



Annual Report on Technology & Innovation in M&A

UNITED KINGDOM

Spotlight: AI Adoption, Sentiment &
Investment Intent

TRIVERS
SMITH

 **Gallagher**
Insurance | Risk Management | Consulting

UnityAdvisory

 **M&A OS**
Built for M&A

www.NextGenMandA.com

Welcome



“ Thanks for your interest in this report on Technology & Innovation in M&A, UK.

The findings on this report are based on the survey results from our most recent NextGen M&A event in London, where we gathered together a large room full of M&A investors, advisors, insurance professionals and M&A technologists to discuss how technology is changing the way that M&A gets done and what that means for the people doing it.

Similar foundational AI technologies are now in the hands of most advisors and investment teams alike. As a result, technology alone is now rarely the differentiator between one advisor and another or the investors and their advisors.

That is raising questions for all investors: what should teams look like, in size and in skills? What tools do they need? And what work should they still hand to their advisors, and when?

The results are clear: tech and AI adoption are rising, the scope given to advisors is narrowing, fees are under pressure, and the overwhelming majority expect to be using far more AI on their deals in a year's time.

This means that there is a recasting of who does what around the deal table — and, right alongside it, who carries the risk when something goes wrong.

That sounds like a new question, but it isn't. Bearing risk has always been the heart of M&A; what is changing is where it sits and who holds it.

Most of the attention lands on due diligence. Yet diligence has always been one of the most commoditised parts of the job — the review work that traditionally fell to the most junior people in the room. Machines can do that now, increasingly in the investors' own hands. That doesn't diminish advisors; it proves the point. The value was never in the review. It is in the judgment applied to what the review turns up, and the survey bears that out.

And when something does go wrong, what role does insurance play today and how does that change when AI undertakes increasing parts of the work in the M&A process? Can deals still be insured in the same way? Are investors still covered by their D&O and E&O insurance if they make a bad investment decision based on AI inputs? What about the advisors who are being pressured to automate more of their work?

These are all live questions that will shape technology adoption in the M&A industry. The tools are here, and more are coming. Behaviour is changing, and it is only going to accelerate. And this is what we are seeking to track as part of our NextGen research and events series and we're thankful for your interest. ”

Rob Cant — Co-founder & CEO, SingleSource Technologies and NextGen M&A



Build your M&A machine. Less grunt work. Move faster. Lower cost.

About this report

NextGen M&A exists to track one thing: how technology is changing the way M&A gets done, and what that means for the people doing it. The data in this report comes from the live, interactive pulse check run during NextGen M&A, London 2026, an invitation-only session that brought together deal teams, advisors, M&A insurance professionals and technologists.

The questions were deliberately practical. They were built to surface where firms actually sit on AI today, what is pushing them forward, what is holding them back, and how the operating model is expected to shift. Treat it as a signal from the attendees, not a market survey.

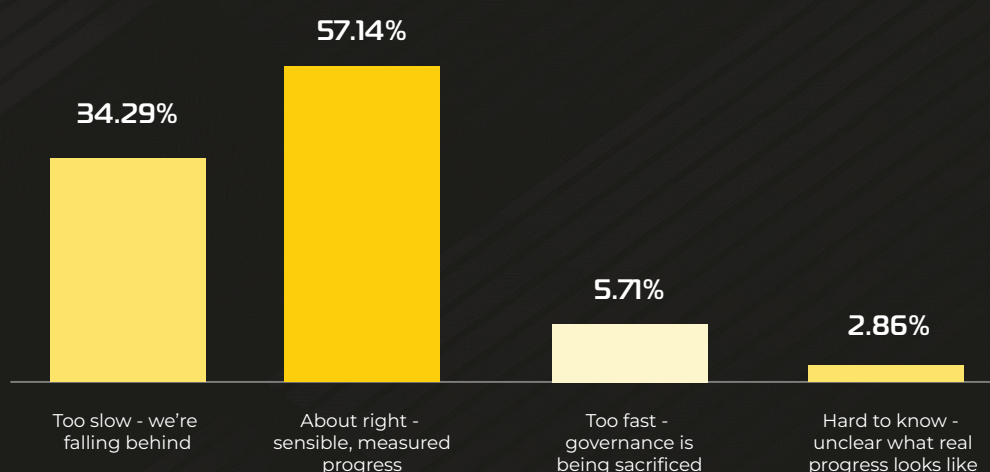
This report will be updated periodically to reflect additional feedback collected from the market outside the live events (survey available at www.NextGenMandA.com/surveys/UK).

I. Where we are today

Two questions set the baseline. The first asks how fast respondents feel they are moving, and the second asks how far they have actually got. Read together, they describe a cohort that is busy but not yet built. It is confident in its caution, individual in its use, and quietly worried that activity is being mistaken for capability.

EXHIBIT 1 OF 8

Most are comfortable with their pace, but a sizeable minority worry they have already fallen behind.

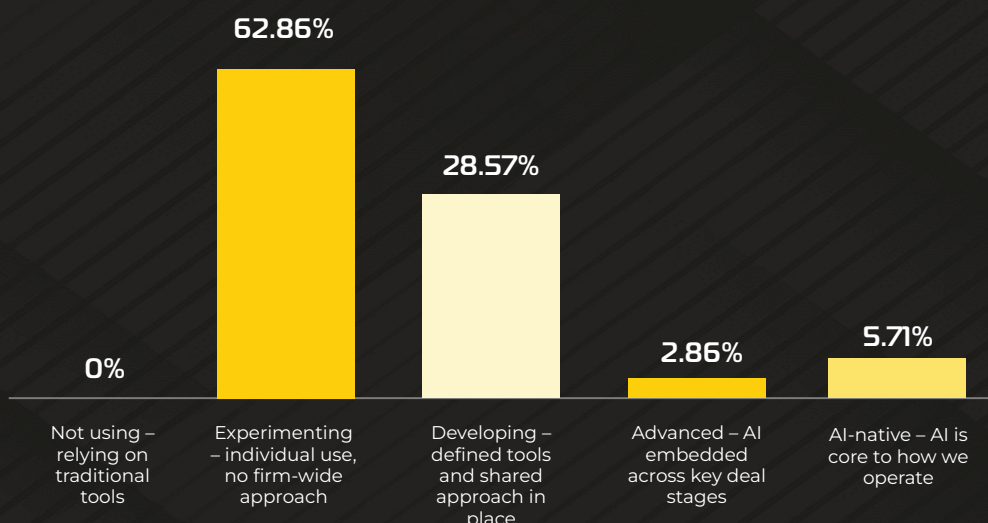


Question: "How would you describe the pace of AI adoption within your own organisation?"

A solid majority, 57.14%, called their pace about right, framing it as steady, deliberate progress. A little over a third, 34.29%, took the opposite view, saying they are too slow and losing ground. Just 5.71% felt governance was being outrun by speed, and only 2.86% could not tell where they stood. Recklessness is barely on the radar: under one in sixteen think pace is compromising governance.

EXHIBIT 2 OF 8

A majority are experimenting, none are sitting out, and a handful have already pulled ahead.



Question: "Which best describes your firm's current use of AI for deal work?"

Close to two-thirds, 62.86%, placed their firm in the experimenting camp: people using AI on their own initiative, with nothing agreed firm-wide. Another 28.57% have begun to formalise it, with shared tools and an agreed approach. Tellingly, no one reported not using AI at all; 2.86% described themselves as advanced and 5.71% as fully AI-native.

Most of the activity is personal and improvised: capable people picking up tools deal by deal rather than tapping a capability the firm actually owns. The distance between the experimenting group (62.86%) and the developing group (28.57%), more than thirty points, is the number that matters most here. With nobody opting out, the question is no longer whether to use AI but how to, with the 5.71% who are already AI native leading the charge.

“

Almost everyone is using AI now; almost no one has institutionalised it. That gap is the opportunity. The real prize isn't doing the same work faster — it's building the process underneath it: how risks are assessed, how decisions and their reasoning are captured, and how the knowledge from past deals carries into the next one. Turn individual habit into institutional method, and the firm gets smarter with every deal rather than starting each from scratch.

”

-Katya Pimonova

Head of Legal, SingleSource Technologies

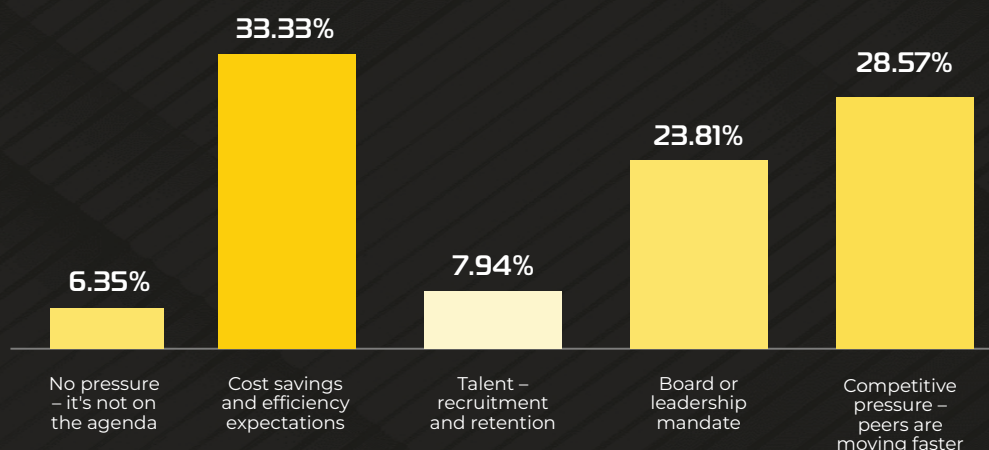


II. What is driving adoption, and what is holding it back

If Section I describes where firms are, this section explains why. Three questions trace the forces at work, covering what is pushing firms to adopt, what is stopping them, and what frustrates them when they do. The push comes from outside, the brakes are about trust, and the frustrations are the practical edges of tools that are useful but not yet dependable.

EXHIBIT 3 OF 8

Adoption pressure is coming from budgets and rivals, not from the deal teams.



Question: "What's driving AI adoption pressure at your firm?"

The loudest driver was cost and efficiency, named in 33.33% of selections, with competitive pressure from faster-moving peers close behind at 28.57% and a board or leadership mandate at 23.81%. Talent concerns (7.94%) and "no pressure at all" (6.35%) barely registered.

The three front-runners (cost, rivalry and the boardroom) all sit between roughly a quarter and a third of selections, and every one of them originates above or outside the deal team. Pressure of that kind tends to generate visible motion (pilots, licences, announcements) well before it generates a settled way of working, which is much of why so much of the current activity is still experimentation rather than settled method.



Cost and efficiency are driving adoption, but I'd be wary of reading that as simply cheaper engagements. The expectation bar is shifting: clients will expect deeper analysis, faster, with the adviser's time spent on the decision rather than the data-crunching. The whole point of advice is to help a client make a better decision – and if that still takes eight weeks, that's fine. The best adviser is still the person you want in the room when the decision is made. Technology should sharpen that role, not hollow it out.

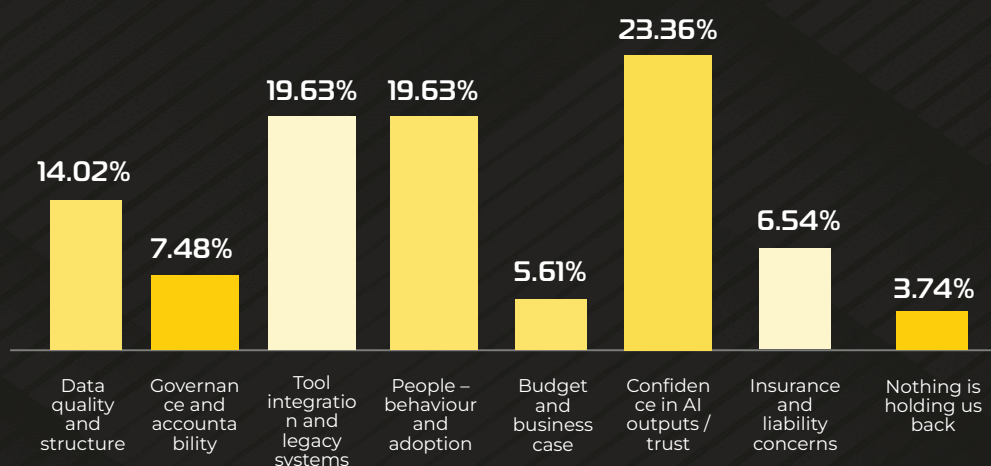


- Richard Rollinshaw
Partner, Unity Advisory



EXHIBIT 4 OF 8

What holds firms back is trust and the practical work of adoption, not budgets or governance.



Question: "What, if anything, is holding back AI adoption on your deal work?"

Trust in AI's output was the single biggest obstacle at 23.36%. Behind it, two hands-on problems tied at 19.63% apiece: wiring tools into legacy systems, and shifting how people actually behave. Data quality followed at 14.02%, then governance and accountability (7.48%), insurance and liability (6.54%) and the business case (5.61%); only 3.74% saw no obstacle at all.

With budget near the bottom, this is plainly not a money problem. Nor, in contrast to what one might expect, is it chiefly a governance one, since accountability sits low on the list. The drag is trust on one side and the grind of adoption on the other: can the output be believed, and can it be threaded into existing systems and habits. Taken together, trust, integration and behaviour make up better than three-fifths of the friction.



From an insurance seat, the optimal outcome is AI-empowered human impact – not AI on its own. That's exactly why trust, not budget, is the brake. The questions underwriters now ask when renewing a firm's professional liability cover are getting specific: what is AI being used for, which tools, what training, what policy, who reviews the output. Firms that can show real controls around AI-assisted work will be the ones the market can get comfortable with. The technology doesn't remove the need for human judgment – it raises the premium on being able to evidence it.



- Alistair Lester

CEO, Private Equity and M&A EMEA, Gallagher



“

Trust in the output being the biggest brake matches exactly what we see. A large language model is superb at pulling issues out of a data room, but it almost always inflates materiality – it will hand you thirty points to seek an indemnity on, and take every one of those and you may well lose the deal. Part of a lawyer's job now is explaining why a judgment call was made: why a 30-page SPA refined over decades focuses on what actually matters, rather than everything the model can surface. That judgment is the work; the extraction was never the hard part.

”

- Grace Kelly

Legal Transformation Specialist,
Travers Smith LLP



“

AI does extraordinary things with extractive intelligence – point it at reams of data and it organises them well enough to rely on. What it cannot yet do is tell you what is truly material in the context of this deal, this market, this client. It raises the immaterial to material far more readily than the reverse. So you still need a human to stand behind the work and take responsibility for it. No one can deliver a piece of work and say 'the model told me so' – and no client should accept a deliverable on that basis unless that is precisely, and explicitly, what they paid for.

”

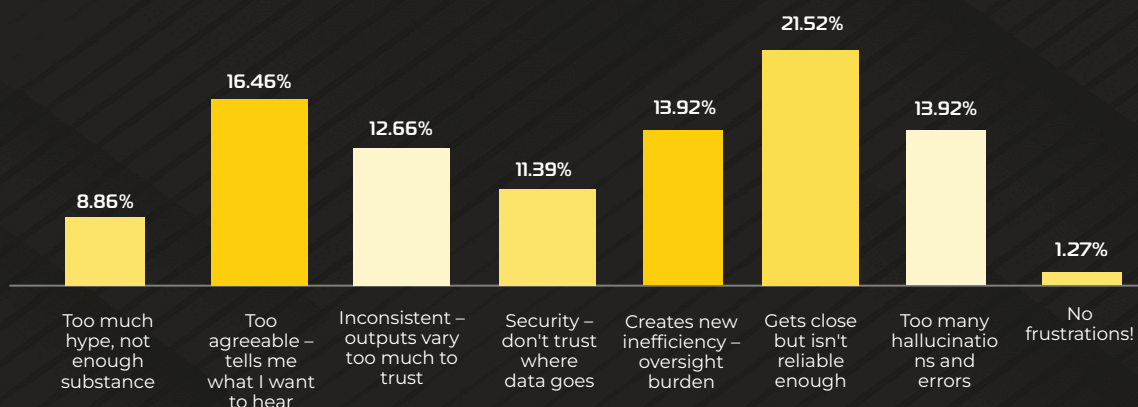
- Dan McNamee

Senior Consultant, Travers Smith LLP



EXHIBIT 5 OF 8

The tools are good enough to rely on, but not yet good enough to leave unwatched.



Question: "What are your biggest frustrations (if any) with AI tools today?"

Topping the complaints, at 21.52%, was the sense that AI gets close but isn't dependable enough. A tendency to be too agreeable came next at 16.46%, then a cluster in the low teens: added oversight work and outright errors (13.92% each), inconsistency (12.66%) and unease about where data ends up (11.39%). Only 8.86% dismissed it as hype, and a mere 1.27% had no gripes at all.

These are working complaints, not sceptical ones; they come from people far enough into the tools to have hit the limits, which is why almost no one writes AI off as empty hype. The standout is reliability: useful enough to lean on, not yet steady enough to trust without someone checking the work.



The most interesting question over the next few years is risk allocation. You can see a world of graduated DD products – from a quick, AI-driven red-flag report a client runs themselves, to a full report a firm stands behind every word of – each priced differently, and some backed by insurance rather than a PI claim. The constant underneath all of it is the same: someone has to hold the bag when an issue is missed. The technology changes who does the processing; it doesn't change the need for someone accountable for the answer.



- Jeremy Dennison

Partner, Private Equity and Financial Sponsors,
Travers Smith LLP



“

The right tools compress the time to insight dramatically – you can go back further, run more scenarios, examine far more than the old 'three years plus one' with a fraction of the effort. But there are no prizes for doing it quickly and getting it less well done. The discipline is keeping a foot on the accelerator and the brake at the same time: can you still spot the hallucination, have you built the review and the audit trail, could you reconstruct how that piece of advice was reached. Speed is the gain; judgment is what keeps it safe.

”

- **Richard Rollinshaw**
Partner, Unity Advisory



III. How the operating model shifts

The last three questions look forward. They ask whether AI will play a bigger role on the respondents' deals 12 months from now, how that reshapes the advisor relationship, and which parts of today's process will look most out of place when looking back on today's practices in five years' time.

EXHIBIT 6 OF 8

The destination is agreed; only the speed of arrival is in doubt.

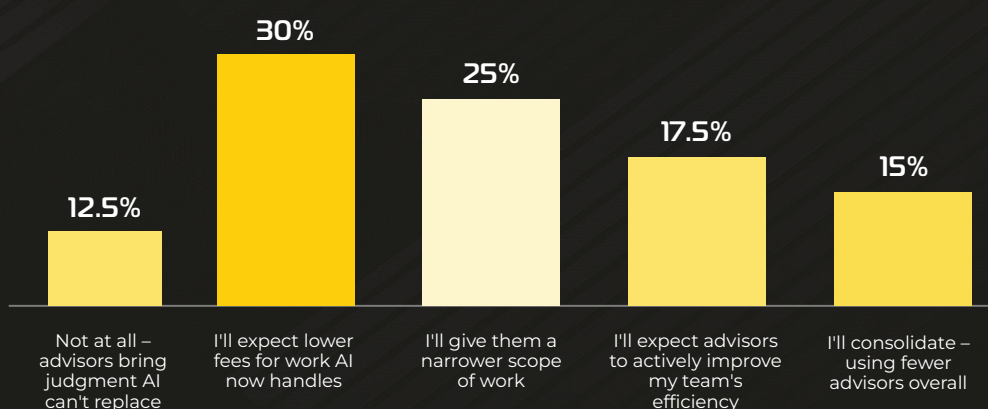


Question: "Do you think AI will play a bigger role on your deals 12 months from now?"

Asked whether AI would play a bigger role on their deals a year from now (nought meaning less, five meaning near AI-native), respondents landed at an average of 3.8. That is squarely in "more, please" territory, tilted well toward the AI-native end without quite reaching it. Against a present where only 5.71% are AI-native, a 3.8 implies a brisk twelve-month climb from scattered experimentation toward a shared, settled way of working.

EXHIBIT 7 OF 8

The advisor relationship is being re-priced and re-scoped, not retired.



Question: "How do you expect AI adoption to change your relationship with external advisors (if at all)?"

The front-runner, at 30%, was an expectation of lower fees for work AI now absorbs. A narrower remit followed at 25%, then a demand that advisors actively sharpen the client's own team (17.5%) and a move to fewer advisors overall (15%). Only 12.5% expected no change, holding that advisors supply judgement AI cannot. All told, seven in eight anticipate some shift.

Read together, the headline suggests: lower fees and a tighter remit say the same thing (clients intend to pay less and hand over less), and once consolidation is added, three of the five options are about taking work or fees off the table. Routine, AI-doable tasks will be pressed on both price and scope, while judgement, accountability and the knack of making a client's team quicker are what still command a fee. The one in eight betting nothing changes seem to be banking on exactly that premium.

“

There's a live tension we're already navigating. We had a client who could have cut their legal diligence fees significantly by leaning on AI – and chose not to, purely because they were worried about what it would mean for their ability to get W&I cover. That tells you the insurance market has to move at the same speed as the rest of the market. If it doesn't, clients end up paying for work they may not need, simply because the cover demands it. Getting that calibration right is what lets AI-assisted diligence actually reduce cost and risk together.

”

- Alistair Lester

CEO, Private Equity and M&A EMEA, Gallagher



EXHIBIT 8 OF 8

The work people will look back on as out of place is document-heavy, repetitive and thankless.



Question: "Which part of your current M&A process will you look back on in five years and say: 'I can't believe we were doing it that way'?"

Pressed on which of today's habits will look most out of place in five years, respondents converged on completion checklists, due diligence, contract review, static report output and NDAs, with document creation, VDR review, long-form reports, email drafting, meeting scheduling and a long tail of manual chores (data entry, copy-and-paste, proofreading, formatting, synergy calculations) close behind. The disruption they foresee lands squarely on the slow, manual, checklist-driven tasks nobody enjoys.

That "static report output" ranks so high points forward as much as back: the grievance is not only the labour of producing reports but the fixed, lifeless format itself. Set beside what is driving adoption and what frustrates users day to day, it suggests that respondents expect AI to shoulder the mechanical weight of diligence, checklists and reporting, while judgement, trust and accountability stay in human hands.

IV. Reading the results: what to do about it

Put the eight questions together and one picture emerges. This is a cohort that has decided AI matters, is already using it individually, and expects to use far more of it within the year. It has not yet built the firm-wide method, the trust, or the accountability framework needed to move from personal productivity to institutional capability. The pressure to move is external and top-down (Exhibit 3), the friction is about confidence and control (Exhibit 4), the disruption is aimed at document-heavy diligence and reporting (Exhibit 8), and the advisor relationship is being quietly repriced around judgment rather than processing (Exhibit 7). The sections below set out what that means for each part of the ecosystem.

FOR DEAL TEAMS

- Invest in method, not only tools. The decisive gap is the one between experimenting (62.86%) and developing (28.57%). Take two document-heavy workflows (diligence, completion checklists and reporting are the obvious picks) and lock down how AI is used in each: which tool, at which step and workout how the output can be duly verified.
- Fix the wiring and the people, not just the model. Integration with legacy systems and behaviour change are now the joint-second brake. Invest in solving for the dull but decisive work of connecting tools and bringing people with you, because that is where adoption is stalling.
- Write the accountability down. Trust in output is the largest single brake, so name, on paper, who reviews and signs off AI-assisted work before it leaves the building, and bake that step into the deal process rather than leaving it to chance.
- Get your deal data in order now. Continuous, connected diligence is on the way. Firms that structure and label their data today will simply plug in the next wave of tools; those that do not will fall behind.

FOR ADVISORS

- *Climb the value chain before your work is re-priced under you. Seven in eight clients expect some change, and the two loudest asks are lower fees and a narrower remit.*
- *Turn up with the tools, not just the answers. Clients increasingly expect advisors to make their own teams quicker; efficiency is becoming part of the brief rather than a threat to it, and the advisors who bring the technology will hold the relationship.*
- *Charge openly for judgement. The one in eight who say nothing changes are paying for judgement and accountability; make that the heart of the offer and price it apart from the processing work AI now swallows, because that group is shrinking.*
- *Take ownership of the trust layer. Independent review, assurance and sign-off on AI-assisted work is something clients will need more of, and an advisor willing to stand behind an AI-assisted output is selling something AI cannot.*

FOR INSURERS

- *Give firms the cover to act on AI output with confidence. The market wants products and terms that settle who carries the risk when a team relies on AI-assisted diligence and work products; handled well, these are the very risks that let firms move quicker with less hesitation.*
- *Help set the bar for sensible AI use. Risk only becomes underwritable once there is a standard of care; helping the market define what good, defensible use looks like is both a service to clients and a lasting edge for the insurers who set it.*

V. Where this goes next

The strongest signal in the data is one of direction. Today nobody is standing still and only a slim vanguard is AI-native, while the bulk are still experimenting. A year out, respondents expect to have moved a long way toward embedded, shared use; the twelve-month question averaged 3.8 out of 5. The endpoint is not in question; the variable is pace, and on this evidence pace will turn on method and integration rather than on tooling.

The likeliest path is the experimenting majority sliding into the developing tier over the coming year, as firms harden individual habits into agreed tools, shared approaches and written review steps.

Confidence in output, and accountability for acting on it, is the exact point where governance, advisors and insurance meet. The next twelve months will hinge less on what AI can do, which is already agreed, than on who is willing to stand behind the output once a firm acts on it. Whoever settles that question first, and settles it well, will set the terms for the rest.

“

The finding that matters most is that the tools are good enough to rely on, but not good enough to leave unwatched. That gap is exactly where transactional risk insurance lives. As AI takes on the mechanical weight of diligence, the real question isn't how fast the work gets done, it becomes who stands behind the output once a deal team acts on it. That accountability layer is where W&I has always sat, and it's where the market will do its most important work over the coming months.

”

- **Stuart Bristow**

Associate Director M&A, Gallagher



Join Us At Our Next Event,
Browse Through Our
Upcoming Events Here

SiSo Diligence

The next generation due diligence reporting
and transaction execution platform.

