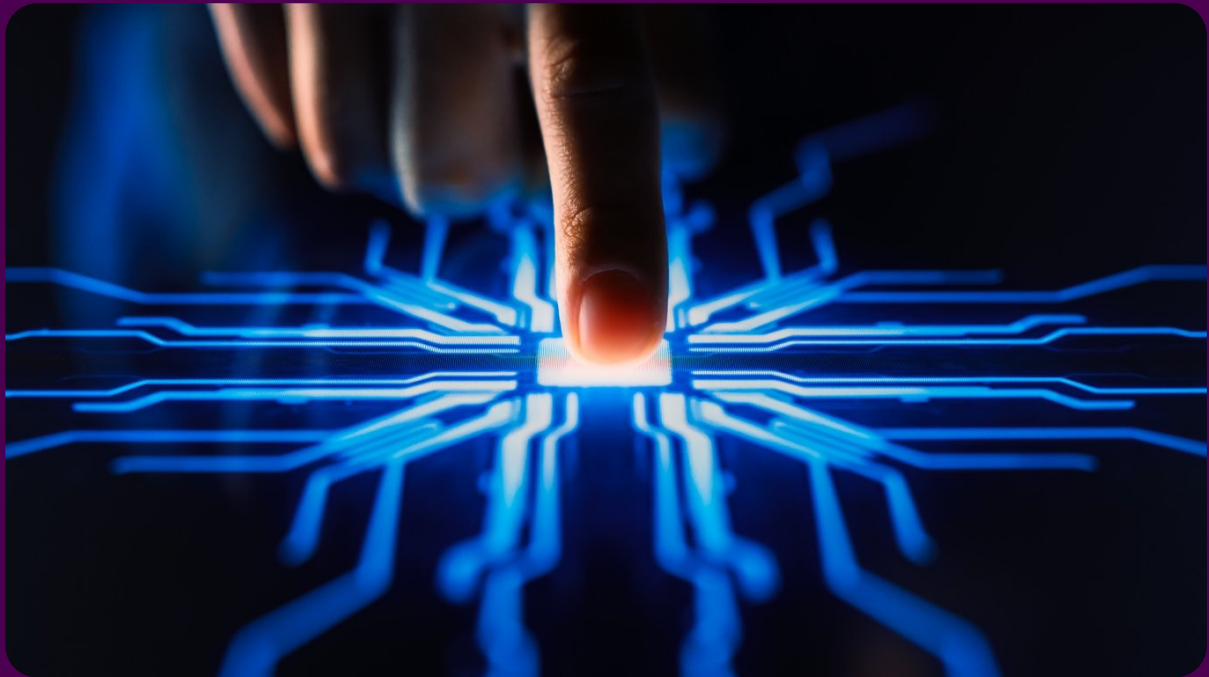


# Wishful thinking and AI-washing

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AI and how it can transform business has dominated conversation this year. This is likely to continue into 2025, with our latest **Risk and Resilience report** finding that **80%** of companies are planning to integrate AI into business practices. But are businesses leaping in without looking and possibly opening themselves up to an accusation of ‘AI-washing’?

Amid the excitement surrounding AI's potential, businesses should take stock and ensure they are taking a considered approach as they implement AI, making sure that investment in AI does not divert attention away from getting the basics right, particularly around cyber risk.

We will only be able to definitively say we are in an ‘AI bubble’ when it bursts, but with any new, exciting technology, hype can quickly outpace reality.

Crucially, businesses will benefit from exercising caution and not overstating the use or impact of AI on their services and profitability. In

the US for example, we have already seen a number of high-profile cases cracking down on AI-washing, including the Securities and Exchange Commission's fines on **investment advisors** Delphia and Global Predictions. We are likely to see similar actions in other regions.

AI certainly has an important role to play in the future of business, but as with the Railroad or Dotcom Booms and Busts before it, the route to AI success may not be smooth.



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