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## A STUDY IMPACT ON ARTIFICIAL INTELLIGENCE ON FINANCIAL SERVICES

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### ABSTRACT

Artificial Intelligence (AI) is like a computer brain that helps do tasks that humans normally do, like learning making decisions and solving problems. Over the few years AI has become very popular in many industries because it makes them work better more accurately and faster. In the sector AI is used for things like processing payments detecting fraud helping customers evaluating risks and managing transactions. Many Fin-Tech companies use AI to make processes automatic improve customer experience and make decisions in real-time. For example Razorpay recently launched an AI system called Agent Studio that automates processes without needing code. This shows how AI is changing processes and making them more scalable. This paper will discuss how AI affects services, especially customer experience, efficiency, accuracy, risk management and engagement. I asked 120 people to fill out a questionnaire. Then I analyzed the data using statistical tools like T-Test and F-Test. The results show that AI has greatly improved customer experience in services. People think AI services are more effective, convenient and reliable for transactions. The study also found that different groups of people have views on AI meaning they accept AI services equally. Overall AI is important for improving how well financial institutions work and increasing customer confidence. The financial sector will likely change more in the next few years

### FINAL SUMMARY

The financial sector is changing a lot because of digital technologies, which also bring new challenges. Old financial management systems can't handle the increasing amount, speed and complexity of data. So advanced technological systems are being adopted. AI is widely used by institutions to improve efficiency, accuracy and decision-making. However there are

concerns about fairness, transparency and job losses due to automation. Regulations are being updated to ensure AI is used responsibly. This study is important because it analyzes the applications, benefits, challenges and future implications of AI in services.

The financial sector is being transformed by technology and financial transactions are becoming more complex. Traditional methods are no longer enough and advanced systems are being used to handle amounts of financial data. AI is used to improve efficiency and decision-making. Customer behavior and financial records are analyzed to provide services. However concerns are raised about fairness, transparency, data privacy and security. Automation affects jobs and regulations are being adapted. This study examines the applications, benefits, challenges and future implications of AI in services.

Industry experts believe AI will play a role in financial services by 2026. AI will not do routine tasks but also support decision-making, risk management and customer experience.

This study, "A Study on the Impact of Artificial Intelligence on Financial Services " aims to provide an understanding of how AI is transforming financial institutions and improving services.

**KEYWORDS OF PROJECT:** Intelligence, Financial services, Risk management, Digital payments, Customer services

## INTRODUCTION

The financial sector worldwide is changing rapidly due to technologies mainly AI and Machine Learning (ML). These technologies are adopted by banks, insurance companies and financial firms to modernize processes improve efficiency and provide services. AI has emerged as a driver of innovation and growth in the financial sector. AI is defined as machines and computers performing tasks that replicate intelligence, such as learning, reasoning and decision-making. Machine Learning, a branch of AI enables systems to learn from data and improve over time. These systems analyze data generate insights and support decision-making in institutions. In the sector massive amounts of data are generated daily. AI and ML analyze this data quickly and accurately enabling organizations to identify patterns, forecast trends and make decisions. AI-based systems provide processing and improved reliability compared to traditional methods. Financial institutions invest significantly in AI to improve efficiency reduce costs and enhance customer experience. AI-driven technologies are applied in areas like credit scoring, fraud detection, customer service and risk management.

**REVIEWS:**

1. Sharma, A., & Sharma, H. (2025) Studied AI’s effect on efficiency and customer satisfaction in the sector. They found AI to be faster, more accurate and trustworthy. However data security and technology adoption are challenges.
2. Fahrezi, M. (2025) Reviewed AI and ML in financial risk management and predictive analytics. AI improves risk assessment, fraud detection and credit scoring. The research emphasizes the need for guidelines and standardized frameworks.
3. Sabarish Babu and Durai (2025) examined AI’s impact on customer experience in banking. AI improves customer satisfaction through chatbots and personalized interfaces. However concerns about data privacy and security remain barriers to acceptance.

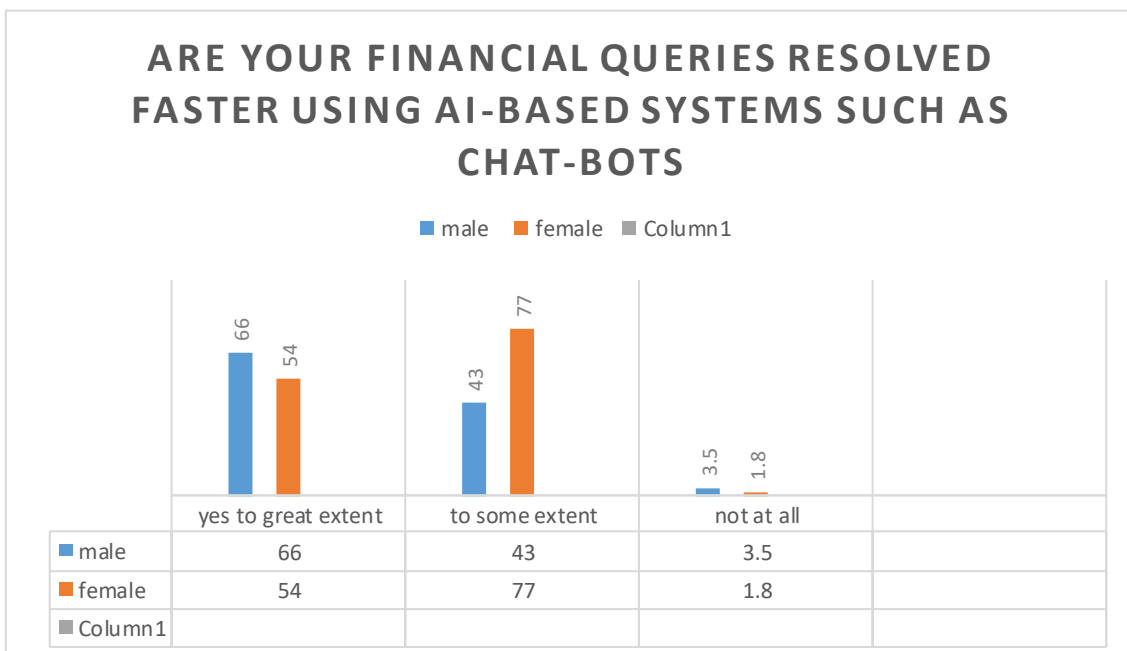
**SCOPE OF THE STUDY**

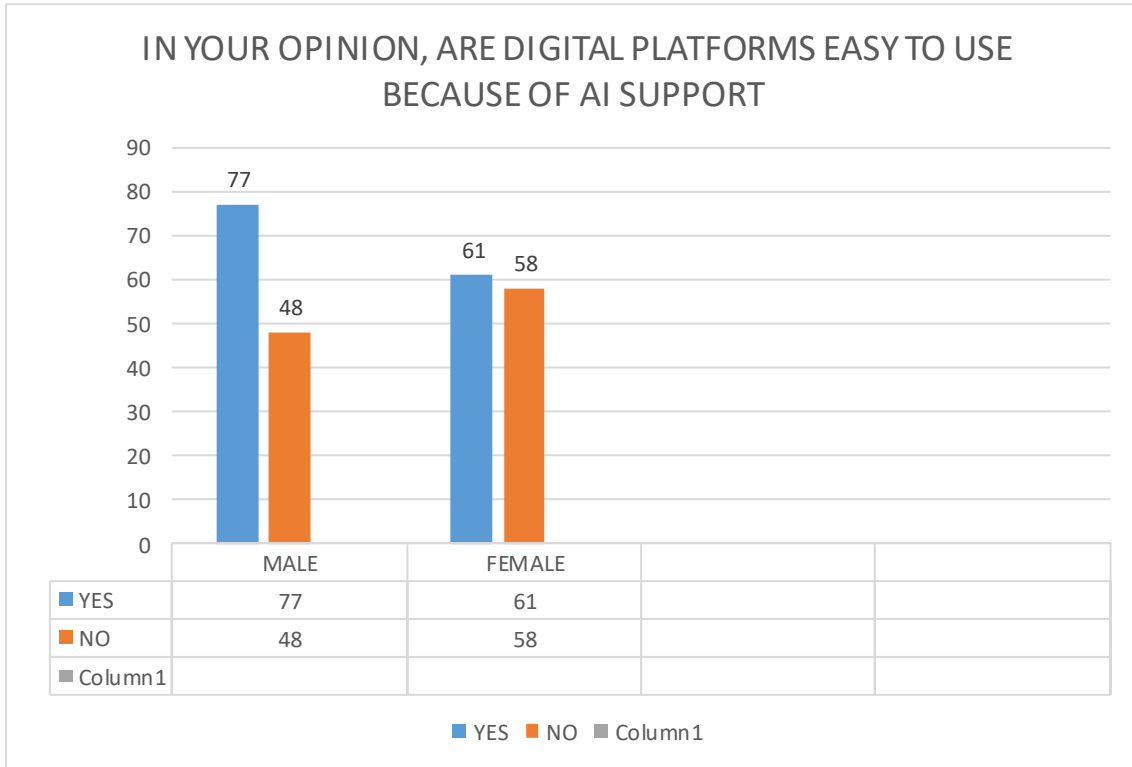
The scope of the present study focuses on the application, impact, challenges, and future potential of Artificial Intelligence (AI) in the financial services sector. The use of Artificial Intelligence, in banking, insurance and investment services is looked at.

**OBJECTIVES:**

1. To Analyse the impact of Artificial Intelligence in Financial Institutions.
2. To Determine Artificial Intelligence and effective utilization of resources.

**DATA ANALYSIS AND INTERPRETION**





**SUGGESTIONS:**

- Financial institutions should increase AI adoption to improve efficiency and accuracy.
- Implement data security systems to protect sensitive information.
- Train employees to effectively use AI technologies.
- Use AI to enhance customer experience through services.
- Maintain a balance between AI systems and human judgment.
- Design AI algorithms to reduce bias and ensure fairness.
- Establish regulations for ethical AI usage.
- Invest more in AI research and innovations.
- Increase customer awareness about AI benefits and risks.
- Conduct further research on AI’s long-term impact on services.

**CONCLUSION:**

The study on AI’s impact, on services shows that AI has brought significant transformation. AI improves efficiency, accuracy and speed in banking operations like fraud detection and customer service. It also enhances customer experience through instant services.

However the study also highlights challenges associated with the adoption of Artificial Intelligence (AI) including data privacy concerns, security risks and the need for skilled

professionals. While AI reduces effort and operational costs it cannot completely replace human intelligence especially in complex decision-making situations. Therefore a balanced approach combining both AI technologies and human expertise is essential. Overall AI has an impact on financial services and is expected to grow further in the future. Financial institutions should focus on implementation, proper employee training and strong data protection measures to maximize the benefits of AI. With advancements AI will play a vital role in shaping the future of the financial sector.

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