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AI, BSA/AML, & First Line Transactions

CCBN – 2026 Fraud & BSA Forum

Today’s Presenter

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Agenda

1 Today’s Reality – AI is here to stay

2 Generative vs Agentic

3 AI in Fraud Detection and BSA/AML Monitoring

4 AI: Risk, Governance and Explainability

5 The Future of AI in Banking

Today’s Reality – AI is here to stay

Poll Question

Where is your institution in their AI implementation journey?

1. Integrated wholistically and extensively throughout our program
2. Integrated into select elements of our program
3. We are exploring but have not actively implemented anything
4. We are not interested in AI integration

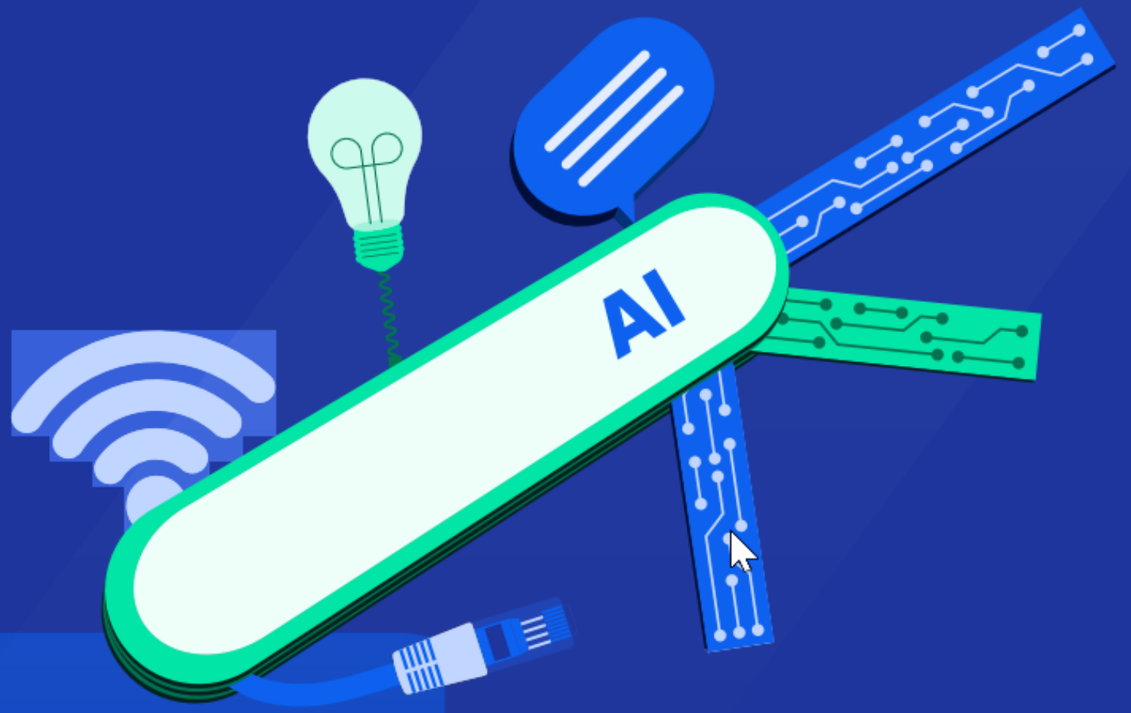

90%
of financial institutions worldwide are using AI to fight fraud and financial crime
87%
of respondents say data management and accuracy are the top challenges in using AI for fraud and financial crime prevention
64%
of financial institutions have adopted AI in the past 2 years
46%
of financial services professionals believe AI will replace many roles and tasks in the coming years
60%
believe criminals are using GenAI for voice cloning and impersonation scams

AI Adoption and Impact

90%

Widespread Adoption

AI is overwhelmingly used in the financial sector to detect and prevent financial crime, with 90% of surveyed organizations reporting its use. Adoption is strong across all regions and types of financial institutions.



50%

of respondents are using AI for scam detection

As fraud defenses have grown more challenging, many criminals are resorting to scams, where customers are manipulated into making transfers. Scams now pose a core market threat that undermines customer trust. AI is proving essential to preventing scam losses at both the pre-transaction and transaction stages.

Table Discussion:

“Banks view doing nothing with AI as the greatest risk”

What do you see as the greatest risk within your institutions related to AI integration?

Generative vs Agentic

Types of AI

Traditional

Learn patterns from historical data or apply logic defined by humans

Generative

Creates new content based on what is learned from large data sets.

Agentic

Acts independently, coordinates tasks and works across systems.

What AI Does Not (Or Should Not) Do:

Decide SAR filing decisions

Replace human judgement

Act completely independently with no accountability

Generative AI – A double edged sword?

96%

of banks use GenAI for fraud prevention

Adoption of GenAI is nearly universal at 96%. Top use cases include automated investigations and case management, research and intelligence gathering (even exploring nefarious sources like the dark web), and enhanced data analysis for anomaly detection.

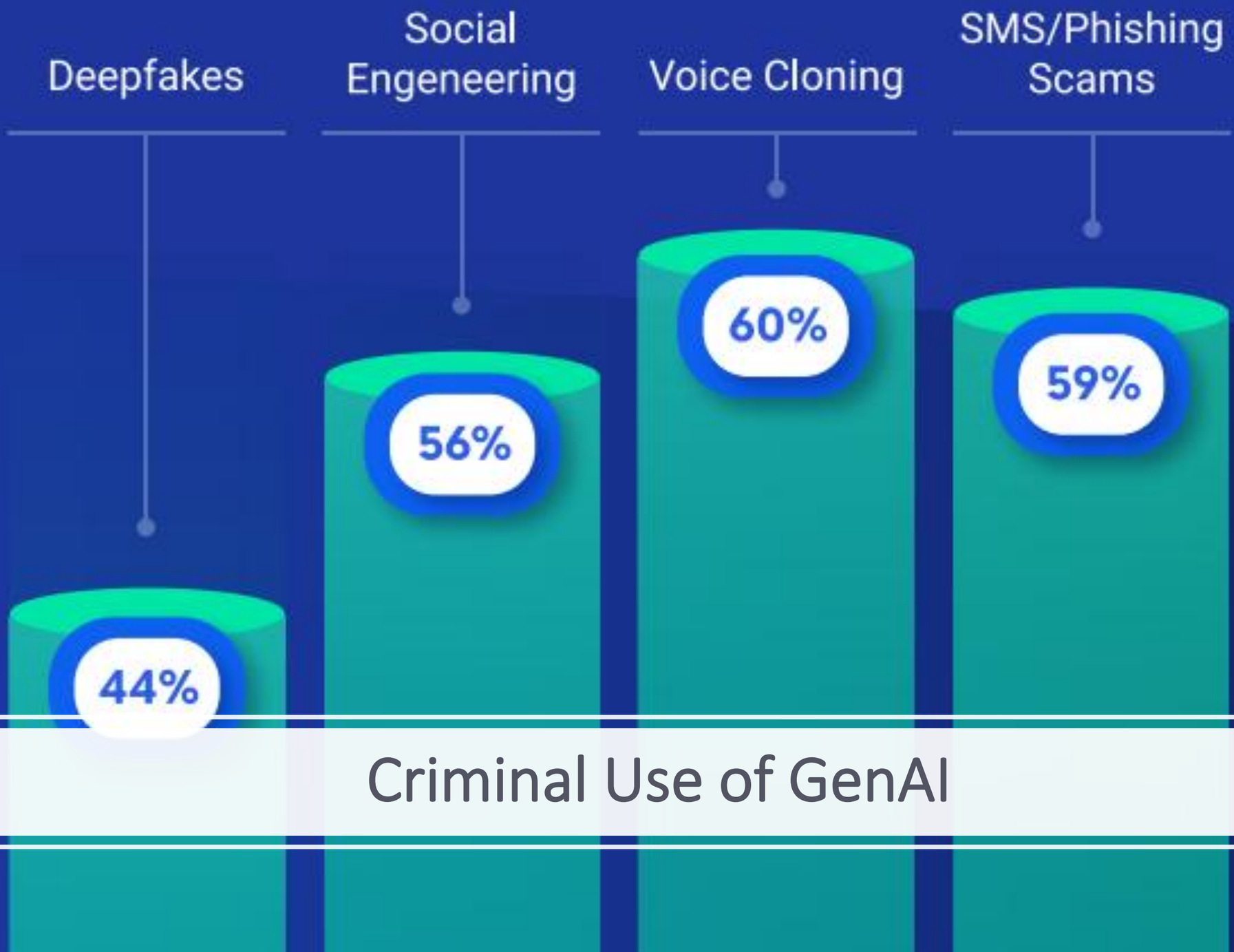
60%

say fraudsters are using GenAI for voice cloning scams

Unfortunately, it's not just financial service professionals who use GenAI. Fraudsters are also taking advantage of GenAI's abilities to create scams. Voice cloning scams, in which scammers manipulate audio to sound like someone else, are the most common method according to respondents.

24

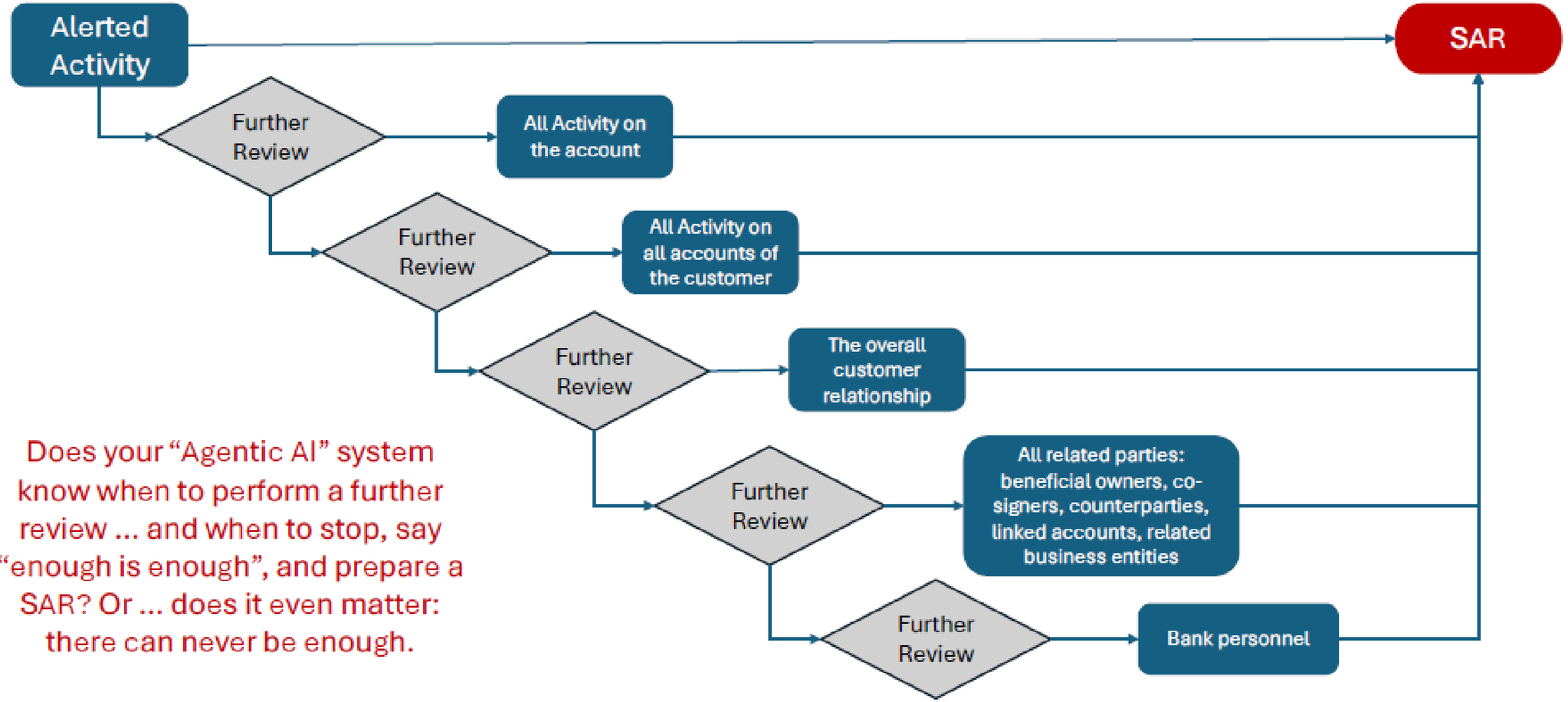
How are criminals using AI based on what you've seen in your organization?



Criminal Use of GenAI

When it comes to AML investigations … when is enough enough? And does your Agentic AI System know?

What do you investigate when your AML customer surveillance system generates an alert? Is it just the activity that triggered the alert? Maybe. Do you extend the investigation to all activity on the account? Sometimes. Do you look at all activity on all accounts of the customer? If warranted. What about the overall relationship (family members)? Perhaps. Do you go even further, to beneficial owners, related businesses, etc.? It depends. What about the bank personnel involved with the accounts' opening and activity? Hmmm …



Does your "Agentic AI" system know when to perform a further review … and when to stop, say "enough is enough", and prepare a SAR? Or … does it even matter: there can never be enough.

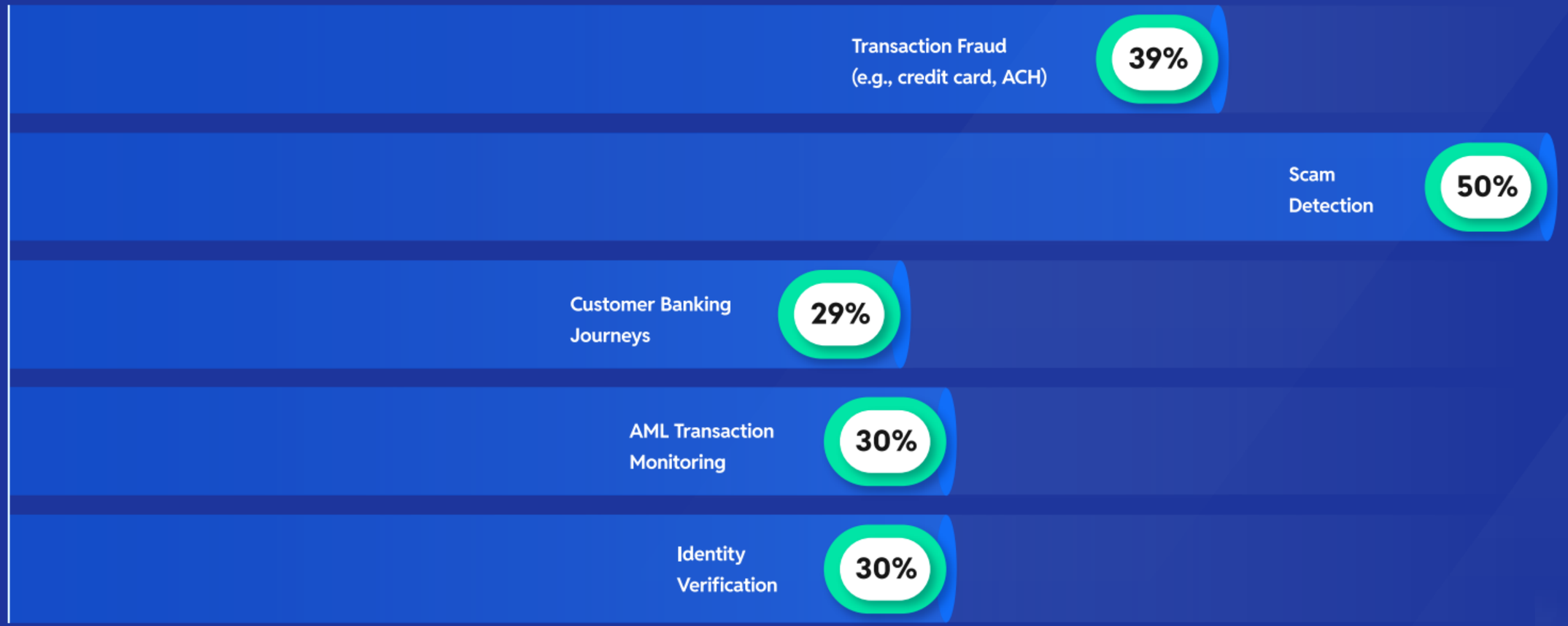
AI in Fraud Detection and BSA/AML Monitoring

Poll Question

Where do you think AI integration makes the most sense?

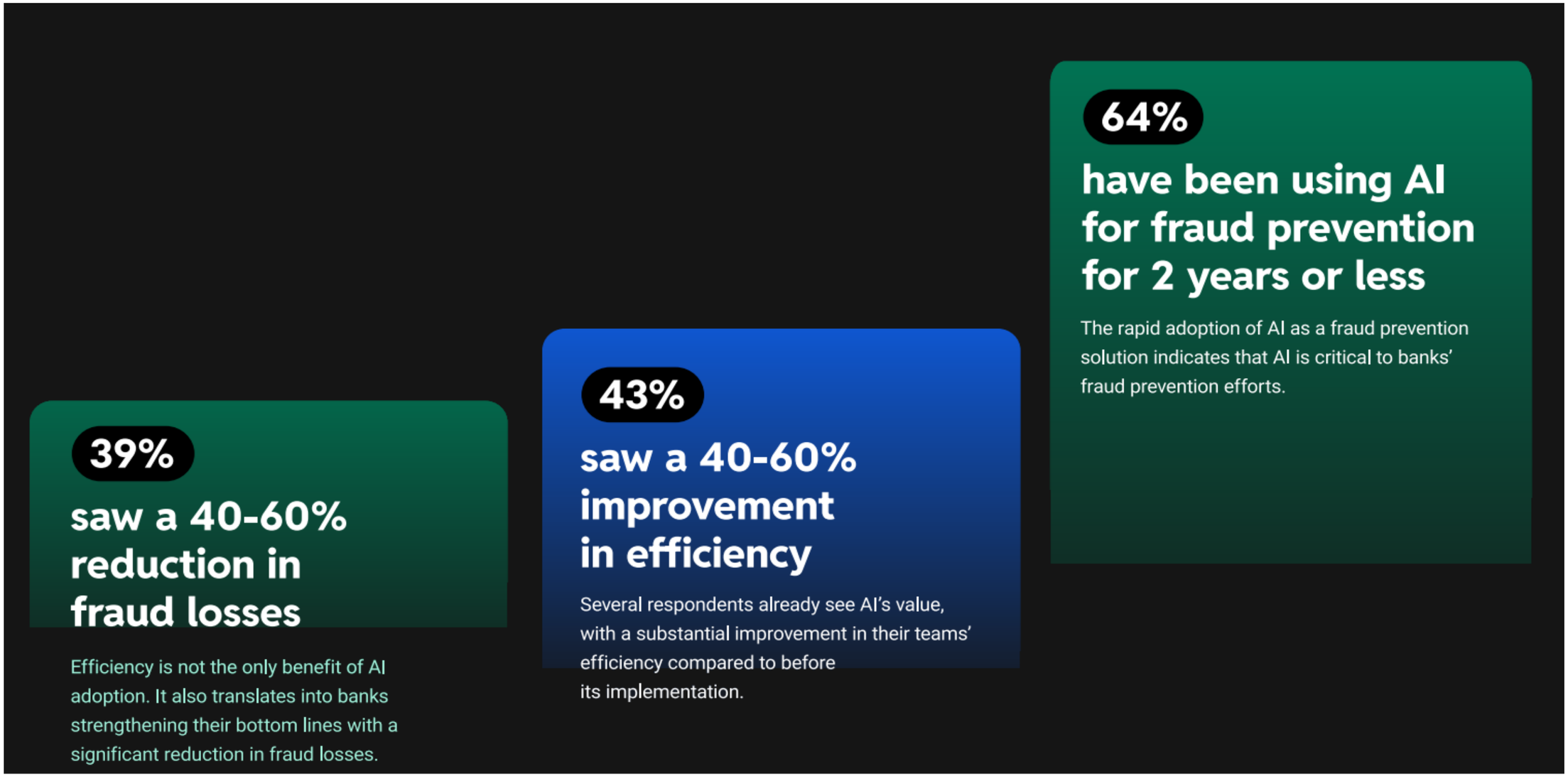
1. Transaction monitoring
2. Data gathering and analysis
3. Customer Due Diligence and/or Enhanced Due Diligence
4. Other
5. Nowhere

Top Ways FIs Use AI for Fraud and Financial Crime



What struggles have you encountered with integrating AI into your workflows and systems?

Financial Institutions currently using AI for Fraud:



Common Challenges

Data Readiness

Governance and Information Security

Regulatory Uncertainty

ABA AI Readiness Survey of Banks

How can technology providers best support financial institutions with Ai and systems integration?

Poll Question

What concerns you the most about AI technology and integration into Fraud and AML?

1. Criminal use is better and more advanced than financial institutions
2. Data security
3. Accuracy of the AI generated results, responses, and decisions
4. Regulatory scrutiny
5. Explainability and governance
6. Something else

AI: Risk, Governance and Explainability

Top 5 Concerns About the Use of AI in Fraud and Financial Crime Prevention

01 Data Privacy and Consent

AI's effectiveness depends on access to large volumes of data, but institutions must comply with strict privacy regulations like GDPR and CCPA. Techniques such as data anonymization, federated learning, and synthetic data help balance performance with privacy.

02 Ethical AI and Bias

Biased data can lead to unfair outcomes—such as inappropriate transaction flags or discriminatory risk assessments. Ensuring fairness requires diverse datasets, rigorous bias testing, and human oversight.

03 Cost

Implementing and maintaining AI systems can be expensive. Demonstrating ROI through fraud loss reduction and operational efficiency is essential. Cloud-based and AI-as-a-service models are helping reduce cost barriers.

04 Job Displacement

While AI may automate routine tasks, it should complement—not replace—human expertise. Successful strategies focus on upskilling teams and enabling staff to handle higher-value work, like complex investigations and decision-making.

05 Explainability

Transparent AI is critical in regulated areas like AML, where institutions must justify decisions to regulators. Explainable models and interpretability tools are essential to meet compliance and build trust.

Where does the responsibility for AI sit at your institution vs. in the industry?

The Future of AI in Banking

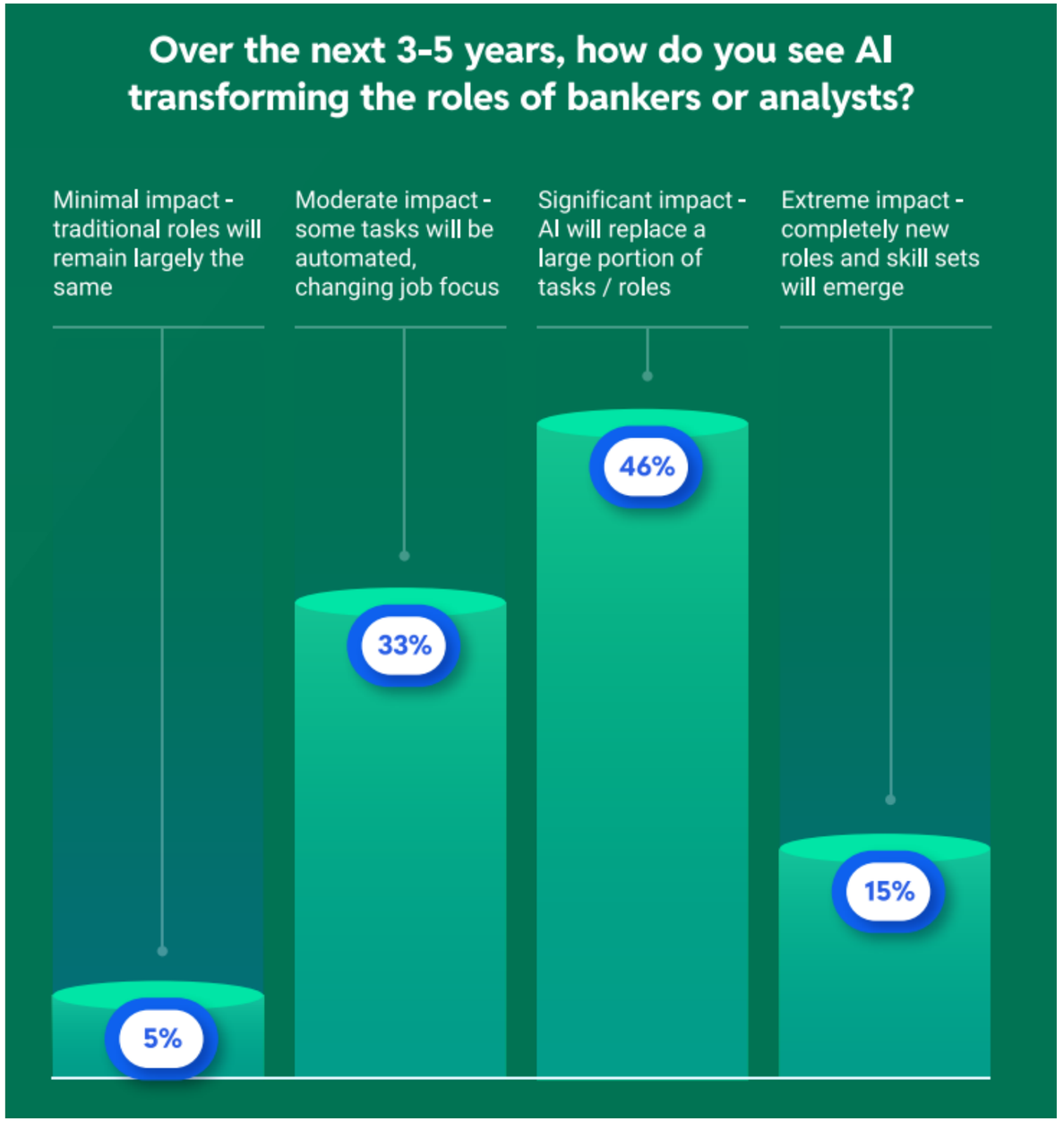
What do you wish AI could do today that has not been developed or perfected?

Poll Question

How do you see AI transforming the roles of bankers and analysts in the next 3 -5 years?

1. Minimal Impact - Traditional roles will stay the same
2. Moderate Impact – Some tasks will be automated, changing job focus
3. Significant Impact – AI will replace a large portion of tasks and roles
4. Extreme Impact – Completely new roles and skill sets will emerge

How did your discussion compare?



What advice would you give or share with peers that are considering AI integrations?

Resources

AI resources for Bankers:

The Fast Five

Takeaways

1. Stop Treating “AI” as One Thing - Require internal teams and vendors to clearly identify which type of AI is being used.
2. Focus AI adoption on assistive functions first, not decision-making.
3. Build Governance before scaling your AI program. Define it in writing.
4. Assume criminals are using AI and adjust accordingly.
5. Prepare your people, not just your technology.

Questions?

Thank you

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