

AI Automation Strategies

Getting Started, Collections & Cash, AML & KYC, Compliance Operations, Financial Risk and Controls & Governance

FIX CASH APPLICATION FIRST

*Rank Alerts
by Risk*

**START WHERE
WORK REPEATS**

**Automate
Reg
Change
Watch**

*Build
Early
Warning
Signals*

**HUMANS
STILL
DECIDE**

**Treat AI
Like Any
Other
Model**



Link Obligations to Controls



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Getting Started



Start Where the Work Repeats

Pick the task your team does the same way hundreds of times a month: matching, chasing, screening, keying. Repetition is where automation pays, not complexity.

Choose Work You Can Check

Favour tasks with a verifiable right answer, such as a payment matched to an invoice. If nobody can judge the output, you cannot improve it or defend it later.

Write the Baseline Down

Record days sales outstanding, cost per alert, time to clear an exception and rework rates before you change anything. Without a baseline you cannot prove value.

Configure Before You Buy

Your ledger, banking platform and screening tools already ship with automation nobody switched on. Exhaust what you own before adding another vendor and another integration.

Name One Accountable Owner

Every use case needs a named person answerable for output quality, adoption and the decision to continue. In regulated functions, that accountability cannot sit with a tool.





Collections & Cash



Score Risk, Not Just Age

Aged debt tells you what already happened. Payment risk scoring, built from behaviour, order patterns and filings, tells your credit team who to call first this morning.

Fix Cash Application First

Matching incoming payments to open invoices with partial or missing remittance is the single biggest unglamorous win. It clears unapplied cash and gives you a truer DSO.

Automate the Chase, Not the Call

Let the system handle reminders, statements and escalation timing by customer segment. Keep your people for the difficult conversations where the relationship is at stake.

Classify Every Dispute Reason

Have AI tag why each invoice is queried, then fix the top cause. Most late payment is a billing or delivery problem wearing a collections costume.

Draft Letters, Approve Tone

AI can draft dunning and payment plan letters matched to the relationship and jurisdiction. A person approves the tone, because the wrong letter costs you the customer.





Pre-fill the Onboarding File

Document processing can read identity documents, extract company data and flag inconsistencies, leaving analysts to assess risk rather than retype information.

Rank Alerts Before You Add More

Most monitoring systems generate more alerts than anyone can work. Risk-ranking the queue points investigators at genuine suspicion instead of clearing noise all week.

Record the Reason, Every Time

Whether a screening match is discounted or escalated, the reason belongs in the file. Explainable, dated decisions are what a regulator and your auditors will ask to see.

Draft the Report, Don't File It

AI can assemble a suspicious activity narrative from the evidence. The decision to report stays with the money laundering reporting officer, and cannot be delegated to software.

Tune the Thresholds Deliberately

Changing a monitoring rule changes your risk exposure. Document the rationale, test against historic cases, and get the change approved rather than quietly tuned by a vendor.





Watch Regulatory Change

Monitor regulator publications and consultations, then map each change to the policies and controls it touches. The mapping is the valuable part, not the alert.

Link Obligations to Controls

Maintain one view showing which control evidences which obligation. When something changes, you then know what breaks, rather than rereading the whole handbook.

Pre-screen Financial Promotions

Run marketing and client communications through a first-pass check against your rules before they reach the compliance queue. It cuts rework and shortens approval cycles.

Keep One Source of Policy

AI answers only as well as the documents behind it. Keep a single, version-controlled policy library so answers reflect current rules, not a superseded PDF.

Answer Routine Questions Once

An assistant grounded in approved policy can handle the repeat questions from the business, with anything novel or borderline escalated straight to a named person.





Financial Risk



Build Early Warning Signals

Payment behaviour, filing delays, director changes and adverse media are leading indicators. Watching them weekly beats discovering a problem at the next review.

Model Scenarios, Not One Case

Build driver-based models you can re-run when rates, energy or demand move. A single base case is a forecast; a range with triggers is something you can act on.

Keep Credit Decisions Explainable

If a model affects whether someone gets credit, you must be able to explain the outcome and show the model treats customer groups fairly. Build that in from the start.

Watch Concentration Too

Counterparty, sector, geography and single-customer concentration are what turn a manageable loss into a serious one. Report them alongside the default rate.

Backtest Without Cheating

Use point-in-time data and walk-forward testing. A model trained on information that was not available on the day will look excellent and tell you nothing useful.





Controls & Governance



Keep a Human on the Decision

Let AI gather, match and draft, while people review, approve and own the judgement. Work gets faster without weakening accountability or the audit trail behind it.

Treat AI Like Any Other Model

Apply model risk management: document purpose, data and limits, validate before use, monitor for drift, and name an owner. An AI tool is a model, not an app.

Know Your High-Risk Uses

The EU AI Act classes AI used for credit scoring of individuals as high-risk, with added duties on data quality, human oversight and record keeping. Check before deployment.

Source: EU AI Act, Annex III

Log What the Model Saw

Record the inputs, data sources, model version and reviewer for any output used in reporting or a customer decision. Reconstructing that later is expensive and unconvincing.

Do Proper Vendor Diligence

Ask where your data goes, whether it trains anyone's model, where it is hosted, and how you exit. In regulated firms, outsourcing the work never outsources the responsibility.





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