# Human insight remains crucial as AI reshapes financial services



AI has transformed many industries by seamlessly processing vast datasets to identify patterns and make predictions. However, its inherent limitations beg a crucial question: does AI possess the ability to innovate or create original ideas? The consensus among experts is clear: while AI excels in structured tasks, it fundamentally lacks the human insight necessary for true originality. This insight is particularly relevant in financial services, where ethical considerations and compliance are paramount.

The ability of AI to analyse and generate outputs based on historical data is unmatched; however, it operates without consciousness or personal experience. As articulated in recent discussions, such as those detailed in “The Limits of AI in Financial Services,” the machine's strengths lie in data-driven operations, but it falters when faced with tasks demanding human judgement. Unlike humans, who can synthesise experiences, emotions, and cultural contexts into creative solutions, AI’s outputs are often derivative. This raises concerns about a possible slide into mediocrity, where consumers become accustomed to "good enough" solutions generated by machines. Critics argue that this reliance on AI can diminish society's appreciation for quality and originality.

Within the finance sector, the implications of this reliance are particularly acute. As financial institutions integrate AI into their decision-making processes, they must incorporate robust human oversight to navigate the complexities of ethics and regulatory compliance. In this context, the Financial Services industry recognises that even minor errors can lead to disproportionate consequences, thus making human guidance essential. According to PwC, the essence of responsible AI lies in robust governance structures and transparent policies that continuously monitor outputs to mitigate risks associated with bias and misjudgement.

A critical element of this approach is the "human-in-the-loop" (HITL) paradigm. This methodology ensures that human professionals remain engaged at all stages of AI deployment—from design and implementation to interpretation and oversight. Indeed, for financial professionals, it is vital to understand not just how AI reaches its conclusions, but to interrogate these outputs and intervene when questions of ethics or legality arise. This active engagement fosters an environment where technology acts as an augmentation of human capability rather than a replacement.

Key to embedding this HITL strategy is a commitment to continuous skills development. Training programmes should foster AI literacy across the organisation, enabling both technical and non-technical teams to interact effectively with AI systems. This includes equipping decision-makers with the tools necessary to evaluate AI-generated outputs in crucial areas such as lending and compliance. By integrating learning into daily workflows, organisations can ensure that employees are prepared to challenge AI-driven conclusions, thereby reinforcing the importance of human values in decision-making processes.

Moreover, cultivating a culture that encourages critical engagement with AI outputs not only mitigates potential over-reliance on automation but also enhances transparency—a key factor in building trust among clients and stakeholders. The true power of AI lies not merely in its algorithms, but in how adeptly humans can manage and oversee its applications. Maintaining this balance is essential for fostering an environment where human creativity and strategic thinking complement technological advancements.

As organisations prepare for the evolving landscape shaped by AI, investing in training for corporate finance leadership has never been more crucial. By prioritising AI literacy and reskilling initiatives, firms can ensure they thrive within an AI-empowered financial environment. This proactive approach not only prepares leadership teams for the challenges ahead but also safeguards against risks associated with neglecting the irreplaceable human elements of creativity, ethics, and critical judgement.

Ultimately, as the dialogue surrounding AI's capabilities and limitations continues, organisations must remain vigilant in recognising that while AI can revolutionise processes, it is the human touch that imbues these advancements with ethical integrity and innovative potential. The future of AI in finance should not just celebrate technological prowess, but also honour the uniquely human qualities that drive true progress.

### Reference Map

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Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.euromoney.com/learning/insights/the-age-of-ai/the-human-in-the-loop-approach-to-building-real-ai-skills> - Please view link - unable to able to access data
2. <https://time.com/6337835/ai-mediocrity-essay/> - An essay discussing the impact of artificial intelligence on creativity and human behavior. Despite AI's sophisticated ability to generate language and images, it relies fundamentally on the replication of existing human-created content. The author argues that AI can produce average and predictable outputs but lacks genuine creativity and originality. This trend perpetuates mediocrity, as AI-generated content tends to be derivative and unoriginal. The mechanization process, initially designed to improve efficiency, now fosters a culture of low expectations and complacency among consumers, reducing the need for true innovation. Consequently, human creativity and the drive for authentic, original work are at risk as people accept and settle for 'good enough' products and services. The essay concludes with concerns about AI's potential to mechanize consumer tastes and diminish our ability to appreciate quality and originality in creative works.
3. <https://aipunter.net/ai-and-creativity-can-a-machine-ever-be-truly-creative/> - An article exploring the debate over AI's capacity for true creativity. Critics argue that while AI can mimic creative processes and produce impressive outputs, it does so without understanding or intentionality. AI-generated works are seen as mere reflections of the data and algorithms they are built on, lacking the depth and intent that characterize human creativity. The article emphasizes that AI's reliance on existing data and patterns limits its ability to create genuinely original ideas, distinguishing its outputs from human creativity, which involves subjective experiences and emotional insights.
4. <https://www.startupinsider.in/ai-and-creativity-can-machines-be-truly-creative/> - An examination of AI's limitations in replicating human creativity. The article highlights that AI lacks true conceptual understanding, often producing shallow creative works due to its lack of innate awareness and consciousness. It also points out AI's dependence on data, which constrains its ability to come up with completely original ideas, as its creativity is limited to what it has learned from existing human works. Additionally, the article discusses the absence of emotional connection in AI-generated content, noting that human innovation is frequently fueled by emotions, which AI lacks.
5. <https://aiforsocialgood.ca/blog/artificial-intelligence-debunking-common-misconceptions-and-misunderstandings> - A blog post addressing common misconceptions about artificial intelligence, particularly its lack of creativity and originality. The article explains that AI's reliance on pre-existing data and patterns means it cannot create anything genuinely original that transcends its programming. It also discusses AI's lack of consciousness, understanding, emotion, and intuition, which are essential for true creativity. The post emphasizes that while AI can analyze vast amounts of data and generate new combinations or variations, it is still restricted to a predefined set of parameters, lacking the human qualities that drive innovation.
6. <https://aiforsocialgood.ca/blog/can-artificial-intelligence-engage-in-truly-creative-activities> - An exploration of AI's limitations in engaging in truly creative activities. The article notes that AI systems are typically designed to optimize specific objectives or follow predefined rules, restricting their ability to think beyond those boundaries or envision novel ideas. It also highlights AI's lack of subjective judgment, emotional intelligence, and context comprehension, which are vital for truly creative endeavors. The post suggests that while AI can be innovative within its predefined parameters, it cannot replicate the human element of creativity that involves connecting disparate pieces of knowledge and understanding cultural or social nuances.
7. <https://www.sciencedirect.com/science/article/pii/S2713374523000225> - A journal article titled 'AI can only produce artificial creativity' that evaluates the claim that AI can be creative. The article draws from various theories of creativity and uses several concepts from the creativity literature to suggest that, at most, the output of AI represents products which, although lacking, may be attributed with creativity. Such attributions are often mistaken, and products say little about the underlying process. The article argues that criticisms previously leveled at the view that the social recognition of products is required of creativity also apply to AI output.