

Tech-driven risks are top compliance concern for two thirds of financial firms, research reveals

eflow Global warns firms of technology-driven risks, as 64% of regulatory leaders recognise accelerated use of new technologies as their top compliance concern

LONDON, UNITED KINGDOM, February 20, 2025 /EINPresswire.com/ -- The majority (64%) of global regulatory leaders believe that tech-driven risks, such as the accelerated use of AI, will be the market force that is most likely to cause compliance issues in the next year.

That's according to [eflow Global](#), a leading provider of regulatory compliance technology, which surveyed 300 senior executives in the finance industry across the UK, US, Europe and APAC.

The findings also highlight the broader challenges financial firms face in a volatile global landscape. Economic instability, exacerbated by inflationary pressures and market unpredictability, is cited as a key compliance challenge by 58% of respondents, rising to 63% among UK-based regulatory professionals.

Geopolitical instability adds another layer of complexity, which one in four executives flagged as a growing risk. Meanwhile, 47% of participants pointed to the increasingly intricate regulatory environment as a major obstacle to maintaining compliance.

"Firms should proceed with caution and be mindful of inaccuracies," said Ben Parker, CEO of eflow Global. "The risks associated with AI, particularly around data privacy and security, need to be carefully considered. Implementing AI without proper testing and validation can lead to unintended consequences, especially in highly regulated sectors like finance."

"The bottom line is that human expertise remains vital," Parker added. "AI should complement and augment human decision-making, allowing experts to focus on strategic oversight while automation manages repetitive tasks. This collaboration between AI and human professionals is critical to building efficient and compliant systems."

Jonathan Dixon, Head of Surveillance at eflow Global, added: "Artificial intelligence is already transforming trade surveillance by enabling real-time monitoring and predictive analytics that can foresee risks before they materialise. It is also reshaping compliance by addressing gaps in transaction traceability and making regulatory processes more efficient. However, over-reliance on AI without human oversight is like flying blind. No matter how advanced it is, a flawed

algorithm or biased dataset can create blind spots that can create significant regulatory and reputational risks for firms.”

The issues are detailed in eflow Global’s upcoming Global Trends in Market Abuse and Trade Surveillance 2025 Report, launching in March 2025, which will present an extensive deep dive into the challenges that regulated firms are experiencing across global markets.

Roseanna Lane
CommsCo
rlane@thecommsco.com

This press release can be viewed online at: <https://www.einpresswire.com/article/787699167>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2025 Newsmatics Inc. All Right Reserved.