

DUTY CX

RESPONSIBLE AI IN CUSTOMER INTERACTIONS



A CX View of AI in Regulated Markets

- AI is here. But trust still wins.
- Customer interactions are changing rapidly. The key is embedding AI in ways that are consistent with regulatory and ethical standards.
- In regulated industries like Financial Services, Utilities, and Insurance, experience is not just about convenience. It's about confidence.

When we apply AI in these settings, we're not just solving operational challenges. We're managing emotional and regulatory risk.



A Familiar Tension: AI vs CX vs Compliance

Efficiency

Faster service

Standardised journeys

Scalable support

Experience

May feel impersonal

Can reduce empathy

Risk of over-automation

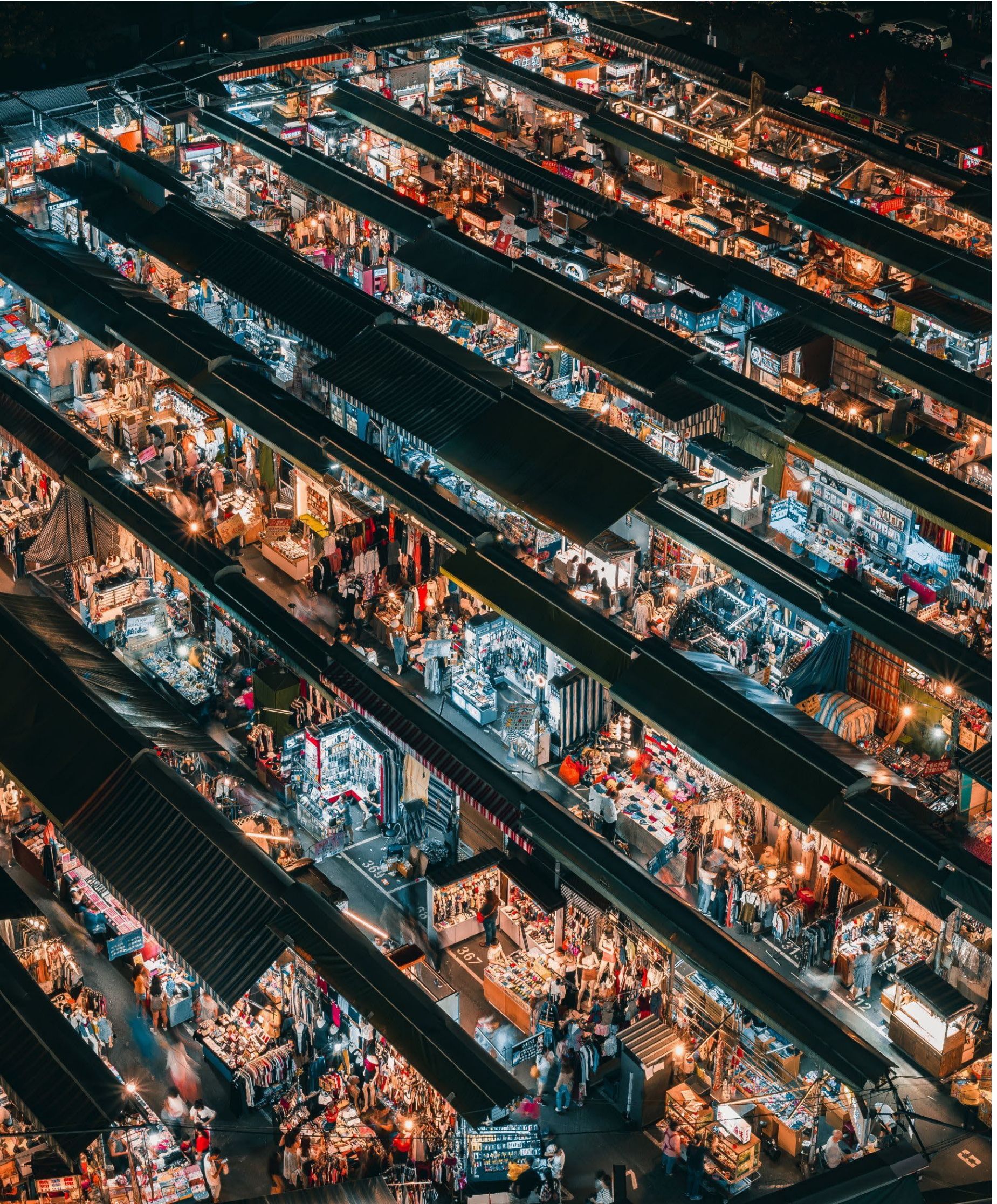
Risk

Risk of non-compliant scripts

Lack of audit trail or handoff logic

Missed vulnerability flags

We need to reframe AI. It's not just a technical upgrade. It should be a trust and compliance enabler, if we design it the right way.



Embedding Compliance into AI Journeys

1. **Transparency** – Let customers know when they are interacting with AI, especially in regulated disclosures.
2. **Empathy by Design** – AI should be trained to recognise tone, urgency and emotional context.
3. **Escalation Logic** – Ensure clear handoffs to human agents when regulatory thresholds or emotional signals are triggered.
4. **Auditable Interactions** – Keep records of what was said, how it was interpreted, and how decisions were made.
5. **Vulnerability Identification** – Use intelligent analysis to flag potential vulnerability indicators, without profiling or excluding.

Just because the agent is artificial doesn't mean the experience should be robotic.



Supporting Vulnerable Customers with AI

- Regulators across industries now expect firms to proactively identify and respond to vulnerability.
- AI can support this by analysing:
 - Voice tone and language cues
 - Transaction patterns
 - Behavioural indicators over time
- The goal is early intervention, not just flagging after harm occurs.

Whether it's the FCA, Ofgem or the ICO, the direction is clear. Firms must understand individual needs and respond accordingly.



AI in the Context Regulation

- FCA's Consumer Duty demands that firms ensure good outcomes, especially in:
 - Customer support
 - Product suitability
 - Fair value
 - Understanding customer needs
- Similar pressures are seen in:
 - Ofcom's regulations on accessible communication
 - ICO guidance on AI and data ethics
 - Insurance Distribution Directive (IDD) across the EU

AI gives us data. CX gives us the lens. Regulation gives us the responsibility to act on both.



From Compliance Burden to Commercial Benefit

- Done well, AI doesn't just support compliance. It drives better experiences.
- Frictionless journeys that meet regulatory expectations build loyalty and reduce complaints.
- Happy customers stay longer, refer more, and cost less to serve.
- Compliance becomes more sustainable when aligned with customer-centred design.

If customers feel respected and understood, compliance becomes a natural outcome.



What Good Looks Like in 2025 / 2026

1. Real-time AI support that enhances disclosure and advice quality
2. AI-driven vulnerability identification that's explainable and actionable
3. Seamless integration of AI insights into compliance and QA processes
4. Transparent records for audit and regulatory reporting
5. Governance frameworks ensuring AI decisions are reviewed and challenged

Compliance isn't static. AI needs to evolve with regulation, and CX ensures it stays grounded in real customer needs.



Closing Thoughts

- . AI is a capability, not the end goal.
- . CX professionals play a key role in shaping how AI interacts with customers.
- . Trust remains central to any customer relationship. Every AI interaction is a test of that trust.

Let's use AI to make compliance invisible, vulnerability visible and customer trust unshakable.