2026 EDITION · FREE GUIDE

The AI Advantage

For banking and financial services

How banks, credit unions and lenders can use AI to fight fraud, serve customers and stay compliant.

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INTRODUCTION

Where AI pays off first

AI is now part of everyday banking, from fraud scoring on every card swipe to virtual assistants answering balance questions at midnight. Community banks and credit unions face the same fraud and service pressure as the largest institutions, with far smaller teams.

This guide covers ten questions banking leaders ask most, each with a scenario, what AI can do, and an example tool. Regulators expect sound model risk management and fair lending, so each step should come with clear governance.

1. Take the checklist

Ten yes-or-no questions show where you stand today.

2. Read the ten answers

Each pairs a common problem with what AI can do about it.

3. Pick one place to start

The last page shows how to turn a good idea into a working result.



ABOUT THE AUTHOR

Toby S. Reeves

Toby has spent about 30 years in technology sales and executive leadership. He founded IndyLogic Technologies, which helps mid-market companies find where AI creates practical value and put it to work, starting with how work actually gets done.

He holds an MBA in Information Technology Management and has studied generative AI through Vanderbilt University and Google Cloud. He leads the Indiana chapter of the International Trade Council, teaches Google AI Essentials to business and community leaders through Ivy Tech Career Link, and wrote *The Quantum Leap: Transforming Commerce for the Future*.

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AI READINESS CHECKLIST

Ten questions to answer before you spend

Answer each one honestly for your organization today. The goal is not a perfect score. It is a clear view of where AI could help first.

01	Is fraud monitoring scoring transactions in real time?	☐ Yes ☐ No
02	Can customers get answers to routine questions any hour of the day?	☐ Yes ☐ No
03	Is compliance monitoring and reporting partly automated?	☐ Yes ☐ No
04	Do your credit models use more than the traditional credit score, with fair lending testing?	☐ Yes ☐ No
05	Do relationship managers get AI-prepared insights before client meetings?	☐ Yes ☐ No
06	Are real-time payments screened for fraud before they settle?	☐ Yes ☐ No
07	Do you segment customers to offer the right product at the right time?	☐ Yes ☐ No
08	Can your identity checks catch deepfakes and synthetic identities?	☐ Yes ☐ No
09	Can you see which customers are likely to move their money?	☐ Yes ☐ No
10	Do you have an AI policy and model inventory your examiners would accept?	☐ Yes ☐ No

0 to 3 yes
You are early. Start with one high-volume, low-risk task.

4 to 7 yes
You are building. Connect your wins and put a policy in writing.

8 to 10 yes
You are ready to scale. Focus on measurement and governance.

THE TOP 10 QUESTIONS, ANSWERED

What leaders ask most

01

How can AI detect fraud and cyber threats?

THE SITUATION

A regional bank sees more fraudulent transactions and phishing attacks, leading to losses and worried customers.

WHAT AI CAN DO

AI security tools learn normal behavior across users, devices and the network, and flag unusual logins, transfers and email activity as they happen.

Worth a look: Darktrace, self-learning AI that detects and responds to cyber threats across the organization.

02

How can virtual assistants improve customer service?

THE SITUATION

The call center is swamped with balance, payment and card questions, and hold times keep climbing.

WHAT AI CAN DO

Banking-trained AI assistants answer routine questions in the app, website or text, at any hour, and hand complex requests to staff.

Worth a look: Kasisto KAI, conversational AI built specifically for banks and credit unions.

03

How can AI help with regulatory compliance?

THE SITUATION

Compliance staff struggle to keep up with changing rules and reporting, raising the risk of findings.

WHAT AI CAN DO

AI-assisted compliance tools map regulations to internal controls, track changes and pull together the evidence examiners ask for.

Worth a look: IBM OpenPages, governance, risk and compliance software with AI assistance.

04

How can AI improve loan underwriting?

THE SITUATION

Manual credit reviews slow approvals, and thin-file applicants are often declined without a full picture.

WHAT AI CAN DO

AI credit models weigh more data points to make faster, more consistent decisions. Fair lending testing and explainable decisions are a must.

Worth a look: Zest AI, AI-driven credit underwriting for banks and credit unions, with fair lending tools.

05

Will AI replace bankers and advisors?

THE SITUATION

A community bank worries that automation will erode the relationship banking its customers value.

WHAT AI CAN DO

AI takes on the research and paperwork, so bankers walk into each conversation with timely insights and spend more time with customers.

Worth a look: Personetics, AI-driven personalized insights and engagement for banks and their customers.

06

How does AI stop fraud in real-time payments?

THE SITUATION

Instant payments leave no time to catch fraud after the fact, and scams that trick customers into sending money are rising.

WHAT AI CAN DO

AI scores every payment in milliseconds using device, behavior and payee signals, stopping suspicious transfers before they leave.

Worth a look: Feedzai, AI-based fraud and financial crime prevention for real-time payments.

07

How can AI support wealth management?

THE SITUATION

A bank wants to offer personalized investment advice, but advisors cannot analyze every portfolio by hand.

WHAT AI CAN DO

Automated advice platforms build and rebalance portfolios based on goals and risk tolerance, while advisors focus on planning and relationships.

Worth a look: Wealthfront, an automated investing platform that shows the digital experience clients now expect.

08

How can AI personalize banking offers?

THE SITUATION

Marketing sends the same offers to every customer, and response rates are low.

WHAT AI CAN DO

AI-driven customer data platforms combine account and digital activity to build segments and trigger the right offer at the right moment.

Worth a look: Adobe Real-Time CDP, a customer data platform with AI-driven segmentation and personalization.

09

How can AI verify identity and stop deepfakes?

THE SITUATION

Fraudsters open accounts with synthetic identities and use deepfake images to pass remote verification.

WHAT AI CAN DO

AI identity verification compares a live selfie to an ID document, checks that the person is physically present, and flags manipulated images.

Worth a look: FacePhi, biometric identity verification and onboarding for financial institutions.

10

How can AI predict and reduce customer attrition?

THE SITUATION

Customers quietly move deposits to other institutions, and the bank finds out too late.

WHAT AI CAN DO

AI watches for early signals, such as falling balances, changed direct deposits or new outside accounts, and prompts a timely call or offer.

Worth a look: Salesforce Financial Services Cloud, CRM for financial institutions with built-in AI and agents.

Ground rules for any AI project

- Keep customer and employee data out of tools your company has not approved.
- Put a short AI use policy in writing, and train people on it.
- Keep a person responsible for decisions that affect customers, money or safety.
- Measure the before and after, so you know what actually paid off.

Tools change quickly. The examples in this guide were checked in October 2026 and are starting points, not endorsements. IndyLogic is vendor-neutral and earns no commissions from any vendor named here.

WHERE TO START

From a good idea to a working result

In banking, AI earns its keep where it removes risk and wait time. Start where fraud losses or service backlogs are highest, keep humans on credit and compliance decisions, and document every model.

1. **Look at the work, not the tools**
   Map the tasks that take the most time or cause the most errors. That is where the payoff is.

2. **Pick one use case and size it**
   Estimate the hours or dollars at stake, and the risk if it goes wrong. Start where the payoff is high and the risk is low.

3. **Run a small pilot and measure it**
   Test with a few people for a few weeks. Compare the results with how the work was done before.

4. **Write the rules, then scale**
   Document what the AI may and may not do, who reviews it, and how it is monitored. Then roll it out.

Want a second opinion on where to start?

Run the free AI opportunity scan at indylogic.com. Enter your website and see three places AI could pay off first, in about 20 seconds. Or book a short call with Toby.

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