

Artificial Intelligence in the Nordic finance sector: risks, challenges, and opportunities for finance employees

NFU Position paper – Artificial intelligence in the Nordic finance sector: risks, challenges, and opportunities for finance employees

This Position paper presents NFU's position and policy recommendations on the challenges and opportunities connected to Artificial Intelligence in the finance sector with a focus on implications and opportunities for employees in the sector. This paper is targeted towards regulators/policy makers at EU as well as global level.

The digitalisation of our society is rapid and in finance the use of Artificial Intelligence (AI) is getting prominent. The rapid development in the use of AI systems in the finance sector brings potential challenges for finance employees. Also, in the world of work this development is present, where the use of AI for monitoring and measuring productivity has the potential to change the way we work. For finance employees, the challenges connected to AI is twofold: first, they are expected to learn, understand, and use AI systems in their roles, and second, they are targeted by AI systems that measure their performances, used in management, and collecting their data. This paper address both these perspectives.

NFU Policy recommendations

- NFU support the industry's and trade union's investments in digital innovation as a key for growth, job creation and a sustainable society.
- The use of AI should take the following into account:
 - Introduction of AI systems in the workplace must be responsible and take into consideration the employee perspective and possible effects on employees' data and wellbeing.
 - Union representatives must as a minimum be involved in the development, implementation, and evaluation processes of AI systems in the workplace.
 - Union representatives must be provided with training and knowledge on AI systems to understand, challenge and address potential risks.
 - Employees must be provided with the necessary training and competence development to be able to make use of AI systems, and to be able to understand the purpose and consequences of the applied AI systems
 - Employees must maintain the right to deviate from AI-systems, without the risk of adverse consequences.
 - Workers' digital rights, including their data, must be respected in line with the regulation and rules set up by the GDPR.

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- The use of AI systems and the governing of employee data in the workplace shall be agreed in national/sectoral collective agreements.
 - Employees shall never be held liable for any malfunction of AI systems.
 - There should be special emphasis on the potential use of AI-systems in solutions provided by a third party.
 - As the use of AI in the workplace can be biased and/or discriminatory, national unions should address this in the continued evaluation of AI systems.
- Social partners should develop guidelines of responsible and trustworthy use of AI towards transparency, fairness (free from biases) and non-discrimination¹.
 - Finance employees often face several AI systems and thus in the regulation of AI systems, the use of several less risk prone systems should be treated in the same way as individual high-risk AI systems (cumulative harms).
 - Employees facing non-compliant AI systems shall be able to take action against employers collectively rather than on an individual level. This is a core function for finance trade unions acting on behalf of their members in a digitalised workspace.
 - In the field of AI regulation NFU favours harmonisation on EU and global level to prevent fragmentation in order to create a level playing field, foster innovation and create legal clarity for employees working in the sector.
 - All in all, trust, transparency, dialogue, fairness, responsibility, and accountability are key values for a successful use of responsible AI.

NFU Position

Developments during the latest decade in increased data volumes (Big data), data storage capacity (Cloud services) and sophistication of algorithms have given way for a more prominent use of AI systems in the financial sector². AI can be used in three ways: towards customers, internally, and by third party actors. Reports³ show that we are in the middle of a rapid development in the use of AI in finance and that the use

¹ For reference see Joint declaration on AI in Insurance social dialogue: [Draft Joint declaration on AI insurance sector - updated \(nordicfinancialunions.org\)](https://www.nordicfinancialunions.org)

² Banco Espana (2019) [Artificial intelligence in financial services. Analytical Articles. Economic Bulletin 2/2019. \(bde.es\)](https://www.bde.es)

³ EY (2020) [ey-why-a-i-will-redefine-the-financial-services-industry-in-two-years.pdf](https://www.ey.com)

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cases are many already. A recent study from Finansforbundet Norway shows that finance companies in Norway use AI systems to a large degree⁴.

Among the more common use cases of AI systems in finance we find assistance in decision making and prediction, customisation/personalisation of end products and services, regulatory compliance, fraud prevention and AML-control, credit scoring, digital identification, pricing in for example non-life insurance and lending and risk and claims management.

Also, within human resources and management AI systems are used in recruitment processes (often by a third-party actor), in giving employees directions and instructions, more use of algorithmic management, and even for personnel measuring/monitoring and scoring as a basis for promotions and firing.

In the middle of this development stand finance employees, expected to understand, use and work together with AI systems and to be able to identify potential risks for their data, privacy and possibly safety of AI systems monitoring/evaluating their job.

AI systems can work in favour of employees and increase wellbeing in assisting in their work, create a better work balance between repetitive and analytical tasks and change work methods. However, without proper knowledge about the systems at use and potential implications, employees' data, privacy, and safety can be at risk. Proper regulation, legal and in collective agreements, must address these risks and trade unions must be given an important role in this process. NFU believe that a finance sector where human and tech interact and work hand in hand can create a sector that flourish and is sustainable and can set a standard for other, less digitalised sectors.

As finance trade unions, our main goal is to empower and protect finance employees and their data. Finance employees should be provided with the necessary training and knowledge to understand AI systems. Trade union representatives should as a minimum be involved in implementation processes of AI systems. Finance employees should never be held liable for malfunctioning of AI systems or damage caused by the systems. Finance employees' data should always be protected.

NFU iterate that AI systems should always be designed and used to complement and enhance rather than replace humans. The use of AI systems should always follow the human in control principle and decision making should be done with human oversight.

⁴ Finansforbundet Norge (2022) [Slik bruker norsk finans kunstig intelligens - Finansforbundet](#)

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The need for data ethics, training, new skills, and competence development for employees must be on top of the agenda when companies apply AI systems. These systems can enable employees to acquire life-long learning skills that will develop them in their roles and in their careers.

Trade union representatives must be given the opportunity to make use of their important role when companies develop, apply, and implement digital solutions, systems and tools, collect employee data and automate tasks. Union representatives should be consulted and have a say in these processes and it should be implemented with an employee perspective. They should also be part of a continuous evaluation.

Union representatives must be given training and knowledge on AI systems to be able to ask the right questions, discuss ethical dilemmas and spot potential risks for employees and their data. NFU affiliates report that there is a need for upskilling and new competences.

The risks and challenges for employees especially in relation to the managing of their personal data must be addressed and handled. The handling of data should be based on values such as trust, transparency, fairness, and accountability, and the use of AI must be responsible. Trade unions should play an ever-greater role in how workers digital rights are secured by companies and management.

When AI is implemented in the workplace, it has the potential to not only change ways of working as discussed earlier, but also require new structures and cultural shifts in companies. AI systems cannot be implemented without a clear data ethical agreement, clear processes, structures and based on risk assessments.

Finally, NFU welcomes developments to regulate the use of AI at the EU and global level. NFU do advocate for two areas that should be further regulated. First, collective harms besides individual harms, like for instance members of a particular workforce targeted by a specific AI system should be addressed. Employees facing non-compliant AI systems shall be able to take action against employers collectively rather than on an individual level, as the latter will put enormous pressure on the individual. Second, NFU states that finance employees often face several AI systems and thus in the regulation of AI systems, the use of several less risk prone systems should be treated in the same way as individual high-risk AI systems. Finally, in the field of AI regulation NFU favours harmonisation on EU and global level to prevent fragmentation in order to create a level playing field, foster innovation and create legal clarity for employees working in the sector.

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NFU – Nordic Financial Unions is an organization that promotes the interests of the Nordic financial trade unions in Europe. Through a high level of competence and dialogue, NFU contributes to shaping a sustainable financial sector, fundamental for job creation. Currently, NFU represents seven trade unions in the bank, finance and insurance sector in Denmark, Finland, Iceland, Norway, and Sweden.

www.nordicfinancialunions.org