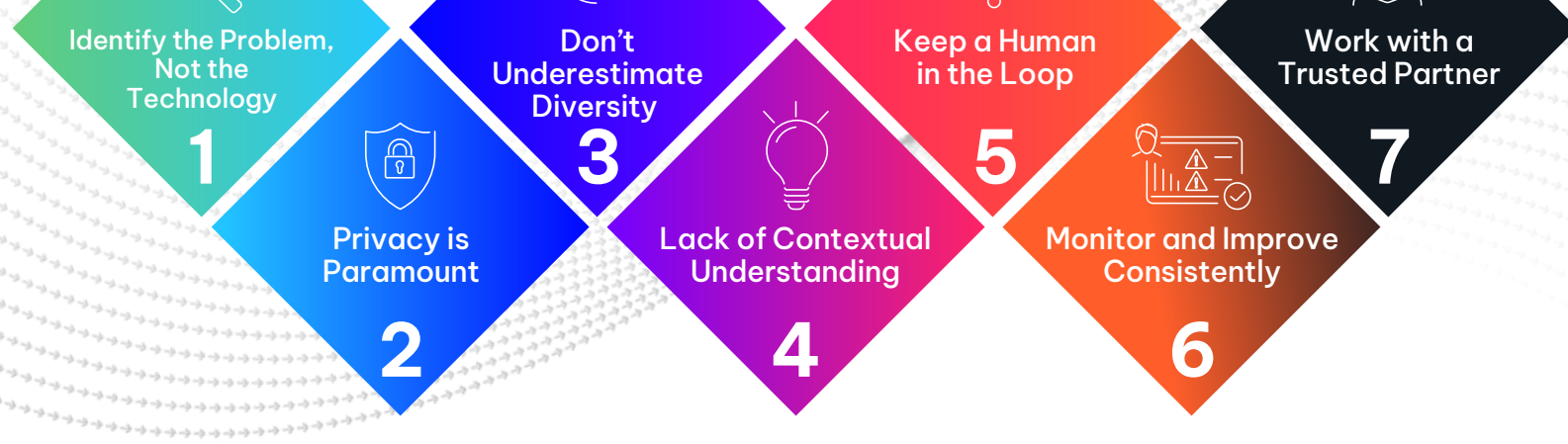




7 Considerations to Combat Fraud and Financial Crime with Generative AI

Financial institutions (FIs) implement generative AI solutions to achieve economic and productivity benefits, ease workloads, add labor efficiencies and reduce manual touchpoints, but getting it wrong can result in economic or reputational damage.

When incorporating generative AI solutions, FIs must take these seven steps to ensure success:



1 | Identify the Problem, Not the Technology

Business challenges should be analyzed to identify the unique optimal solution.



2 | Privacy is Paramount

Cloud-based AI offerings raise privacy and data security concerns, so when building a solution that involves a large language model, a multilayered security protocol should be established where all data and PII is encrypted to ensure protection.



3 | Don't Underestimate Diversity

Lack of diverse data can produce incomplete, biased outcomes. Solutions should include testing across geographies and jurisdictions to protect against biased or inaccurate results.



4 | Lack of Contextual Understanding

The speed and tone of responses from generative AI models can be mistaken for accuracy, resulting in potential financial and reputational damage. Model limitations need to be assessed to ensure accuracy.



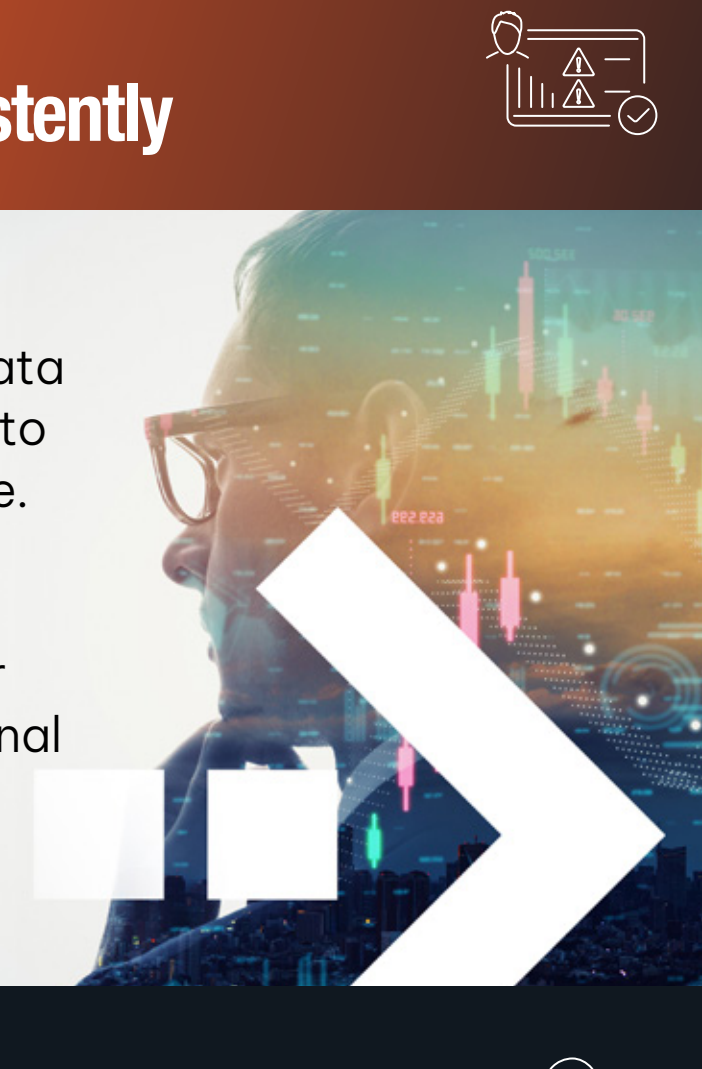
5 | Keep a Human in the Loop

By blending the traditional approaches of AI-behavior analysis, pattern detection with cognitive capabilities, generative AI can provide enhanced intelligence to the investigation process, but human oversight is essential in critical decision-making processes.



6 | Monitor and Improve Consistently

Generative AI models learn patterns based on prompts, data and past interactions, leading to changes in model performance. Assess and retest regularly to establish before and after metrics, which is necessary for internal governance and external regulatory reporting.



7 | Work with a Trusted Partner

Partner with an expert who has a deep understanding of AI and vast experience developing financial crime solutions is crucial to mitigate risk.



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Embedding Generative AI into Financial Crime and Compliance

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