How could Virgin Money utilise AI to undertake Quality Control checks to onboarding processes,
that combine digital and manual processes, to ensure compliance with UK regulatory obligations,
whilst also meeting customer service objectives?

We would like to see products/ideas that include:

- Ensuring any communications, discussions with customers and decisions to open accounts are UK regulatory compliant and meet customer service objectives - whilst communicating in the Virgin tone of voice
- Highlighting process points that are not meeting regulatory requirements
- Identifying any areas in the onboarding journey that are creating friction in the customer journey and don't meet obligations under Consumer Duty
- Reporting on compliance of the process, focusing particularly on the Customer Understanding & Customer Support outcomes specified in Consumer Duty rules
- Identifying success in first contact resolution and escalate applications that aren't resolved

Inputs from Virgin Money may include a specified onboarding journey to use in this Innovation Call, journey maps and question sets, risk appetite from the bank.

TESCO Bank

Using AI and Emerging Technologies to Track UK Regulatory Developments

Tesco Bank utilises manual resources in identifying which of the high volume of regulatory changes and notifications published across the industry (including FCA, PRA, CMA, ICO, PSR, HMT) are applicable to the Bank and how to appropriately summarise and categorise these as a 'call to action' versus 'for information only'.

How could Tesco Bank utilise AI and emerging technologies to comprehensively track UK regulatory developments which impact the Bank and create a reporting system that highlights the flightpath of regulatory developments, segmenting 'action needed' versus 'for information' which would reduce the need for manual intervention?

This could include:

a) Automated extraction of apparent obligation on organisation based on all UK domestic regulatory requirements.

b) Refinement of obligation to reflect organisation's regulatory compliance risk appetite based on applicable product/market portfolio.

c) Automatic summarisation of key regulatory requirements to demonstrate how the regulatory obligation will impact the organisation, including timescales.

d) Generation of reporting covering all applicable regulations across multiple time periods, with ability to filter according to Senior Management responsibility / portfolio/ team.

Inputs from Tesco Bank may include Regulatory Change Process including websites scanned and overview of their regulatory change eco system. Regulatory Change Hub (SharePoint) training slides on how regulatory change is captured and tracked. Regulatory Change Hub report – all open items report used for tracking progress items to closure, summary of key significant items for stakeholders' awareness/action. Regulatory Insights summaries examples prepared to highlight key elements of regulatory change following publication. Plus, Regulatory Flightpath for reporting to governance committees on significant regulations coming into force over coming years.

FinTech Scotland

Deloitte.

Deploying (Gen) AI for Global Regulatory Obligations

How could Deloitte deploy (Gen) AI to extract, write and contextualise regulatory obligations across the global regulatory landscape and manage the impact on the organisation?

This could include:

a) Automated extraction of apparent obligation on organisation based on single or combined regulatory requirements, across multiple geographies.

b) Dynamic refinement of obligation to reflect organisation's risk appetite (+ ability to adapt as risk appetite changes) and product / market portfolio.

c) Automatic link to (or creation of) policies and controls to demonstrate how the regulatory obligation is upheld.

d) Auto-grouping and plain text summaries of obligations.

e) Dynamic 'what-if' capability to support development of new products / services, entry into new markets, (i.e. what if…what would regulatory obligation, controls, policies, etc need to look like).

Inputs from Deloitte may include standardised formats from leading compliance systems around the capturing of obligations, some considerations as to what might consist of a good obligation and how this could vary across financial organisations as well as a view of a small number of example obligations to provide context (not to be used directly for training or learning for any supporting models).

Morgan Stanley

Using AI to Enhance Transparency and Accuracy in Reporting

How could Morgan Stanley employ AI and emerging technologies to ensure data consistency in meeting regulatory obligations globally and highlight areas where consistency cannot be achieved to minimise the need for manual interventions?

The objective is to showcase how the application of AI enhances transparency and accuracy in reporting. Additionally, the focus is on leveraging AI to comprehend disparate data sources and identifying opportunities to streamline and maintain data consistency and to understand why anomalies in consistency exist across different regulatory obligations.

This could include:

a) the capability to map report data points, report types, and detection methods.

b) identifying and highlighting anomalies in reporting.

Inputs from Morgan Stanley may include extracting report types, standardised formats etc from the RRM system and sharing security, design, and regulatory/compliance standards to increase options for interoperability.

Developing Tailored Compliance Surveillance Tools for Asset Management Front Office Activities

What innovative solutions could abrdn employ that could enhance surveillance capabilities and ensure a more accurate and tailored approach to regulatory compliance within the asset management sector?

This challenge revolves around addressing the existing gap in the market for compliance surveillance tools specifically designed for asset management front office activities. Current solutions, while comprehensive, often cater more to the sell-side model, neglecting critical nuances unique to asset managers' workflows.

This could include :

- **Trade Data Structure Recognition:** Surveillance systems that recognise and account for the unique structure of trade data received from asset management Order Management Systems. Ability to group orders under an order number, enabling a more accurate assessment of front-running risks and preventing false positives.

- **Order Aggregation Analysis:** Integrate features that examine order aggregation or 'side by side' trading. This functionality should align with regulatory interests, such as those expressed by the Financial Conduct Authority (FCA), ensuring compliance with evolving standards.

- **Customisable Surveillance Modules:** Modular surveillance solutions that allow asset managers to tailor the tool to their specific needs. This flexibility ensures that the system adapts to the unique characteristics of asset management front office activities, promoting efficient and accurate surveillance.

Inputs from abrdn may include process maps, examples of where automation would be helpful, report types and sharing security, design, and regulatory/compliance standards to increase options for interoperability.