What the FCA saw firms doing *well* with AI, and where they fell short

Source: FCA, 'AI in financial services: good practice and areas for improvement', last updated 20 October 2026.

WHAT GOOD LOOKS LIKE

Customers and support

- Start with what the customer needs
- Decide what AI does, and what stays with people
- Check it works for people who need extra help
- Ask frontline staff what signs to look for

WHAT GOOD LOOKS LIKE

Customer understanding

- Say when it's AI, and what it can't do
- Point people to a human or free advice
- Only let chatbots use checked information
- Test new wording with real customers

WHAT GOOD LOOKS LIKE

Checks and accountability

- Plan the checks before you build
- Red, amber, green limits for how the AI performs
- Reviewers with the skill and power to push back
- Clear points to flag a problem

WHAT GOOD LOOKS LIKE

Suppliers and backup plans

- AI included in your 'what if it breaks' plans
- Able to switch AI model or supplier

WHERE FIRMS FELL SHORT

Customers and support

- Shutting out people who need extra help
- No other way to get help
- Trusting a chatbot to spot people struggling, without testing it

WHERE FIRMS FELL SHORT

Customer understanding

- Assuming AI answers are clear, without checking
- Jargon with no 'what this means for you'
- Overstating what the AI can do

WHERE FIRMS FELL SHORT

Checks and accountability

- Sign-off by a quick chat
- Adding checks after launch
- Every team thinking someone else was checking
- Human review turning into a tick-box exercise

WHERE FIRMS FELL SHORT

Suppliers and backup plans

- Taking a supplier's word for it
- No plan B when a model is switched off

SMALLER FIRMS

Keep it in proportion

- Use the checks you already have
- More checks for riskier uses
- Spot-check answers, test with people who need help
- Start small and build up
- Using a supplier? It's still on you

THE BASELINE

No new AI rules

The rules you know already cover AI

- Consumer Duty: good outcomes for customers
- Fair treatment of people who need extra help
- SM&CR: a named senior person is responsible
- Rules on outsourcing and keeping services running

Customer experience and operations specialist for regulated businesses, on an interim, contract or project basis.

Using AI and human collaboration for better outcomes.

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