Chartered Banker

Digital & AI

Evolution

In Banking

LEVEL: SCQF Level 8 and broadly comparable to EQF Level 5

CREDITS: 5

QUALIFICATIONS TO WHICH MODULE CONTRIBUTES:

The Certificate in Digital & AI Evolution in Banking

AUDIENCE:

All bank employees in the UK and internationally, at all levels of the bank, regardless of their own specialism, who want to expand their knowledge and understanding of digital, AI, and automated banking – and have that knowledge and understanding recognised through the award of a professional banking qualification.

AIM:

To develop the learner's knowledge of digital, AI, and automated banking and the role of Fintech. Key themes are to appreciate the digital evolution that has, and is taking place in banking, to recognise the regulatory, social, and commercial responsibilities that impact this area of activity, and to understand the risks and benefits inherent in a reliance on technology.

LEARNING OUTCOMES:

On completion of this module, the learner will be able to:

1. explain the scope and evolution of digital and AI transformation in banking

2. describe a range of digital systems, products and models that operate in banking markets

3. identify key technology-based risks inherent in the commercial and operational aspects of AI and digital banking

4. assess the scope and impact of regulation of digital and AI technology in banking, and AI and digital banking professional and ethical considerations.

SKILLS:

The qualification will support you in the development of a number of key skills:

*   Commercial awareness
*   Cyber security
*   Data literacy
*   Digital literacy
*   Leadership and influencing
*   Problem solving
*   Self-directed learning

DELIVERY METHODOLOGY:

Digital & AI Evolution in Banking is delivered online. Learning resources include:

*   Four interactive e-learning units
*   videos
*   case studies and online resources
*   activities to support application of learning at work
*   quizzes and knowledge checks
*   suggestions for further reading
*   mock exam

ASSESSMENT:

Digital & AI Evolution in Banking is assessed by one online examination, lasting 60 minutes, and consisting of 40 multiple-choice questions.

Unit 1: Digital change in banking

Learning outcomes	Assessment criteria	Indicative content
The learner will be able to:	**The learner can:**	
LO1: Explain the scope and evolution of digital and artificial intelligence (AI) transformation in banking.	**1.1** Describe legacy and de novo systems used to support typical banking functions. **1.2** Explain the strategic considerations in assessing which technologies to adopt. **1.3** Describe the different types of institutions (banks and non-banks) that digital and AI transformation has affected. **1.4** Explain the key impacts of digital systems on banks. **1.5** Explain the key impacts of digital banking for bank customers. **1.6** Describe key trends in digital evolution.	• Evolution and revolution of digital and AI technologies within banking • Tech solutions for existing bank functions • Strategic aspects of which technologies to adopt, including some simple frameworks and cost-benefit analysis. • Growth of fintech, digital banks, challenger banks (digital disruptors) and open banking • Neo banks / EMIs • Commercial impact on banks of technology, and impact on customers • Use of big data in banking • Latest trends in the market, including value propositions.

Unit 2: Digital banking systems

Learning outcomes	Assessment criteria	Indicative content
The learner will be able to:	**The learner can:**	
LO2: Describe a range of digital systems, products and models that operate in banking markets.	**2.1** Explain the various digital payment services, and the mechanisms that allow them to exist. **2.2** Describe how digital systems impact on sustainability and the environment. **2.3** Analyse how digital systems impact the operational and market infrastructure of traditional banking. **2.4** Explain how banks use digital systems across their operations. **2.5** Describe Blockchain, cryptocurrencies and crypto assets.	• Payment services (including multi-currency), and Electronic Money Institutions (EMIs) • Digital products and services and the environment • Disintermediation / non-bank lending • Blockchain v distributed ledger • Cryptocurrency v digital fiat currency • Crypto-assets (NFTs).

Unit 3: Technology risks in digital banking

Learning outcomes	Assessment criteria	Indicative content
The learner will be able to:	**The learner can:**	
LO3: Identify key technology-based risks inherent in the commercial and operational aspects of AI and digital banking.	**3.1** Explain the risks specific to adopting and using new technologies in banking, including machine learning and AI. **3.2** Describe key threats to cyber-security for banks and consumers. **3.3** Describe the impact of AI and digital banking on trust formation and customer satisfaction. **3.4** Explain how Artificial Intelligence can aid decision-making and risk management. **3.5** Explain the development of brand propositions in digital banking and their impact on trust and customer satisfaction.	• Operation of chatbots and other technology-enabled systems in bank-customer interactions • Machine learning in analysing risk factors and managing risk • Cyber-security • Data breaches • Management of climate risk • Reliance on Cloud infrastructure • Confidentiality, GDPR and data protection • Bots • AI and Expert systems • Brand / Consumer satisfaction.

Unit 4: Regulation of digital banking

Learning outcomes	Assessment criteria	Indicative content
The learner will be able to:	**The learner can:**	
LO4: Assess the scope and impact of regulation of digital and AI technology in banking, and digital and AI banking professional and ethical considerations.	**4.1** Explain the regulatory provisions designed to allow new digital banks to come to the market. **4.2** Explain the key regulatory provisions relating to AI and digital banking. **4.3** Explain the regulation of cryptocurrencies. **4.4** Assess the professional and ethical considerations involved in AI and digital banking.	• Open banking • PSD II • Regulatory sandbox • RegTech relevance • Regulation of cryptocurrency • Ethical issues, e.g., agency, accountability and responsibility.