

Disruptive Technology, Part 1: Understanding the Risks and Rewards

JUNE 27, 2019

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Part 1: An Appetite for Disruption

The financial services industry has always been quick to embrace technology-based innovation, from ATMs to online banking. That trend continues, as fintech and a new generation of disruptive technologies, such as artificial intelligence (AI), blockchain, and biometric security, find their way into financial services firms.

Today, 73% of financial services companies are using one or more disruptive technologies, according to a recent survey of industry executives conducted by *Corporate Counsel* in conjunction with Winston & Strawn. The study found that companies are drawing on a variety of these technologies. AI, cited by

48%, tops the list, with respondents making use of AI technologies ranging from machine learning and chatbots to automated fraud detection, dynamic credit assessments, and algorithmic trading. In addition, 35% are using social banking/peer-to-peer lending technologies, 32% are using blockchain, and 30% are using facial recognition.

While the use of these technologies is widespread, it is not uniform across the industry. Some companies have moved forward relatively quickly with the new technologies, while others have yet to get started.

Read the full article [here](#). This article is the first in a three-part series exploring executives' perspectives on disruptive technologies in the financial services industry. The next installment will look at where executives believe technology is driving increased legal and regulatory risk.

In February 2019, ALM's *Corporate Counsel*—in conjunction with Winston & Strawn—conducted a survey to capture the thoughts and opinions of legal and IT professionals regarding the legal and regulatory impact of disruptive technologies in the financial services industry. As a result of that survey, Winston & Strawn partners Basil Godellas, Amanda Groves, Susannah Torpey, and Danielle Williams co-authored [a white paper entitled Disruptive Technology: Understanding the Risks and Rewards](#).

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