: semi-liquid does not mean liquid. A fund that allows exits at fixed moments is not a fund you can get out of when you want, because the underlying assets stay unsellable at the moment everyone wants to sell at once.

Source: Scope Fund Analysis, annual ELTIF study and market update, average management fees and survey with reference date 2 October 2025 · EFAMA, communication on the state of retail adoption, 2026

05 The plumbing: one day to put everything right

Under every investment product lies settlement, and that is the part nobody sees until it goes wrong. Today a European securities transaction is settled two working days after the trade. From 11 October 2027 that becomes one working day. The date sits in the amended regulation on central securities depositories, published in the Official Journal on 14 October 2025, and the United Kingdom, Switzerland and the countries of the European Economic Area switch on the same day.

The shortening itself is trivial. What sits underneath it is not. ESMA lays down in its proposals for the technical standards, published on 13 October 2025, that allocations and confirmations have to happen on the trade date itself, at the latest at 11 pm Central European Time, that settlement instructions have to be exchanged in machine-readable standardised form, and that functions such as hold and release, automatic partial settlement and automatic collateralisation become mandatory. The introduction is phased, from December 2026.

> T+1 is not one day faster. It is one day less to put human mistakes right.

Translated: the window in which a human repairs a mistake disappears. Everything that is today put right by a member of staff between the trade and the settlement has to be correct at the moment of the trade, or it fails and a penalty follows. The United States made this switch in 2024 and Europe has a harder starting point, with more depositories, more currencies and more counterparties in the same chain.

The calendar is known and underestimated by everyone. An industry committee has existed since January 2025, the handbook appeared on 3 February 2026, the test plan in March 2026, and the intention is that anyone not ready by the end of 2026 cannot meaningfully take part in the 2027 tests. For anyone building software for this chain that is not regulatory news but a sales window of eighteen months, after which the demand disappears because the date has passed.

Source: Amended regulation on central securities depositories, published in the Official Journal on 14 October 2025, applicable 11 October 2027 · ESMA, final report with proposals to amend the technical standards on settlement discipline, 13 October 2025 · T+1 industry committee, handbook 3 February 2026 and test plan March 2026

06 The data: who may see what you own

The second layer under a wealth product is the data about the customer. Since the payment services directive of 2015 a third party can, with consent, query your payment account. That is open banking, and it stayed limited to payment accounts. On 27 November 2025 the European Parliament and the Council reached a provisional political agreement on the successor, with a directive and a directly applicable regulation. The texts are expected in the Official Journal and, after a transitional period, application would fall in 2027.

The piece that counts for this sector is a separate regulation on access to financial data, which would extend open banking to savings, investments, pensions, credit and insurance. It was proposed in June 2023 and sits, on the date of this document, still in negotiation between the institutions, with a proposal that at one point stood on a list of possible withdrawals and was afterwards confirmed in the 2026 work programme. Whoever hangs their product planning on it is planning on a text that is still being written.

The reason this is nevertheless worth following lies in what it would solve. A European family typically has a pension building up with an employer, a life insurance policy, a savings account, a mortgage and perhaps an investment account, at four or five institutions that do not see each other's data. There is today no legal, standardised way to bring that picture together without the customer looking up documents themselves. Without that picture, every piece of advice is advice about a fragment.

The resistance is as instructive as the proposal. Six federations from the banking, insurance and fund sectors jointly asked for the text not to be finalised before a thorough impact analysis across the whole chain has been made. That is a normal lobbying position, and it is not unreasonable: the party that has to supply the data carries the cost and sees the benefit land with someone else. That is exactly the conflict every open data model has to solve, and it is the reason this has already taken three years.

Source: Provisional political agreement on the revision of the payment services rules, 27 November 2025 · European Commission, proposal for a regulation on access to financial data, COM(2023) 360, state of the negotiations in the first half of 2026 · Joint statement by AFME, EACB, EBF, EFAMA, ESBG and Insurance Europe, 9 December 2024

07 The adviser: what a supervisor expects of AI

Here sits the most common misunderstanding in the sector. Many companies assume that AI in investment advice falls under the artificial intelligence regulation and is therefore high risk. That is usually not correct. Annex III of that regulation names two cases under financial services: the assessment of the creditworthiness of natural persons, and risk assessment and pricing in life and health insurance. Investment advice is not in it, and according to the Commission's draft guidelines on that annex, shares and complex instruments fall expressly outside the creditworthiness point.

What does apply is MiFID II, and that is stricter than it sounds because it is technology-neutral. ESMA stated in a public statement of 30 May 2024 that a firm deploying AI in the provision of investment services to retail clients simply has to comply with MiFID II: the organisational requirements, the conduct of business rules and the obligation to act in the client's interest. The directive makes no distinction between a human and an algorithm. It looks at the service.

Two elements of that statement deserve attention. The first is that it also applies when staff use third-party AI without management knowing or approving it. The firm therefore has to have measures to control that use, and in practice that is a shadow question in every organisation where someone runs a report through a chat window. The second is the list of risks: bias in the data, opaque decision-making, and over-reliance on the model by both the firm and the client.

On 26 February 2026 ESMA published a supervisory briefing on algorithmic trading that carries the same line further. AI does not appear in MiFID II, but firms are expected to take the influence of AI on their trading algorithms into account in their annual self-assessment. The briefing is not binding and there is no comply or explain. It does describe what a supervisor will ask, and in practice that is the same thing.

Source: ESMA, public statement on the use of AI in the provision of investment services to retail clients, 30 May 2024 · ESMA, supervisory briefing on algorithmic trading under MiFID II, 26 February 2026 · Regulation (EU) 2024/1689, annex III, point 5, and the Commission's draft guidelines on classification, 2026

08 What it changes for companies in the sector

The first change is that product innovation in this sector follows regulation and not the other way round. The fund type that grew the market 55% in a year is not a new technology. It is the same asset class in a wrapper from which two sentences have been deleted. Whoever builds in wealth technology would do well to line their calendar up with the Official Journal, because that is where it says when a market opens.

The second change is that distribution is the bottleneck, not manufacturing. The sector says itself that the lack of advice and the complexity form the biggest risk to the product it has just launched, and at the same time it expects it to be sold through online platforms. There is a gap there between what is sold and what is understood, and that gap is the assignment: suitability assessment, explanation of illiquidity and expectation management, built into the flow and not into a document.

The third change is operational and has a date. Every party in the securities chain has to be ready by the end of 2026 to test for 11 October 2027. That means standardised instructions, same-day allocation, automatic partial settlement. For anyone supplying systems to this chain that is a market with an expiry date, and after October 2027 you are no longer selling a migration but maintenance.

The fourth change concerns liability. A model that helps answer a suitability question does not make the firm less responsible but more demonstrably responsible, because there is now a trail of what the system did. Firms deploying AI without a policy on which use is permitted already have the problem in house, because their staff are using it anyway in the meantime. Policy first, then the model, is not bureaucracy here but the cheapest order.

Source: Scope Fund Analysis, ELTIF study 16 April 2026 and survey on distribution channels, October 2025 · ESMA, statement on AI in investment services, 30 May 2024 · Amended regulation on central securities depositories, application 11 October 2027

09 What does not add up yet

Four things are systematically presented too prettily here. The first is the word democratisation. Thirty-four billion euro in this fund type, against ten trillion euro in savings accounts, is three thousandths. And the money that is in it comes, according to the sector federation itself, mainly from wealthy individuals, banks and insurers, precisely the group that reached private markets without this regime too. It is real growth of a real market. It is for the moment not democratisation.

The second is liquidity. A fund that stays continuously open is not a liquid fund; it is an illiquid fund with an exit window, and those windows are designed for normal conditions. What happens when many retail investors want to exit at the same time from assets that need months to sell has never been tested at scale in this segment. It is not that there are no instruments to absorb that. It is that the test has not happened yet, and that a product that has never been under pressure does not have a track record but a prospectus.

> The instrument that was supposed to democratise private markets is for the moment bought by those who already had access to them.

The third is the return. Reliable performance data on this fund type for retail investors will only become available in the coming years, because the funds that grew the market were launched in 2024 and 2025 and the underlying assets need years. Every statement today about what a retail investor earns from this is a statement about an expectation. The fee of 1.92% a year is meanwhile already certain.

The fourth is the assumption that the saver has a problem. Ten trillion euro on deposit is a problem for the European economy, and for the family that owns it it is a choice with a low return and a high certainty. Policy and the sector talk about it in terms of literacy and of barriers, which implies that the saver is mistaken. As long as nobody seriously examines whether the distrust is deserved, after two crises and decades of distribution costs, that stays an assumption. And it is the assumption on which the whole industry builds its growth forecast.

Source: Scope Fund Analysis, ELTIF study 16 April 2026, with the finding that reliable performance data will only become available in the coming years · EFAMA, communication on the state of retail adoption, 2026 · European Commission, savings and investments union strategy, 19 March 2025

About Venture Campus

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SOURCES

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