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Read The Payment Association's Using AI Intelligently Guidebook **here**

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Why is AI so suited to RPA management?

RPA is the concept of a digital worker, which is not AI dependent. There are ways to get efficiency in its purest form without using AI to ensure that data and processes can connect and flow. Next, there are people that fill the gaps and provide human oversight when things are complicated and require judgment. Digital workers sit in between the two. They are designed to replicate humans in that they can do repetitive tasks and can be programmed to do x with y. In that sense, they can remove a lot of the workload when it comes to static processes that are repeated in volume many times over a day and do it so much more effectively and quickly than a human.

The AI comes in to apply the brain work over the muscle of the RPA. It works intelligently with data and documentation to make decisions on what to do with something and where it needs to go and instructs the RPA accordingly. This is largely ML and DL but can also involve NLP, depending on what the AI is being asked to interpret and decide.

The idea is that the digital worker needs some translation and pointing in the right direction and the AI provides that. Once it knows how to categorise something it can go off and do its thing. The AI uses previous decisions to make a recommendation, and the RPA orchestrates that.

What about within payments specifically?

AI is useful within payments and supporting various functions. Firstly, it can help with payment investigation and support. This is identifying when something has gone wrong and fixing it to provide a quick and seamless payments system. This feeds into the expectation that payments will be processed quickly and the need to be able to do that with high volumes.

The huge amounts of payments and data volumes lends itself to using AI to look at AML/ KYC and fraudulent payments. This is based on using previous data to identify patterns and identifying something that looks slightly off kilt. It is the ability to identify the needle within the haystack.

Thirdly, there is a resilience issue, and this is being able to get systems and payments processes back up and running quickly and accurately in the event of a major outage. If AI knows what to do with something, then it can get on and do it.

The two big ones are around transactional banking where you get large volumes of data needing to be pushed through quickly. The AI can help see where something has broken down and needs fixing, as well as identify breaks in patterns or suspicious counterparties, or activity by a counterparty. What is not usual and whether a transaction of a counterparty has any sanctions or red flags set against it.

Effectively the risk of fines or reputational damage are so much, that any FS institution needs to leverage AI to the max to make sure that everything is as it should be.

Where else can AI be used?

Wherever there is a case for using AI to speed something up and make it more efficient and intelligent, there needs to be a discussion. Humans need to move away from repetitive and data-driven tasks to using AI to make faster and more reliable decisions. The two massive use cases that we see are within fraud, where there is a limit to how many patterns a person can recognise. The other area is account opening and gathering data for that, knowing where to look and what information is needed, and starting to put together risk profiles based on information.

Chatbots can also be a very useful solution for certain areas. If they are working well, they can provide a richer experience, but what they really need to be able to do is recognise customer intent and then have a 360 degree view of the customer within the system to contextualise that intent. Here the ML can determine the best response, using all the clusters of data and being able to compare

the intent to situations it has come across in the past. At its best, the chatbot should be used in conjunction with a human i.e. going through security with a chatbot and determining intent and then passing onto an actual agent to do the complex stuff that requires human judgement and intervention. All this enhances the customer experience

Barriers to adoption – how best to do this?

Integration is the biggest problem, because if ML is required to decide based on pattern recognition, then datasets need to be fully integrated with each other, this is especially the case when you are asking the ML to draw together seemingly unrelated data points to make predictions. The need is to be able to interrogate multiple data sets and that includes those from external sources. They need to be readable and cleansed and make sense. This includes both structured and unstructured data.

Testing and improving the model is another thing to be aware of. AI and ML are not not a finite goal. Thus, continuous testing and reassessment are required to make sure that the ML is fit for purpose and not going off on a tangent or introducing unconscious bias.

Regulation is another consideration. With risk management, if machines are making decisions then they need to be auditable and accountable. There needs to be visibility over processes and procedures. This entails parallel testing environments and ongoing reviews and randomised quarterly controls.

There can be some cultural resistance to change. This can be helped massively by c level support and presenting the introduction of AI as a positive and an opportunity to upskill and re skill. This solves the business challenge of having people doing very mundane tasks in a non-cost-effective way. It is in fact an opportunity for people to do something more interesting and gain the skills and capabilities to drive the AI forward

Why is it well worth doing/ drivers?

Core systems are expensive but efficient and AI can be injected into that at a much lower cost and lower implementation pain, as long as the core systems and data and integration possibilities are there in the first place.

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