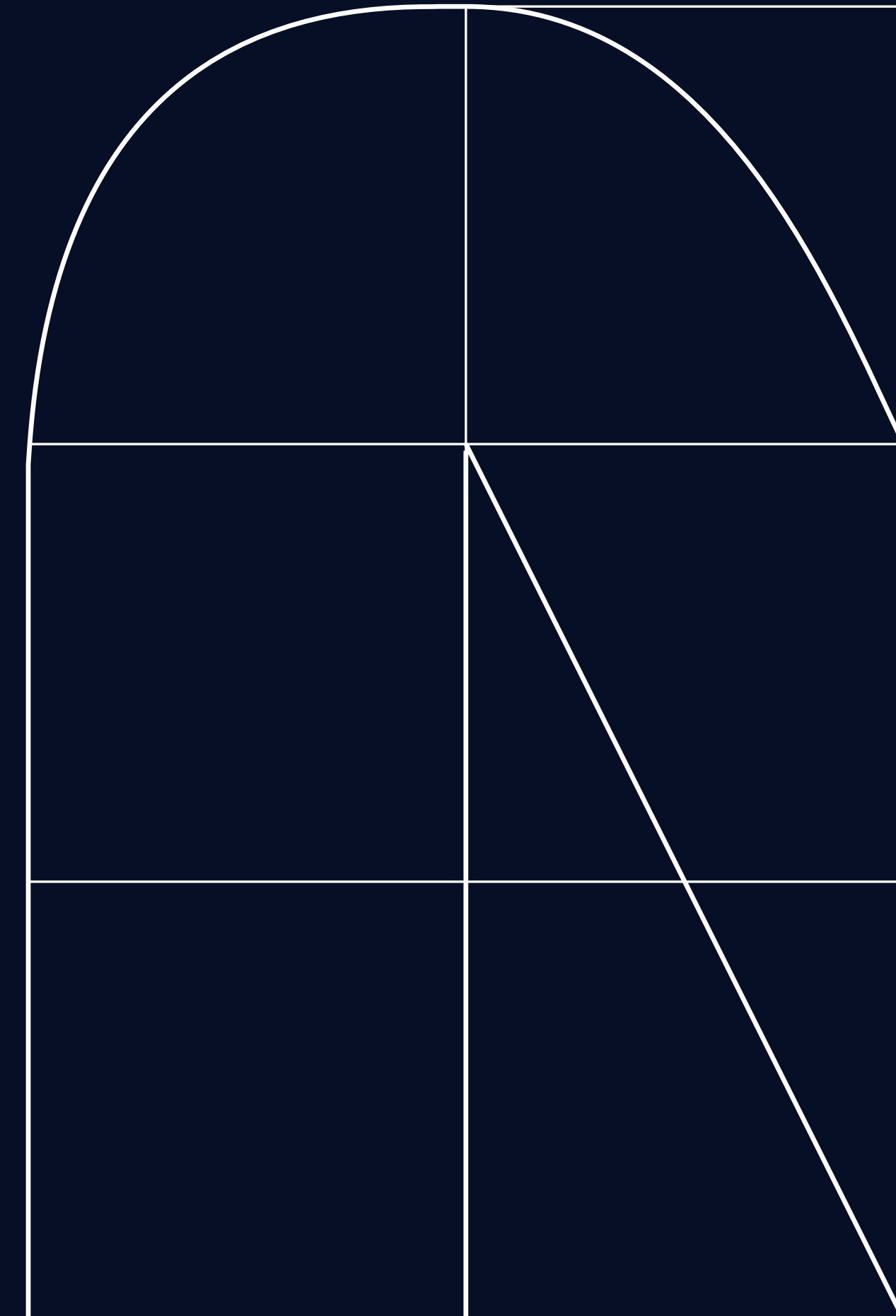




The top five retail banking use cases for traditional and generative AI

Where AI and GenAI is having the most practical impact in the 2024 UK retail banking industry



While UK retail banks have known about the potential of AI for years, it has recently shot to the top of most agendas. But where is it proving most useful? What are the specific use cases where AI, in both its generative and traditional forms, is making a real difference? NTT DATA and Google Cloud have been a driving force in the development of AI at many top retail banks – and the following are the use cases that we see as some of the most practical and useful in UK retail banking today.

1. Clearing the data remediation backlog

Before accounts can be opened, banks have to collect and verify a large amount of customer information. But the information they need to check is often unstructured and in many different formats, making AML checks extremely time-consuming. The resultant backlog is an expensive problem for many banks, previously solved only by manual cleansing. AI is increasingly used to solve the problem instead, employing techniques such as fuzzy matching to automatically unearth any adverse media about the individuals concerned – whilst also making a complete log of the process, thus proving that all due diligence has been applied.

2. Hyper-personalisation to drive revenue

Because AI can intelligently monitor millions of customer transactions, it enables a new level of hyper-personalisation. By identifying patterns in customer behaviour and types of transactions, banks are able to offer personalised product packages and terms. AI helps them to spot opportunities and provide a highly relevant combination of products and services that are precisely honed to each customer's needs, thus creating more engagement and driving more revenue.

3. The intelligent way to address Consumer Duty

The ability of AI to analyse behaviour patterns is also helping banks to comply with Consumer Duty. Not only are banks increasingly able to spot the behavioural red flags that might betray a lower level of financial understanding, GenAI can automatically communicate using appropriate language. In this way, AI technology enables a robust set of systems and processes to ensure that all decisions are in the customers' best interests.

4. Code compliance co-pilot

Banks need to ensure that every action they take complies with industry regulations, which can only be consistently achieved with systems that are designed and written with compliance in mind. But how do you know if your code is compliant? Does it uphold AML and financial crime requirements, does it safeguard customers' personal data, and is it in line with cybersecurity guidelines? AI is being used to constantly monitor code development and flag potential problem areas, whilst also automating the process of creating code documentation.

5. Code modernisation – a more modern method

GenAI has also highlighted the pressing need to modernise legacy mainframe code, whilst presenting a new approach to the code modernisation process itself. Banks have known about automated code conversion for some time, and see it as both faster and more cost-effective than hiring increasingly scarce and expensive mainframe programmers. Now, however, AI has taken it to the next level. Because it can analyse the structure and logic of the existing code, GenAI can create new code that retains the original functionality while improving performance and scalability on newer platforms. It doesn't just convert line by line: it understands, reinterprets and recreates. On top of this, GenAI can reduce testing times, reduce errors and document the code conversion process from start to finish.

Is your bank reaping the benefit yet? If not, why not?

All these use cases are possible today. Yet many banks still find themselves preparing for action rather than actually doing it. What are the factors that prevent many players from reaping the immediate potential of AI? Having implemented a number of successful AI-based projects in retail banks, we've also identified the key factors that are holding banks back.

Find out what they are now.

[5 ways to accelerate value in AI in retail banking](#)
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