BCN

From AI acquisition to implementation:

A playbook for financial services

Microsoft Solutions Partner

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Introduction: Financial services in the age of AI

The UK financial services (FS&I) sector is one of the most critically important to the health of the nation's economy. With a projected market size of **almost £140 billion in 2025** and a CAGR of 5.9% through 2034, the opportunities ahead of it remain vast. Now, increasingly equipped with sophisticated AI tooling, the sector is in the early stages of what might be the most profound transformation in its history.

Generative AI is now regarded as one of the most impactful emerging technologies in modern organisations. Business adoption of AI capabilities has more than doubled since 2017, driven by advances in large language models (LLMs) and the mainstreaming of tools previously confined to R&D labs.

A 2025 report shows that over **80% of firms** are already investing in AI in some form, with fraud detection emerging as the top use case.

Indeed, investment in AI technologies within FS&I is projected to grow at a CAGR of over 20% up to 2030, fuelled by competitive pressure and ongoing digital transformation initiatives.

Yet, many firms are still grappling with how to turn their investments in AI and data into real business value. The key to unlocking AI's value is powered by people. Change is enabled by teams who drive the direction of the business, with the technology there to enable it.

This guide explores how FS&I organisations can grow from initial investment to meaningful impact by surfacing hidden data, and embedding AI into the heart of their operations. It also offers practical steps and real-world examples to help leaders realise the full value of their AI investment.

1. The market landscape: Pressures and priorities

Across the FS&I industry, leaders are confronting long-term pressures that are converging with emergent priorities. Foundational issues like data readiness and energy efficiency are fusing with sector-specific challenges.

AI is already being used to generate content and automate some tasks including note taking and summarisation, the starting point for many firms seeking fast, tangible wins. The next steps are about enabling automation of routine decisions, fraud detection, improved underwriting accuracy, and enriched regulatory reporting, with each deployment shaped by the unique pressures that different sectors and teams face.

Cross-sector challenges

Data quality and availability

Despite years of digitalisation, many financial firms still struggle to locate, access, and trust their own data. Siloed systems, inconsistent data formats, and legacy infrastructure continue to limit the performance of AI models and data analytics initiatives.

The longer this persists, and the more data is produced, the problem is only compounded.

Shortage of skilled AI professionals

Demand for AI talent now exceeds supply, with FS&I firms competing not just with each other, but with tech giants and well-financed startups.

The result is a widening capability gap between strategy and execution, particularly around AI and data engineering, governance, and risk modelling.

Energy efficiency and sustainability

AI workloads are computationally intensive. As firms scale their use of generative AI and LLMs, energy use and sustainability targets must be factored into architecture decisions.

This is especially true for firms with net-zero pledges or ESG reporting obligations.

Segment specific challenges

Investment management

Firms are under mounting pressure to deliver ESG transparency, adapt to market turbulence, and close internal gaps in AI literacy and governance. Decision-making must be faster and more accountable, but these are qualities traditional investment models weren't built for.

Insurance

Climate risk is a key underwriting variable. Insurers must balance pricing accuracy, digital customer experience, and regulatory scrutiny, all while transforming product portfolios to account for environmental instability.

Banking

Banks face intensifying demands around operational resilience and regulatory compliance, particularly in relation to Consumer Duty and Basel III. SME lending remains a focal point, with many institutions under pressure to extend credit while managing risk exposure.

Fintech and payments

For fintechs and payment providers, growth has brought complexity. Fraud detection is a moving target, compliance is fractured across jurisdictions, and the path to scalability often runs into infrastructure constraints and rising cloud costs.

Advisory and compliance

The advisory sector is experiencing a perfect storm of talent shortages, fluctuating board expectations, and rising regulatory complexity. Adoption of RegTech and AI-driven compliance tooling has become essential for maintaining credibility and cost control.

The result is a renewed sense of urgency across the industry

Firms aren't investing in data and AI for the sake of innovation; they're doing it to solve real, immediate problems. Faster processes, clearer insight, and stronger compliance have become the objectives of today, and AI is one of the few tools with the reach and speed to help meet them.

2. The AI adoption gap: Investment ≠ Impact

Despite the FS&I sector's soaring investment in AI, for many firms, the promised returns have yet to materialise. The problem is not the technology itself, rather it's the difficulty of embedding it into the business in ways that allow its full capability to be maximised.

Most organisations now have access to AI tools, with some already using them for personal work admin, content and chat requests, but this is only scratching the surface of AI's capability. And whilst some departments are actively looking for new AI implementations, others are still reluctant to use the basic features. Despite ambitious digital strategies, many firms still rely on legacy systems that cannot support modern AI workloads at scale.

According to a **2025 survey** of 280 finance executives, the median return on AI investment is just 10% - half the 20% target reported by most firms. One-third of respondents report limited or no gains from their AI deployments.

These figures are not anomalies. They point to a more fundamental problem. Firms are willing to invest in the tech but struggle to fully realise and utilise its capability.

Four obstacles recur most frequently:

1. Siloed data and infrastructure

Firms often lack a unified view of their data. Fragmented systems and inconsistent formats limit the training and performance of AI models, while legacy architectures or third-party systems introduce further restrictions. As a result, changes in one part of the business can affect things up and downstream, so careful and thought-out implementation is critical.

2. Failure to embed AI into workflows

AI tools are evaluated in isolation rather than integrated into the systems and processes that drive revenue, manage risk, or improve customer outcomes. And whilst employees are beginning to use AI tools throughout their own working day, there is still so much more capability to increase productivity and drive revenue.

3. Lack of clear governance and ownership

AI projects often emerge organically as teams adopt their own tools to address the operational challenges they face. However, without proper governance frameworks and clear communication channels between IT/tech teams and business units, there can be a disconnect between the solutions being developed and the real-world tasks that teams are managing. Without this alignment, progress can veer off course or stall altogether.

4. Employee understanding

A final obstacle might be your people themselves. Humans have a natural fear of the unknown and so your employees might be sceptical about the implementation of AI. This can lead to a lack of adoption across your workforce as people are reluctant to use new tools and technologies. By empowering your people with the right tools and training, your firm can adopt AI and new technology that works for your goals.

Microsoft Funding

As a trusted Microsoft Partner, BCN brings expertise and access to exclusive funding opportunities to help accelerate some of these projects. Get in touch to find out more.

3. The future of the Financial Services firm

The financial services firm of the future will look fundamentally different from the one we see today. That's because, according to Microsoft's 2025 Work Trend Index, we're entering the era of the Frontier Firm, a new organisational model that's human-led but agent-operated.

These firms will be built around hybrid teams of people and AI agents, where agents don't just assist but actively execute business processes, make decisions, and adapt in real time. And this shift is already underway, with 82% of global leaders saying they are confident they will use digital labour to expand workforce capacity within the next 12–18 months.

Phase 1

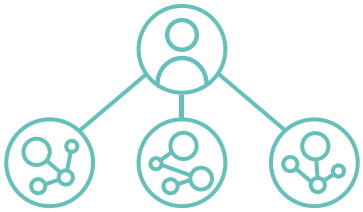
Human with assistant

Every employee has an AI assistant that helps them work better and faster.

Phase 2

Human-agent teams

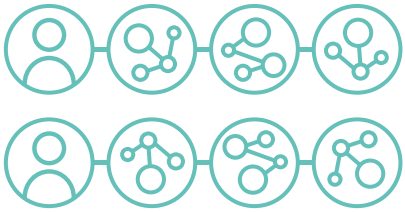
Agents join teams as 'digital colleagues' taking on specific tasks at human direction.



Phase 3

Human led, agent operated

Humans set direction and agents execute business processes and workflows, checking in as needed.



As AI becomes a core part of the team, not just a tool, leaders will need to rethink their operating models, workflows, and even organisational structures. The traditional org chart is giving way to dynamic "Work Charts" where teams form around outcomes, not functions, and agents are embedded across every layer of the business.

The impact of this new model could be transformational. Frontier Firms are scaling faster, operating with greater agility, and reporting higher levels of employee impact and optimism. But to get there, firms must act now. That means embedding AI into day-to-day operations, upskilling teams to manage and collaborate with agents, and building governance frameworks that ensure safety, accountability, and trust.

For financial services firms, this is a pivotal moment to move beyond experimentation and begin building the foundations of a truly AI-native enterprise.

4. The rise of agentic AI in financial services

As AI adoption in FS&I deepens, focus is shifting beyond narrow, task-specific automations. Increasingly, institutions are exploring agentic AI; systems capable of setting goals, making decisions independently, and learning from outcomes without direct human instruction.

This next phase introduces capabilities that go beyond automation. Agentic AI doesn't just act; it adapts. It's set to further transform how firms manage complexity, respond to change, and deliver value at scale.

Emerging applications include:

AI-driven compliance agents

Interpret regulatory updates, assess operational impact, and trigger changes to reporting processes or internal controls before manual intervention is required.

Personalised financial advisors

Analyse behavioural and portfolio data to generate tailored recommendations, rebalance allocations, and simulate scenarios without direct human prompts.

Tangible uses are already emerging:

- Underwriting teams are using LLM-powered agents to extract and summarise unstructured policy data, reducing manual review times and surfacing anomalies earlier.
- Investment teams are generating first-draft pitchbooks by combining internal research, market commentary, and client profiles that generative AI curates and polishes.
- Portfolio managers are applying Copilot tools to compare modelled outcomes, review ESG exposures, and ensure portfolios remain compliant with updated sustainability mandates.

Agentic AI reduces reliance on manual oversight, speeds up operational decisions, and allows firms to personalise services at scale. But these capabilities come with governance challenges that cannot be deferred.

Firms must consider how to:

Ensure that decisions made by AI systems are explainable and subject to audit

Define where accountability sits when outcomes are generated autonomously

Build appropriate controls that align with legal, ethical, and reputational expectations

None of this replaces the need for human judgment

Every deployment of agentic AI must include designated points of oversight. The principle of human-in-the-loop decision-making remains essential, particularly in regulated, high-stakes environments like financial services.

These concerns are neither theoretical nor implausible. As agentic systems become more capable, they will test existing governance models. Success will depend not only on technical capability, but on how well firms define accountability, apply safeguards, and retain operational control. After all, people are at the core of your business operations and will drive progress with the best technology whilst keeping your firm safe.

"Making the decision to invest in AI is just the starting point. Real ROI comes when teams actually use the technology to solve business problems and improve outcomes. The firms that see the biggest impact are the ones that invest in adoption, training their people, embedding AI into daily workflows, and making sure every tool is aligned to clear business goals. Technology alone doesn't deliver results; it's how people apply it that drives value. If you want to see genuine returns, focus on empowering your teams to turn AI investment into measurable business outcomes."

Mark Rotheram, Chief Technology Officer

5. Data:
The catalyst and the risk

A common challenge we see among new clients is the gap between AI ambition and data readiness. For all the talk of transformation, progress in AI implementation often stalls because the underlying data isn't accessible, reliable, or aligned with business goals.

Data is a catalyst for innovation, a risk factor in compliance, and a mirror reflecting the maturity of an organisation's culture. Every AI ambition depends on it, but many financial services firms are sat on huge amounts of data that could potentially transform their operations, customer relationships and future strategies.

Four common blockers:

1. Unknown data

A common issue across all firms is that they don't have a complete inventory of all of the data they have available. It's not deliberate. Instead, inevitably over time datasets have been siloed or partitioned off in disparate systems, but without full visibility their value remains untapped.

2. Low data literacy among decision-makers

Senior leaders are often asked to sign off on digital initiatives without a clear understanding of the data that underpins them. When decisions are based on instinct rather than insight, both investment value and operational control are compromised.

3. Toxic data environments

Unstructured, outdated, or duplicated data slows down models, increases storage costs, and heightens regulatory risk. Without targeted clean-up and classification, data becomes a liability.

4. Cloud complexity and unclear accountability

It's important to remember that even when data is moved to the cloud, it's your firm that's responsible for its security and governance, not your SaaS provider. This is sometimes overlooked, leading to gaps in policy enforcement.

Until firms treat data as a core business asset, with clear ownership, strong governance, and consistent operational use, AI will continue to underdeliver.

But data improvement doesn't require perfection. It requires intent. Small, structured steps can improve stakeholder trust and lay the groundwork for smarter, safer AI adoption across the enterprise.

6. Practical steps for tech and data optimisation

AI readiness is often assumed to be a question of new investment. In reality, many firms have already purchased the tools they need or the intent to purchase it, but are just not seeing the high ROI they expected. Whilst individuals may be using AI for their day-to-day, the real opportunity is the wider application of AI as a core part of the business.

Three actions offer immediate value:

1. Leverage existing platforms

Depending on your existing licences, you may already have access to tools like Power BI, the Microsoft AI suite, and low-code environments. Each offers significant potential for automation, reporting, and data visualisation.

AI Copilots represent a clear example of this. Widely available across Microsoft 365, Dynamics 365, and GitHub, the embedded Copilot tools can summarise meetings and calls, suggest next steps, generate content, and build searchable knowledge bases. But this is just the start. Many firms already have access to these capabilities, yet adoption remains low where staff aren't sure exactly how to harness it beyond the basic functions.

2. Anchor adoption in real problems

Adoption increases when use cases are framed around genuine pain points. Automating repetitive reporting tasks, flagging anomalies in financial data, or reducing manual compliance checks are all tangible outcomes that resonate with teams.

Real-world examples make this actionable. In insurance, generative AI is already being used to produce first notice of loss summaries and auto-generate claims reports. In banking, NLP tools enhance contact centre performance by extracting sentiment and summarising customer conversations. In capital markets, GitHub Copilot accelerates code modernisation and documentation, allowing developers to interrogate legacy code and identify bugs more quickly.

3. Promote a business-led narrative

AI and data initiatives are more likely to succeed when positioned not as experiments, but as established routes to cost control, risk reduction, and performance improvement. Leadership teams prioritise outcomes they can measure, so when initiatives prove their value in such areas, they are far more likely to gain long-term support.

Security sets the direction

Financial Services is one of the most heavily regulated industries in the world. As such, security is embedded into nearly every aspect of technology decision-making.

In 2025, research showed that **74% of FS&I firms** now involve cybersecurity teams at the earliest stages of the tech investment process, reflecting a clear shift in perception. But is this enough?

While compliance with baseline security standards remains a legal necessity, it is no longer sufficient in the face of increasingly sophisticated cyber threats. As financial services firms deepen their use of AI, the attack surface expands, making advanced, proactive security a business imperative. Embedding robust security from the outset is fundamental to safe AI adoption, ensuring that innovation does not outpace protection.

Is your firm as secure as you think?

Find your blind spots with our free security assessment and ensure your controls are working as intended.

Learn more

7. The Customer Journey to AI Maturity

AI maturity isn't a single milestone. It's an organic process that evolves as firms develop their technical foundations, clarify their goals, and respond to regulatory demands.

Firms move at different speeds, but most follow a common set of phases that build on each other over time:

1. Readiness assessment

The first step is understanding where the organisation stands. A structured evaluation of data maturity, architectural readiness, and current AI usage helps identify both blockers and opportunities, ensuring investment is targeted and realistic.

2. Definition of scope

A crucial step for any implementation is to define the scope of your project. Before you get underway you need to know exactly what you are going to do and what returns you expect to see. AI is all too often seen as a silver bullet for broken data processes or organisational gaps. This stage will help to ensure everyone is crystal clear on what can be achieved and what is expected to be achieved.

3. Consultative projects

AI tools have little impact in isolation. Success depends on how well they are integrated into business processes. Targeted consulting support can help design and deliver use cases that solve real problems and align with internal priorities.

4. Governance frameworks

Effective AI use depends on robust oversight, including model monitoring, human-in-the-loop decisioning, and clear accountability structures. Strong governance reduces risk and supports compliance with emerging regulatory expectations.

5. Ongoing optimisation

Once deployed, AI systems must be monitored and sharpened. Dashboards and KPIs can help teams track adoption, measure value, and adjust parameters as conditions change.

Maturity is not a fixed state. It's maintained through iteration.

The journey doesn't require a wholesale shift in infrastructure. With discipline, alignment across teams, and the right sequence of actions, AI maturity becomes a function of progress rather than perfection.

8. From insight to action: The next steps

Strategy alone does not deliver results. Turning it into impact requires practical action, clear ownership, and consistent follow-through that reinforces accountability.

For financial services leaders looking to operationalise their AI and data ambitions, the following steps provide a structured way forward.

1. Audit what you already have

Many organisations overlook tools that are already available.

- Map your current tech stack and AI capability to identify underused platforms and overlapping functionality.
- Speak directly with teams to uncover pain points, manual workarounds, and unmet needs.
- Use dashboards to visualise where adoption is strongest and where gaps persist.

2. Surface and structure your hidden data

Without clear data visibility, AI initiatives cannot scale.

- Run a time-boxed data discovery sprint across departments to locate forgotten or fragmented datasets.
- Build a data dictionary to define key terms, owners, and update cycles.
- Establish a single source of truth for core operational metrics to reduce duplication and confusion.

3. Build a culture of data literacy

Data maturity is cultural as much as technical.

- Launch a "Data Champions" programme to create local advocates in each team.
- Use live dashboards and MVPs to demonstrate real outcomes and spark wider interest.
- Introduce gamified challenges to normalise data usage and reward engagement.

4. Build momentum with targeted AI adoption

Pilots are most effective when scoped around high-friction processes.

The most successful AI programmes often begin with practical wins that are easy to replicate across the organisation.

- Focus on areas where AI is already delivering measurable value, such as customer service summarisation, regulatory reporting, or frontline knowledge access.
- Use these working examples to accelerate wider adoption across teams, functions, or business units.

With tools like the Microsoft AI suite already present in many organisations, the challenge is not starting from scratch. It is about moving with intent, building on what works, and expanding AI use in a structured and strategic way. These targeted deployments create the conditions for broader change, without the need for full-scale transformation on day one.

5. Put governance in place early

The right guardrails don't slow progress, they accelerate it.

- Assign clear roles for AI oversight, model validation, and data stewardship.
- Create a scalable framework that allows for local autonomy while maintaining central standards.
- Apply "confidential by design" and "secure by default" principles to every deployment.

If your organisation has already started using AI, you're likely putting some rules in place. But without a structured framework, it becomes harder to manage risk, maintain consistency, and build trust.

Effective governance sets clear roles, standards, and safeguards from the outset. It helps prevent duplication, ensures compliance, and creates the confidence to expand AI use across the business. With the right foundations, innovation can scale safely and sustainably.

6. Introduce training across all levels

No system delivers value unless it's used with confidence.

- Offer role-specific training to show staff what is possible with the tools they already have.
- Nominate ambassadors to lead by example and support their teams through change.
- Run focused adoption sessions to troubleshoot issues, answer questions, and drive uptake.

These steps do not require transformation at scale to begin. But taken together, they move firms from insight to execution and liberate the full potential of their AI and data investments.

9. The role of leadership: From technologist to translator

In the AI-enabled enterprise, technical fluency is not enough. CIOs and CTOs must also act as educators and translators. Their role goes beyond systems architecture or infrastructure oversight to include helping non-technical stakeholders see how data and technology unlock business value.

These leaders occupy a critical vantage point. They understand how platforms connect, where workflows bottleneck, and how digital tools influence service delivery, cost control, and regulatory posture. It's this context that allows them to link boardroom priorities with operational execution and guide AI initiatives toward measurable outcomes.

Change doesn't scale without CEO ownership

When senior leadership promotes the organisational value of AI - not just what it can do, but what it can enable - they are far more likely to remove blockers, commit long-term resources, and support cross-functional collaboration.

This begins not with sweeping front-office reinvention, but with employee empowerment. In many firms, AI is already helping with some of the key daily tasks that eat into productivity. Tools like Microsoft Copilot are proving their worth in these roles because they solve familiar problems and build confidence through day-to-day use. CEOs need to look to the future of a human-led agent-operated approach to AI where human labour is used to set the direction and agents execute as needed.

Culture shifts from the top, but sticks at the bottom

Cultural change starts at the top, but adoption takes hold at the ground level. The most effective leadership brings both together, driving clarity of purpose from the boardroom, while making sure the benefits reach the people doing the work.

10. BCN's role:
From strategy to execution

BCN works with financial services firms across banking, insurance, advisory, wealth management and fintech to turn AI and data investments into operational value. Our focus is consultancy and execution. We bridge the gap between ambition and outcome by aligning technology with business realities, regulatory expectations, and sector-specific constraints.

We help clients evaluate, architect, deploy, and optimise the tools they already have, typically within Microsoft's ecosystem. This includes Copilot across Microsoft 365, Dynamics 365, and GitHub, as M365 Copilot, usage and adoption, Copilot Studio for custom Agentic experiences as well as Azure OpenAI Services for more advanced use cases.

"BCN are innovative, they're always pointing us towards relevant technology stacks and considerations.

BCN is more than just a vendor or partner relationship, they are part of our team. They are so embedded within our organisation that people can't tell the difference between a BCN support engineer and one of my technical in-house team."

- Frenkel Topping

Our services include:

Readiness assessments

Structured evaluations that benchmark AI and data maturity, identify near-term opportunities, and chart a path to scalable adoption.

Consultative projects

Targeted engagements aligned to your business goals. Whether the goal is fixing a single workflow or scaling AI across the business, we build practical delivery plans with measurable outcomes. BCN will work with you to map processes and uncover efficiency gains, we will also work with your people to inspire and educate them to use AI and M365 Copilot effectively.

AI dashboards

Interactive reporting that tracks adoption, highlights blockers, and visualises impact across teams. These dashboards turn progress into something leaders can see and, crucially, act on.

Governance frameworks

Scalable models that specify roles, responsibilities, and safeguards. We help you embed oversight, ensure safe usage, and maintain compliance at every stage. Every engagement is grounded in the same belief:

Strategy without execution delivers little. BCN works as a trusted partner, helping you to realise business value from your AI investments.

Get started with AI that delivers

Whether you're exploring your first use case or scaling AI across the enterprise, BCN helps financial services firms turn strategy into sustained results. Our focus is practical execution that is secure, compliant, and aligned with your goals as standard.

Let's start the conversation.

Visit www.bcn.co.uk
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