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Top priorities and concerns for U.S. bank and financial services leaders

Survey findings

U.S. consumers increasingly demand real-time payment capabilities and more personalized service from their banks and financial institutions, which see the future of payments as real-time, data-rich and generative AI-enabled. But achieving this vision requires ensuring compliance and security, modernizing infrastructure and applications, and getting prepared to implement AI for payments.

Kyndryl surveyed 105 U.S. financial services IT and business leaders to learn how they are evolving their payments capabilities in response to this changing landscape. The results suggest that the future of payments hinges on:

→ Regulatory compliance and security

→ Modernization of core infrastructure and applications

→ Strategic use of generative AI

Regulatory compliance, fraud and third-party risk are top concerns

Financial leaders identify regulatory compliance, financial crime and fraud, and third-party risk management as areas in which they need urgent action to enable payment modernization.

→ **78%** of financial leaders say compliance is the most critical action area to enable payment modernization

→ **39%** of financial leaders rank financial crimes among the top barriers to achieving their payment modernization goals

→ **25%** of financial leaders rank third-party risk management among the top barriers to achieving their payment modernization goals

Core systems need modernizing

Core systems are one of the main challenges for financial institutions looking to modernize their payments, since many back-end systems are insufficient to handle modern payment demands. This mismatch causes slow transaction processing, increases risk exposure and boosts costs over time.

→ **46%** of financial leaders say legacy infrastructure and applications are the most significant barriers to achieving a modern payment environment

→ **58%** of financial leaders point to application interfaces as the most common operational challenge

Generative AI holds significant potential

AI has exciting potential to help financial institutions modernize their payment capabilities. This emerging technology can help banks identify fraudulent transactions and synthetic identities, detect threats, and help organizations recover quickly from cyberattacks.

→ **74%** of financial services leaders identify fraud prevention as a top use case for AI

→ **63%** of financial services leaders identify customer support as a top use case for AI

Despite the great possibility AI holds for payments modernization, few financial institutions believe they are positioned to take full advantage of it.

→ **15%** of financial leaders are confident their infrastructure can fully take advantage of AI

→ **22%** are currently moving to production with AI to support payments

Financial leaders identify the following top barriers to using AI in support of payment goals.

→ **64%** security and privacy

→ **59%** data governance

→ **55%** regulations

→ **52%** missing skills

How we got the data

This research, conducted in September 2024, consisted of a brief online survey with 105 U.S. financial services IT and business leaders at the director-level and above (e.g., C-level, managing director, department head). Participants were decision-makers or influencers for payments strategy and/or payments technology/ digitization at their companies,

The survey covered banking/financial services companies with a range of asset sizes and included participants in both IT and line of business roles:

Size of respondent's organization:

→ Small (total assets under $50B): **47%**

→ Medium/regional (total assets between $50B and $249.9B): **30%**

→ Large (Total assets $250B+): **24%**

Respondent's role:

→ Information technology or information security: **48%**

→ Line of business (not IT): **52%**

Read "How US bank and financial services leaders can address top priorities and concerns"

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