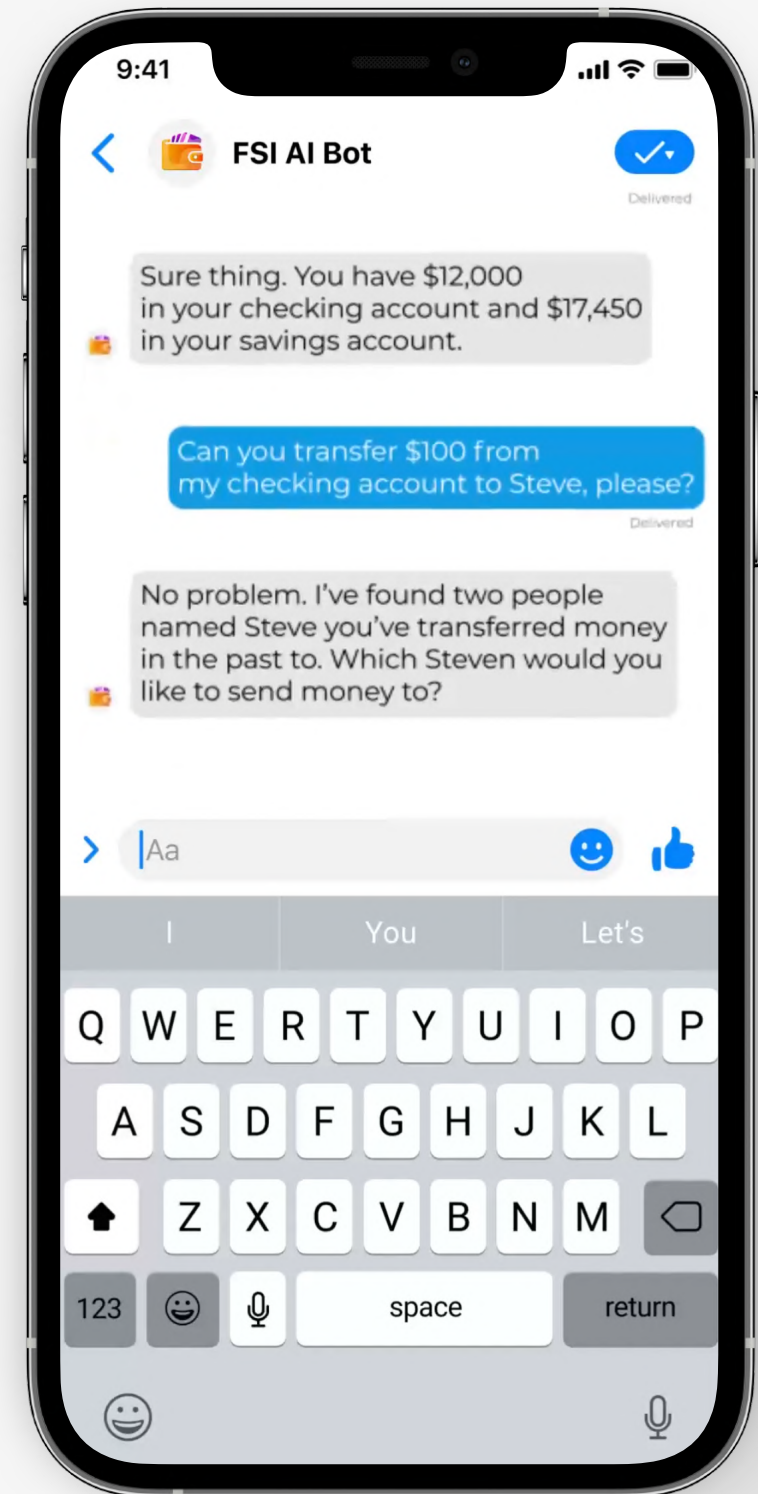master.of.code
GLOBAL

Finance Use Cases for Conversational AI with Top Examples

Conversational AI in Finance

With the rise of FinTech, the financial sector is quickly adopting new technologies as it paves a new way forward in large-scale communication. Leading adopters of Conversational AI modernize financial services, primarily banks and credit unions.

The most popular implementation of Conversational AI is a chatbot. Chatbots offer banks and credit unions a cost-effective way to cater to a massive user base and significantly cut down on customer service costs, but there is a need to identify specific cases of the value bots can bring to the Financial Services Industry (FSI).

9:41

FSI AI Bot

Delivered

Sure thing. You have $12,000 in your checking account and $17,450 in your savings account.

Can you transfer $100 from my checking account to Steve, please?

Delivered

No problem. I've found two people named Steve you've transferred money in the past to. Which Steven would you like to send money to?

Aa

I   You   Let's

Q W E R T Y U I O P

A S D F G H J K L

Z X C V B N M

123   space   return

Conversational AI in Finance

Master of Code has run a survey to identify some of the main use cases providing value to Financial Service Industry companies and here is the result:

67%
Service request automation

17%
Prevention of fraud and cyber attacks

16%
Real-time risk monitoring

67%

of financial companies use bots to automate service requests

Customer service is a top priority for many businesses, but the process of setting up in-house call centers can be difficult. Expectations of phone support are higher than of any other channel - roughly 50% of customers expect a response in less than five minutes.This means that processes on all levels should be perfectly organized.

67%

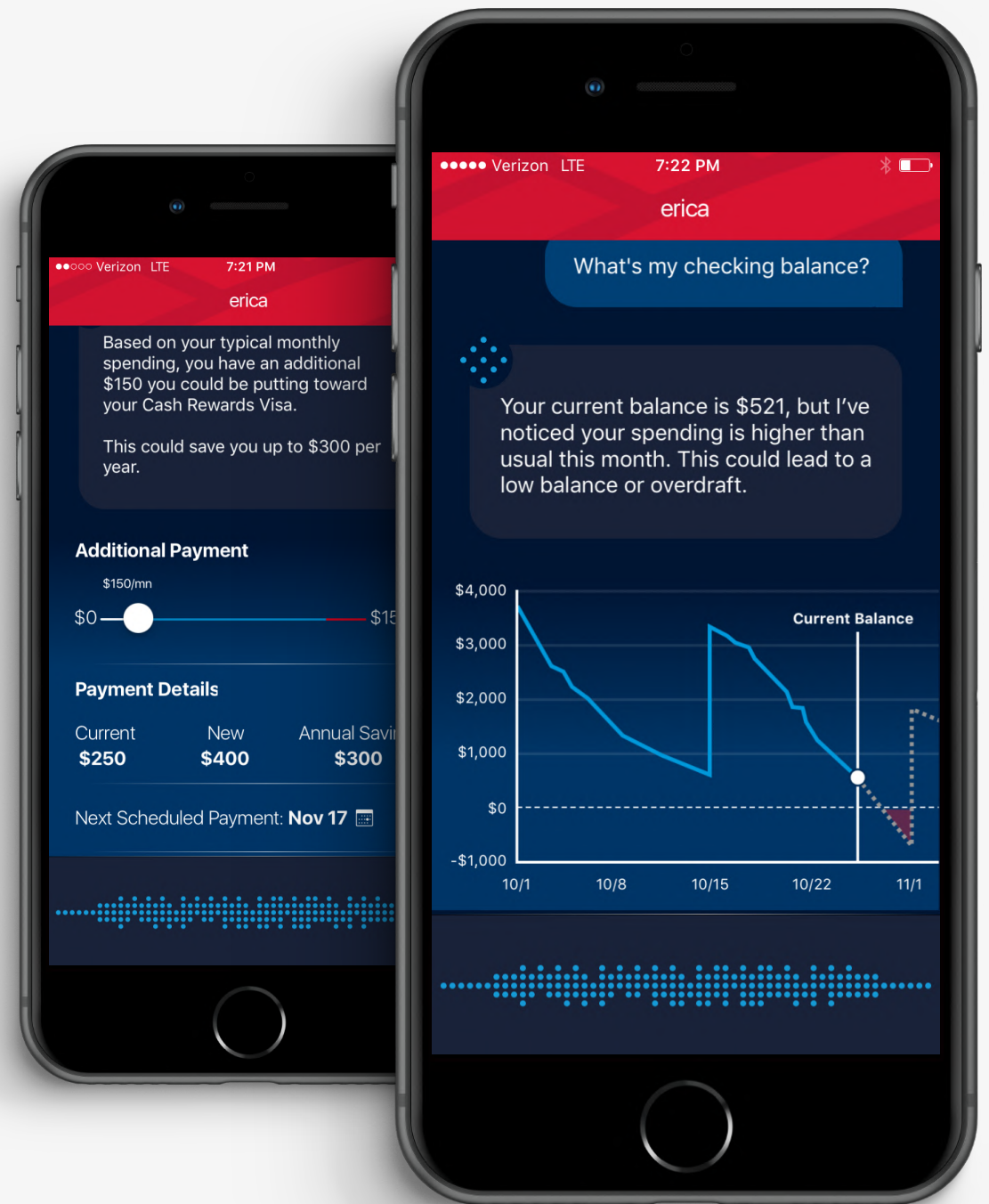**of financial companies use bots to automate service requests**

Orchestrating WFH call centers is increasingly more complicated, as it involves a combination of technology procurement, setup and configuration (including secure connectivity) as well as team training and unification. Beyond the setup activities, ensuring that the staff keeps up with the latest updates (in terms of both technology as well as updates to scripts and information for the live agents) becomes an additional challenge to maintain quality.

As services change, scripts and messaging need to be altered accordingly, and making sure that agents are all aware of all of the changes can take time and a significant level of review and validation. As well as making sure that all the staff keeps up with the latest updates that in its turn might create additional concerns.

Virtual financial assistant Erica Bank of America Mobile Banking app

Erica is an AI-driven Virtual Assistant that combines predictive analytics and natural language to help BofA mobile app users access balance information, transfer money between accounts, send money with Zelle, and schedule meetings at financial centers. Customers can interact with Erica in any way they choose, including voice commands, texting, or tapping options on their phone screens.

erica

Based on your typical monthly spending, you have an additional $150 you could be putting toward your Cash Rewards Visa.

This could save you up to $300 per year.

Additional Payment

$150/mn

$0 ——●—— $15

Payment Details

Current	New	Annual Savin
$250	**$400**	**$300**

Next Scheduled Payment: **Nov 17**

erica

What's my checking balance?

Your current balance is $521, but I've noticed your spending is higher than usual this month. This could lead to a low balance or overdraft.

Current Balance

$4,000

$3,000

$2,000

$1,000

$0

-$1,000

10/1   10/8   10/15   10/22   11/1

"Conversations between customers and banks or financial institutions involve numerous mundane requests, as well as small pings and reminders. Nevertheless, in the current ecosystem of channels efficiency of only live agents is rather disputable. Implementing Conversational AI enables businesses to build a team securely and remotely, but still manage the customer experience by having a lot of customer questions answered by bots."

Dmitry Gritsenko

Chief Executive Officer
at Master of Code

17%

of companies use AI agents to identify fraud and cyber attacks

Banks need to be agile to respond to threats and embrace new approaches and technologies to predict and prevent fraud. (Global banking fraud survey).

Fraud prevention in banks and overall finance is critical, and Conversational AI has a strong potential for its detection. The FSI chatbot can ask a user questions from a context to prove that it is a real person, immediately track the geographical location, and check the transaction history. If some of these factors are new, an AI chatbot can immediately ask the user some of the questions from the previous context to identify that it`s the correct person engaging. If there are some concerns, then a more detailed authentication activity can be involved to verify the user is who they say they are, which may include escalation to a live agent in some cases.

How it works?

17%

of companies use AI agents to identify fraud and cyber attacks

1 Fraud detection and prevention based on anomalies.

2 Application scans all incoming data: banking transactions, loan applications, and information for opening a new account.

3 Software notifies a human monitor of any deviations from the normal pattern, so that they may review it.

4 The monitor can accept or reject this alert, which signals to the machine learning model whether or not it was correct to determine fraud.

5 This further trains the machine learning model to "understand" fraud or a new, acceptable type of deviation

Some examples of how bots can identify fraudulent activity include:

- Track user behavior: location, device, OS, etc.
- Additional verification: security questions, passwords, etc.
- Determine and analyze regular patterns and track deviations.

Capital One bank Alexa synchronization

Capital One bank makes synchronization with Alexa virtual assistant. Users can get detailed info about checking, savings, credit card, and auto loan account. To avoid fraud attacks, each user should create an addition to the main password 4-digit code, to verify their identity before saying their detailed account information out loud.

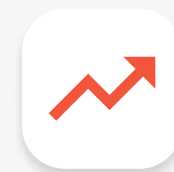*Alexa, ask Capital One, what's my account summary?*
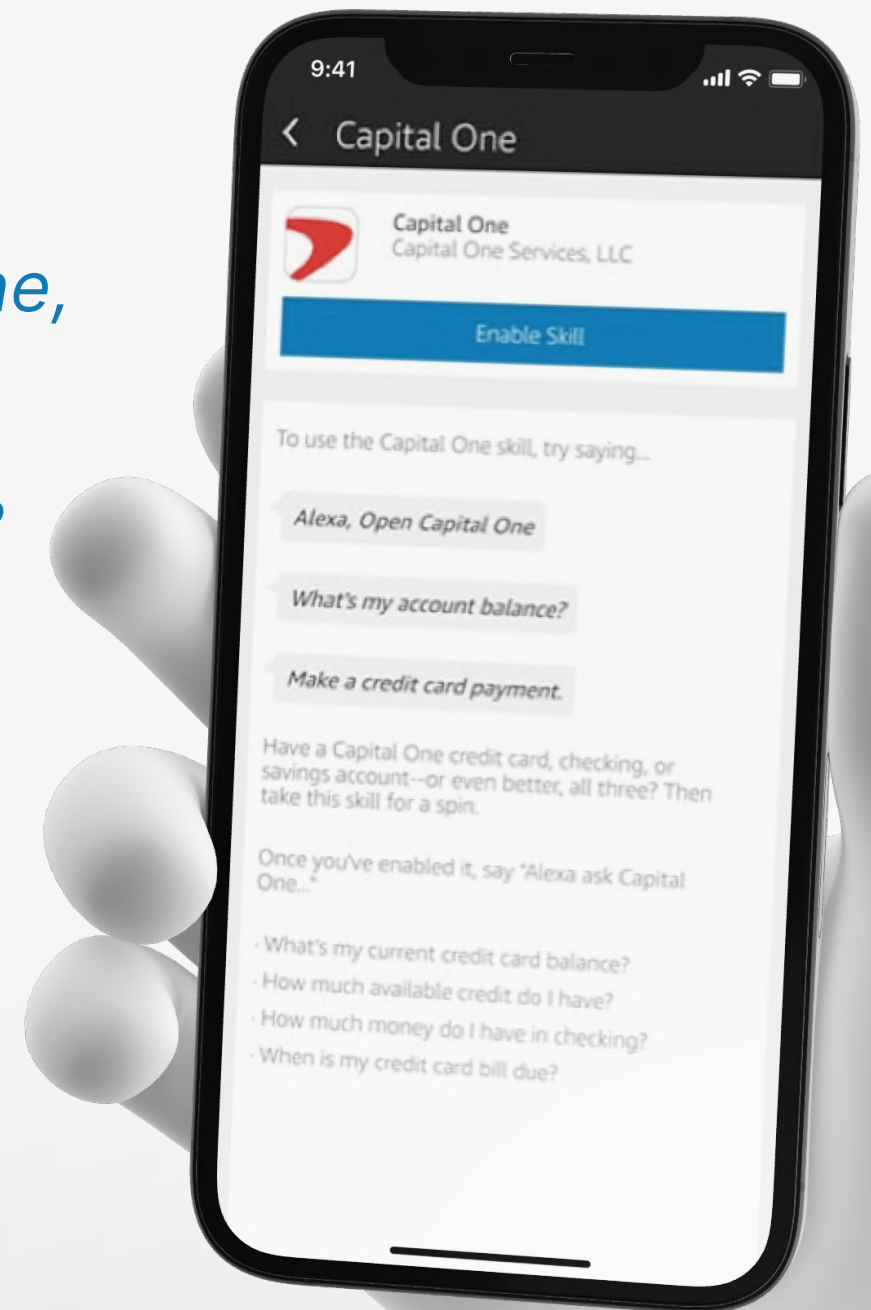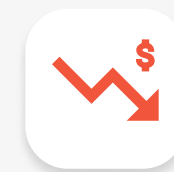
16%

Real-time risk monitoring by the chatbot

Security and risk management for standards and regulations compliance.

It all comes down to security in FSI at the end of the day, everything needs to be involved: valid authentication practices, a trusted device, and validated access. Conversation Design is a discipline, connected to the security or secure flow of the user while using Conversational AI as a solution to work with their financial information. A key component of Conversation Design is the way to ask questions, bring in and engage customers, as it's going to be under the hood resulting in an excellent customer journey.
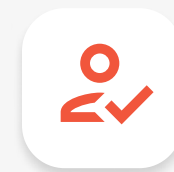
Benefits for banking with Conversational AI:
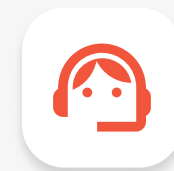
Improve customer experience

Reduce customer support costs

Enhance customer loyalty via personalization

Breach barriers to new financial services for end-users

Reduce support ticket maintenance

16%

Real-time risk monitoring by the chatbot

Security and risk management for standards and regulations compliance.

Conversational AI also does allow an organization to own the message via chat or voice agent in the same words every time for consistency and accuracy. Companies could change the message in real-time, if needed, to provide information without the risk that some of their live agents have not yet had the opportunity to read the updates or to take in that information.

A strong Conversation Design element of the solution would provide an engaging experience, with the most accurate information to the user in real-time. For FSI, it does provide a very strong customer experience, security, and understanding that the information is to be distributed as intended.

"The main benefit of a Conversational AI solution is an enhanced customer experience. Leveraging a Conversation Design discipline that understands the industry, its terms, system expectations, and understanding of its users helps to create the optimal experience. An engaging experience prompts more user activity, and generating that experience through Conversation Design and Conversational AI leads to a key component in that experience."

Kelly Cassidy

Director of Technology at
Master of Code

17%

of companies use AI agents to identify fraud and cyber attacks

From a business banking perspective, with the help of Conversational AI enterprises could get a lot of value from valid authentication practices. Implementation of Conversational AI and ML best practices delivers personalized customer experience, simplifies financial transactions, and moves a step ahead to ensure cybersecurity.

Let us help you connect your brand with customers where they communicate today. Chat or voice

Contact our team