

73% of financial services execs expect GAI “will eventually take their job”

FintechOS study, the largest of its kind, reveals that GAI is polarising the financial services sector

LONDON , UNITED KINGDOM , November 22, 2023 /EINPresswire.com/ -- FintechOS, the global leader in fintech enablement, today announced the launch of a new study ‘Generative Artificial Intelligence: The Technology Polarising the Financial Services Industry’ that reveals 73% of financial services execs expect GAI “will eventually take their job”. The report, the largest of its kind, explores stark divisions among financial institutions on the expectations, implementation and impact of this groundbreaking technology. However, amidst these often conflicting views, there is one common consensus: the expectation that GAI will inevitably reshape the workforce and displace jobs.

Key findings

- Financial services industry is split on whether GAI is “friend” (45%) or “foe” (40%), and characterised by a blend of excitement, curiosity, apprehension and fear.
- 50% of institutions are already investing in GAI. UK institutions invest between £800K and £1.6 million, while US institutions invest between \$2.1 million and \$5 million.
- Two thirds (66%) of executives anticipate a 20% average increase in revenue due to GAI within the next three years.
- More than half of respondents (57%) believe that GAI will result in job losses, with an average headcount reduction of 30% over next three years.
- Nearly three quarters (73%) of executives expect their jobs will eventually be replaced by GAI.

This report is based on a survey of senior technology decision makers within major banks and insurance companies, with more than 1,000 employees, operating in both the United Kingdom and the United States. The survey was commissioned by FintechOS and was conducted by independent research company Censuswide over a three-week period in August 2023.

How do banks and insurers feel about GAI?

- GAI is seen almost equally as friend and foe: The industry's perspective on GAI is marked by a mixture of enthusiasm and concern. Approximately 22% of those surveyed expressed enthusiasm, while 21% acknowledged feeling some level of apprehension, demonstrating the divisive nature of the technology.
- Age is a defining factor in how individuals perceive GAI: Younger respondents tended to view

GAI more positively, with only 38% of those aged 25-34 considering it a "foe." This sentiment gradually shifted as age increased, culminating in 47% of respondents aged 55 and above seeing GAI as more of a "foe" than a "friend".

Are institutions implementing and investing in GAI today?

- Most institutions aren't yet using GAI, but more than 50% of the biggest firms are: 40% of institutions on average are using GAI today. This number climbs to 52% for businesses with 3,000 employees or more.
- US outstrips UK on GAI investment: Companies are allocating financial resources to GAI initiatives. In the UK, the majority invest between £800K-£1.6 million, while in the US, the most common investment range is between \$2.1 million and \$5 million.

The immediate business impact of GAI

- Companies lack consensus on impact: Companies lack consensus on which business areas will benefit the most from GAI. Customer service enquiries, customer credit checkers, lending automation, and market research and data analytics all receive almost equal consideration (around 21%), suggesting uncertainty about GAI's business impact.
- Larger companies exhibit a more defined perspective: Larger businesses' preferences align more consistently with specific areas of focus, indicating a more refined understanding of where GAI can yield the most significant advantages.

Future plans and long-term implications

- There is no one size fits all strategy for GAI adoption: While institutions are divided on what's needed to take GAI forward, every financial institution has started its GAI journey. They are united in that the right tech stack needs to be in place to capitalize. This includes open data models (23%), data architecture centralized for natural language processing (21%), and low-code technology (19%).
- Divided on whether CSO or COO should own GAI strategy: Responses are evenly divided on who should lead the GAI strategy, with 23% favouring the Chief Security Officer and 23% preferring the Chief Operations Officer.
- Unanimous agreement for revenue increase: Most respondents (66%) from the banking and insurance sectors anticipate a 20% revenue increase due to GAI within the next three years.
- Job losses: More than half of respondents (57%) believe that GAI will result in job losses, with an average headcount reduction of 30% over next three years.

"GAI is a terrain marked by both excitement and apprehension and our study explores the polarised sentiment that surrounds this groundbreaking technology. While opinions within the financial services industry are deeply divided, there is one common consensus: the expectation that GAI will boost revenues but inevitably reshape the workforce and displace jobs," said Teodor Blidarus, co-Founder and CEO at FintechOS. "Every financial institution has started its GAI

journey and it's imperative to take the first step – even if it's a small one – to avoid being left behind. Only by starting the journey now, and understanding the implications can be mitigate the risks of GAI and better reap the rewards.”

FintechOS' 'Generative Artificial Intelligence: The Technology Polarising the Financial Services Industry' Report, which contains the full analysis and further insights, can be downloaded at <https://info.fintechos.com/gai-report-fintechos>.

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Methodology

This report is based on an online survey of 500 technology decision makers within major banks and insurance companies, with more than 1,000 employees, evenly distributed across the United Kingdom and United States. The survey was completed by Censuswide in August 2023.

About FintechOS

FintechOS's fintech enablement platform simplifies and accelerates end-to-end product innovation, enabling banks and insurers to decouple product and experience innovation from monolithic systems, extending the life of their legacy systems. With a focus on speed, personalization, and ecosystem integration, FintechOS empowers businesses to achieve rapid innovation and deliver exceptional customer experiences. With over 50 customers, the company serves renowned clients and partners worldwide, including Groupe Société Générale, Admiral Insurance Group, and Howden Group. FintechOS solutions have empowered these partners to streamline operations, launch ground-breaking products, and significantly enhance customer satisfaction.

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