

# How Financial Institutions Are Applying Explainable AI in AML Investigations

As AML expectations continue to evolve, many financial institutions are exploring how AI can support investigations more effectively.

But the challenge isn't just adopting AI, it's applying it in a way that is consistent, transparent, and aligned with regulatory expectations.

Across the market, we're seeing a shift in how explainable AI is being used to improve investigation outcomes.



## From Detection-Focused AI to Investigation-Led Design

Most AI initiatives have historically focused on improving detection. However, regulatory expectations are increasingly centred on these three principles



How investigations are conducted



How decisions are made



How outcomes are justified

### What's changing:

AI is being designed to support the full investigation process, not just generate alerts.



## From Risk Scores to Structured Alert Outputs

Risk scores alone provide limited value to investigators. They still require these three things



Context



Interpretation



Manual case building

### What's changing:

AI is being used to structure findings, helping investigators quickly understand what happened and why.



## From Analyst-Driven Decisions to Consistent Frameworks

In many organisations, similar cases can lead to different outcomes. This creates xxxxxxxxxx



Inconsistency



QA challenges



Regulatory risk

### What's changing:

AI is being used to apply more consistent decision logic across investigations.



## From Manual Workflows to Automated Investigation Support

A large portion of investigation time is still spent on:



Gathering data



Reconstructing context



Moving between systems

### What's changing:

AI is being used to automate repetitive investigation tasks, allowing analysts to focus on assessing risk.

## Conclusion

Explainable AI is no longer just about improving model transparency, it is becoming fundamental to how AML investigations are designed and executed. It enables financial institutions to move beyond fragmented, analyst-driven processes toward more structured, consistent, and scalable approaches to case resolution.

As regulatory expectations continue to evolve, the ability to clearly understand, justify, and standardise decisions is no longer optional; it is essential.

**Modern AML is not just defined by how effectively risk is detected, but by how consistently, efficiently, and defensibly cases are resolved.**