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# With Great Power Comes Great Responsibility: AI in Banking



In the world of banking, the integration of artificial intelligence has moved from the experimental stages to strategic moves, with some of the top established financial institutions across Europe, including the UK, pouring billions into AI-driven innovation.

Today, I am taking a closer look at six major players: HSBC, Barclays Bank, BNP Paribas, BBVA, NatWest, and Danske Bank. These financial institutions are adopting AI and forging alliances with technology leaders and startups.

## HSBC

Partnering with tech giants like **Google** Cloud and IBM, HSBC has been working to develop advanced fraud detection systems powered by machine learning.

These tools analyse billions of transactions in real time to identify suspicious patterns before they escalate.

**Their AI-based virtual assistant is becoming smarter with every customer interaction**

HSBC is also leveraging AI to personalise customer experiences. Through collaborations with AI specialists like **Quantexa**, they are refining data analysis to deliver more relevant financial advice.

Their AI-based virtual assistant is becoming smarter with every customer interaction, moving closer to proactive financial planning instead of reactive support.

## Barclays Bank

Barclays has been **investing** heavily in AI to optimise both customer experience and internal efficiency. The bank has partnered with IBM for advanced analytics and AI-powered fraud detection (like HSBC).

For credit risk assessment, by using machine learning algorithms, the bank can evaluate applications faster and with greater accuracy, while ensuring compliance with UK and EU regulations.

Barclays is also experimenting with AI-driven investment advice for its wealth management clients, using real-time market data to recommend tailored strategies.

It is still a risky experiment that needs much testing, so please remember, do not invest unless you are ready to lose it all.

**Barclays recently joined forces with Microsoft and NVIDIA to launch an Innovation Hub in London**

Barclays wants to be on top, and its recent announcement to join forces with Microsoft and NVIDIA to launch an Innovation Hub in London shows us how.

“The Barclays Innovation Hub is a vital catalyst for upskilling the UK’s workforce in AI and accelerating the growth of its ambitious startups. NVIDIA’s contributions to the Innovation Hub support our broader commitment to upskill UK developers with AI skills,” **said** Anthony Hills, UK Country Manager of NVIDIA.

## BNP Paribas

BNP Paribas has been focusing on AI-powered automation across its operations. Partnering with **IBM**, the bank is harnessing Watson AI for both client-facing services and internal decision-making processes.

It includes natural language processing tools that help analysts digest vast amounts of market intelligence in minutes rather than days.

## AI is central to its ambition of remaining Europe's most data-driven bank

The French banking giant has also been experimenting with AI in portfolio management. Their innovation lab has worked on algorithms that can simulate thousands of market scenarios, providing asset managers with better insights into risk and potential returns.

This kind of predictive capability has become a competitive advantage, especially in volatile markets.

BNP Paribas has noted that AI is central to its ambition of remaining Europe's most data-driven bank, with ethics and regulatory compliance embedded at every step.

## BBVA

BBVA, the Spanish multinational, has taken a unique stance on AI. Their strategy blends technological ambition with a strong focus on human oversight and customer trust.

No surprise this bank made my list, since The Banker recently **named** them "the world's best technology bank".

**BBVA integrated cutting-edge fintech innovations faster than traditional development cycles would allow**

Their collaboration with startup ecosystem partners in Madrid and Barcelona has also allowed BBVA to integrate cutting-edge fintech innovations faster than traditional development cycles would allow. The recent partnership between BBVA and **OpenAI** is an interesting one to follow.

## NatWest

NatWest has been heavily investing in AI for both operational resilience and customer **service**. The bank has **announced** a new partnership with Amazon Web Services (AWS) and Accenture to transform the way it serves its customers by accelerating the modernisation of its digital, data, analytics, and AI capabilities.

The bank has also been trialling AI in mortgage processing, significantly reducing approval times. It is part of a broader push to remove bottlenecks that frustrate customers and create operational inefficiencies.

## Danske Bank

Danske Bank in Denmark has become known for its pioneering work in fraud detection and **putting** customers first. Partnering with the SAS Institute, Danske Bank believes its future is digital but also customer-centric.

**Danske Bank's approach is aligned with the national agenda**

The newly appointed Chief AI Officer (CAIO) and Head of GenAI, Kasper Tjørntved Davidsen, **said**, "We have launched 12 Generative AI solutions, including DanskeGPT, DanskeAssist, GovDoc Assistant, and HR Assistant, with new solutions being continuously tested and launched. (By the way, remember when I **said** the CAIO role was on the rise?) Almost 16.000 employees at Danske Bank use one or more of our internal Generative AI solutions every month, and 90% of all Danske Bank employees have participated in Generative AI trainings."

As Denmark positions itself as a leader in digital rights and AI ethics (**read** last week's article), Danske Bank's approach is aligned with the national agenda.

## The Future of Banking

The banks I have highlighted are laying the



groundwork and foundations for an entirely new era of banking. Global tech leaders such as Google, IBM, Microsoft, Amazon, SAS, and emerging startups are helping accelerate the innovation.

### Critical challenges are data privacy, algorithm bias, and potential misuse

As these AI systems become more sophisticated, we will see shifts in regulation, customer expectations, and even the role of human bankers.

AI will handle more of the data-heavy, repetitive work, allowing humans to focus on complex decision-making and relationship-building.

However, with these opportunities, and as the saying goes, "with great power comes great responsibility". Critical challenges that remain are data privacy, algorithm bias, and potential misuse.

## A Call to Action and Concern

In my opinion, we should pay close attention to which banks are making AI investments responsibly and which are simply chasing short-term gains.

Partnerships with technology companies are powerful and impactful, but only if the foundations are strong enough and they look beyond their profit margins.



*Please do not forget to cater to those who need a real person to talk to*

The banks leading the way today have a unique

opportunity to show that innovation and responsibility can move forward together, whilst still keeping the customer at the center.

I do have one concern when it comes to banking. Although we are on the path to becoming a native digital society, sometimes we forget there is a significant portion of humanity who did not grow up with technology, and physical access is the only way they understand and feel comfortable operating banking.

I continue to see bank branches closing (including mine; I've seen three local bank branches shutting down) and limited face-to-face services for those who still need them.

We are decades away from being an entirely digitally born society. Please do not forget to cater to those who need a real person to talk to. Or are we forgetting that Google is only 26 years old?

In the quest for innovation and being number one, let's not forget that humans still come first.