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Governance and Liability in AI-Driven Financial Services

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Global regulatory bodies are increasingly focusing on the "agentic AI" era, where autonomous systems handle credit decisioning, fraud detection, and transaction reconciliation without real-time human intervention.

In 2026, the legal emphasis has shifted from mere experimentation to accountability. Financial institutions are now expected to maintain robust governance frameworks that ensure the explainability and auditability of AI models. Of particular note is the emerging "duty of care" regarding vulnerable users and the potential for shared liability between sending and receiving banks in cases of digital fraud.

Firms must establish clear audit trails and human-override capabilities to manage the litigation risks associated with automated financial decisions.