

Market Brief

Harnessing AI in the Financial Services Industry

Exploring IT Leadership and the transformative impact of AI in the next era of enterprise technology.

Introduction

The Financial Services sector is experiencing a seismic shift as artificial intelligence (AI) drives unparalleled innovation and investment. Global AI spending within the sector is experiencing rapid acceleration, with estimates indicating a surge from \$35 billion in 2023 to nearly \$97 billion by 2027. The sector is one of the heaviest investors in AI, with banking institutions projected to account for approximately 20% of all global AI spending by 2028.¹

This Market Brief features insights from industry leaders and compelling research findings from the Logicalis Global CIO Report 2026,

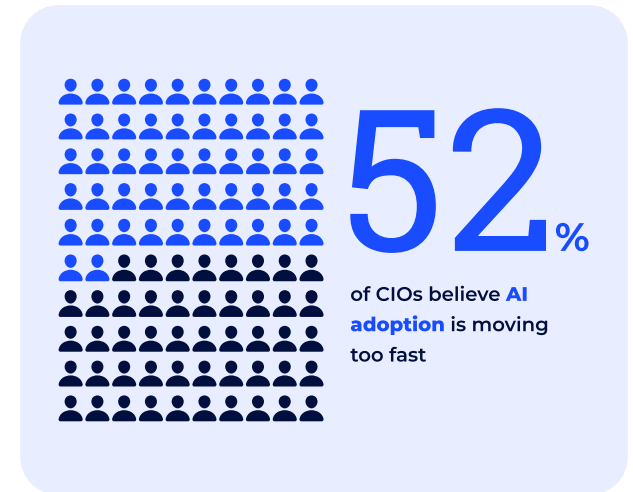
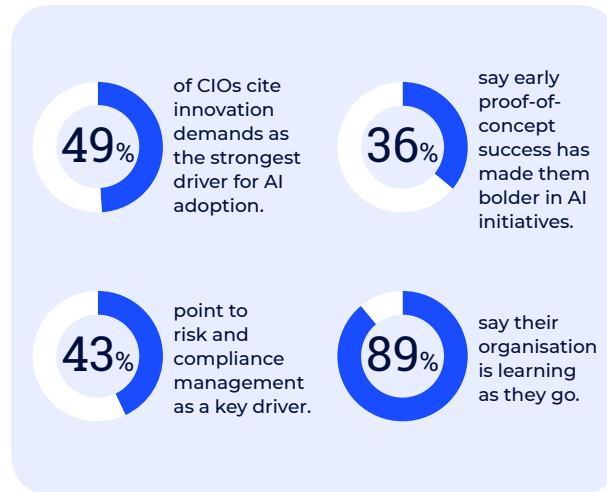
Global AI spending set to hit **\$97 billion** by 2027.

examining how Financial Services CIOs are shaping this new frontier: Setting vision, governing risk, building enterprise intelligence, and architecting a future powered by autonomous systems.

¹[World Economic Forum, AI in Financial Services](#)



Setting the AI Agenda



AI is advancing at a pace unlike previous waves of enterprise technology. What began as experimentation has become expectation.

Findings from the Logicalis Global CIO Report 2026 highlight a significant increase in enthusiasm for AI among industry leaders. In fact, 96% of Financial Services CIOs

have reported a heightened interest in AI over the past year. Innovation demands remain the strongest driver, cited by 49% of CIOs, but pressures around risk management and compliance (43%) and early proof of concept success (36%) have also acted as catalysts.

However, confidence in structures that support these

decisions remains uneven. Over half of CIOs (52%) don't feel extremely confident that they have a coherent AI roadmap in place for the next 2-3 years.

And concerns about pace underline this tension, just over half (52%) believe AI implementation within their organisation is moving too fast and 89% believe their organisation is

learning as they go.

This combination of ambition and urgency places CIOs at the centre of a new balancing act. The AI agenda is no longer about identifying opportunities alone, but about regulating speed in an environment where technology is advancing faster than organisational structures can comfortably absorb.

From Confidence to Capability

AI is already delivering value in specific areas, particularly where data, ownership and processes are relatively well established. The strongest impact is being

“””
I am seeing several of our financial services customers at different stages of developing their AI use cases. Yet, the overriding challenge they are dealing with internally is this: how do we successfully scale our AI initiatives, whilst upholding compliance, governance, and system integrity.

Mevin Anenden, Senior Client Manager, Logicalis UKI

seen in improvements to service delivery (55%), followed closely by improvements in customer experience (51%) and predictive analytics and forecasting (47%). These are meaningful gains, but what they don't yet show is consistency. AI is working, but it is not yet embedded, and this is where confidence begins to soften.

When CIOs consider their ability to move from early success to organisational wide impact, over two-thirds are not strongly confident they can scale AI beyond pilots and proof of concepts (68%).

That mindset has fuelled rapid progress, lowered barriers to entry and encouraged innovation. But what works in a learning environment, doesn't

Over **two thirds** of CIOs don't strongly believe they can scale AI beyond pilots.

always survive the demands of scale, auditability or regulatory scrutiny.

These are not minor operational issues; they shape whether AI can even scale.

What the research suggests is that AI maturity is less about technology and more about organisational design. Scaling AI requires the same things that scale any enterprise capability: standardisation, governance, accountability and measurement.

CIOs say these barriers confirm the challenge of adopting AI:



90%
regulatory and compliance concerns.



89%
data challenges.



82%
lack of internal technical skills.



84%
organisational culture.

The State of AI Security

AI security in 2026 is shaped by the realities of its dual-use nature. While AI has been developed with the intention of advancing human capabilities, it has also been appropriated by adversaries to further their objectives. As highlighted in the [Cisco State of AI Security 2026 report](#), “The tools we built to accelerate human potential have been successfully weaponised to accelerate adversarial objectives”.

While AI aids fraud detection and compliance, it also expands cyberattack opportunities. Malicious use of deepfakes and automated phishing makes threats more frequent and complex. According to the Global CIO Report 2026, 78% of Financial Services organisations faced cybersecurity incidents

last year, and 27% of CIOs now see AI as a major risk.

Operationally, security teams are already feeling the impact. Over a third of CIOs say AI has created new security blind spots (35%), and even more concerning is 40% report incident response times have worsened.

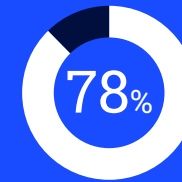
While teams grapple with AI-driven vulnerabilities, risks from a lack of AI governance are also emerging. 65% of CIOs admit to not feeling extremely confident they have full visibility of AI tools in use across their organisation, and two-thirds (66%) citing a lack of confidence that their organisation’s AI governance model can keep pace. Even more revealing is 67% say employee AI training is insufficient and 48% say

employees jeopardise data security through AI use. This is not failure of intent but a sign that AI governance is running ahead of institutional capacity.

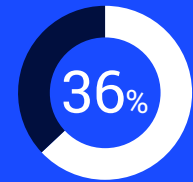


AI is a powerful force in cybersecurity, but without the right skills and governance, it can create more vulnerabilities than protection. CIOs have the challenging task of defending their organisations against AI-driven threats, but also from the risks posed by the very AI tools meant to safeguard them.

Bob Bailkoski, Global CEO of Logicalis Group



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Remarkably, 78% of organisations—an increase of 10 percentage points above the global average—have boosted their budgets for post-breach remediation and ransom payments, underscoring just how much more prepared they feel they must be, as incidents seem almost unavoidable. Furthermore, while AI presents significant opportunities, the sentiment within Financial Services is more cautious: 36% say they often wish AI had never been invented.

The Next Frontier

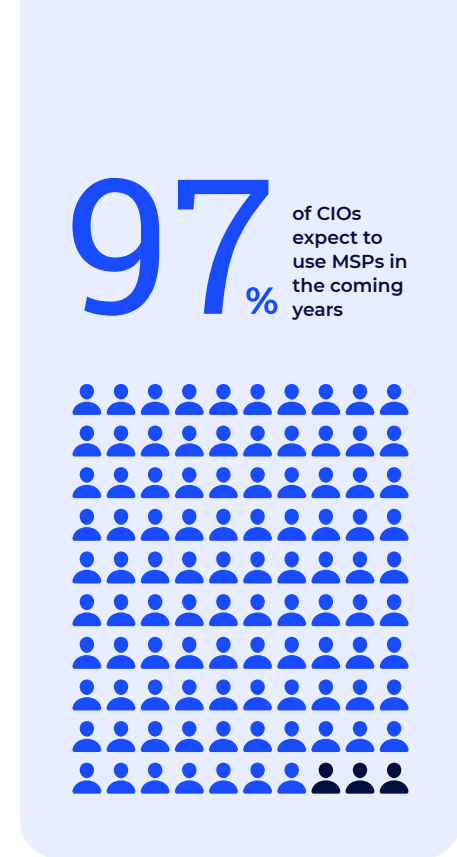
AI is already significantly shifting from supporting to shaping enterprise technology. Generative AI is becoming essential in finance, with banks and fintechs using the technology to automate routine manual tasks in areas such as sales, customer and employee experiences, fraud and risk management, and technology development.

However, interest is swiftly progressing beyond this point. 59% of Financial Services CIOs featured in the Logicalis Global CIO Report signalled a growing commitment to agentic AI over the coming year, shifting towards systems capable of autonomous action and decision-making with limited human involvement.

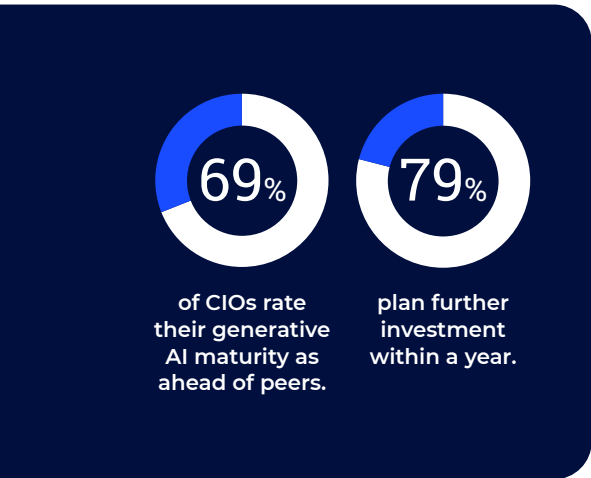
by 2026. These aren't pilot programs; they're production systems handling real customer interactions and business processes.

And it doesn't stop there. Quantum computing is already appearing on strategic roadmaps, with almost a third (28%) expecting it to impact existing business models within the next two years.

Adopting these latest AI technologies all have consequences for operating models. The growing reliance on Managed Service Providers (MSPs) reflects a recognition that few organisations can sustain the pace of change alone. Nearly all CIOs (97%) expect to use MSPs in the coming years.



For CIOs this demands a different kind of leadership. Less about transformation projects, more about institutional design. Less about deploying new tools, more about shaping environments in which autonomous systems, external partners and human teams can coexist without eroding accountability.



According to a recent [Forrester](#) study, one financial services VP revealed their organisation already has 60 agentic agents in production today, with plans to deploy an additional 200 agents

Conclusion

The perspectives shared by our Financial Services CIOs point to a far-reaching shift. AI is no longer something organisations are preparing for, it's shaping decisions, expanding risk and redefining what responsibility looks like inside the enterprise.

We are leading in an age of acceleration, and those financial services organisations that thrive will be those whose leaders can unlock AI potential while ensuring it remains responsible, trusted and profoundly transformative.

As its capabilities expand and regulations evolve, financial services leaders should focus on key principles to achieve their objectives:



Develop a clear, actionable roadmap for AI adoption, ensuring it aligns with organisational strategy and addresses regulatory, data, and skills challenges.



Leverage Managed Service Providers (MSPs) to accelerate innovation and support the rapid pace of technological change, recognising the need for external expertise.



Explore emerging technologies such as agentic AI and quantum computing to maintain a strategic advantage and future-proof business models.



Invest in workforce training and robust governance to strengthen security and mitigate risks associated with expanding AI capabilities.



Prioritise measurable outcomes and disciplined operating models to scale AI solutions beyond pilot projects and ensure sustainable impact.

Further reading:

Read the full Logicalis Global CIO Report 2026 [here](#).

A CEO perspective – discover insightful perspectives from our regional CEOs on the key findings of this year's CIO Report [here](#).



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