

Abstract

This research investigates the adoption of Artificial Intelligence (AI) in financial services, focusing on identifying the barriers and benefits that shape its integration within the industry. As AI technologies rapidly evolve, financial institutions are increasingly exploring their potential to enhance operational efficiency, improve customer experience, and drive innovation. However, the adoption of AI in this sector faces various challenges, including technological, regulatory, and organizational hurdles. This study combines empirical data gathered through qualitative interviews with industry experts and quantitative surveys from financial service providers to provide a comprehensive analysis of these adoption barriers. The research identifies key challenges such as data privacy concerns, regulatory compliance, high implementation costs, and resistance to change. On the other hand, the study also highlights significant benefits of AI adoption, including improved decision-making, cost savings, enhanced fraud detection, and personalized financial services. The findings reveal that while the potential advantages of AI are clear, financial institutions must address the barriers through strategic investments in technology, employee training, and regulatory collaboration. This research offers valuable insights for financial organizations seeking to adopt AI technologies, providing actionable recommendations to overcome challenges and maximize the benefits of AI integration in the sector. Ultimately, the study contributes to the growing body of knowledge on AI adoption in financial services.