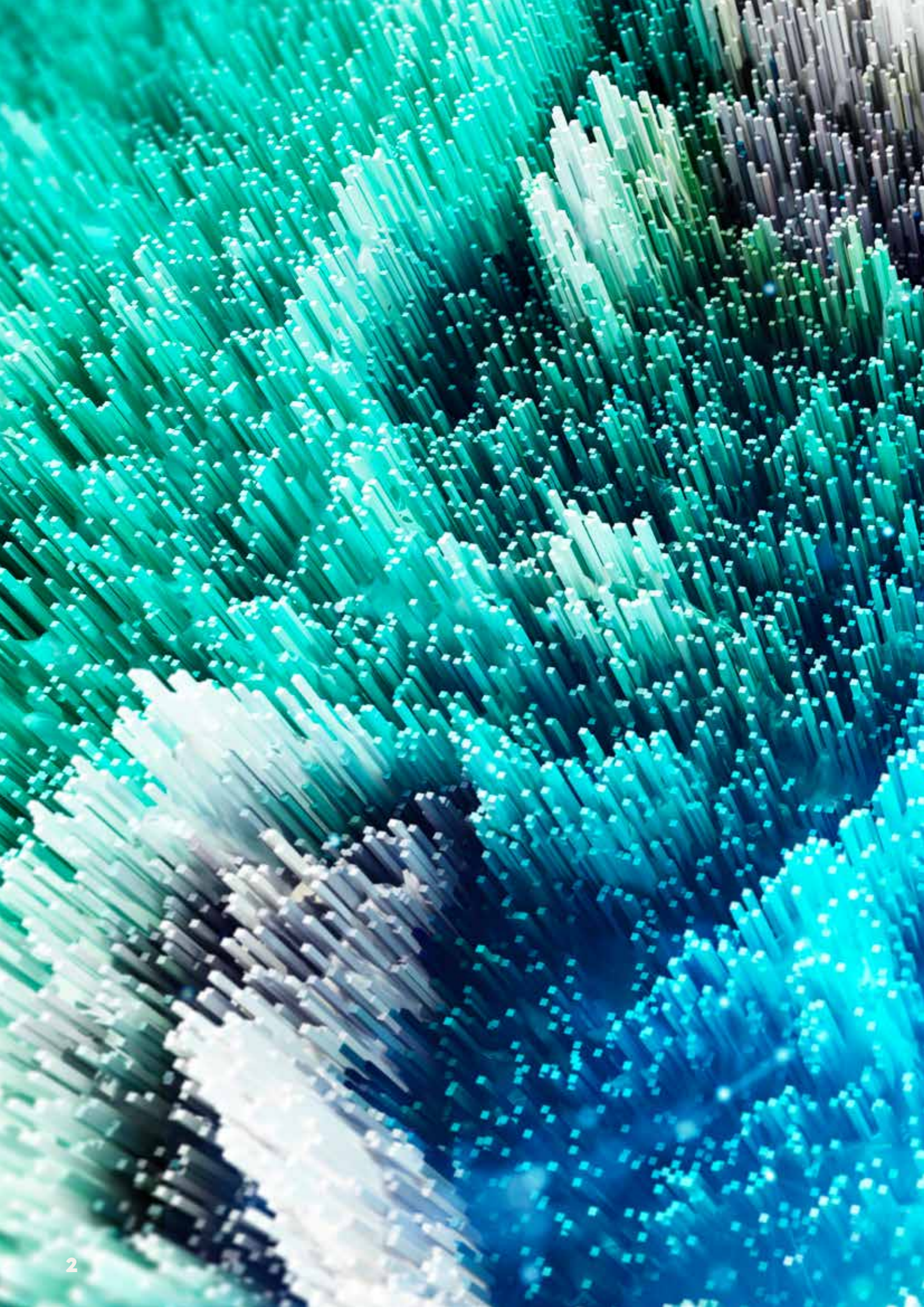


# Key insights on the use of consumer-facing AI in global financial services









Artificial intelligence (AI) and machine learning (ML) technologies hold transformative potential for consumer-facing financial services, promising to enhance consumers' financial lives and making financial markets more efficient, accessible, and tailored for consumer needs.

This report outlines key insights on consumer-facing AI and its implications for global financial innovation, based on the Global Financial Innovation Network (GFIN) AI Project, co-led by the UK Financial Conduct Authority (FCA) and the Dubai Financial Services Authority (DFSA).

Throughout 2024, the GFIN AI Project explored consumer-facing applications of AI in financial services across global markets, focusing on use cases such as robo-advice, personalised finance, and the provision of consumer education and information. GFIN members and affiliates shared their experiences in supporting the safe and beneficial adoption of AI in financial services, as well as sharing examples of regulatory approaches taken. Participants also examined and discussed the regulatory challenges and strategies to support the responsible AI use in financial services.

Discussions highlighted the international commitment to collaborating and

fostering innovation in financial services, while protecting consumers and other users of financial services, and maintaining competitiveness and growth.

Through case studies and shared approaches, the report underscores the collective effort being undertaken to balance innovation with consumer protection. The GFIN AI Project is a prime example of the role of international collaboration and knowledge in enhancing global financial innovation.

This report provides a summary of these discussions, but does not represent any regulatory guidance or policy positions by any regulators or international organisations.

*“AI is unlocking unprecedented opportunities for consumers in the financial markets, from tailored robo-advisory services to personalised financial strategies that help individuals achieve their goals. While the benefits of increased access, improved decision-making, and enhanced financial literacy are clear, it is crucial to understand the risks and apply appropriate strategies to mitigate these. Consumers should be equipped with the necessary knowledge and safeguards to navigate this evolving landscape responsibly.*

*By working closely with international regulators, through the GFIN network, we can collaborate and share insights to ensure these innovations are introduced safely and with the necessary protections to foster trust across global markets.”*

**Colin Payne,**  
Head of Innovation, FCA, GFIN Chair



*“As the regulator of the Dubai International Financial Centre (DIFC), we wish to ensure that innovation in AI is harnessed responsibly, balancing progress with appropriate safeguards. We remain committed to supporting responsible AI development, adoption, and governance that fosters trust, transparency, and ethical standards – ensuring that AI contributes positively to financial services markets.*”

*We are proud to present this pioneering GFIN report. Together, we have uncovered critical insights into the consumer-facing applications of AI that enable faster decision-making, increased efficiency, and offer more personalised customer experiences. However, with these opportunities come challenges, particularly in the areas of data privacy, risk management, regulatory compliance, and ethical considerations. We will continue to work with governments and international bodies to ensure that AI’s integration into the market is beneficial, secure, and sustainable.”*

**Ian Johnston,**  
Chief Executive, DFSA





# Contents



<b>Executive summary</b>	<b>03</b>
<b>01. Introduction</b>	<b>08</b>
<b>02. Consumer-facing AI in financial services: potential use cases</b>	<b>10</b>
2.1 Robo-advice	10
2.2 Personalised finance	12
2.3 Consumer education and information	14
<b>03. International approaches to AI</b>	<b>16</b>
3.1 Horizon scanning and exploratory work	18
3.2 Cross-organisational initiatives	18
3.3 AI in capital markets	18
3.4 International approaches in practice	19
<b>04. Overall reflections</b>	<b>24</b>

## Introduction

Artificial intelligence (AI), including machine learning (ML), is a rapidly developing technology that has the potential to transform financial services. Recent developments have the potential to make financial services and markets more efficient, accessible, and tailored to consumer needs, bringing important benefits to consumers, financial services firms, financial markets, and the wider economy.

However, AI introduces new challenges, and has the potential to increase risks to consumers. The question of how regulators, and standard setters, are approaching regulation in this area, is the subject of wide-ranging discussions, with efforts to ensure that any regulation adopted is in the best interests of consumers, firms and markets.



# 01

The GFIN consists of over 90 international regulators and organisations committed to supporting financial innovation in the interests of consumers. It seeks to provide a more efficient way for innovative firms to interact with regulators, helping them to navigate between countries as they look to scale new ideas.

Co-led by the FCA and the DFSA, the GFIN AI Project was created to explore consumer-facing use cases of AI in financial services internationally, gather information about existing and anticipated use cases, and look at regulatory and international organisations' approaches to AI.

Throughout July and October 2024, the GFIN AI Project convened a series of engagements in the form of international roundtables and bilateral discussions. The roundtables were conducted under Chatham House Rules<sup>1</sup> and benefited from a wide range of GFIN members and affiliates, including regulators, central banks, and international organisations contributing to the discussions.

In July 2024, the FCA hosted a roundtable exploring live and potential use cases of consumer-facing AI in financial services, with a focus on robo-advice, personalised finance, and consumer information and education. The roundtable was attended by 29 GFIN members and affiliates.

In October 2024, the DFSA hosted a second roundtable focusing on international approaches to consumer-facing AI, including presentations from GFIN members and affiliates on initiatives they were undertaking, and the opportunities and challenges that could stem from the use of AI in financial services. This roundtable was attended by 32 GFIN members and affiliates.

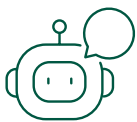
This report provides a summary of these discussions, highlighting the international community's ever-growing interest in collaboration and knowledge sharing on financial innovation and technologies such as AI and ML. It also aims to include practical examples and approaches to consumer-facing AI by some of our members and affiliates.

1. Participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.

# Consumer-facing AI in financial services: potential use cases

There are various use cases for AI in financial services which have the potential to bring benefits to consumers, firms, and markets for example, by using ML, deep learning, natural language processing, genetic algorithms, and speech recognition versions of AI. However, they do not come without risks. Some of these risks are amplified using AI, while others, such as ‘hallucinations’ (an AI-generated response presenting misleading or false information as fact), are novel and require regulators to have a clear understanding of their nature and impact, to address them.

This GFIN initiative focused on three key consumer-facing AI use cases which are likely to have a large impact on consumers and retail markets, namely:



**Robo-advice**



**Personalised finance**



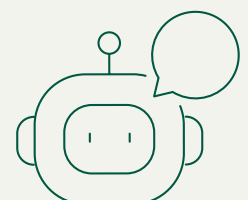
**Consumer education and information**

## 2.1 Robo-advice<sup>2</sup>


### *Potential for the use of AI in the provision of robo-advice*

Robo-advice is not new to financial services, but when coupled with new advancements in AI technology, robo-advice has the potential to provide cost-efficient financial advice to consumers, on a 24/7 basis, leveraging consumer data and ML algorithms to offer tailored recommendations.

Discussions highlighted the likelihood that investment may increase in this segment in the coming years, speeding up development of new financial products and services. With advancement of technology and algorithms, there is potential for robo-advice to operate in other areas of financial advice, e.g. in investments and financial management — providing recommendations to individuals.








Participants highlighted the advantages that robo-advice could present to the financial advice market, which include cost-effective and efficient services, simplified access, and 24/7 availability. There is consensus on the regulatory considerations required, including the need to clarify how robo-advisors make decisions and the process for assessing client suitability, as well as the provision of information to consumers.

Further, participants agreed considerations should include looking at risk disclosures, technology risks, and data privacy. Additionally, it is important to note the potential applicability of existing rules and regulations, and identify any regulatory barriers that may arise.

It was also noted that robo-advisors, when paired with adequate human oversight, could be more resilient to market volatility.

This is particularly true when systems and processes have the appropriate level of supervision, allowing humans to intervene during periods of volatility or sudden market spikes. Additionally, some international regulators highlighted that various jurisdictions are conducting tests on the role of human involvement in robo-advisory services.

Participants also agreed that it is possible for AI in robo-advice to support financial inclusion globally, catering to remote communities, lower income populations, and other underserved groups. Additionally, AI could play an important role in increasing accessibility — for example, providing products and services in local languages, improving financial information and education, creating a financial footprint, and improving financial health for the ‘unbanked’ and those with little to no financial interactions.



### ***Risks of AI in robo-advice***

It was noted that a focus would be needed on safety of consumer data and the needs of vulnerable individuals (e.g. consumers with poor health, experiencing a negative life event, or with low financial resilience, knowledge, skills, confidence, and access to resources needed to make informed and effective financial decisions). Consideration should also be given to human involvement in decision-making processes known as ‘human in the loop’, redress processes (compensation), ethics, and bias, as well as language, user interface, experience, and AI providing misleading information.

Other notable factors include the potential risk of hallucinations and ensuring that are appropriate safeguards when it comes to keeping a ‘human in the loop’<sup>3</sup>. Participants noted that thought could be given to whether standards may be needed for the role of humans in robo-advice to ensure accuracy between human/robo interaction, and how the decision was made. Participants also suggested potential collaboration on voice analysis and integrated language models in financial inclusion.

Regarding robo-advice and using AI to interact with consumers, participants discussed the risks stemming from the adoption of emotion AI, a subset of AI designed to recognise/interpret human emotions to make machines more responsive to behavioural risks. Risks such as bias and interpretation of cultural differences were also raised, having the potential to result in negative consumer outcomes. Participants discussed the use of emotion AI by firms, to understand the consumers’ emotional state of mind

during financial consultations by detecting emotional cues through voice and text. This has the potential, if developed in a safe way, to further advance robo-advice and provide more tailored and effective financial advice to consumers.

Finally, ethical AI was highlighted by participants as one of the most significant aspects of understanding AI in robo-advice services. More specifically, the need to navigate domestic and international ethics frameworks, as well as collaboration between ethics organisations, was highlighted. Participants highlighted research from the University of Melbourne that explored the ethics of AI robo-advice<sup>4</sup>.

## **2.2 Personalised finance**

### ***Opportunities and risks of AI in personalised finance***

AI technology, when used alongside financial services data, has the potential to bring new and more tailored products and services to consumers. For example, open finance<sup>5</sup> and smart data services can provide consumers with a consolidated view of their finances. Whilst participants highlighted the potential for this use case to improve financial health and inclusion, conduct considerations on responsible adoption were also highlighted, including the need for governance, accountability, and awareness of risks such as cybersecurity. Further, they highlighted the need for accountability to create safety barriers, and the need to have human oversight involved in the process.

Participants highlighted the importance of encouraging, rather than stifling innovation, and the need for regulators to understand potential trade-offs, as





well as the difference between empathy towards consumers and manipulation — some regulators are also aware of, and understand, the concept of ‘AI washing’. ‘AI washing’ occurs when products are marketed as AI products, but AI is not a core component and used as a buzzword to attract visibility to consumers.

### ***The current state of AI in personalised finance***

Participants further emphasised that personalisation is already happening in open finance. As such, any regulatory approaches would need to consider existing risks in personalised products and services and where those are increased/decreased by AI. New risks, such as hallucinations<sup>6</sup>, would also need to be considered.

In terms of how AI is deployed in existing financial services, some participants adopt a technological neutrality approach, but have considered how they can provide helpful guidance and clarity, whilst not stifling innovation.

Personalisation is likely to apply to a range of financial services sectors, due to increased data sharing and developments in open finance. Participants are seeing glimpses of personalised services across a range of areas, including banking, insurance, and credit. Some of them highlighted that they are reviewing whether they need to adapt existing regulatory requirements to ensure they don’t discourage innovation, whilst protecting consumers. They noted that outcomes-based regimes can be effective in adapting with changes in the external environment.

6. Usually associated with Generative AI (GenAI) models

## 2.3 Consumer education and information

### *Use of AI in consumer education and information*

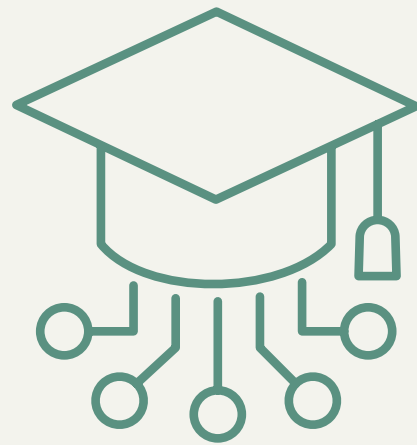
There was a consensus by participants about the potential benefits for AI to help generate easily digestible information that is comprehensible to those with limited financial knowledge and understanding, whilst improving financial education and access to products and services. Some current AI trends in consumer education and information include the use of AI to simplify information, such as terms and conditions, where AI has the potential to make them easier to read (e.g. through replacing complex jargon with more easily understood language).

Conversely, participants emphasised the potential risks of using AI to simplify such information, including bias, misleading information, compliance with rules, or providing insufficient information to consumers.

On education, some initiatives that participants noted included working with the industry (firms and trade bodies) to create educational materials for consumers, covering different levels of understanding and different sectors within financial services — e.g. bite-sized videos and trainings, with some followed by quizzes to test consumers' understanding of AI financial services and related topics.

Measuring consumer understanding was raised by participants, as well as whether a framework would be needed to determine different levels of understanding according to complexity and pain points. This included specific educational materials that are aimed at different parts of society, e.g. according to age, ethnicity, religion and more, all aimed at driving financial education and understanding, and ultimately financial inclusion.





# International approaches to AI

Regulators, central banks, and organisations around the world are increasingly focusing on AI in financial services, in some shape or form. Whilst most are already undertaking work on exploring the use of AI in wholesale markets, regulators are increasingly exploring retail markets where AI is used in consumer-facing products and services.

Some GFIN members and affiliates are adopting an approach based on market scanning and analysis, aimed at understanding already live consumer-facing use cases and those under development in their jurisdictions. Others are utilising research methods such as surveys or interviews with the industry to understand the enablers and blockers of developing such solutions and how regulators can best help create an environment for them to be developed and deployed in a safe way.

Others reported they were doing research on AI-related risks such as bias, accountability, shadow AI<sup>7</sup>, consumer protection, redress and liability, data

collection, and manipulation. More specifically, they noted the need to look at whether current regulation sufficiently mitigates these risks, and whether new regulations, or changes to existing rules, are needed. Importantly, they acknowledged the need to explore how regulatory frameworks could interact with the opportunities arising from AI and the need to ensure regulation does not stifle innovation. These discussions have paved the way for further cross-border collaboration between GFIN members and affiliates. Some ideas suggested included a potential global AI sandbox or micro collaborations and short-term partnerships to facilitate further alignment and test global interoperability.

03





### 3.1 Horizon scanning and exploratory work

One way in which regulators, central banks, and international organisations are approaching consumer-facing AI in financial services is by undertaking horizon scanning and research. Horizon scanning involves identifying emerging trends, risks, and opportunities that may impact the sector in the future, enabling effective oversight, policy and regulatory considerations. Given the limited adoption of consumer-facing AI in some international markets, authorities and organisations have benefited from evidence and information gathering on the use of AI, as well as potential risks and opportunities, the impact on consumers, their evolving needs, and the changes in markets when considering regulatory and policy approaches.

Recent research has explored the role of AI and ML in financial services, looking at where AI is used in a consumer-facing and front-end capacity, versus back-end and internal, operational settings.

### 3.2 Cross-organisational initiatives

One example of an initiative to encourage responsible AI adoption in financial services whilst mitigating its risks, is the use of cross-organisational approaches, such as collaborations between national regulators, authorities, or central banks. Efforts by international members have included defining AI taxonomies and standards within individual authorities, with the goal of establishing a transparent framework and fostering clear communication between agencies. Such initiatives also include cross-sectoral analysis of the risks associated with the use of AI in financial services in areas like credit, insurance, and investment.

Cross-organisational initiatives emphasise the importance of information sharing between agencies, and stress the need for explainability and transparency to address

consumer concerns about AI usage. Regulators are placing greater emphasis on the information that firms provide to consumers regarding AI, specifically focusing on how AI is integrated into the consumer journey and within individual financial products.

Recognising that excessive transparency requirements could create barriers for innovators and adoption, international regulators have considered distinguishing between levels of explainability requirements, with the aim of fostering responsible and beneficial innovation and more consumer choice.

### 3.3 AI in capital markets

Some regulators are developing comprehensive frameworks to guide its responsible use in capital markets. This involves close collaboration with industry stakeholders, including technology providers, financial institutions, and academic researchers. Some seek to address potential risks such as market manipulation, data privacy breaches, and algorithmic biases, while also exploring the benefits of AI in enhancing market efficiency, liquidity, and transparency.

Through extensive engagement with industry participants, regulators gather critical insights that inform the shaping of regulatory approaches to AI in capital markets. These efforts ensure that the frameworks are not only robust and effective in mitigating risks, but also flexible enough to adapt to the rapid advancements in AI technology.

This approach puts a high emphasis on continuous engagement with both domestic and global industry players, learning from international best practices, and striving to promote international competitiveness. By doing so, regulators aim to create an environment that fosters innovation while safeguarding the integrity and stability of financial markets.

### 3.4 International approaches in practice

#### *Financial Conduct Authority – United Kingdom*

The FCA is enabling a safe and responsible environment for the use of AI in UK financial markets, in a way that drives innovation that benefits consumers and markets and supports growth and competitiveness of financial services. This is in line with a UK-wide vision<sup>8</sup> to leverage the benefits of this technology. As outlined in its AI Update in April 2024, the FCA's principles and outcomes-based regulatory approach means existing rules apply to firms.

It recently launched the AI Lab, designed to engage with stakeholders to explore the opportunities and challenges AI presents to UK consumers and markets, and help inform its regulatory approach in a practical, collaborative way. The Lab consists of four interconnected initiatives:

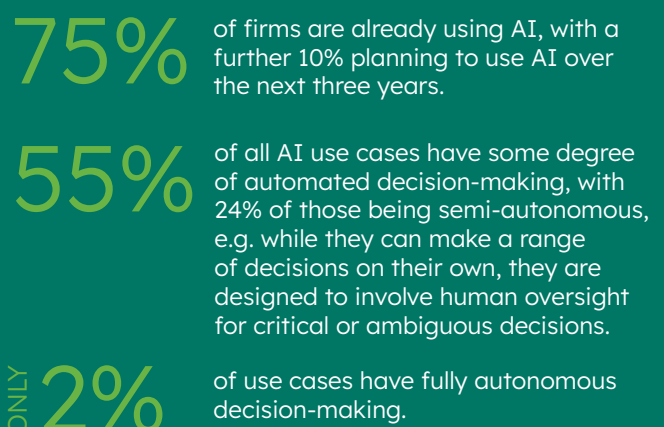
- **AI Spotlight:** Projects accepted to the AI Spotlight will provide a real-world insight and practical understanding into how firms are experimenting with AI in financial services, centred on four key themes: (1) Bias and Fairness, (2) Explainability, Governance, and Transparency, (3) Data Quality and Integration, and (4) Compliance and Automation.
- **AI Sprint:** Bringing together industry professionals, academics, regulators, technologists, and consumer representatives, AI Sprint will help inform its regulatory approach to AI and how the FCA can ensure its regulatory framework enables the right environment for growth and innovation.
- **AI Input Zone:** The FCA invites stakeholders to have their say on the future of AI in UK financial services through an online feedback platform. This includes receiving views on the most transformative use cases, how their current framework works, and how they may need to adapt in the future.
- **Supercharged Sandbox:** The FCA will run AI-focused TechSprints and enhance its current Digital Sandbox infrastructure through greater computing power, enriched datasets, and increased AI testing capabilities. Firms will be invited to collaborate and experiment in new ways. This will also give the FCA the opportunity to gain hands-on insights into AI development, including model training, testing protocols, risks, documentation best practices, and implementation barriers.

These initiatives follow a structured progression: the AI Spotlight identifies and maps the current AI landscape, creating a dynamic knowledge base. The AI Sprint builds on this knowledge to examine regulatory and policy considerations. The Input Zone ensures diverse stakeholder engagement and robust evidence-based findings. Finally, the Supercharged Sandbox enables targeted experimentation to address critical challenges and test innovative solutions in practice.

The FCA has an AI programme that looks both externally and internally, gathering insights and greater understanding of AI developments across the UK and internationally. In November 2024, the FCA published the third iteration of a survey on the use of AI in UK financial services, jointly with the Bank of England<sup>9</sup>.

The survey explored function, materiality of AI systems used, approaches to governance, including use of third-party vendors, understanding of risks and benefits, and any challenges faced in the testing and adoption of AI.

Findings from this survey showed that of the 118 respondents:



8. AI action plan from January 2025

9. <https://www.fca.org.uk/publications/research-notes/ai-uk-financial-services>



## Dubai Financial Services Authority (DFSA) - United Arab Emirates

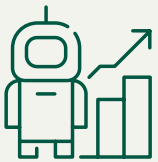
The DFSA has undertaken a range of work aimed at furthering our understanding of the adoption, use, and governance of AI in the Dubai International Financial Centre (DIFC). This includes a survey that was issued to all authorised firms in July 2024.

The main findings of the survey were:

**33%** of firms are already using AI, with 54% expecting that their use of AI will increase over the next three years.

## GenAI

is the most popular type of AI being used; however, most firms reported that they are using the technology in a limited manner, e.g. for proof-of-concept purposes or in an experimental way.



The most common drivers for firms adopting AI are to improve operational efficiencies and utilising it for data analysis and business insights.

**51%**

Of the firms that are not using AI, 51% stated that this was due to AI not being appropriate for their business model. The remainder reported a mix of reasons including regulatory concerns, cybersecurity risks, high implementation costs, data quality/availability, and a lack of knowledge and expertise.

**73%**

of firms are either using existing governance frameworks or have put in place new frameworks to oversee the development, deployment, and use of AI.

**27%**

of respondents reported that they had no government framework in place. A lack of governance was more prevalent in the fintech sector, with the highest levels of reported governance and oversight existing in the banking sector.



Responsibility for governing and overseeing the use of AI is allocated in a variety of ways, with most firms reporting that responsibility sits with either team/division heads, and/or a Tech Committee, Risk Committee, Compliance Committee, or AI Ethics and Governance Committee.



## ***International Financial Services Centres Authority (IFSCA) – India***

The Framework for FinTech Entity issued by the IFSCA from India provides authorisation to AI firms under the TechFin Category. A TechFin entity undertakes activities to provide an advanced or emerging technology solution in allied areas/activities which aid and assist activities in relation to financial products, financial services, and financial institutions.

IFSCA is the unified authority for the development and regulation of financial products, financial services, and financial institutions in the International Financial Services Centre (IFSC) in India. At present, the Gujarat International Finance Tec-City (GIFT) IFSC, located at GIFT City, Gandhinagar, Gujarat, is the maiden IFSC in India.

## ***Canadian Securities Administrators (CSA) – Canada***

Securities regulatory authorities in Canada, operating under the umbrella framework of the CSA, have been assessing the integration of AI into Canada's capital markets through initiatives like the Financial Innovation Hub AI Working Group (AIWG). This group is comprised of staff from the Alberta Securities Commission (ASC), British Columbia Securities Commission (BCSC), Ontario Securities Commission, and Québec Autorité des marchés financiers (QAMF).

As part of the AIWG, the BCSC, ASC, and QAMF consulted a wide range of industry stakeholders, including fintech firms, registrants, investment funds, exchanges, and academics, to explore AI use cases in capital markets. These consultations aimed

to gather evidence on how AI is currently being used, assess potential applications, and identify challenges related to implementation. The findings highlight diverse use cases of AI, such as enhancing operational efficiency through improved documentation retrieval, client onboarding, risk management and compliance processes, as well as optimising portfolios, trading, and forecasting market volatility. Participants also cited AI use in client support, fraud detection, and marketing.

Despite its potential, the AIWG found that adoption of AI faces significant hurdles. Stakeholders reported challenges with accessing high-quality data and high costs associated with AI development and maintenance. Additionally, there

are concerns about concentration, market manipulation, correlated models, intellectual property, ethics, and confidentiality. In response to these issues, the CSA published Staff Notice and Consultation 11-348 (SN 11-348) on 5 December 2024, providing guidance on the application of Canadian securities laws to AI systems in capital markets.

This guidance does not create new legal requirements and SN 11-348 emphasises key considerations for market participants, such as the importance of governance, risk management, and transparency, advising market participants to implement robust policies to address risks such as model drift and data inaccuracies. It also underscores the need for clear and comprehensive disclosure about AI's role in market operations, warning against overstating AI capabilities or misrepresenting its use. SN 11-348 aligns with internationally recognised frameworks, such as the Organisation for Economic Co-operation and Development Principles, to ensure consistency and clarity. The notice also seeks stakeholder feedback through consultation questions on the evolving role of AI systems and the opportunities to tailor or modify current approaches to oversight and regulation.

Overall, the CSA's initiatives seek to foster innovation while addressing risks and ethical considerations, in an agile way that does not require bespoke regulation.

## *Israel Securities Authority (ISA) – Israel*

The Israeli Interagency Task Force for Examining the Use of Artificial Intelligence in the Financial Sector published an interim report in November 2024 for public comments.

The report addresses issues arising from the unique characteristics of AI (such as the “black box” and explainability, notification and disclosure, and human-in-the-loop), questions related to the general legal framework applicable to regulated entities in the financial sector (such as discrimination and privacy), aspects of AI governance and risk management, and broader market-related issues. These include challenges that intensify with the advent of AI, such as competition, financial stability, fraud risks, cybersecurity, and disinformation.

The report provides an in-depth discussion of these issues, including international comparative perspectives, and proposes possible approaches and the task force’s recommendations for addressing them. For example, with respect to explainability, the task force recommends distinguishing between general explainability (which refers to the ability to understand the system’s features and generally how it works (sometimes referred to as transparency), and specific explainability (which refers to the ability to provide an explanation for the way in which a specific

decision has been made). However, specific explainability should not be mandated in each case involving an AI system, but subject to several considerations.

In addition, with respect to notification and disclosure, the task force recommends a mandatory notification regarding the very use of an AI system, particularly in the technology’s initial entry phase, in a clear and neutral language, excluding in cases where the use of an AI system is obvious.

In addition to these overarching issues, the task force focused on three specific areas of activity: investment advice and portfolio management, credit in the banking system, and insurance underwriting. For each of these areas, the respective financial regulators present their perspective on potential AI applications within their domain, the relevant regulatory framework, issues to address, and initial recommendations.

Furthermore, the report outlines the task force’s recommendations regarding additional actions that should be taken to promote financial regulation in the field of AI, one of which is encouraging innovation (among others: removal of barriers obstructing market development, establishing regulatory sandboxes and innovation hubs, examining solutions for information accessibility challenge, etc.).



## Overall reflections

Consumer requirements are rapidly evolving worldwide, with growing demand for more personalised financial products and tailored services that boost satisfaction, loyalty, and retention, while also expanding market reach. They are seeking financial products and services that are better, more affordable, faster, and more efficient. AI offers a wide range of benefits to consumers, and the GFIN AI Project underscores regulators' proactive approach in evaluating the potential benefits and risks AI could bring to the financial services sector.



# 04



GFIN members and affiliates emphasised the importance of encouraging innovation and supporting the growth of financial services markets to provide consumers with better and more innovative solutions. While progress in the consumer-facing space has been slower compared to wholesale markets, regulators are taking steps to assess the challenges and opportunities that consumer-facing AI use cases present. There is broad agreement amongst GFIN members that such innovative solutions should be explored, understood, and risk assessed as they evolve.

The GFIN AI Project highlights the need for regulators to strike a balance between encouraging innovation with ensuring the protection of consumers, firms, and markets. It also underscores the importance of knowledge sharing and collaboration to identify best practices. Numerous examples exist of regulators actively working together with industry to better understand firm and consumer

needs, tailoring their regulatory approaches to support innovation in a safe, resilient, and consumer-protective manner.

Finally, the GFIN AI Project has underlined the critical importance of international collaboration. As technologies like AI transcend geographical boundaries, they offer opportunities to enhance global innovation, providing consumers with better products and services while expanding firms' ability to innovate. GFIN members and affiliates have shared insights and learned from each other's experiences in addressing consumer-facing AI, highlighting the need for ongoing information sharing and closer collaboration in advancing financial innovation. Participants have suggested the creation of a formalised GFIN AI Working Group, with the potential to invite non-GFIN stakeholders to explore various AI topics. The GFIN will consider this suggestion as it plans the next steps to ensure that collaboration continues and expands.



**GLOBAL FINANCIAL  
INNOVATION NETWORK**

GFIN is the international network of financial regulators and related organisations committed to supporting financial innovation in the best interests of consumers.

The Global Financial Innovation Network (GFIN) was formally launched in January 2019 by an international group of financial regulators and related organisations.

GFIN is a network of over 90 organisations committed to supporting financial innovation in the interests of consumers. It seeks to provide a more efficient way for innovative firms to interact with regulators, helping them navigate between countries as they look to scale new ideas. This includes the ability to apply to join a pilot for firms wishing to test innovative products, services or business models across more than one jurisdiction.

The GFIN also aims to create a framework for co-operation between financial services regulators on innovation related topics, sharing different experiences and approaches.

[www.thegfin.com](http://www.thegfin.com)