

Fintech Outlook For 2018: US Banks Look To AI

K&L GATES

Article By
[Cameron Abbott](#)
[K&L Gates](#)
[FinTech Law Watch](#)

- [Financial Institutions & Banking](#)
- [All Federal](#)

Friday, December 22, 2017

With 2017 at a close, US banks have set out their 2018 FinTech new year resolutions. [According to American Banker](#), US banks are likely to focus their FinTech investment in 4 major areas in 2018:

- Artificial intelligence and machine learning
- Open banking
- Cybersecurity and biometrics
- Commercial banking innovation

Top of the list is AI. According to Mitch Siegel, financial services strategy leader for KPMG, machine learning and AI will help banks not only automate processes, but also learn more about customer patterns and behaviours to create more individual experiences for individual customers. For example, chatbots will not only answer basic questions, but be able to provide tailored product recommendations.

With regulatory developments and the rapid rise of FinTech companies, many banks are planning to seek out partnerships to help them get ahead in innovation. Some predict this will result in connected ecosystems of shared data and services, resulting in increasingly sophisticated offerings to customers.

FinTech investment is increasingly moving away from back-end compliance to developments focussed on customer experience. For example, big data can assist to smooth out customer interactions with banks.

Finally, cybersecurity is always going to be a priority for banks. Biometrics will play a larger role in customer-side security with the development of high-power smartphones. At the same time, banks are increasingly paying attention to their supply chains. According to the chief information security officer for Wells Fargo, banks will become increasingly interested in banks' vendors' security profiles, and integrating that into their purchasing decisions.

2018 looks promising for FinTech, so make sure you position yourself correctly.

Harry Crawford also contributed to this post.

Copyright 2019 K & L Gates

Source URL: <https://www.natlawreview.com/article/fintech-outlook-2018-us-banks-look-to-ai>