

## ARTICLE

# AI Usage in the Banking and Financial Services Industry and the Current State of Regulation and Litigation Involving AI

Published by TexasBarCLE

September 18, 2025

Artificial Intelligence (AI) is rapidly reshaping the landscape of banking and consumer financial services. Though still evolving, banks and consumer finance companies are actively leveraging AI to augment and improve a multitude of financial services functions with the ultimate goal of lowering costs for such services. AI is being used to streamline and improve credit decisioning, enhance cybersecurity, augment risk management and controls, detect fraud, improve customer service and marketing, increase productivity, and drive profitability. Industry projections estimate that AI could boost financial sector profits by as much as \$170 billion in four years.

This article explores the growing role of AI in the delivery of financial products and services, the emerging legal challenges arising from its use, and how legislatures and regulators are working to keep pace with the technology.

["AI Usage in the Banking and Financial Services Industry and the Current State of Regulation and Litigation Involving AI,"](#) Advanced Consumer and Commercial Law, TexasBarCLE Course Materials, September 18, 2025

---

## CONTACTS

For more information, contact your Katten attorney or any of the following attorneys.



**Eric R. Hail**

+1.214.765.3638

[eric.hail@katten.com](mailto:eric.hail@katten.com)



**Ted A. Huffman**

+1.469.627.7044

[ted.huffman@katten.com](mailto:ted.huffman@katten.com)

Attorney advertising. Published as a source of information only. The material contained herein is not to be construed as legal advice or opinion.

©2026 Katten Muchin Rosenman LLP.

All rights reserved. Katten refers to Katten Muchin Rosenman LLP and the affiliated partnership as explained at [katten.com/disclaimer](https://www.katten.com/disclaimer).