

Balancing AI risk and transformation in financial services

EY European Financial Services AI Pulse Survey
2025



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About the research

Objectives

- To understand what C-level executives in the financial services sector think about their organizations' use of AI, the risks technology can pose and how AI is affecting their workforces.
- Analyze how attitudes towards AI adoption in financial services businesses are evolving.

Methodology

- From March to June 2025, EY and FT Longitude conducted a survey of 410 C-level executives across UK and Europe in industries including banking and capital markets, insurance, and wealth and asset management.
- Respondents represent organizations with assets ranging from \$1 billion to more than \$1 trillion, and cover 16 countries.

Demographic of C-suite respondents



Regions	No. leaders
Belgium	30
Channel Islands	15
France	50
Germany	50
Ireland	15
Italy	30
Luxembourg	15
Netherlands	30
Nordics	30
Portugal	15
Spain	30
Switzerland	50
UK	50
Total	410

Key findings

57%

of financial services leaders are concerned that their organization's approach to technology-related risk is insufficient in the face of emerging AI technology.

30%

of organizations have no or limited controls in place to ensure AI is free from bias.

33%

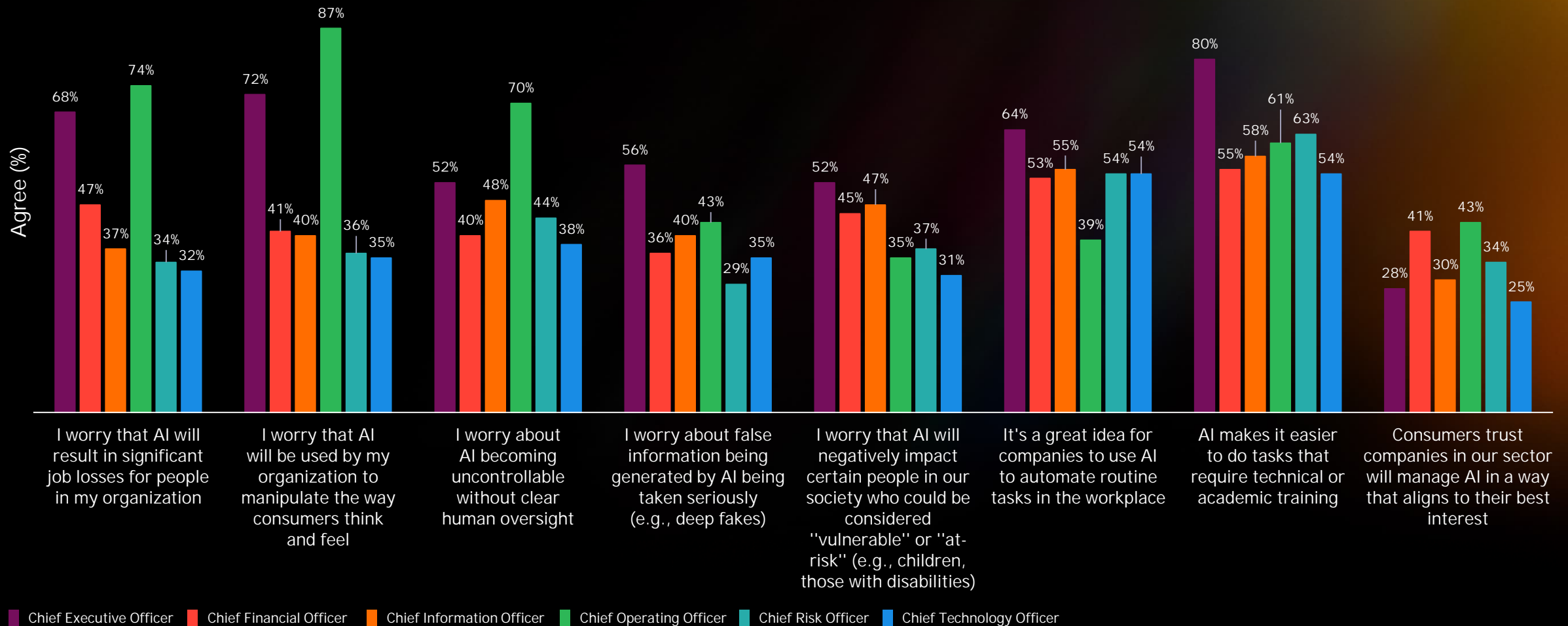
of financial services leaders are extremely or moderately familiar with agentic AI, the current state of the art for LLMs, while 25% plan to implement agentic AI within their organization within the next six months.

Executive summary

- A third (33%) of financial services firms are familiar with agentic AI, and quarter expect to begin using it within the next six months.
- Firms are investing heavily in AI training programmes, testing AI models and data access control capabilities.
- Most firms say they have robust risk mitigation for AI, while a little over half (52%) rely on internal audits to provide trust and confidence.
- Financial services leaders are divided on the positive and negative impacts of AI.
- More than half (57%) believe their organization's approach is insufficient to address the challenges posed by emerging technology.
- Almost a third (30%) of financial services companies have limited or no controls to ensure AI is free from bias.

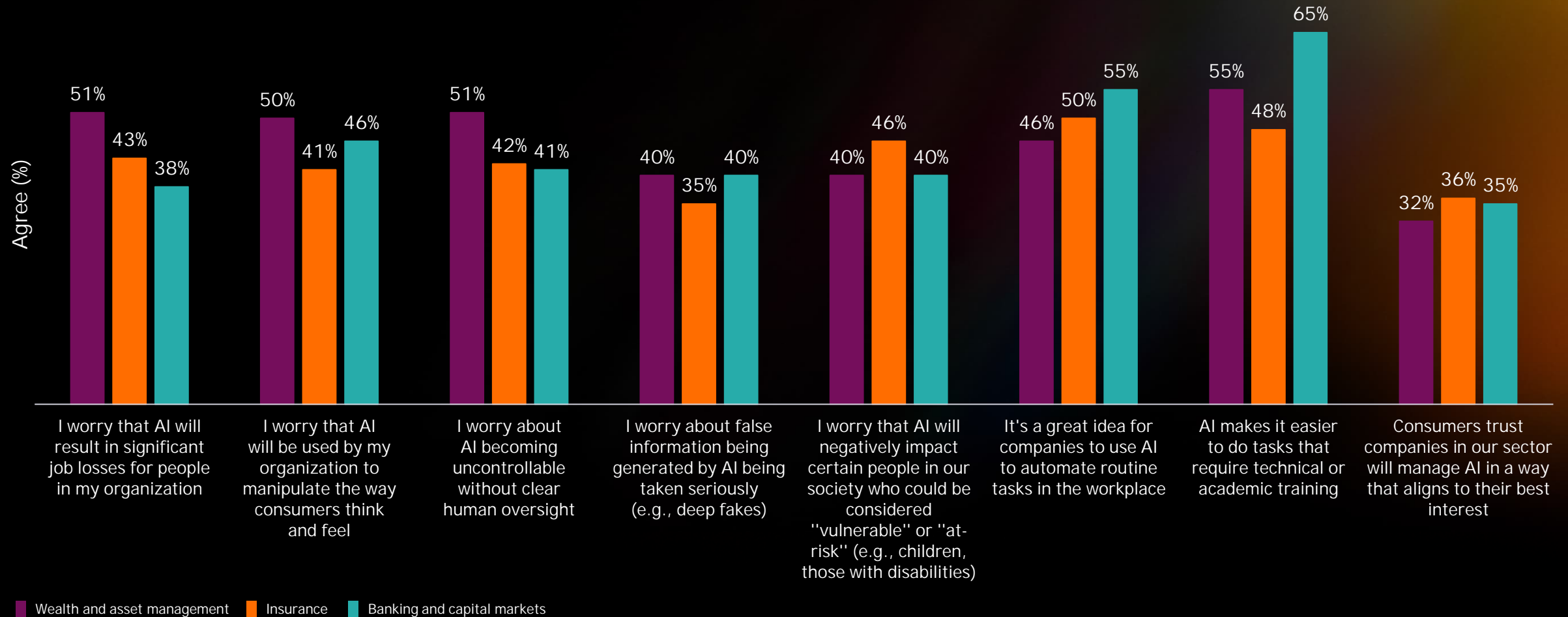
Financial services leaders are divided on the positive and negative potential impacts of AI, and concerns differ across roles

To what extent do you agree or disagree with each of the following statements?



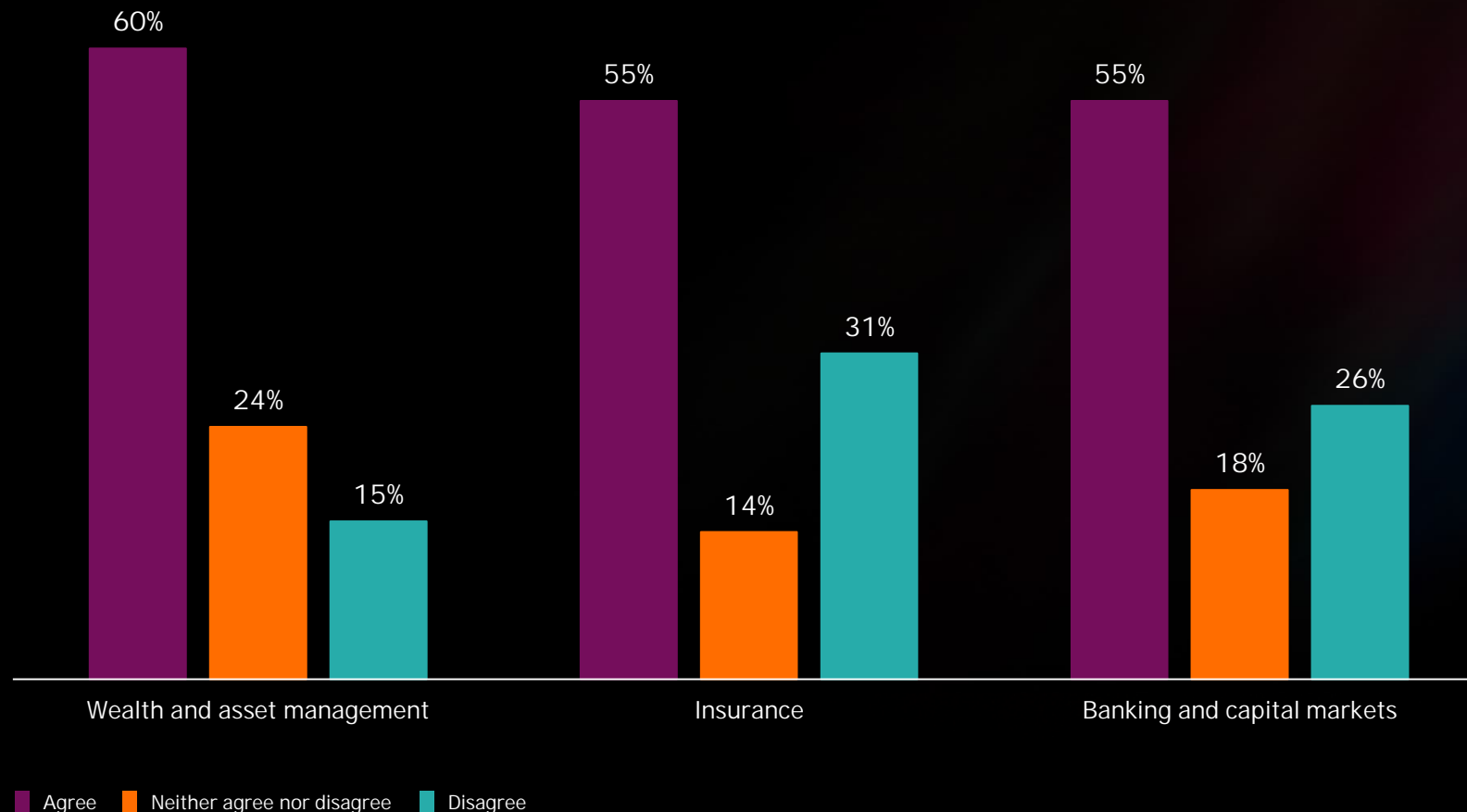
Financial services leaders are divided on the positive and negative potential impacts of AI, and concerns differ across sectors

To what extent do you agree or disagree with each of the following statements?



More than half of leaders believe their organizations aren't equipped for the challenges posed by emerging technology

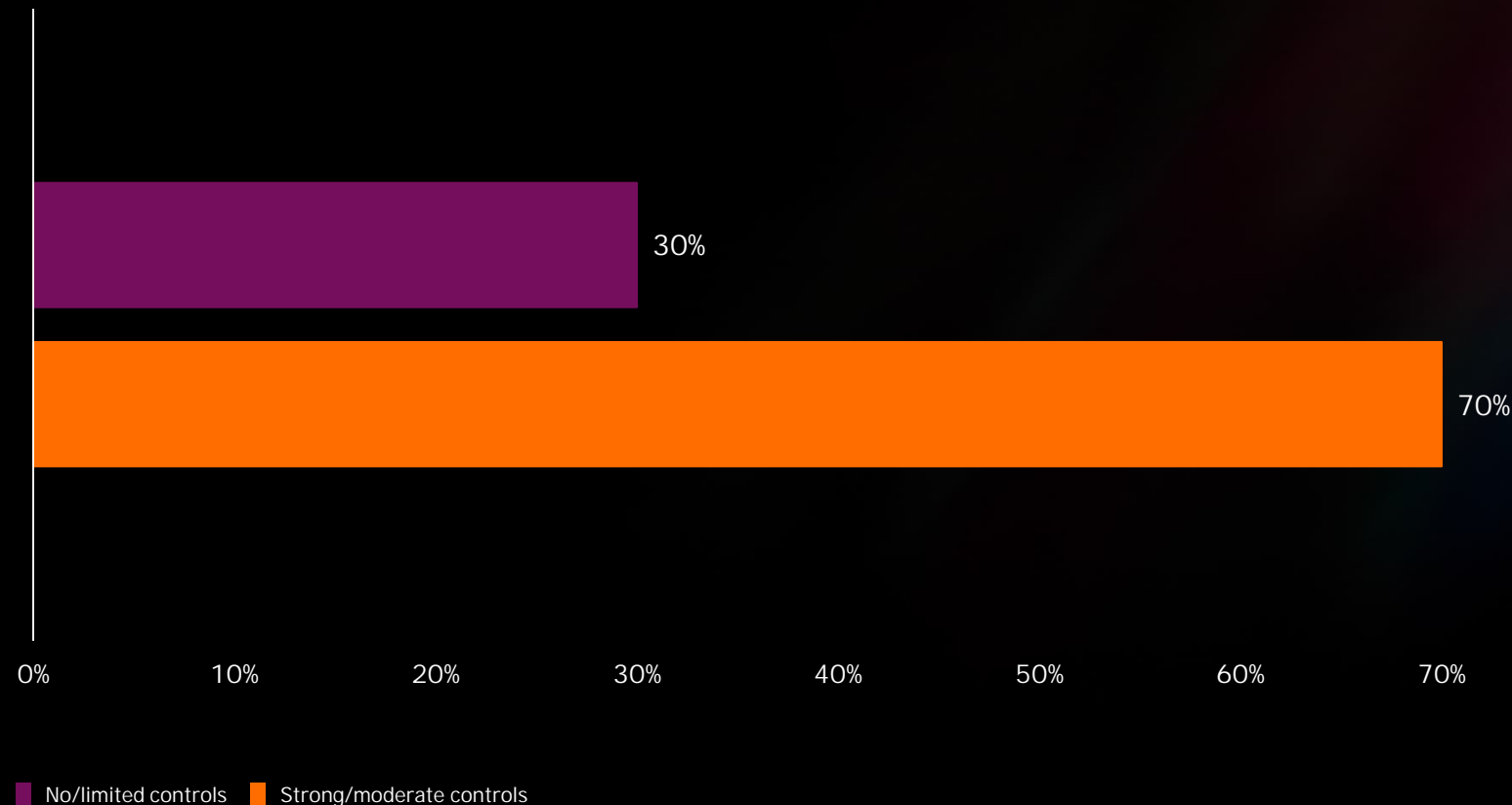
Leaders across wealth and asset management, insurance, and banking and capital markets all express concern about their preparedness



- When asked whether they agree that their organization's approach to technology-related risk was insufficient to address new challenges from emerging AI technologies, 57% of financial services leaders agreed or strongly agreed, with wealth and asset management leaders most likely to agree.
- Leaders of more mature AI organizations, however, were more likely to feel their approach was sufficient. Two thirds (67%) of leaders in organizations at the 'Optimizing' stage of AI maturity felt their approach was insufficient, but this fell to 54% of leaders in 'Transforming' organizations and 50% of leaders in 'Leading' organizations.
- Leaders feel that regulatory uncertainty and complexity limit their organization's ability to adopt and scale AI, with 54% agreeing or strongly agreeing that this is the case.

Almost a third (30%) of financial services companies have limited or no controls in place to ensure AI is free from bias

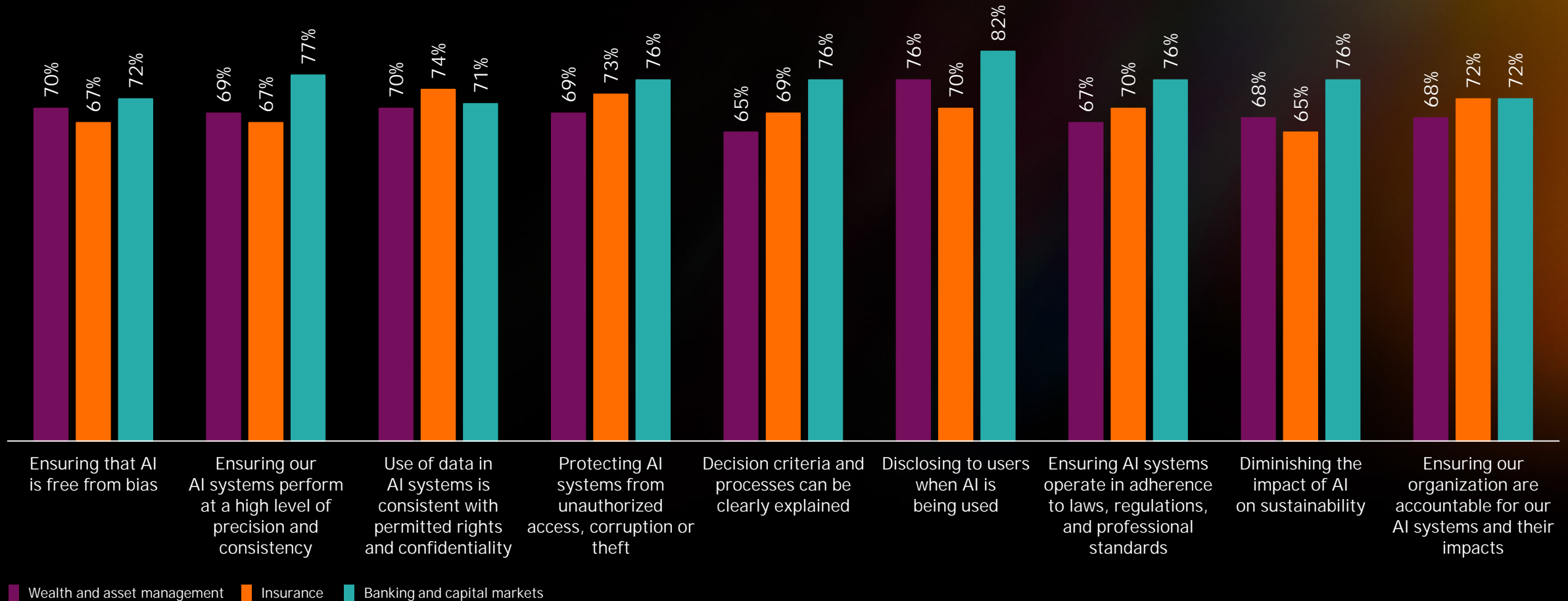
To what extent does your organization have controls in place to ensure AI is free from bias?



- While more than three quarters (76%) of financial services organizations have disclosures in place to highlight when AI is being used, controls are lacking in other areas.
- Three-in-ten (30%) have no or limited controls to ensure decision criteria and processes can be clearly explained, and the same proportion lack controls to diminish the impact of AI on sustainability.

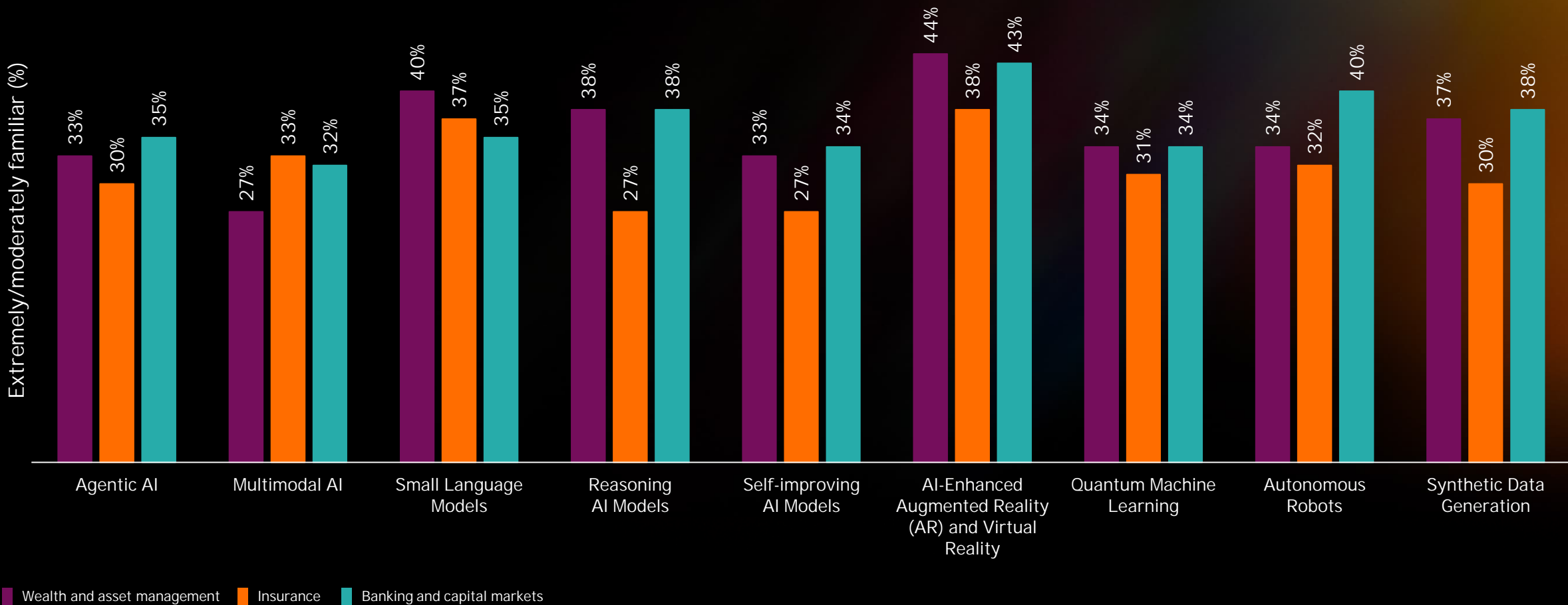
Controls are strongest among banking and capital markets companies

To what extent does your organization have controls in place to address the following challenges posed by AI, where relevant to your AI use cases?



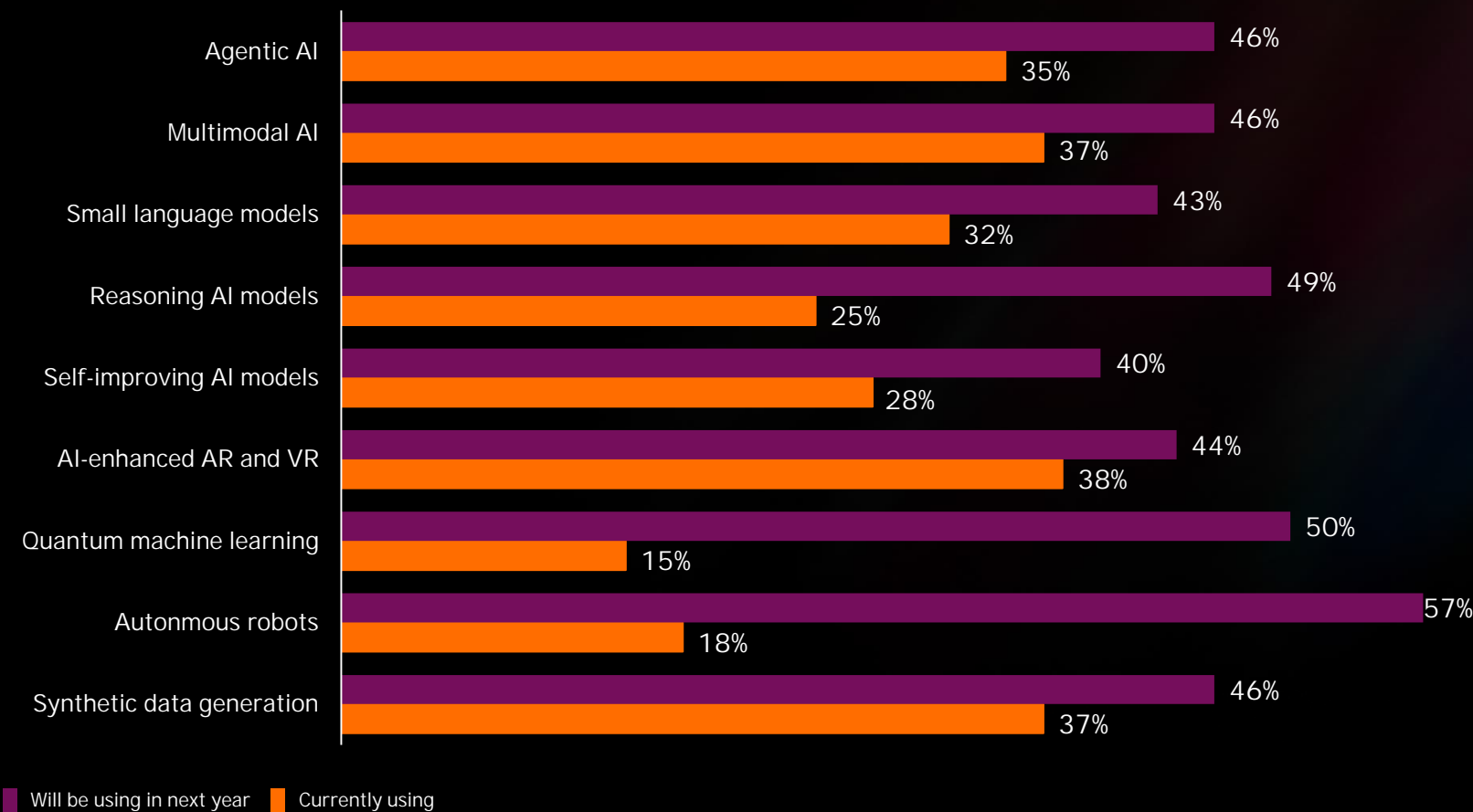
Just a third (33%) of financial services firms are comfortable with agentic AI

How familiar are you with the features, capabilities and potential use cases for the following emerging AI technologies in your organization?



More than a third (35%) of financial services leaders are currently using agentic AI

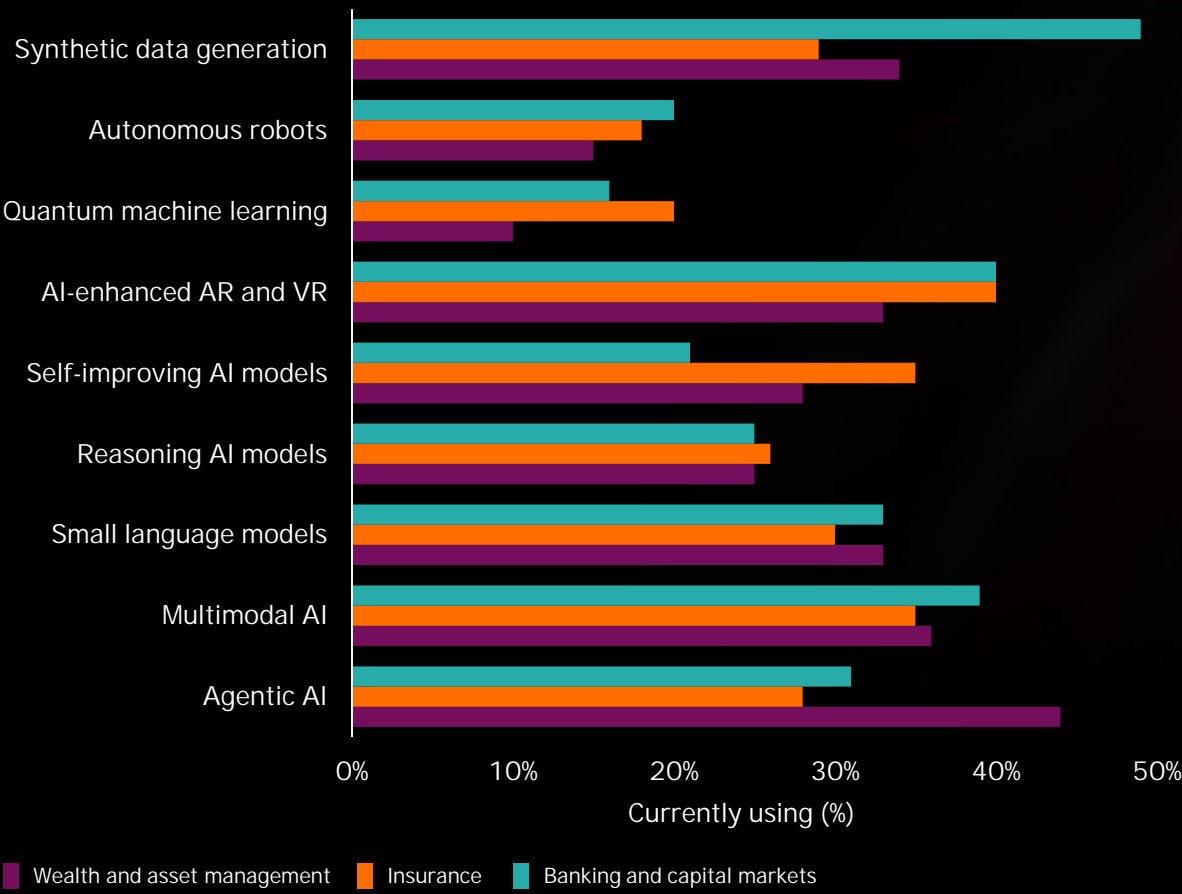
When does your organization plan to start using the following emerging AI technologies?



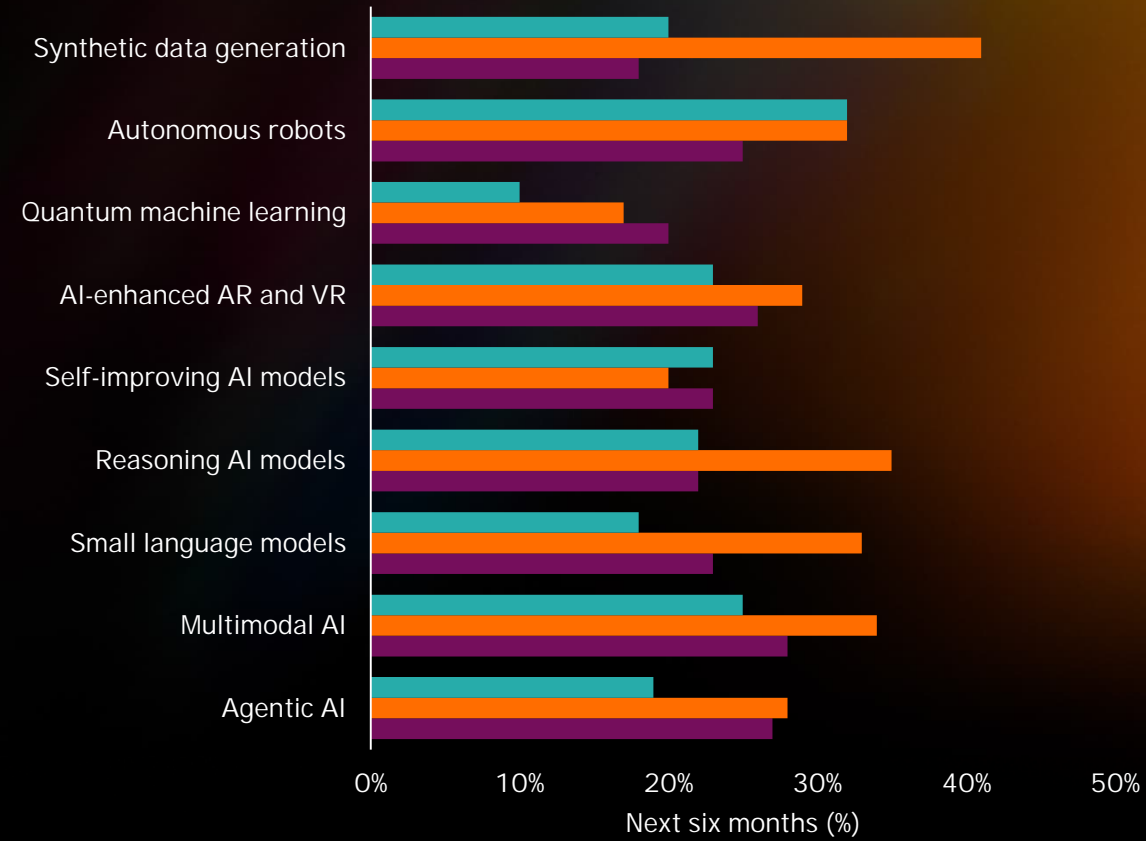
- Financial services organizations expect to begin using AI-enhanced AR and VR, multimodal AI and synthetic data generation in the next six months.
- Over the next 12 months, however, most expect to begin using autonomous robots.

25% of financial services leaders expect their organization to begin using agentic AI in the next six months

Which of the following emerging AI technologies is your organization currently using?

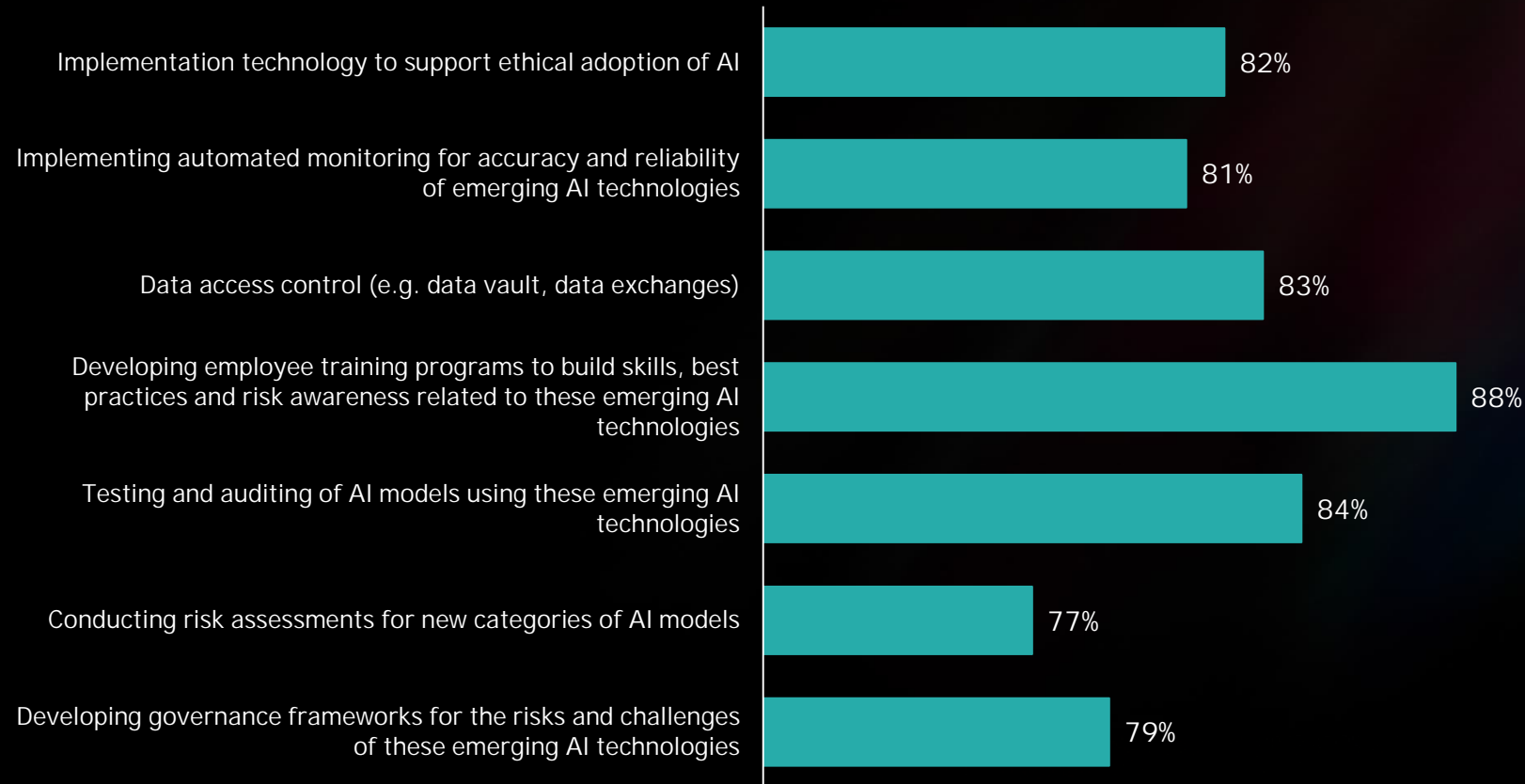


Which of the following emerging AI technologies does your organization plan to start using in the next six months?



Financial services firms are investing heavily in AI training programmes

To what extent are you investing in the following areas to mitigate the risks of emerging AI technologies?

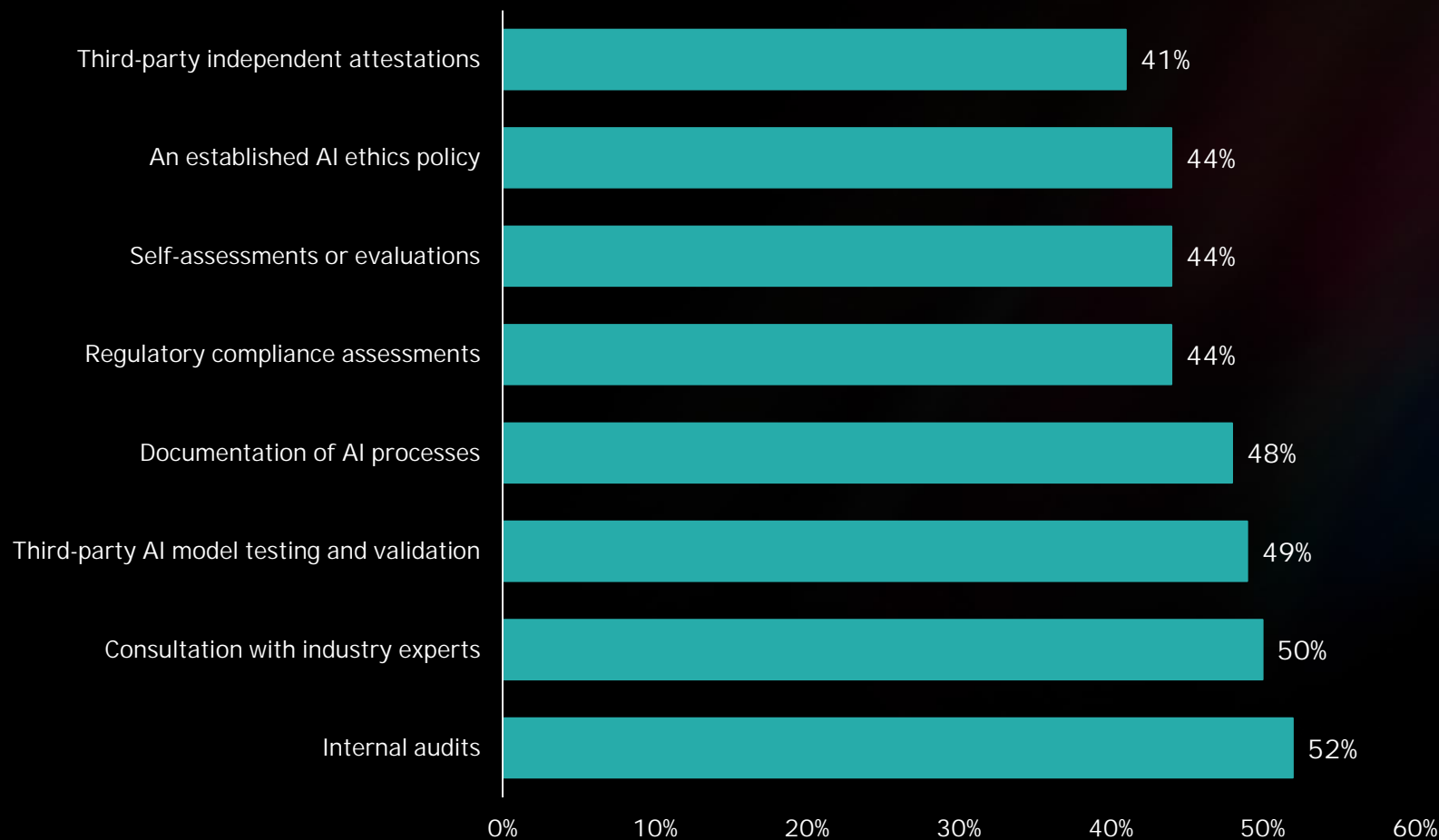


■ Moderate to extensive investment (%)

- Firms are developing training programmes to build skills, risk awareness and develop best practices among team members. 88% of firms are investing moderate, significant or extensive amounts into developing training. 84% are investing in testing and auditing of AI models and 83% are investing in data access control.

Most financial services firms rely on internal audits to provide trust and confidence in AI

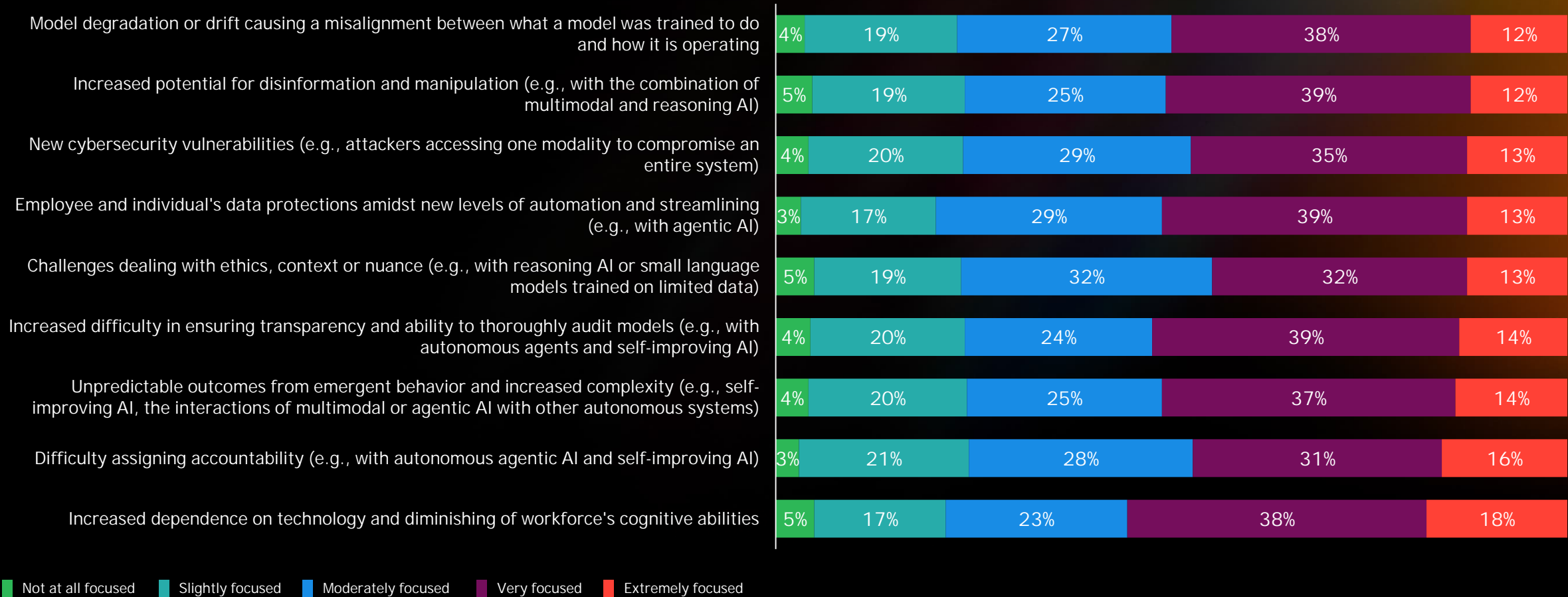
Which of the following does your organization use to provide trust and confidence in your AI systems?



- More than half (52%) of financial services organizations rely on internal audits to provide trust and confidence in their AI systems, but preferred approaches differ widely across regions.
- Internal audits are used by 56% of wealth and asset management leaders – the most popular method. Insurance leaders lean more heavily on consultation with industry experts (48%), while 57% of banking and capital markets leaders rely on third-party model testing and validation.

Many C-suite executives fear excessive AI dependence could result in a less intelligent workforce

To what extent is your organization focused on understanding and mitigating the following risks associated with emerging AI technologies?



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