

The Next Wave Arrives: Agentic AI in Financial Services

Report Analyzes Spread of Agentic Systems and Their Potential to Transform Personal and Institutional Finance

A new [market scan](#) by FinRegLab analyzes the transformative potential of agentic artificial intelligence (AAI) applications—dynamic AI systems that can be structured to respond to new information and make and execute decisions without ongoing human engagement—as adoption accelerates in financial services and e-commerce.

In addition to simplifying and personalizing online shopping and payments, these systems have the potential to revolutionize real-time fraud and cyber defense, streamline lending and insurance processes, and provide personalized, 24-7 digital assistants that help households manage their daily finances and build wealth over time. Yet while AAI could impact practically every layer of personal and institutional finance, the technology has been advancing faster than data infrastructures, business practices, and regulatory frameworks have progressed.

The paper outlines challenges that are affecting the pace of adoption in the financial sector and risks that poorly performing AAI systems could pose to consumer and small business users, individual financial services providers, and broader financial stability. It also identifies critical questions for different types of stakeholders about how to realize AAI's benefits while guarding against errors and abuse.

Why This Research Matters

The AAI wave comes at a time when industry, advocates, and policymakers are still wrestling with the implementation of other types of AI, such as supervised machine learning and large language models. Shaping AAI governance practices now could help avoid and mitigate risks and expedite responsible adoption.

Yet awareness of AAI advancements, benefits, and risks among different stakeholder groups varies widely. The report summarizes key issues and emerging questions to help stakeholders get up to speed so that they can engage more effectively in managing these rapidly evolving technologies.

Opportunities if Governance Gets It Right

- **Access to better advice and financial services:** AAI could provide low- and moderate-income households with personalized budgeting, debt management, and benefit optimization tools once reserved for wealthier clients.
- **Faster fraud and cyber defense:** Financial firms can deploy AAI to identify and defend against emerging attack patterns in real time, cutting costs and consumer harm.
- **Efficiency and innovation:** Automated and integrated workflows in underwriting, claims, and compliance could reduce costs and timelines, expand product availability (e.g., microloans, parametric insurance), and strengthen competitiveness.
- **Consumer empowerment:** Well-designed AAI agents could help consumers manage and leverage financial data that is fragmented across multiple providers to make and execute better-informed decisions.

Risks if Left Unchecked

- **Consumer harm:** Misaligned incentives, poor instructions, or “drift” in AAI systems’ objectives could prompt them to undermine rather than strengthen consumers’ finances.
- **Accountability gaps:** Application of traditional approaches for resolving payment errors and other types of transaction disputes may vary depending on the circumstances, increasing the risk that consumers have to absorb losses.
- **Data security and privacy threats:** Highly sensitive financial data could be misused, overshared, or targeted by malicious agents.
- **Bias and exclusion:** Without guardrails and thoughtful design, AAI systems might rely on biased data or fail to meet the needs of low- and moderate-income consumers.
- **Systemic shocks:** If autonomous agents reach sufficient scale, their simultaneous reactions to market signals could increase risks of herding, flash crashes, or liquidity runs.

Urgent Areas of Focus

1. **Fostering the spread of effective technical tools and governance practices:** These are critical to giving consumers, small businesses, and financial services providers confidence that AAI applications can be trusted to improve their lives and operations.
2. **Clarifying responsibility for error resolution:** Particularly given growth in agentic shopping applications, clarifying responsibility and liability for errors and disputes is important to consumers, merchants, financial institutions and AAI developers.
3. **Promoting beneficial use cases:** Developing AAI systems that address the needs and challenges faced by consumers and small businesses who often struggle to access financial services could drive improvements in financial health and economic participation.
4. **Building tools and safeguards to ensure that AAI apps serve users’ interests:** Interface design and other mechanisms could help to ensure that consumers and other users can communicate their goals effectively and rely on AAI systems to act on their behalf.
5. **Helping government keep pace:** Strengthening technical expertise, internal infrastructures, and cross-government coordination could potentially improve interactions with regulated companies and help regulators deploy AAI to bolster their own efficiency and effectiveness.
6. **Modernizing data and identity infrastructure:** Access to reliable data and better systems for differentiating “good” agentic traffic from bad actors could increase the quality and scope of AAI applications while helping to combat fraud and scams risk.
7. **Bolstering monitoring mechanisms and safety protocols to protect financial stability:** As AAI applications increase in scale, companies and regulators may need tools that are calibrated to faster agentic activity.

The Stakes

With thoughtful implementation and governance, AAI could deliver **safer, fairer, and more efficient financial services**, broadening access to high-quality financial advice and strengthening fraud defenses. If neglected, it could magnify consumer harms and trigger new forms of systemic risk.

Engagement is warranted now. Aligning incentives, setting standards, and updating oversight systems can help to mitigate risks and accelerate beneficial adoption.