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FAO: Trade Association Chairs/CEOs,

## **Supporting AI, innovation, and growth in financial services**

As opportunities for AI deployment within financial services continue to grow, the FCA and ICO recognise the ongoing importance of providing the sector with regulatory clarity and certainty around the use of these and other technologies in ways that support responsible innovation and create benefits for the public.

Our organisations have a strong track record of collaborative work to help industry navigate the requirements of UK financial and data protection regulations, including through regular ICO participation in FCA TechSprints, joint statements on customer communications, and our involvement in the Digital Regulation Cooperation Forum's (DRCF) AI and Digital Hub pilot. We are also fully aligned with the UK government's desire for regulators to help foster economic growth and, in our responses to the Prime Minister earlier this year, both highlighted suggestions on how regulatory cooperation can act as a means of achieving this aim.

With the above in mind, we noted with interest that respondents to a recent FCA and Bank of England survey identified data protection and the Consumer Duty to be in the top three regulatory constraints to AI deployment within financial services. These survey results appear to demonstrate a lack of confidence amongst some firms to develop and adopt AI technology, as well as potential uncertainty around the interactions between our regulatory regimes.

To further develop our understanding of the challenges faced by firms and ensure we are continuing to provide effective advice and guidance, we will be hosting a roundtable with industry leaders in London on 9 May, where we will invite attendees to discuss:

- The broad areas of regulatory uncertainty and challenge you face in respect of AI adoption and wider innovation.
- How the ICO and FCA can work together with industry to provide greater regulatory certainty and support growth.
- The specific areas of data protection and financial regulation in which you need greater regulatory support to enhance your ability to innovate and adopt new technologies.

### **Next Steps**

If you would like to attend the roundtable, please contact [stakeholders@fca.org.uk](mailto:stakeholders@fca.org.uk) by 21 March. Venue details and exact timings will be available in due course.

We look forward to your response and hope to see you at the event.

Yours sincerely,

**John Edwards**  
**Information Commissioner, ICO**

**Nikhil Rathi**  
**Chief Executive, FCA**