

Letter**Letter: Artificial intelligence is no substitute for human experience**

From Eoin O'Shea, London, UK



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Your article "[Banks tread softly through minefield](#)" (January 30) is a reminder that in the financial services industry's rush to embrace the latest technology, the necessary regulatory framework to supervise that technology risks being left behind. We also need to be realistic about what artificial intelligence can solve, and understand where the experience of humans plays a vital role.

This kind of AI is predominantly the aggregation and processing of large swaths of data. True AI goes beyond this and includes non-linear analyses, probabilistic interpretation and dynamic reasoning. In human terms, we think of this as the application of judgment and experience to complex scenarios. Software can be a powerful tool to improve rules-based processes. But that process is still very far from being accurately described as true AI. When those technology-scrubbed rules are applied to real world scenarios, there is no current substitute for experience and practitioner-based judgment. AI can augment and support decision making by sorting large sets of data quickly, but it is no panacea for real world diligence.

The other issue is regulation. Even if it worked perfectly, as true "intelligence" I worry about the

seductiveness of AI for something so systemically important as monitoring risk. Can AI ever be accountable if code creators and system suppliers are effectively unregulated? How operationally resilient is the technology, how will it be supported through a market crisis? Regulators continue to regulate tech users — the financial services industry — but do not directly regulate technology providers or the technology they use. Contrast this with the recent Huawei debate where systemic vulnerabilities have been at the forefront of government scrutiny. Until we fund regulators to equip them to deliver enhanced regulatory frameworks, we must not treat technology as a magic bullet.

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