

## Launch of New Research:

Exploring Safe & Effective Self-Serve in Regulated Debt Advice in the Generative AI Era



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# Virtual Launch Event: 'Self-Serve Debt Advice in the Generative AI Era' Research

- 10.00 - 10.05: Arrival & Networking
- 10.05 - 10.15: **Welcome and Introduction to the Research Project**
  - Bob Winnington, CEO – *MALG*
- 10.15 - 10.20: **How and Why the Research was Funded**
  - Anna Hall, Corporate Director for Debt – *Money and Pensions Services*
- 10.20 - 10.45: **Research Findings, Resources and Next Steps: 'Exploring Safe & Effective Self-Serve in Regulated Debt Advice in the Generative AI Era'**
  - Mark Pearce, CEO, and Michelle Gregory, Head of Consulting Services – *Wyser*
- 10.45 – 11.00: **Q&A**

## Introduction to the Research



**Bob Winnington, CEO**

Money Advice Liaison Group





## Background and brief

- AI session at MALG Conference 2025 with Mark Pearce from Wyser **identified a gap in knowledge** on the impact of generative AI on self-serve debt advice.
- Together, MALG and Wyser **secured funding from MaPS to undertake research** which sought to identify the conditions under which **AI-enabled self-serve tools may be used safely and effectively for regulated debt advice**, as well as circumstances in which they must hand off to human advisers.
- This is **just the beginning** – for this project and for MALG initiating and supporting other research projects of this nature.



## Methodology

- **Rapid evidence review** to map known risks, gaps and implications.
- User observation using a constrained purpose-built debt chatbot, plus follow-up interview.
- Advisor **interviews** on client experiences, case complexity, vulnerabilities and regulation in practice.
- Sector and consumer **surveys** to test qualitative research outputs.

**Huge thanks to all the MALG Members and others who took part.**

## How and Why the Research was Funded



**Anna Hall, Corporate Dir. Debt**  
Money & Pensions Service



## Research Findings, Resources & Next Steps



**Mark Pearce and  
Michelle Gregory, Wyser**



## The Question

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‘What are the **opportunities, limitations** and **risks** of **self-serve** in regulated **debt advice** in the era of **Generative AI**, and what conditions support safe and effective use?’

## Why This Question?

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- 1. The Sector can't afford to ignore it:** Clients are already turning to unregulated tools like ChatGPT for debt help. If we don't ask this question now, the sector risks being left behind with unsafe, inconsistent advice filling the gap.
- 2. The potential benefits are wide ranging:** If self-serve can be made safe and effective, it could free up advisers for the most complex cases, reduce waiting times and give millions faster access to help. The prize is a transformed, more resilient debt advice sector.
- 3. Building the foundation for future policy and funding:** This question creates the evidence MaPS, FCA, and providers need to make the big calls on digital debt advice. Without asking it, future strategies will be built on guesswork rather than hard evidence.

## 12 key findings

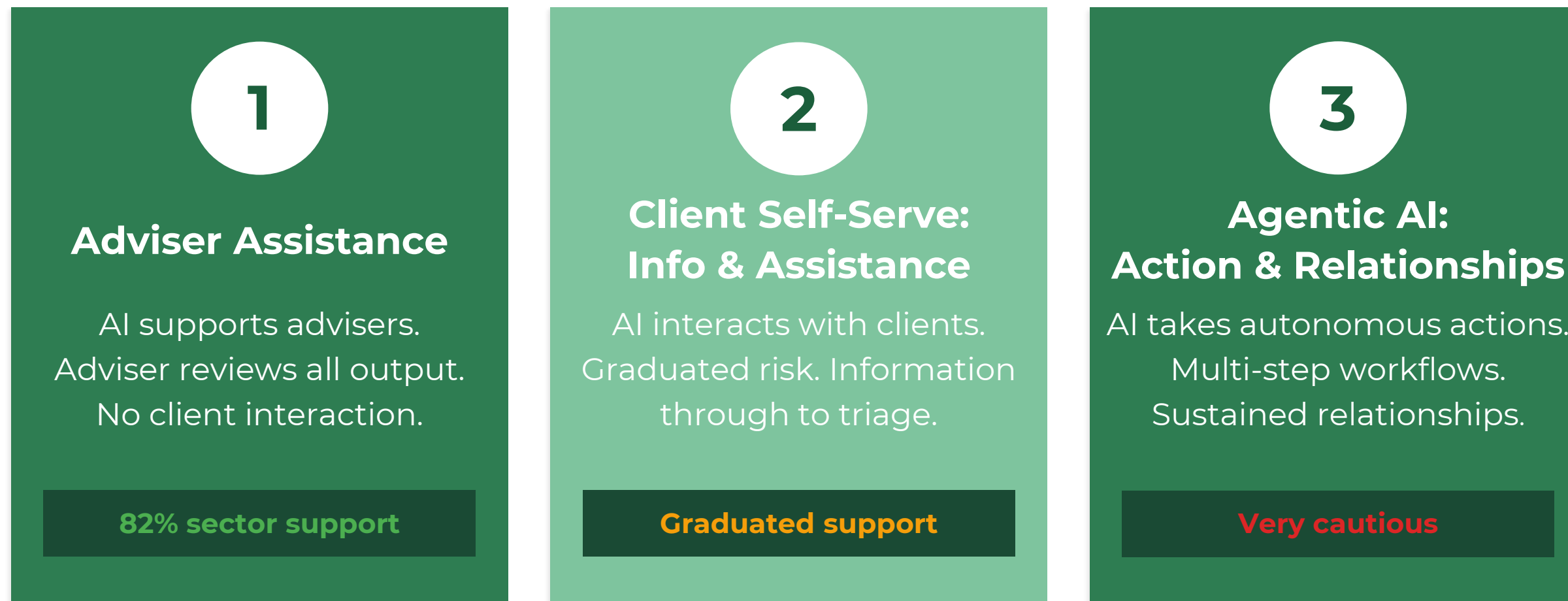
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 <b>Professional judgement</b>	 <b>Widespread, hidden vulnerability</b>	 <b>Crisis Entry</b>	 <b>Intersecting issues</b>
 <b>Financial Statements, the cornerstone</b>	 <b>Iterative casework</b>	 <b>Low evidence of Gen AI use</b>	 <b>Low public trust in AI</b>
 <b>Mixed sector attitudes to AI</b>	 <b>Adviser-assist tools favoured</b>	 <b>No one-size-fits-all</b>	 <b>Identifiable core requirements</b>

## The Debt Sector Roadmap

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A graduated approach to understanding where AI can be applied safely in regulated debt advice



**Central principle: as influence over client outcomes increases, so must governance, oversight and safeguards**

## Essential safeguards

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### Restricted knowledge sources

Curated, jurisdiction-specific, regularly updated content. Not open web.



### Human-in-the-loop

Professional oversight for financial statements, solution eligibility, and vulnerability assessment.



### Clear scope boundaries

Users must understand when they are receiving information versus when they need professional advice.



### Clear escalation pathways

Conservative thresholds. Client confusion, enforcement action, vulnerability indicators.



### Transparency and auditability

Logs of AI interactions, reasoning traces, audit trails for regulatory review.



### Sector collaboration

Tools developed without sector involvement will fail. Jurisdictional, regulatory and practice knowledge is essential.

## The Tool Kit

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**Evidence Report:** Full research findings, methodology, sector characteristics, risk analysis and strategic implications



**Safe-Use Framework for Generative AI in Debt Advice:** Practical tool with organisational readiness assessment, minimum standards and safeguards for each Roadmap level.



**Adviser Guide to AI:** Practical guide for frontline professionals to understand AI and work with it confidently.



**Data Preparation Guide:** How to assess, prepare, govern and use organisational data for AI applications



**Template Pack:** Disclaimers, consent forms, prompts, escalation messages, conversation flows and organisational templates.

**Freely available to the sector on the MALG website. Designed to work individually or together**

## What should organisations do now?

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### 01 Start with Level 1

Adviser assistance tools have the broadest applicability, strongest evidence and lowest risk. Case note drafting, correspondence, credit report analysis.

### 02 Assess your client base

Before considering Level 2, undertake an honest assessment. Digitally excluded clients need careful consideration to ensure they are not further excluded

### 03 Develop organisational AI policies

Staff are already using AI informally, creating data protection and quality risks. Clear policies need to be in place now, particularly around the data that can be input into tools

### 04 Build with the sector, not for it

Technology developers must work closely with advice organisations. Tools developed without sector involvement will not meet the core needs of the sector

## Gen AI is a tool, not a replacement

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"If we don't do it, there's nobody else that's going to help that client do it"

Debt advice is fundamentally **relational, iterative and judgement-based**. Gen AI can **reduce administrative burden** and may enable some lower-complexity interactions without direct adviser involvement. But it **cannot replicate the professional judgement, emotional intelligence and sustained relationship** that the evidence shows are essential for the most vulnerable.

### Central Principle

Proportionality: as AI influence over client outcomes increases, so must governance, oversight and safeguards

### Immediate Opportunity

Adviser assistance tools including - transcription and case note drafting - have the broadest applicability and strongest evidence base

### Unavoidable Reality

The public is already using Gen AI for debt information. The question is not whether to engage, but how to shape responsible use

## Q&A



## Next Steps (and Farewell!)

Find out more, download the resources and get future updates on the research at:

[www.malg.org.uk/genai\\_debtadvice\\_research/](http://www.malg.org.uk/genai_debtadvice_research/)

