FOCUS AREA	GOOD PRACTICE	AREAS FOR IMPROVEMENT
Customer journey and identifying needs	Take particular care where AI affects access to services, how issues are prioritised, and the support consumers receive. Start with the consumer problem, target market and intended outcome before deciding whether AI is the right tool. *For example- a firm narrowly scoped pilot with success measures set in advance of deployment.* Decide which tasks AI supports or automates, which stay with staff, and where the tool should abstain or escalate to a person. Firms should be able to show that these controls work in practice. Test bias: test for unjustified differences between consumer groups by considering data and variables used and comparing outcomes and error rates. *For example- a firm tested whether vulnerability indicators, such as accessibility needs, affected fraud suspicion.*	Relying on guardrails that fix a technical risk but harm consumers. *For example: one firm used guardrails against model drift, which produced generic outcomes that steered some consumers towards inappropriate options.* Automatically excluding consumers with vulnerability indicators from AI journeys to reduce risk, unless firms offer an effective alternative route to the support or benefits they need.
Communications and disclosure	Explain how the firm has used AI in their products, services and journeys in a way consumers can understand, so they can make effective and properly informed decisions. Make clear that a tool is AI-enabled, what it can and can't do, and when to seek help elsewhere. *For example- a firm used an LLM tool to help consumers understand whether they might be accepted for credit. It gave explanations at the point of use, and where it couldn't help it said why and signposted free debt advice and an option to speak to staff.* Use AI to review consumer communications and suggest clearer wording, with staff approving all final changes. *For example- a firm used AI to refine complaint response letters, which case officers reviewed. The*	Assuming outputs are clear without testing them with different consumer groups. Providing consumers only technical AI information without explaining its implications, the reasons for outcomes, next steps or whether it was suitable for them. Overstating AI's accuracy, or being unclear whether AI or a person performed a function, potentially misleading consumers and undermining informed decision-making.

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	firm tested the style with consumers first before deployment. Restrict chatbots to approved source material, with escalation routes. Keep auditable logs of prompts, outputs, model versions and escalation decisions.	
Consumer support and vulnerable customers	Use of AI in consumer journeys should help consumers get support that meets their needs. Use AI to spot vulnerability indicators such as key words, spending patterns, or someone struggling with a digital journey. *For example- a firm's AI tool found spending patterns indicating possible vulnerability. The firm asked its ethics committee whether it should continue providing credit in those circumstances. It set a consistent approach and refined its models.* Let consumers choose AI or non-AI support and switch channels without repeating themselves. Learn from outliers, such as a consumer mentioning a food bank, to refine prompts and escalation criteria.	Over-trusting an LLM to detect vulnerability from text alone, without sufficient testing or safeguards. Using inflexible automated journeys making it harder for customers to get support and not letting them move to another channel.
Governance and accountability	Ensure effective human oversight giving people the authority, information, capability and escalation routes to challenge or intervene when needed. Use AI systems to support rather than replace people's judgement. *For example- one firm used AI for affordability assessments, but staff made the decisions while the system was being established. Reviewers were not shown the AI's proposed outcome, so the firm could compare human and AI judgements and avoid automatic deference.* Map governance across the whole consumer journey, assign SMF ownership from the design stage, and keep auditable decision records.	The FCA warns against over-reliance on human-in-the-loop checks, and against human review that becomes box-ticking. Deploying AI use cases without first considering how to govern them. *For example- some firms tried to fit them into rigid existing frameworks after they'd already made key design decisions.* Senior managers delegating responsibility for AI development entirely to technical teams without sufficient understanding or effective challenge and not owning the risks. Over-relying on individual AI providers and not considering alternative providers or develop

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	Firms remain accountable for outsourced AI and shouldn't rely on vendor assurances they haven't tested.	plans in case the chosen model became unavailable or unsuitable.