NatWest AI Adoption Report: Growth starts with the customer

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Foreword

Paul Thwaite
NatWest Group CEO

Every new technology creates new possibilities. The real growth test for any economy is whether businesses can turn them into something customers genuinely value.

As this report charts, AI is already changing customer habits, as they use it to inform more of their everyday choices. And, as their familiarity with it grows, customers want services that are simpler, more personalised and more responsive than ever. At the same time, they continue to value human accountability and the confidence that comes from knowing there is someone to turn to when they need it.

At NatWest, our relationships have been built for many years by colleagues in our branches, contact centres and Accelerators, as well as by those working with our customers in communities right across the UK. These are the places where trust is cultivated over time: through great experience, deep local knowledge and the judgement colleagues bring to moments that matter.

But AI can make these relationships even stronger. It raises the bar for what is possible. AI can provide greater memory, context and foresight – joining the dots across every customer interaction or spotting signals in vast amounts of data in a way no individual could do alone. The relationship of the future will combine AI with human judgement, so colleagues can offer the right support, exactly when it's needed.

As customer expectations grow, businesses will need to think differently about trust too. A lot of AI commentary treats trust as a security measure or a 'do no harm' guardrail for how new technology is used. But I believe trust will become a defining competitive advantage.

The AI era will demand a greater level of transparency and give customers more choice than ever before. Great customer experiences will be the future foundation of trust. The businesses that use AI to serve customers better, while giving them confidence in how it is being used in their interest, will be the ones to win.

Foreword

> "The businesses that use AI to serve customers better, while giving them confidence in how it is being used in their interest, will be the ones to win."

That points to a wider lesson for business. The AI growth opportunity is often described in terms of technology, but this report shows the real value lies in how businesses can redesign services and operations – and that redesign starts with the customer. Whether your customer is an individual consumer or a business, it's about what AI delivers for their benefit.

History offers a useful perspective. It shows that economic growth hasn't materialised simply because new technology came into existence. What matters is adoption – how it is actually used to benefit the customer. Electricity transformed productivity when factories and production lines were redesigned around it, making better quality goods available to customers at lower prices. Over a century later, computers and then smart phones changed the way we lived. But they truly sparked growth when businesses reorganised their operations around new customer expectations of convenience and immediacy.

What feels different today is the speed of change. The rapid development of AI means the time businesses have to adapt is getting shorter. The opportunity is great, but so is the risk of businesses being left behind. Whilst AI use is widespread, our research highlights that many smaller businesses remain in the early planning or experimental stages of adoption, lacking the same access to investment, skills and specialist partnerships that larger firms benefit from. Closing this gap is critical for UK growth.

As the UK's No.1 bank for business, serving over 20 million personal customers, NatWest has a dual role to play in the country's AI adoption. First, within our own organisation, where opportunity starts with the customer, not the technology. We've of course built the technical foundations, equipping our 60,000 colleagues with AI tools and training, establishing a world-leading Chief AI Research Office and creating a dedicated Responsible AI team. But our real focus is redesigning how the bank works, in service of the customer. Bringing together the strengths of AI with the expertise and judgement of our colleagues, so we can build the trusted relationships that set NatWest apart well into the future.

Our role as a trusted partner extends beyond our own customers. It is also to help create the conditions and connections for growth in the real economy. A bank today cannot just finance the AI opportunity, we have to use our expertise, partnerships and convening power to help businesses of every size, in every part of the UK, to adopt, adapt and grow with confidence.

A picture of AI adoption today

AI has already become an everyday reality. This shifts the question from whether AI will be adopted to how we can use AI's potential to support UK growth.

The report explores how people and businesses are adopting AI – combining NatWest's own experience with proprietary research among 1,400 SMEs and mid-market businesses, interviews with large corporate leaders, and insights from more than 2,400 NatWest Retail customers – benchmarked against a nationally representative sample of 1,800 UK consumers.

Together, this provides a picture of AI adoption today, where the opportunities lie and what's needed to turn its potential into stronger customer relationships and UK growth.

UK customers

A study of 2,422 NatWest Retail customers found AI has already become mainstream. 71% of customers use AI tools at least occasionally and 40% use them most or every day. And the pace of adoption is growing rapidly, with 57% using AI tools more than they were six months ago.

Among AI users:

74% say it simplifies choices and makes everyday tasks easier

67% believe it can improve customer service

22% say they use AI platforms for financial information and advice

The most common financial uses among NatWest customers today are

Customers are clear about what will build confidence in AI use in financial services. As technology plays a greater role, the ability to connect to a real person when needed is the most important trust factor, as cited by 81% of customers. This reinforces the importance of a human in the loop, with customers wanting the ability to challenge decisions and the confidence that responsibility ultimately sits with people.

The ability to connect to a real person when needed is the most important trust factor, cited by **81%** of customers.

Reliabillity, oversight and transparency are critical – with **77%** of customers placing importance on these factors.

Reliability, oversight and transparency are also critical. Confidence that AI-enabled services will work 100% reliably is the second most important factor (77%), closely followed by strong human oversight by experienced bank colleagues (77%) and transparency in how their data is handled and stored (77%).

Protection makes trust tangible. Stronger defences against fraud, scams, deepfakes and identity theft may prove as important as faster or more personalised services, with around half (51%) of customers citing data or security concerns when considering AI use in financial services. Banks have strong foundations in security, privacy, risk and governance, but customers do not expect institutions to mark their own homework. 75% say strong oversight by independent regulatory bodies is important.

→ A map of UK business adoption can be viewed on page 25

→ Full detail on NatWest's support for business adoption on page 26

UK businesses

AI use is widening quickly across small and medium-sized UK businesses but not deepening at the same rate. While 44% of businesses surveyed already use AI, and a further 41% plan to, just 6% of current users are transforming how they operate.

Almost a third (29%) of businesses using AI remain in the very early, experimental stages of adoption, either building awareness or running limited pilots. The drivers behind this shallow adoption include skills gaps, limited investment and in-house expertise, uncertainty over returns, and concerns about security, governance and accountability.

These barriers weigh more heavily on smaller firms. Businesses with more than 100 employees are nearly twice as likely to use AI.

44% of businesses surveyed already use AI	Just **6%** of current users are transforming how they operate	Region explains only **8%** of variation in AI use, compared with **39%** for headcount and **24%** for turnover

Encouragingly, geography is much less relevant. Region explains only 8% of variation in AI use, compared with 39% for headcount and 24% for turnover. This means the AI opportunity extends across every UK nation and region. Businesses throughout the UK report positive outcomes from AI adoption, including stronger efficiency, innovation and commercial performance. While the specific benefits vary between places, the findings suggest AI is already supporting growth in ways that reflect the strengths of local economies.

Places with concentrations of specialist industries, universities, skilled workers and major employers may be better positioned to capture AI-enabled growth, while areas with a higher concentration of smaller firms or less AI-mature sectors may need more focused support.

Tangible benefits scale quickly as adoption deepens. Businesses surveyed at the early piloting phase of adoption report average time savings of less than 20%. In contrast, those more advanced in their AI adoption often report average time savings of 61-70%, alongside gains in innovation, customer growth, revenue and profitability – the individual components that underpin economic growth and productivity.

How NatWest thinks about AI

Customer relationships

Growth

Trust

Customer relationships

AI can build stronger customer relationships

Trusted customer relationships are built through a consistently great experience. Many customers already see AI as a component of that, with a majority saying AI makes everyday tasks and choices easier. As this report illustrates, AI offers many customer benefits beyond convenience, helping businesses better anticipate needs, solve problems and deliver the right support in real time, often before customers know they need it.

How that support is felt by customers will be a key differentiator in the future. The potential of AI doesn't lie in automating customer interactions, but in making every relationship more useful and more personal. With AI widely available, customers will expect clear choices. They will want confidence that businesses are acting in their interests and access to human expertise when it matters. The strongest relationships will combine AI technology with colleague judgement and transparency. That combination will make successful businesses feel helpful, personal and trusted.

Growth will depend on redesigning work around the customer, not technology access

AI can boost productivity, innovation and growth across the UK. But access to the technology alone will not determine success. The biggest gains will come from businesses that use AI to redesign how work gets done, all in service of the customer.

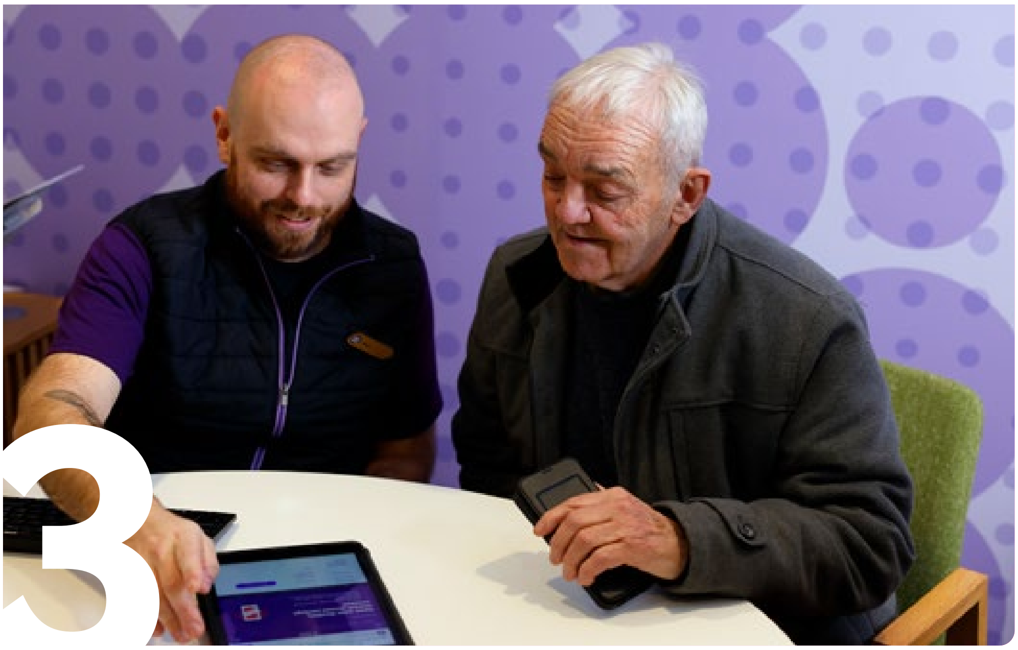
UK business adoption is already broad – most businesses we surveyed are either using AI or planning to do so. But only a small proportion are using the available technology to transform how they operate and enjoy the significant time savings and other rewards that it offers. AI creates the most value when it changes how a business works, not when it is simply added to existing tasks.

This makes the capability to adopt technology, not technology itself, the real divide. Closing the adoption gap between large and small firms will require practical support to help smaller businesses identify valuable uses, build workforce and leadership skills, secure investment, and access peer networks and trusted expertise. That will help to ensure AI's benefits translate into broader UK growth.

Customer relationships

Growth

Trust



3

Trust

Trust will determine how far and how fast adoption scales

In the AI era, trust will be a critical source of competitive advantage. Trust starts with great experiences and better customer outcomes: simpler and more personalised services, access to advice that helps more customers make confident choices, and protection that keeps pace with new risks. But value must be matched by transparency. Three-quarters of customers want to know when AI is being used and how their data is handled.

The businesses that combine consistently better outcomes with clear safeguards, human accountability and open communication will earn the confidence to innovate and build stronger, more enduring customer relationships.

But no organisation can build UK-wide confidence alone. Industry, government and regulators must work together to build skills, set clear and consistent standards for transparency and protection, and ensure legislation evolves with the technology. Three-quarters of customers say robust independent regulatory oversight is essential. Creating shared confidence in AI will help responsible adoption and growth to scale across the UK economy.

AI adoption at NatWest

Scott Marcar
Chief Information Officer,
NatWest Group

NatWest has long competed on the quality of its customer relationships and AI raises the possibilities for what a great banking relationship can deliver.

The bank of the future will be relationship-led and AI powered – combining the insight, anticipation and immediacy of scaled AI, with the expertise, empathy and judgement of our colleagues to make banking more proactive, personal and even safer.

NatWest has already changed significantly to capture that opportunity. We have simplified the bank and built world-class foundations across technology, data and AI, alongside the skills and controls to use them responsibly at scale.

Those foundations allow us to rewire how work gets done around the customer – improving decisions, removing friction and enabling colleagues to focus their expertise where it adds most value. And increasingly, they allow us to go further: creating new customer experiences, deepening relationships and unlocking new opportunities for growth.

These are overlapping, not sequential, phases. AI is not a one-off transformation programme with a fixed end point. It is an adaptive strategy: evolving as the technology advances and, critically, as our customers' needs and expectations change. Our job is to keep bringing those two together – turning new capability into better ways of working, stronger customer relationships and growth.

Read the full story of NatWest's AI adoption on page 34

How we use AI for the future of customer relationships

1

Why relationships matter more in the age of AI

The UK growth opportunity comes from being ready for the customer relationship of the future.

That relationship is already taking shape. As customers adopt AI themselves, it is changing what they expect from the businesses they deal with. In our research, 57% of NatWest Group customers said their use of AI had grown rapidly in the previous six months, while 67% already see its potential to improve customer experience. As people become accustomed to technology that is quick, simple and personalised, they increasingly expect businesses not just to respond efficiently, but to understand them, remember what has gone before and help proactively at the right moment.

AI brings strengths to that relationship. It can provide a business with memory and context across interactions, connect information from different parts of a customer's experience and identify signals across large amounts of data that no person could process alone. It can give every relationship greater continuity, context and foresight. Meanwhile, colleagues bring the judgement, expertise and empathy to know when and how to act on it for the benefit of the customer.

Together, these capabilities are the foundation of the more informed, intelligent and ultimately more useful relationships customers will expect.

Customers are also clear about how they want this to work. They want transparency when AI is being used, and 81% say access to a real person when it matters is important. That is why NatWest's commitment to in-person banking and a physical presence across the UK sits alongside our investment in AI. Technology should strengthen the relationship between customers and our people, not put distance between them.

As saving and investing becomes an increasingly important part of the national conversation, customers want confidence in their decisions, help navigating a complex financial landscape and access to trusted expertise that reflects their individual circumstances. With only around 9%[1] of people currently accessing regulated financial advice, AI has the potential to extend personalised guidance and support to many more – whether they are buying a home, building wealth, growing a business or managing financial pressure. This relies on a combination of technology and human expertise. AI can help make expert human services and customer support available to customers more quickly and easily.

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67%
already see its potential to improve customer experience

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81%
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*1. https://www.fca.org.uk/news/press-releases/once-generation-advice-changes-help-millions-navigate-their-financial-lives

AI is helping NatWest to strengthen customer relationships in four ways

1 A bank that pays attention

AI is helping NatWest better understand customers and identify moments when proactive support could make a meaningful difference. By highlighting where help may be needed, it enables colleagues to ask the right questions, build a fuller picture of each customer's circumstances and respond with more informed, personalised support.

Supporting vulnerable customers

Working with Serene, NatWest is exploring how AI can help identify customers who may need additional support. By analysing customer interactions, the technology can highlight potential signs of financial difficulty or vulnerability, helping colleagues intervene earlier and connect customers to the right support before their circumstances get worse. By providing a fuller picture of a customer's situation, the aim is to enable more informed, empathetic and meaningful conversations when support is needed.

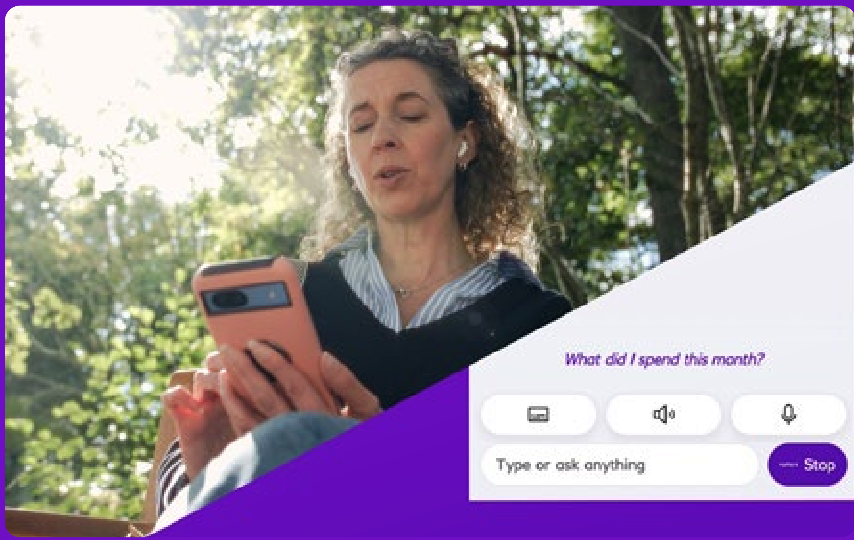
2 Helping customers make sense of their money

As customers increasingly turn to AI to navigate financial decisions, NatWest has an opportunity to combine AI-powered guidance with trusted human expertise – delivering personalised support across everyday money management and long-term wealth planning.

Helping millions of customers manage their finances

With NatWest's AI assistant, Cora, customers have been trialling an agentic financial assistant where they have been able to ask simple questions such as: "What did I spend last month?" or "How does my spending compare to this time last year?" and receive immediate, personalised responses. These capabilities allow customers to engage with their financial information using natural language rather than traditional banking interfaces. The next evolution of this is audio-visual – with voice and text – in NatWest's new Spending Insights tool which creates a richer, more natural way for customers to explore and manage their money.

Case study: Spending Insights



An industry-first, fully generative audio-visual AI Spending Insights tool that is about to be tested with Royal Bank of Scotland customers before being rolled out more widely across the bank.

Available through the mobile app and powered by the bank's own small language models, the conversational tool allows customers to talk naturally about their finances using voice and text.

Customers can ask questions about their spending, explore trends, compare activity over time and receive personalised insights. They can also interrupt, ask follow-up questions and provide additional context about their circumstances, helping the tool deliver more relevant and personalised responses.

The experience combines tailored insights with interactive charts and visualisations, transforming complex financial information into something easier to understand and act on.

By enabling customers to explore their finances through natural conversation, the tool aims to help them make more informed decisions with greater confidence.

Supporting the delivery of trusted wealth advice

The use of AI in private banking and wealth management demonstrates the opportunity and the need to put customers first. That means enhancing the service provided by colleagues and tailoring that service to meet the needs of customers who are themselves embracing AI.

NatWest's survey found its affluent customers to be among the most confident adopters of AI, with 58% using it every day or most days, compared with 40% of NatWest Group customers overall. These customers want AI to help them manage their money better, with 63% saying it's important that AI identifies ways to optimise their finances and make their money work harder.

But even as they embrace the new technology, affluent customers continue to value human expertise. 80% want access to a real person when needed and 77% want AI-powered services to have strong oversight by experienced colleagues. Affluent customers are also the strongest backers of clear society-wide rules for AI, with 78% saying independent regulatory oversight is important.

For customers, it is not a choice between AI systems or human advice. They want an intelligent, responsible blend of the two, where technology supports trusted, expert advisers, always in a framework of clear accountability and strong safeguards.

> At NatWest, AI is already helping colleagues to meet the needs of our customers, for example by capturing key insights and surfacing relevant information at the right time. Call summarisation alone is saving advisers in our Private Banking and Wealth Management business more than 70% of their time, creating more capacity for informed conversations and other personalised services.

In future, we see the potential for every customer to have access to an intelligent financial assistant that understands their goals, helps them spot opportunities, prepares them for important decisions and connects them to an adviser at the right moment.

The acquisition of Evelyn Partners strengthens NatWest's ability to deliver a trusted AI-enhanced service. It will allow us to combine our new colleagues' industry-leading financial planning and investment management expertise with the Group's existing scale, data and AI capabilities. Together, these strengths can help us better serve existing customers, extend trusted advice to more customers, and increase the number of people we help to save and invest with confidence.

3 Making banking simpler and more personal

AI is helping complex banking journeys move faster by handling routine work behind the scenes, freeing colleagues to focus on advice, judgement and customer relationships.

Homebuying

Buying a home is one of the biggest financial decisions customers make, and often one of the most complex. NatWest's research found nearly two-thirds (64%) of customers would be interested in AI guiding them through the mortgage application process step by step and helping identify the most suitable mortgage for their circumstances.

Today, NatWest is using AI to make the experience quicker, easier and more personalised – from helping customers understand affordability and prepare an application to reducing administration and speeding up completion. By taking care of more of the routine housekeeping, AI allows our colleagues to spend less time chasing paperwork and more time helping customers navigate complex decisions. This is the foundation for more joined-up and increasingly agentic customer journeys in the future.

The mortgage journey

1

Exploring

In April 2026, NatWest became the first UK bank to launch functionality within ChatGPT, allowing prospective homebuyers to tag NatWest and ask questions about mortgage applications and affordability. By making trusted mortgage information available in a channel where customers increasingly research for major decisions, NatWest is helping people better understand their options, assess affordability and prepare for the journey ahead.

2

Planning and researching

Through its partnership with Rightmove, NatWest brings mortgage affordability closer to the property search journey. Customers can receive a mortgage-in-principle decision within the Rightmove app, helping them understand what they can afford and search with greater confidence.

3

Application

Behind the scenes, AI is helping NatWest streamline applications by supporting income verification, checking documents, identifying missing information and prompting customers when action is needed. The result is less administration and a smoother application process.

4

Completion

Through its partnership with Pexa, a digital property exchange platform that helps modernise conveyancing and completion, NatWest is helping to speed up and simplify the final stages of homebuying by reducing friction in the transfer of information and funds. Recently, NatWest enabled a customer to fully complete a remortgage transaction in less than two working days.

Business onboarding

In Commercial & Institutional, NatWest is transforming how many of its new business customers join the bank by rolling out AI agents across the different stages of its onboarding journey. These agents support various activities including verification, document handling and operational processing, helping remove friction from what has often been a time and effort-intensive process for both bank staff and customers.

For example, for sole traders, AI can draw on trusted external sources, including Companies House, helping complete checks that previously took around 15 minutes in under 60 seconds.

Overall, these agents are expected to automate up to 75% of manual interventions and, as more agents are rolled out, this will reduce onboarding timelines from several days to hours for simpler applications.

Other work is underway to use AI in improving the process of complex applications that go through onboarding. This is often a process supported by relationship managers, who in the future will instead be able to spend more time supporting customers' growth plans.

4 Building greater trust through protection

For many people, the most visible benefit of AI is protection. For generations, customers have trusted banks to protect what matters – from their money to their identity and data. That expectation is only increasing as fraud, scams and digital threats become more sophisticated.

The same technology that is creating new risks is also helping tackle them. Across NatWest, AI is helping identify fraud earlier, resolve issues quicker, strengthen customer authentication and develop new safeguards against emerging threats.

Scam identification

AI helps identify unusual payment patterns, suspicious account activity and potential scams in real time, surfacing the signals that suggest something isn't right and enabling intervention before money leaves a customer's account.

From the customer's perspective, NatWest's new agentic fraud triage capability helps customers who have identified a suspicious credit card transaction understand what has happened and what to do next.

But protection doesn't stop with the technology. Fraud specialists use those insights to ask the right questions, understand the customer's circumstances and help them recognise when they are being manipulated. AI spots the red flags and provides the evidence; human judgement turns that insight into action and helps keep customers safe when it matters most.

Case study: Fraud Triage Agent in Cora

The Fraud Triage Agent is now live in Cora for credit card customers across all of NatWest's brands and helps customers who are concerned about a suspicious credit card transaction, understand what may have happened and what to do next.

Rather than customers needing to determine themselves whether an issue is fraud, a scam or a dispute, the agent allows them to simply explain what has happened in their own words.

By combining conversational AI with NatWest's existing fraud journeys, it guides customers towards the most appropriate support and next steps. This helps customers get the right support through a familiar channel at what can often be a stressful moment, reducing effort and helping resolve concerns more quickly. Since its launch in August, the tool has handled almost 19,000 customer conversations.

Deepfakes

Another example reflects the growing challenge posed by deepfake technology. As AI-enabled scams become more sophisticated, concerns about impersonation are growing among customers, including those managing significant wealth. In response, NatWest's Chief AI Research Office is strengthening its AI-powered authentication and security capabilities, including continuous voice authentication that verifies identity throughout an entire conversation rather than just at the beginning of a call. This creates a moving layer of protection designed specifically for an era in which AI-generated media becomes increasingly sophisticated.

Again, technology helps spot the red flags. And human judgement remains critical to helping customers understand what's real and what action to take.

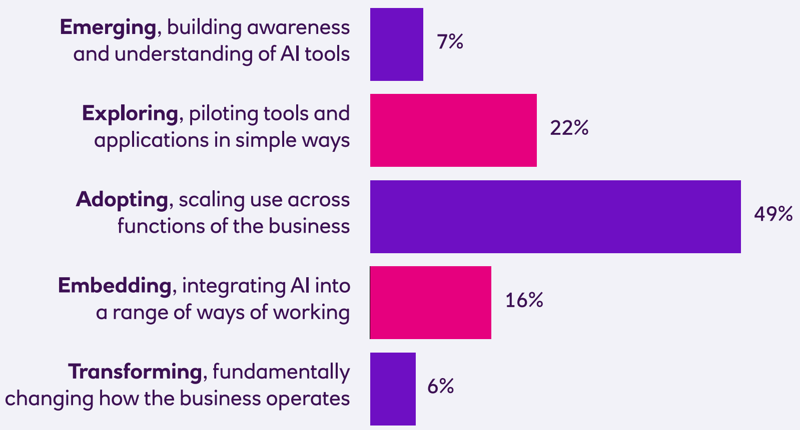
How business adoption of AI can power UK economic growth

2

Businesses are at different stages of adoption

NatWest's research suggests that AI adoption across businesses is best understood as a series of stages, ranging from '**emerging adopters**' to '**transforming adopters**' at the most advanced stage. This chapter deep dives into the 44% of businesses already using AI. Within this group, businesses fall into five maturity stages, reflecting how broadly and deeply AI is embedded across their operations.

The stages of business adoption



Adoption stages explained

Emerging adopters are beginning to experiment with AI in isolated use cases.

Exploring adopters are testing AI in selected areas to save 1-10% of working time, but have not yet started embedding.

Embedding adopters are integrating AI across multiple functions, unlocking broader operational benefits.

Adopting companies are deploying practical AI use in one or more functions. AI has moved beyond experimentation and is beginning to shape day-to-day operations, delivering measurable efficiency gains and supporting core business processes.

Transforming adopters often report average time savings of 61-70%, reinforcing that the biggest productivity gains come when AI becomes embedded across how organisations operate rather than being confined to individual tasks.

This mirrors the wider pattern across UK businesses: those making the greatest progress are combining technology adoption with organisational readiness, investment and management choices to move from experimentation to business-wide transformation. Scale is an important part of this picture: headcount alone explains 39% of the variation in AI maturity, compared with just 8% for region.

Importantly, the impact of AI is not limited to efficiency or reducing existing workloads. At earlier stages of adoption, businesses can also create opportunities to develop new roles, skills and capabilities as they build the organisational capacity needed to use AI effectively. For example, 27% of **exploring** businesses are adding jobs, 21% are reducing them. Companies in the **adopting** category are even more likely to be hiring: 35% of firms in the mid-stage of adoption reported net increases in workforce.

The benefits of AI also become broader as adoption matures. Businesses further along the adoption journey are more likely to report improvements not only in efficiency, but also in innovation, customer acquisition, revenue growth and profitability. Many describe AI as creating capacity to take on more work, respond more quickly to customer needs and bring new products and services to market faster.

Smaller businesses risk missing the growth opportunity

A key finding throughout the research is that the benefits of AI are unlikely to be evenly distributed. SMEs are often found at the lower end of the adoption scale, which means they risk missing out on the productivity and growth benefits associated with deeper adoption.

Larger organisations typically have greater access to talent, data, investment and technical expertise. That gives them an advantage in moving from experimentation to embedded adoption. Even within the firms surveyed, businesses with more than 100 employees are nearly twice as likely to be using AI as smaller firms, reflecting these differences. Smaller firms face different challenges, often relying on low-cost, free or bundled products rather than dedicated AI budgets. Meanwhile, mid-market firms with a turnover above £25m are 67% more likely to be **transforming** adopters.

Barriers to wider adoption remain, and include:

Skills gaps: Many businesses lack the digital skills needed to deploy AI confidently, with access to the right skills and investment capacity emerging as key differentiators in AI maturity.

Concerns about cost: Smaller firms are often constrained by budgets, relying on low-cost, free or bundled AI tools, while larger businesses are more likely to have dedicated AI investment.

Uncertainty about which tools to use: Many organisations are still working out which AI tools will deliver the greatest value and how to move from isolated pilots to wider business adoption.

Limited in-house technical expertise: Organisational readiness and management choices are proving just as important as sector or geography in determining whether businesses can scale AI effectively.

Questions about security, trust and governance: Businesses also need confidence that AI can be introduced responsibly, with appropriate oversight, governance and safeguards as adoption becomes more embedded across operations.

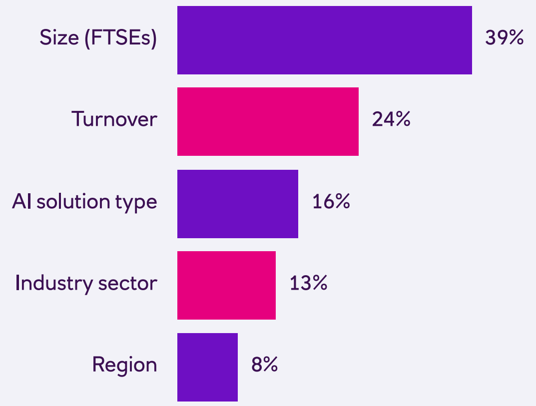
UK growth will depend on adoption across every region

It is businesses, entrepreneurs and communities that ultimately decide how quickly AI is adopted and where the benefits are felt.

This means the growth opportunity is not confined to major technology centres. There is clear potential across every nation and region of the UK. Indeed, our research suggests that geography alone is not a major factor determining AI maturity. Region explains only 8% of the variation between similar firms in AI use, compared with 39% for headcount and 24% for turnover.

More than geography, local industrial strengths, skills, leadership, confidence and business size are likely to play a bigger role in determining which areas benefit most from AI. This means the regional growth story is less about one part of the UK being naturally better placed than another, and more about the local conditions that help businesses adopt AI successfully.

Drivers of AI maturity



NatWest research 2026: Understanding UK business adoption

Places with concentrations of specialist industries, universities, skilled workers and major employers may be better positioned to capture AI-enabled growth, while areas with a higher concentration of smaller firms or less AI-mature sectors may need more focused support. For example, areas like Derby, Hull and North Lincolnshire are among the places with the highest concentrations of business activity in the construction, transport, storage and manufacturing sectors which are less likely to use AI[2].

This is reflected in the data. Businesses across every nation and region report positive outcomes from AI adoption, including stronger efficiency, innovation and commercial performance. While the specific benefits vary between places, the findings suggest AI is already supporting growth across the UK in ways that reflect the strengths of local economies.

* 2. **Artificial intelligence in UK businesses – Office for National Statistics** https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/articles/artificialintelligenceinukbusinesses/2023to2026

Adoption across the UK

North West
86% of respondents reported increased efficiency and 80% increased innovation. Around two-thirds reported higher revenue and profitability as a direct result of AI.

Scotland
82% reported increased efficiency and 80% increased innovation. 60% reported higher revenue and 66% higher profitability as a result of leveraging AI.

North East*
Respondents highlighted stronger business performance, with AI helping firms improve efficiency (87%) and profitability (73%), and innovate more (71%) *

CASE STUDY: Newcastle-based Transmission Dynamics is an engineering and technology customer that uses AI-powered monitoring and predictive maintenance tools to identify faults in rail and infrastructure assets before they occur.

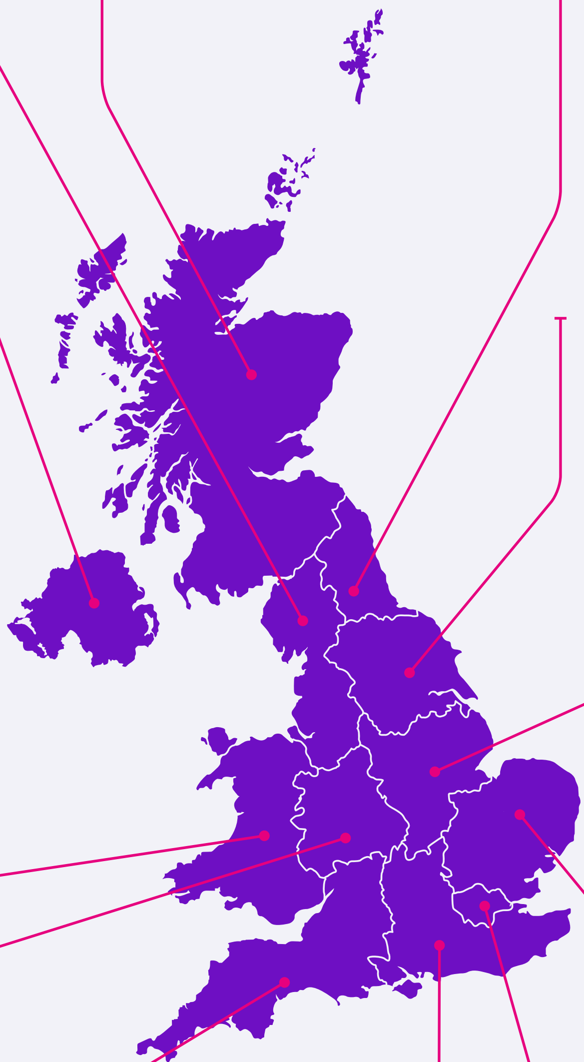
Watch Transmission Dynamics' story

Northern Ireland*
77% of businesses pointed to efficiency and 71% profitability as being the clearest gains from AI adoption.

Wales*
Firms highlighted how AI was supporting efficiency (80%), innovation (73%) and revenue growth (59%).*

CASE STUDY: Wales-based AI-powered learning platform, Academii, from NatWest's Accelerator, is helping organisations close skills gaps and future-proof their workforce.Its AI and VR-supported training with SSEN (a NWG customer) is helping frontline workers build skills, confidence, productivity and safe working practices in practical operational roles.

Watch Academii's story



Yorkshire & Humber
86% of businesses reported benefits not only for efficiency and innovation (76%) but also for employee experience and ways of working, with 70% of businesses citing it as a benefit – the third highest in the region.

East Midlands
Businesses reported that AI was improving efficiency (87%), as well as employee experience (75%) and improved innovation (75%).

East of England
Alongside efficiency (80%) and innovation (76%), businesses highlighted AI's role in attracting new customers, alongside wider growth benefits and employee experience.

West Midlands
87% reported increased efficiency, 84% increased innovation, 70% increased revenue and 75% increased profitability.

South West
The strongest theme was productivity with 91% of businesses reporting substantial efficiency gains and greater capacity for innovation (73%).

South East
83% reported increased efficiency and 75% increased innovation. Around two-thirds reported higher revenue and profitability.

London
83% reported increased efficiency, 81% increased innovation, and around seven in ten reported higher revenue and profitability.

Total businesses: 1,360
Regions: Northern Ireland: 66 • Scotland: 125 • North-West: 168 • North East: 55
Yorkshire & Humberside: 76 • Wales: 59 • West Midlands: 111 • East Midlands: 84
South-West: 81 • South-East: 169 • East of England: 79 • London: 287
* Regions with lower sample sizes

How NatWest is helping businesses move from experimentation to impact

If the UK's economic opportunity depends on meaningful adoption, helping more businesses build the confidence and capability to adopt AI becomes an economic as well as a technological challenge.

NatWest support for business AI adoption and growth

NatWest's role goes beyond providing finance. Helping the UK capture the benefits of AI requires support at two levels. First, helping businesses adopt AI, build skills and invest in the tools they need to become more productive and competitive. Second, supporting the innovators, entrepreneurs and early-stage businesses developing the next generation of AI solutions that will in turn help businesses grow, solve customer challenges and strengthen the UK's AI economy.

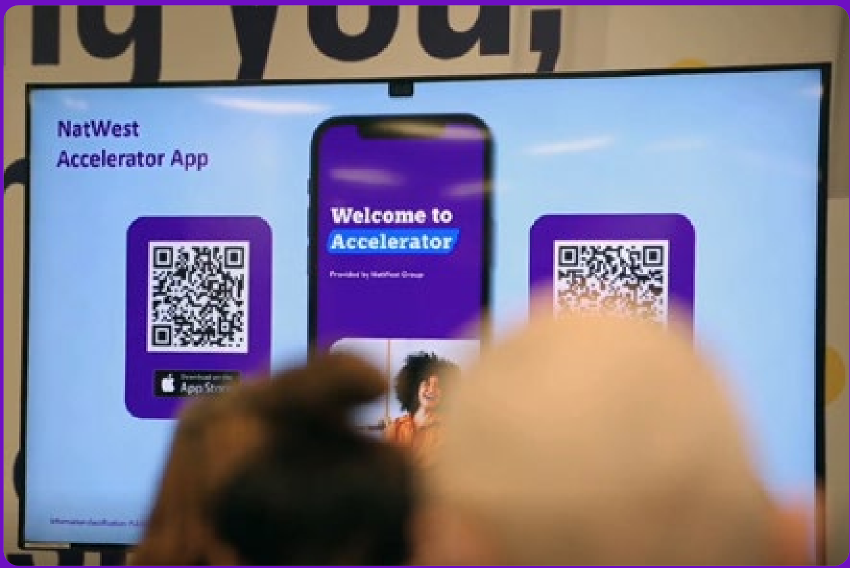
The bank increasingly helps bring together businesses, expertise, networks and opportunities, allowing customers to access the support they need to grow.

- **Sector specialists and industry expertise –** providing industry insight, practical guidance and tailored support to help businesses identify and adopt AI opportunities
- **Lending to support technology investment –** including through Lombard Technology, which helps businesses invest in the technology they need to grow, innovate and adopt AI, without the challenge of large upfront costs
- **Mid-market customer roundtables with Lancaster University –** to be delivered in partnership with Lancaster University, a three-part AI events programme to help mid-market businesses understand AI, identify growth opportunities and build AI-ready organisations.
- **Regional Accelerators –** connecting entrepreneurs, early-stage businesses and innovators with mentoring, commercialisation support, peer networks and practical business expertise, it helps promising ideas become scalable companies. New ambition to deliver 5,000 AI learning and adoption engagements in the next year.
- **University partnerships –** collaborations with the Universities of Edinburgh, York, Oxford, Manchester and Brighton and Wolverhampton designed to address challenges with translating world-class research into successful commercial businesses, building a pipeline of innovation for economic growth.
- **Fintech Programme –** led by NatWest's Open Innovation team – in 2026 brought together early-stage AI fintechs for a 12-week mentorship and networking programme.

Case study: NatWest Accelerator

As part of its broader commitment to support entrepreneurs and growing businesses, NatWest's Accelerator community helps founders and businesses access the networks, expertise and support needed to scale and succeed.

Today, the Accelerator programme supports around 32,000 members across 18 hubs in the UK and a digital-first platform combining expert-led learning, mentoring, peer networks and strategic partnerships. As AI becomes an increasingly important driver of productivity and growth, the programme provides founders with practical support to help them adopt and scale AI within their businesses.



NatWest's partnership with Google

Through the Accelerator, businesses can access specialist expertise from Google Cloud and NatWest colleagues, delivered through dedicated AI upskilling events, workshops and support designed to help founders understand the practical opportunities AI can create for their businesses. The partnership also provides the opportunity to apply for free Google Cloud Credits, helping reduce financial barriers and giving businesses the infrastructure needed to test, develop and scale AI.

Wyzr

Wyzr is an AI-powered financial management platform that acts as a virtual CFO for SMEs. Through support from NatWest's Accelerator and Google Cloud credits, Wyzr has been able to lower operational costs and redirect investment into growth, helping scale its AI-powered platform that gives small businesses access to real-time financial insights and decision-making support.

What's next

With NatWest's research indicating that larger businesses are more likely to adopt AI than smaller firms, communities such as the Accelerator help widen access to those opportunities, enabling more businesses to participate in the UK's AI growth story. To help close that gap, NatWest is expanding its support, with an ambition to deliver 5,000 AI learning and adoption engagements across its Accelerator community over the next 12 months.
As the community grows to 50,000 by year-end even more founders will gain access to the expertise, partnerships and practical support needed to capture the growth benefits of AI adoption.

Trust is the real technology story

3

Trust must be earned

As technology becomes more capable and customer interactions more complex, trust will become a more important source of competitive advantage. But trust cannot simply be claimed. It will be earned repeatedly through the quality of the experience customers receive, the outcomes delivered and the protections they can see around them.

Our previous chapters have considered the first part of the trust equation, looking at how AI can deliver a better experience. But trust also requires customers to be confident that AI is being used safely, responsibly and in their interests.

Customers are clear about what builds that confidence. 77% of customers surveyed by NatWest say complete reliability is vital or very important, while 76% want clear, understandable explanations. And 63% value services that give them confidence that their finances are organised and their money is where it should be.

Together, these point to a straightforward requirement: consistent delivery, effective resolution when things go wrong and outcomes that leave customers better off.

76%
want transparency about when AI is being used

77%
want to understand how their data is handled

As technology plays a greater role, customers also expect greater visibility. 76% want transparency about when AI is being used and 77% want to understand how their data is handled, with the human accountability discussed in Chapter One.

Banks have long operated in an environment where trust, governance and accountability are fundamental requirements. They manage highly sensitive information, operate within complex regulatory frameworks and are responsible for decisions that can have a significant impact on customers' financial wellbeing.

Many of the capabilities required for responsible AI adoption are already deeply embedded within banking organisations.

The importance that customers place in the trustworthy use of AI and the systems that ensure trustworthy use, underline the central role trust will play in the story of AI and growth. The UK's AI opportunity will be determined not just by who adopts AI, but by whether the country creates the conditions for responsible, trustworthy adoption at scale.

The wider conditions for trusted adoption

Regulatory environment

No single organisation can build trust alone, and customers do not expect businesses to mark their own homework on something as important as AI. NatWest's research found that three-quarters of Retail customers believe strong oversight by independent regulators is important to building confidence in AI banking services.

Recent FCA research reinforces why this matters. Among younger investors, trust in AI is already relatively high, but understanding of the protections around AI is less well developed. More than half (56%) said they trust AI tools, yet 44% mistakenly believed AI-generated financial information was regulated.

Effective regulation has an important role to play in creating the confidence needed for organisations to adopt AI responsibly while giving customers confidence in how it is being used. NatWest is actively contributing to this through its work with the Financial Conduct Authority, including the FCA's AI Live Testing initiative.

Regulation will need to evolve as adoption accelerates. The Mills Review highlights important considerations around competition, customer switching and financial stability, alongside the potential for growing differences between firms operating inside and outside the regulatory framework. The challenge will be ensuring innovation can thrive while maintaining consistent protections and a level playing field.

Cyber security and resilience

AI is creating new security challenges that extend beyond any individual organisation. Frontier AI models are increasing the speed, scale and sophistication of fraud and cyber threats, lowering barriers to sophisticated attacks and accelerating the discovery of vulnerabilities. For regulators and government, the challenge has shifted from regulating individual technologies to creating confidence in entire AI ecosystems.

The conversation is increasingly moving beyond the risks faced by individual organisations to questions about the resilience of the wider system and the capabilities needed to support it over the long term. This is a matter of national interest, requiring collaboration across industry, regulators and government, alongside continued investment in UK AI capability through initiatives such as Lumen Sovereign with Cosine.

"The most exciting AI developments are still ahead of us. Success will not be determined by who adopts AI fastest, but by who adopts it most thoughtfully. Our role is to understand emerging technologies and carry out cutting-edge research that addresses real customers needs so we can earn the trust that allows innovation to scale."

Dr Maja Pantic, Chief AI Research Officer

How NatWest is building trust in its use of AI

"At NatWest, our mandate is clear: to set the standard for responsible AI in financial services. As AI reshapes the economy, governance is not an afterthought – it is the foundation of innovation. We are embedding AI governance directly into our technology, committing to action and transparency, so we can continue building trusted relationships with our customers."

Dr Paul Dongha, Head of Responsible AI and AI Strategy

Trust through action

- **Specialist teams:** Dedicated Responsible AI team which oversees the bank's AI strategy, governance and risk management. NatWest's Chief AI Research Office is focused on research into cutting-edge capabilities that support security and sustainability in the future.
- **Clear standards and accountability:** An AI Ethics Code of Conduct, board-level oversight and a network of more than 150 AI Ethics Advocates embedded across the organisation, helping to ensure responsible AI considerations are built into day-to-day decision-making.
- **Robust controls:** New AI applications undergo oversight from risk, legal, privacy, security and model governance teams to help ensure they are safe, transparent and appropriate.
- **Security from the outset through Agentic X:** Through initiatives such as Agentic X, NatWest is embedding increased security, compliance and risk controls directly into AI workflows, helping new capabilities scale safely and efficiently.
- **Continuous monitoring and control:** The AI Control Tower is being developed to provide ongoing oversight of AI systems after deployment, while centralising the monitoring of large language model activity – helping manage emerging risks and strengthening visibility across the organisation. An important next step will be how this evolves for the wider emerging agentic ecosystem beyond NatWest.
- **Modernised and trusted data is a critical enabler:** The bank has invested in ensuring its data is high-quality, well-governed and accessible to help deploy AI more effectively, improving decision-making and delivering better outcomes for customers and colleagues.
- **Collaboration and oversight:** NatWest works closely with regulators and policymakers as AI adoption evolves, supported by board-level oversight of AI strategy and governance.

For further information on AI and Data Ethics Code of Conduct

Trust through transparency

NatWest's approach is set out in its AI and Data Ethics Code of Conduct, which provides a framework for how AI is developed and used while continuing to evolve alongside technology, regulation and customer expectations.

NatWest AI and Data Ethics Code of Conduct

- **Put people and accountability at the centre:** AI can support decisions and interactions, while appropriate human oversight and accountability remain in place.
- **Protect customers and their data:** AI should be secure, resilient and designed to protect customers' money, identity, privacy and information.
- **Promote fairness and avoid discrimination:** AI should support fair outcomes and be developed and used in ways that recognise and address potential bias.
- **Enable transparency and informed use:** customers and colleagues should be able to understand how AI is being used and have appropriate routes to challenge or seek human support where needed.
- **Support responsible governance:** AI should be subject to clear standards, controls and oversight throughout its development and use.

Case study:
AI adoption at NatWest

Phase 1:

Building the foundations for the relationship of the future

The first phase of NatWest's adoption journey put the building blocks in place for AI to scale across the bank.

Modernised technology and data foundations

NatWest has built a more connected, scalable and modular technology estate, giving the bank greater agility to deliver new products faster, work more effectively with partners and maintain the protection and resilience customers expect. Developing a more connected view of customer data helps trusted information move more easily across NatWest and fuels AI's capability to bring together what the bank knows about a customer across different interactions, products and time to create a more joined-up relationship. This foundation is already enabling faster technology delivery: **NatWest's release cycles have improved from around 30 days to approximately 3.5 days**, while the bank has invested in developer tooling including AWS Kiro and GitLab Duo.

Invested in people, skills and partners

All of the bank's **~60,000 colleagues have been trained in AI and NatWest has hired 6,000 engineers since 2021**, bringing its total engineering workforce to more than 12,000. The bank continues to invest in early talent, increasing graduate recruitment by 20% in 2026, partly driven by new graduate programmes in data science and more than doubling the number of engineering graduate opportunities in the UK from 70 in 2025 to 150 in 2026. NatWest has also established a world-leading Chief AI Research Office to help keep it at the forefront of emerging AI developments, alongside a dedicated Responsible AI team.

Partnerships have also played a crucial role in expanding the bank's knowledge and accelerating its transformation. **Partnering with global tech leaders like OpenAI and AWS gives NatWest early access to emerging technologies**, in tandem with the safeguards detailed above, while its Open Innovation network keeps the bank close to cutting-edge fintech developments through minority investments in companies such as Serene, Yonder and Bourn.

Established guardrails and governance

Responsible AI governance, frameworks, controls and oversight help ensure that innovation is matched by the highest standards of trust, security and resilience rightly expected of a bank. These foundations mean NatWest is well positioned to adapt as customer needs and AI evolve, moving from traditional AI and machine learning into generative and increasingly agentic capabilities, while maintaining the trust customers expect.

Phase 2:

Rewiring how the bank works in service of the customer

With those foundations in place, the focus shifted from introducing AI tools to redesigning processes and changing how work gets done.

Reshaping how colleagues work every day

Generative AI is helping colleagues spend less time on administration and more time supporting customers.

- In Commercial Mid-Market, an **AI meeting-prep tool is estimated to save around 28,000 hours a year**, having produced more than 5,000 AI-generated meeting briefs in less than six months.
- In Private Banking and Wealth Management, **AI-powered client intelligence now converts all adviser calls into actionable insights** that help shape how the bank best serves clients, with overall use of AI increasing threefold during the first half of 2026.
- In Retail, AI tools are already **saving more than 70,000 hours a year through automated call summaries and tens of thousands of simplified complaint responses**. Most require little or no editing before reaching customers, freeing up colleagues to focus on the more complex, judgement-based aspects of customer support.

Quicker and simpler banking

AI is improving the customer experience through the digital services people already use every day.

- NatWest's AI digital assistant Cora continues to evolve with gen AI capabilities, with **23% more chats now resolved entirely digitally**.
- Business customers using Bankline can now access enhanced support through Cora that uses gen AI to provide conversational support that guides them more quickly to the right information, service or support. **In just two months, genAI has handled more than 10,000 customer chats**. Over half (55%) involved issues that Cora was previously unable to resolve and would've required human support.

Speed to market

AI is also changing how software is built and delivered.

- Engineers are using AI-assisted software development tools, with almost **44% of engineering code now generated using AI**, and new features and services now reaching customers four times faster than in 2021.
- As AI becomes embedded across the bank, it is moving from helping colleagues complete individual tasks to changing how things are done.

Phase 3:

Unlocking new opportunities to strengthen customer relationships, build trust and drive growth

With AI becoming embedded across the organisation, NatWest is creating more intuitive customer experiences, supporting business growth and strengthening protection.

More intuitive and personalised banking relationships

A new spending insights tool helps customers manage their finances by asking questions about their money, spending and budgeting in more natural language conversations, soon to be voice-enabled.

Speed and simplicity for growth

Agentic AI is also beginning to bring the ease customers increasingly expect, supporting growth.

- In Commercial & Institutional banking, **agentic AI is helping transform the onboarding experience, reducing friction and speeding up the process for many customers**. As these capabilities scale, onboarding journeys that traditionally took several days are expected to be reduced to hours, helping customers get up and running more quickly. What this means in practice for customer relationships is explored in greater detail in Chapter 1.

Greater protection

- As adoption evolves and new threats emerge, AI is strengthening fraud prevention and resolution, risk monitoring and customer protection, while governance, investment and oversight continue to evolve alongside the technology to help innovation scale safely. As an example, **AI-powered fraud journeys have reduced scam reporting times from up to 20 minutes to around 90 seconds**, while improving fraud detection. The bank's Agentic X programme is embedding security, compliance and risk controls directly into AI-enabled workflows, helping new capabilities scale safely and efficiently.

- NatWest is also building the security, scale, sovereignty and sustainability needed for the future. Through its Chief AI Research Office, the bank is developing its own small language models, specialised for banking use cases, and investing in GPUs, the high-performance computing infrastructure required to train and run AI at scale.

Learnings from NatWest's AI adoption

The organisations seeing the greatest benefits are not simply providing access to AI tools, they are helping people understand where AI can add value, building the skills and judgement needed to use it well, and redesigning how work gets done. For NatWest, this meant helping colleagues to:

1) Understand how AI works and where it can add value to individual roles

Colleagues were more likely to embrace AI when they understood where it could increase productivity, support decision-making and improve routine tasks. With all ~60,000 colleagues completing AI adoption training, NatWest is building a shared understanding of AI across the organisation and a foundation for wider adoption.

At the same time, successful adoption depends on creating the confidence to experiment while maintaining judgement and accountability. As AI becomes part of more day-to-day activities, colleagues need to understand not only how to use AI, but when to challenge outputs, apply their expertise and make decisions independently.

2) Build the skills needed to use AI effectively

Building on this foundation, colleagues were encouraged to develop additional skills relevant to their roles and responsibilities. More than 271,000 AI learning modules have been completed, with 60% of colleagues choosing to take part in further elective learning. This includes targeted initiatives such as Power Up Your AI Skills, which has engaged more than 16,000 colleagues through practical, business-led training designed to help colleagues apply AI in their day-to-day work and identify where it can create the greatest impact. Alongside this, colleagues are developing specialist skills aligned to their roles.

For example, technical training in areas such as GitLab Duo and low-code technologies, helping coders across the bank incorporate AI into software engineering and development. For colleagues looking to build deeper expertise in responsible AI, NatWest also offers its newly expanded in-house Responsible AI and Data Ethics Accreditation, developed with the University of Edinburgh, helping colleagues better understand the governance, ethics and accountability needed to support AI adoption at scale.

Equally important is ensuring leaders are equipped to lead through this change. NatWest's Leading in an AI World programme has supported more than 700 senior leaders, helping them build the confidence and capability needed to redesign ways of working, lead teams through change and realise the benefits of AI responsibly.

3) Design new ways of working

The greatest gains come when organisations move beyond using AI for isolated tasks and redesign how work gets done. For NatWest, this included the rollout of premium Microsoft Copilot licences to colleagues across the bank, supported by a structured adoption programme tailored to different colleague personas and the work they do. Persona-led training, practical guidance, progress prompts and community activity are designed to help colleagues embed AI into their day-to-day roles, alongside access to in-built AI agents that can support a range of everyday tasks.

This approach has helped colleagues beyond simply learning how to use a new tool, to also finding practical ways AI can support them in their day-to-day roles. The impact is clearly measurable:

- **NatWest delivered £100m of investment capacity in 2025 and expects to create more than £100m of additional capacity in 2026**, enabling the bank to reinvest in better customer propositions and future growth.
- NatWest continues to embed leading AI and technology capabilities across the whole organisation, including engineering at scale, making the bank more efficient and quicker to capture future growth opportunities.

Methodology and sources

Business adoption research

The business research combined quantitative and qualitative research among UK-based business decision-makers. The quantitative study was an online survey of 1,360 businesses already using AI, covering start-ups, micro and small businesses with turnover below £750,000 and mid-sized firms with turnover between £750,000 and £500 million. A further 1,804 businesses were contacted and screened out of the main AI-related research. Quantitative fieldwork was conducted between 6 March and 16 April 2026. The research also included 20 one-hour in-depth interviews with senior decision-makers in large corporates and institutions with turnover above £500 million, conducted between 23 March and 7 April 2026. The sample was designed to include a spread of sectors, business sizes and senior decision-making roles.

The regional breakdown for the 1,360 quantitative respondents was: London 287; South East 169; North West 168; Scotland 125; West Midlands 111; East Midlands 84; South West 81; East of England 79; Yorkshire and Humber 76; Northern Ireland 66; Wales 59; and North East 55. Given the smaller sample sizes in some regions, such as Northern Ireland, Wales and the North East, minor regional variations should be viewed as indicative as differences may not be statistically significant.

Retail customer survey

The retail research was conducted online in July 2026 among 4,077 UK adults aged 18 or over with a bank account. This included 2,422 NatWest Group customers and a separate nationally representative sample of 1,853 UK consumers, used as a benchmark. The survey explored current AI use and attitudes, the use of AI in managing money, and the factors that build or inhibit trust in AI-enabled financial services. The sample also allowed analysis of financially vulnerable customers and people living with physical or mental health conditions affecting their quality of life. The research was conducted by Freemavens.

Third party sources

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