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AI's Impact on Banking: 5 Takeaways from the World AI North Americas Summit

Nuance Communications

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According to fellow panelists speaking at the virtual World AI North Americas conference last month, AI has crossed over from hype to reality, especially during a time of global pandemic and economic disruption. Banks are accelerating the use of AI to transform the way they operate – from customer relationships and fraud detection to small business lending and risk and credit modeling.

Along with leaders from Scotiabank, Grupo Financiero Banorte, Deloitte Canada, and FundThrough, Nuance was featured on a panel on AI in Banking at the World AI Americas virtual summit.

Here are 5 takeaways:

1. **COVID-19 will accelerate AI in banking**. This global pandemic will only accelerate the use of AI in the financial services sector. Panelists shared they are currently deploying AI to spot trends and identify long term customers that need extra support during this uncertain time. However, as large banks extend payment terms to 90+ days, panelists worry about the strain on small businesses. AI and Machine Learning is being used now to go through data quickly to identify risky sectors and intervene with funding services and tools to help small businesses.

2. **Banks are seeing an uptick in fraud**. To manage risk during this time of global crisis, banks are leveraging AI to detect patterns in money laundering schemes, verify customers, and monitor for suspicious payment behavioral shifts. Fraud detection systems built on conversational biometrics are able to process and analyze large volumes of content to produce alerts for fraud teams, and provide an increasingly effective mitigation against fraudulent activities.

3. **Real-time Authentication Supports the Shift to Remote.** As more people conduct their banking from home through mobile and online channels, agents and branch managers are tasked with a surge of customers needing all their banking done virtually. Biometrics systems allow clients to use their voice or face to verify their identity automatically without having to answer a myriad of security questions. This not only creates a safer, better experience for customers but also allows agents to save time in the authentication process to enable faster,

more efficient engagement with customers.

4. **Virtual learning assistants help with onboarding**. During this shift towards remote banking, financial institutions are hiring customer service agents to help handle the surge. AI systems that learn from conversations between expert agents and customers are able to convert interactions into tips and cues to onboard these new hires. This type of learning support is creating efficiency for banks training programs and better customer experiences.

5. **Ensure AI is ethical.** During this time of disruption to daily life, the panelists all agreed it is imperative to build trust with customers. In order to be trusted, banks have to be ethical in their use of AI. A best practice is to start simple, identify the problem you're trying to solve for, have unstructured data in place first then build the use case around the data, and add complexity into the model as you iterate. Once those core tenets of trust are in place, AI adoption and scalability will move fast in banking. For more information on the ways Nuance is helping banks accelerate the use of AI, please visit our website here.

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