

How to make AI work in AML

Best practices

AI is transforming anti-money laundering (AML) practices.

It helps financial institutions detect complex risks, reduce false positives, and free up valuable analyst time.

But technology alone won't get you there. Success requires the right combination of human expertise, modern FinCrime architecture, and robust governance.

The importance of AML

Money laundering is evolving at the speed of light, and financial institutions must keep up.

Current reality

Money laundering accounts yearly for **2-5% of global GDP**.¹



Future outlook

By 2027, GenAI-driven fraud is projected to surpass

€34B

per year, redefining the scale & complexity of financial crime.²

Challenges in AML today

Detection complexity



Europol's 2025 report shows **confiscations** remain at around **2% of illicit proceeds**.³

Talent scarcity



Up to **62% of global compliance spend in AML and FinCrime goes to human capital**. Meanwhile, AML professionals with the right skills are in short supply.³

Operational burden

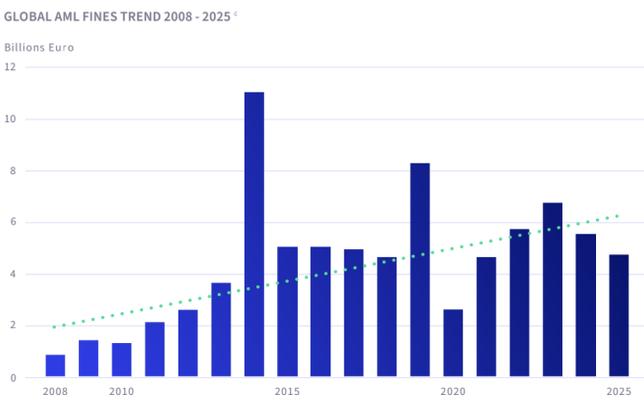


Traditional monitoring systems generate **up to 90% false positives**. The result: massive manual workloads and inefficient investigations.³

Regulatory complexity

Regulatory scrutiny is growing, and **global AML fines are on the rise**. Financial institutions must show compliance through **auditable, explainable systems**.

GLOBAL AML FINES TREND 2008 - 2025⁴



AI as part of the answer

- **Get the basics right:** Use classical machine learning to optimise core processes like alert ranking and customer segmentation.
- **Ensure reliability and cost-efficiency:** Train models well, validate outputs, and embed explainability for trust and compliance.
- **Leverage LLMs for automation:** Apply large language models to generate Suspicious Activity Reports (SARs) and process unstructured data.
- **Move to agentic AI:** Deploy AI agents to automate workflows and assist investigators with dynamic case management.

Success factors for AI in AML

1. Human insight

AI needs human oversight to **validate decisions** and **maintain accountability**. That's why adoption must start with people. **Improve AI adoption** through:



Value demonstration

Start small. Use pilot projects to prove real-world impact and address skepticism. Communicate how AI helps individual roles.



User trust

Adoption grows when AI is seen as reliable, intuitive, and transparent.



Education & training

Make your teams understand both the capabilities and limits of AI.



Cross-functional collaboration

Align compliance, risk, IT and business to embed AI where it adds most value.



Leadership support

Executive sponsorship accelerates adoption and promotes good governance from the top down.

- **Model explainability:** use interpretable models with documentation and visual tools.
- **Output transparency:** show not just the AI's decision, but how it got there.
- **Auditability:** log all inputs, outputs and model updates to meet compliance requirements.

Human decision-making must stay in the loop. AMLCOs must be authorised to make the final decision. Properly reviewing AI drives output before any action is taken.



2. Modern FinCrime architecture and robust controls

A resilient AI approach depends on the **right control frameworks** to manage:



AI model risk management

Financial institutions must classify models by risk, validate them regularly, and monitor performance to prevent bias and drift. Transparency and auditability are key under the EU AI Act.



Infrastructure risk management

A secure, resilient digital environment is essential. This includes threat monitoring, identity and access controls, and compliance with industry standards like ISO and SOC.



Data management

High-quality, well-governed data underpins effective AML. Financial institutions need clear strategies for data collection, architecture, and anomaly detection to reduce false positives and improve accuracy.

Data quality is the #1 barrier to AML AI success. Data quality is critical for AI success, but it shouldn't hold you back.⁵ Even with imperfect data, AI outperforms manual processes and accelerates compliance outcomes.

45% of EMEA financial institutions say **data quality** is the **main barrier** to adopting new AML tech.

45% of financial crime professionals say **siload, inconsistent data** **limits effective detection**.

To succeed with AI, your institution needs:

- **A strong data management vision:** align collection, storage and use with business goals and compliance needs.
- **Integrity data architecture:** enable seamless data flow across systems.
- **Entity resolution:** accurately connect fragmented records to gain a true client view.
- **Positive label management:** train models using confirmed suspicious activity to improve future detection.
- **Proper data classification:** identify behavioral anomalies that could indicate risk.

3. A solid governance framework

Governance defines **how AI is developed, deployed** and **controlled**.



Accountability

Clearly defined roles and human review of AI outputs.



Transparency

Adoption grows when AI is seen as reliable, intuitive, and transparent.



Monitoring & validation

Make your teams understand both the capabilities and limits of AI.



Continuous improvement

Stay aligned with evolving threats, tech and regulations.



Trusted

Compliant and future-ready AML operations.

Discover these and many more valuable AML insights in the whitepaper **Trusted AI in AML: a blueprint for success**.

discai.com/whitepaper



About Discai

As a part of KBC Group, a leading European financial institution, Discai delivers trusted AI solutions to fight financial crime. Backed by KBC's deep expertise in banking, compliance and data science, Discai combines technological innovation with regulatory rigour.

Its flagship AML KYT solution, developed in-house and successfully implemented within KBC entities, enhances the efficiency and effectiveness of AML processes. Discai's unique blend of domain knowledge and technological excellence empowers financial institutions to tackle the evolving financial crime landscape with confidence, while staying aligned with complex regulatory requirements.

References

- ¹ Global Data estimates 2025, BOE, BIS, SNP, D&B all 2025, LNRS, Oxford Economics 2025, Chartis estimates.
- ² Thomson Reuters (2025), Deloitte (2024), JFC (2025)
- ³ Chartis 2025, Data from LexisNexis Risk Solutions 2025, Oxford Economics 2024, Dun & Bradstreet 2023, The Banker 2024.
- ⁴ Fenargo (2024), Global Fines Infographic.

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