RISK RESET

Financial Services & Insurance Pulse Survey 2025

How FS&I Leaders are approaching resilience in an age of AI, fraud, and uncertainty.

EXECUTIVE SUMMARY

This whitepaper, grounded in insights from over 2,000 senior professionals in the Financial Services and Insurance (FS&I) sector, across five major markets, uncovers current critical challenges, as well as priorities and areas of investment for the next 12 months.

The sector is navigating an increasingly complex and volatile risk environment. Cybersecurity threats, fraud, and macroeconomic instability are intensifying. However, while risks remain complex and organisations feel unprepared for them, awareness and investment are on the rise. This highlights efforts by firms in the FS&I sector to support not only themselves, but to shore up the stability of the broader financial ecosystem.

As a business, we work closely with financial institutions, and the findings in this report echo what we see daily: a sector striving to innovate yet constrained by foundational challenges.

The ambition to embrace AI and digital transformation is there but firms are finding it hard to achieve in reality, as poor data quality, manual processes, and fragmented systems continue to hinder progress. There is a clear disconnect between investment and impact – organisations are spending more, but there are still feelings of uneasiness around how to manage emerging risks.

The pace of change in AI, data, and regulation is accelerating and firms are having to adapt fast. This is not just a technology issue – it's a strategic imperative that demands robust data foundations. Without trusted, accurate, and accessible data, transformation efforts risk failure, jeopardising compliance, competitiveness and customer trust.

In fact, poorly governed data can amplify risk, particularly where little is known about the third parties that create advanced technologies, turning them into liabilities rather than helpful solutions.

Looking ahead to 2026, the urgency to build operational resilience, enhance risk detection, and foster industry-wide collaboration has never been greater. Financial institutions must leverage advanced analytics, AI, and external expertise to strengthen their defences and future-proof their operations. This report serves as both a benchmark and a call to action – highlighting the need for bold leadership, smarter investment, and a renewed focus on execution.

We hope these insights help FS&I leaders assess their own readiness and spark the strategic conversations needed to drive meaningful, lasting change.

> The pace of change in AI, data, and regulation is accelerating and firms are having to adapt fast."

KEY TAKEAWAYS

01 CYBERSECURITY AND FRAUD ARE THE TOP RISKS

Over 79% of FS&I professionals are concerned about cybersecurity, and **78%** about fraud making these the most pressing threats across the sector.

02 ORGANISATIONS FEEL UNDERPREPARED DESPITE INVESTMENT

Nearly 38% of firms admit they are not fully prepared for a full range of risks, from cybersecurity to macro-economic, even though most have increased investment in risk mitigation over the past 18 months.

03 POOR THIRD-PARTY RISK MANAGEMENT IS COSTLY

91% of firms have experienced negative impacts from third-party risks, with an **average financial cost of $706,000** –rising to nearly $1.5 million in Germany.

04 DATA QUALITY IS HINDERING DECISION MAKING AND AI ADOPTION

64% of firms lack confidence in making informed decisions with their current data, and over half have experienced failed AI projects **due to poor data quality.**

05 AI AND DIGITAL TRANSFORMATION ARE TOP PRIORITIES FOR 2026

Internal AI use (39%) and digital transformation (36%) are the leading strategic goals, but foundational concerns like cyber risk and data quality threaten progress.

CONTENTS

INTRODUCTION

Financial Services and Insurance (FS&I) firms are navigating a landscape of intensifying risk and evolving expectations.

Through primary research surveying 2,005 professionals across 5 key markets, we explored concerns, challenges, and priorities in the following areas:

- Financial and non-financial risk
- Areas of investment
- Data, AI and Automation

SECTION 01

FEELING UNDERPREPARED AND STRENGTHENING RESILIENCE

Financial services and insurance firms feel underprepared for top threats, but are making efforts to strengthen their own resilience and support the wider financial ecosystem

Emerging risks creating cause for concern

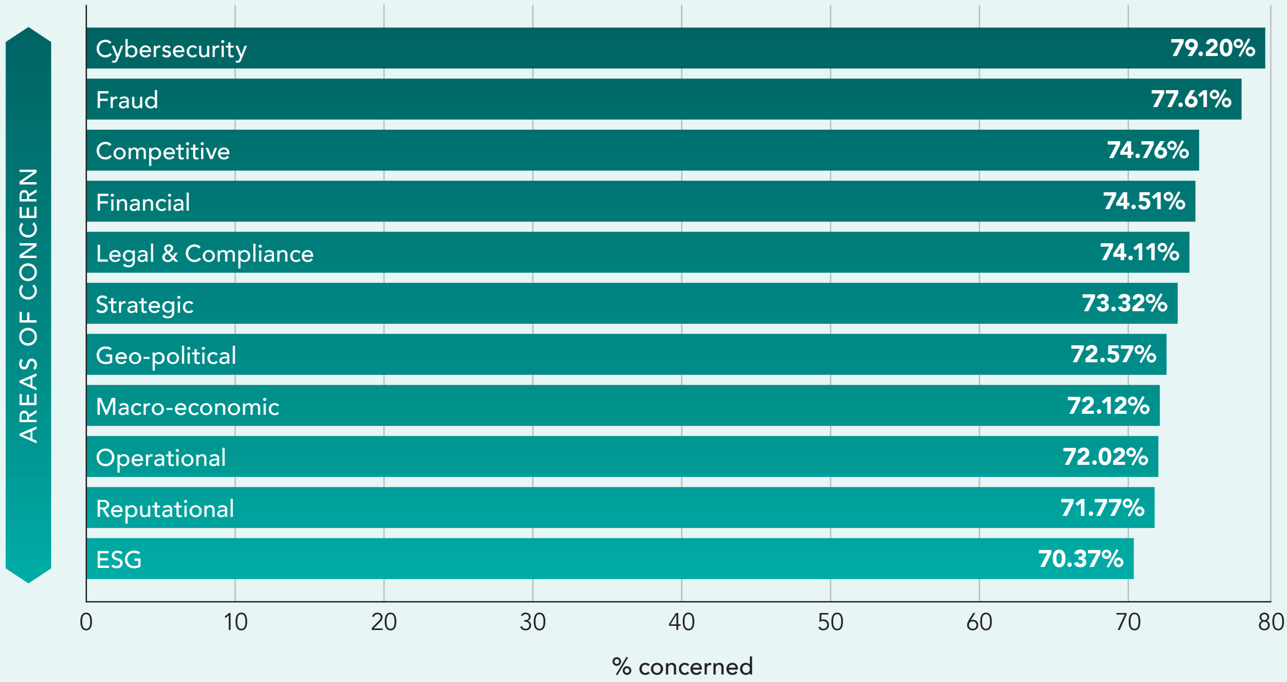
The financial services and insurance sectors are feeling vulnerable to and underprepared for a wide variety of threats. Over 70% of respondents were concerned about all 11 of different risk types we asked about.

Alongside the traditional core areas of risk such as financial, compliance, operational and reputational, several emerging non-financial threats are creating cause for concern. These newer hazards (for example cybersecurity and fraud) have been triggered by recent market dynamics with an increased number of high-profile attacks having taken place in the last 18 months. They are also harder to understand and manage.

This research reveals that cybersecurity risk is the top worry for financial services and insurance businesses, with 79% of senior professionals being concerned (either fairly or very) about their vulnerability. This is followed closely by fraud risk (78%).

Financial, compliance and strategic risks all ranked high too, with over 73% of respondents concerned about these areas. Operational, reputational and ESG risks were slightly lower but still significant.

Q: How concerned about vulnerability, if at all, do you believe your business currently is to the following types of risk?



Market differences

- **Switzerland tops the risk sensitivity scale –** reports the highest concern levels across multiple risk types including fraud, legal, compliance and strategic risks, which all hit 80%+ net concern.
- **UK shows high concern for fraud and reputational risks which both score particularly high (83%).** This indicates acute sensitivity to both financial crime and brand damage.
- **US most concerned about cyber risk –** 85% of firms are concerned about cyber risks, over six points higher than fraud.
- **Germany is the least concerned market –** the region posts the lowest figures across almost every risk, with macro-economic concern at just 56% and cybersecurity at 58%, suggesting lower perceived vulnerability.

Spotlight on insurance

- **Insurers are the most risk-aware –** research shows they scored 80%+ concern in fraud, cybersecurity, and compliance, reflecting their regulatory exposure and operational complexity.

Concerns growing over time

Compared to 18 months ago, businesses in all markets are noticeably more concerned about non-financial risks, with the UK, USA, and Switzerland showing the sharpest increases.

This growing concern is most evident in cybersecurity, where nearly 7 in 10 respondents (69%) report heightened anxiety compared to 18 months ago. This trend reflects the sector's increasing exposure to digital threats. Two-thirds (66%) are more concerned about fraud risk, driven by the rise in sophisticated financial crime and the growing complexity of digital transactions.

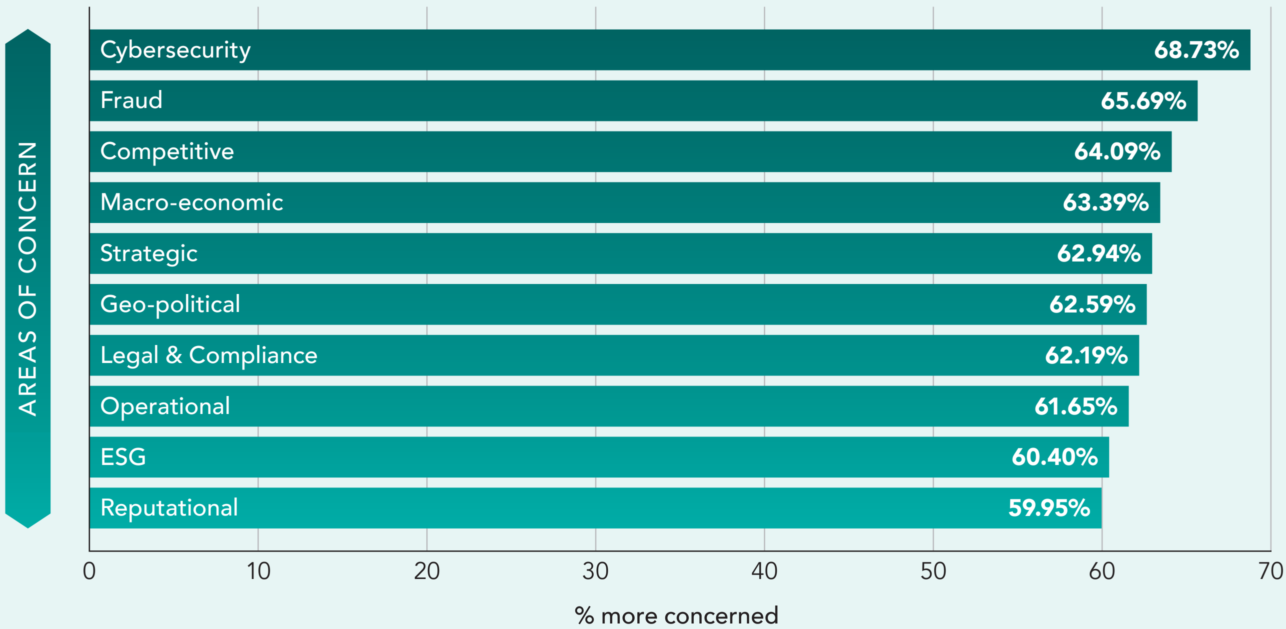
Concern is not limited to these areas. Uneasiness is also growing around macro-economic risk, with 63% more uneasy about this than they were 18 months ago. This has undoubtedly been a result of the tariffs, sanctions, conflict and other political and economic changes that have been taking place around the globe in recent years.

EXPERT COMMENTARY

"The data confirms what we're seeing across the board – more sophisticated and modern risks are making traditional defenses antiquated. Financial institutions and insurers must shift from reactive to predictive models, embedding intelligence into every layer of their operations. The fact that nearly 70% of firms feel more vulnerable than they did 18 months ago is a wake-up call: resilience must be built into strategy, not bolted on after the fact."

SARA DE LA TORRE
UK HEAD OF FINANCIAL SERVICES & INSURANCE, DUN & BRADSTREET

Q: Are you more or less concerned about the following non-financial risks now than you were 18 months ago?



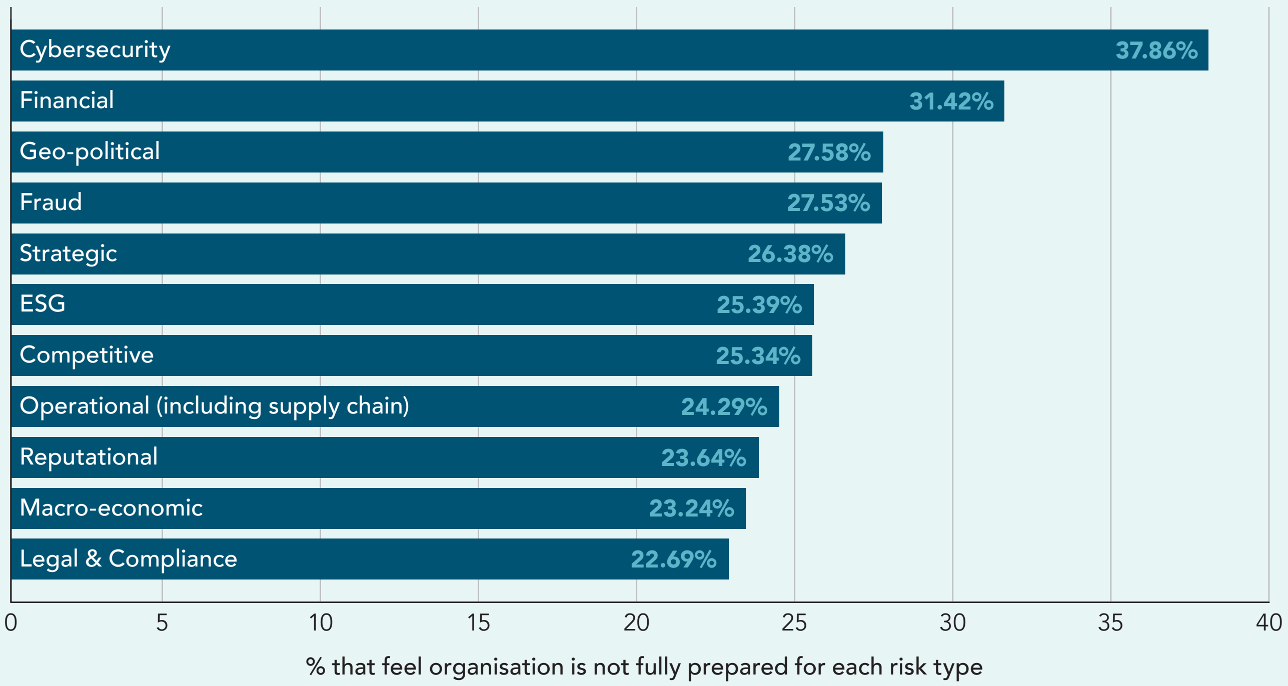
Even traditionally less urgent areas like ESG and reputational risk have seen a noticeable uptick. This suggests a growing awareness of broader vulnerabilities, likely driven by recent global instability, regulatory shifts, and evolving market dynamics.

Organisations feeling unprepared

Despite this heightened concern, and a majority increasing investment to mitigate these threats, a significant preparedness gap remains.

Cybersecurity risk is the number one area where organisations feel they are not fully prepared (38%). Financial risk (31%), geo-political risk (28%), and fraud risk (28%) also rank highly as areas of unpreparedness.

Q: What, if any, types of risk do you feel your organisation is not fully prepared for?

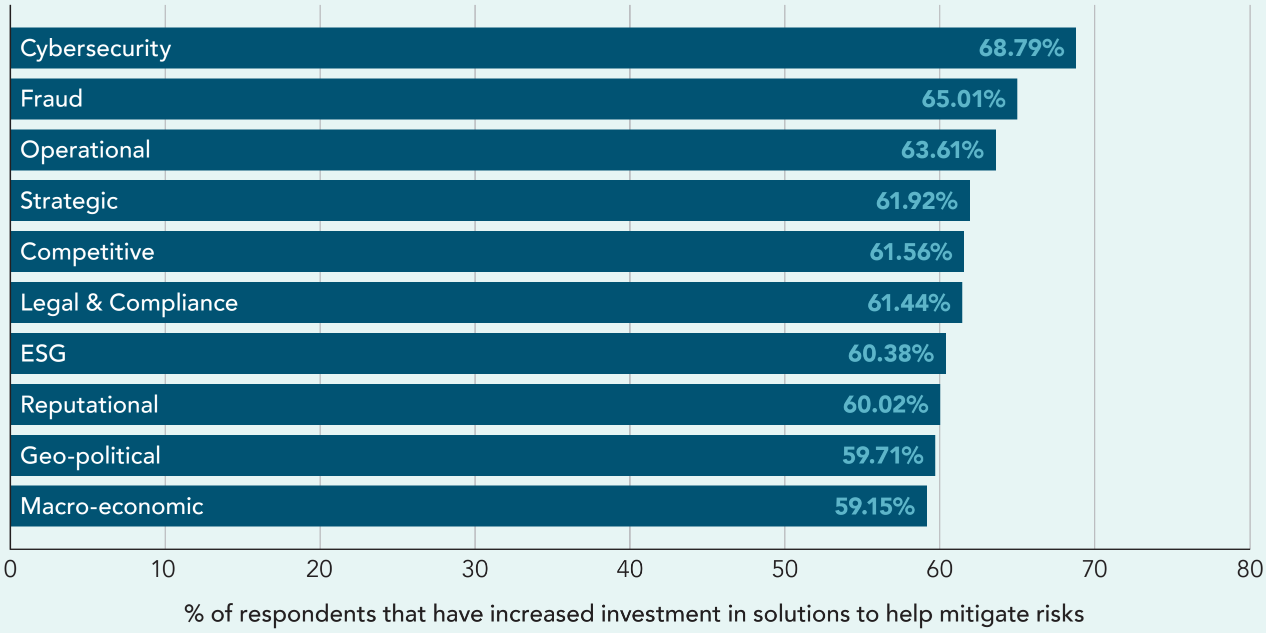


Increasing investment

The majority of organisations surveyed reported net increases in investment across all risk types, with cybersecurity and fraud topping the lists again.

This time, however, we see operational risk towards the top, showing a need to focus on third parties that could impact financial services and insurance firms' businesses.

Q: In the last 18 months, has your organisation increased or decreased its investment in solutions that would help mitigate risks you're concerned about?



Market differences

- UK showed the highest investment in all areas, followed by Switzerland.
- Germany showed the lowest overall investment across all risk types, with only 57% investing in cybersecurity risk, and 52% investing in fraud risk and operational risk. 45% or less increased investment in other risk types.
- Swedish firms are investing most in strategic risks at 67%.
- In Germany, Switzerland and Sweden, over 16% of respondents' firms had reduced investment in ESG risk in the last 18 months.
- Investment in the US reflects firms' highest levels of concern, with most firms (73%) investing in tackling cybersecurity risk.

Our research highlights that firms would like to invest more in mitigating risks, with the most common barrier to doing so being limited budgets (31%). Regulatory constraints (30%), and difficulty in quantifying the risk (29%) are also hurdles to overcome here.

When asked in a separate question if they felt they were able to effectively assess non-financial risk with their data in its current form, around 73% responded negatively.

As threats evolve, so must the response. Firms that fail to adapt risk falling behind, not just in resilience, but in reputation, regulatory compliance, and customer confidence.

While risks remain complex, the focus is no longer on whether individual organisations are prepared, but on how they are leading systemic risk management. By expanding investment beyond their own walls and partnering more widely, banks are positioning themselves as stabilisers of the broader financial system.

SECTION 02

THE COST OF POOR VISIBILITY

Poor management of third-party risk is costing businesses an average of $706k

More than 9 in 10 (91%) businesses have suffered negative impacts from being unprepared for risks related to third parties.

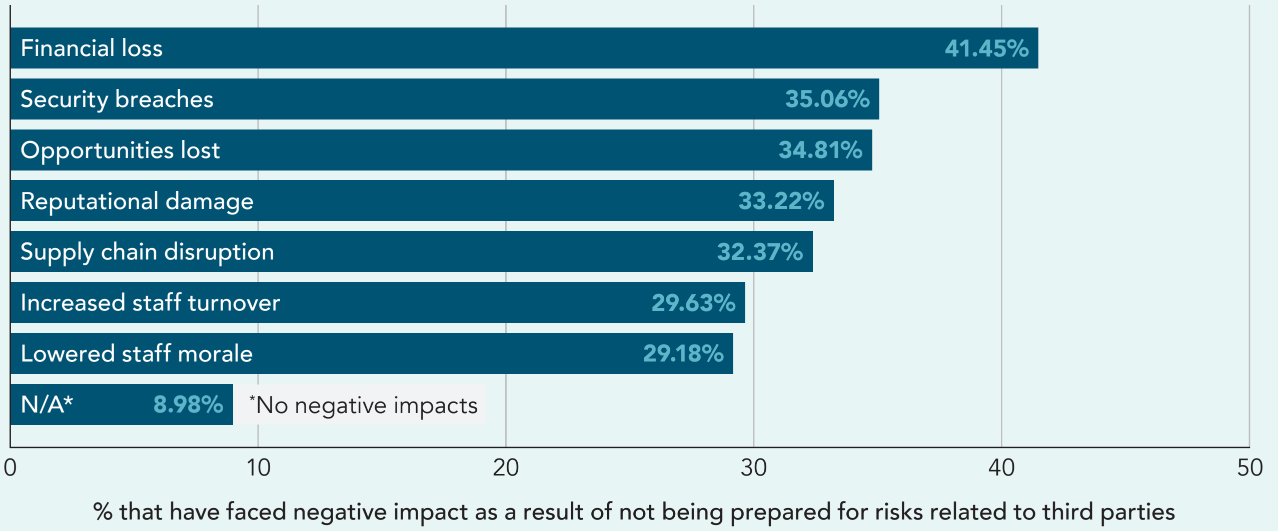
The most common consequences are financial loss (41%), security breaches (35%), lost opportunities (35%), and reputational damage (33%).

EXPERT COMMENTARY

"Third-party risk is the adversary of operational resilience. With 91% of firms reporting negative impacts because of being underprepared for third-party risks, and Germany seeing average losses of nearly $1.5 million USD, it's clear that legacy risk management frameworks need updating. The shift to continuous monitoring and vendor scoring is essential. Firms must treat third-party risk as a strategic priority – automating onboarding, leveraging shared risk exchanges, and embedding real-time visibility into procurement workflows."

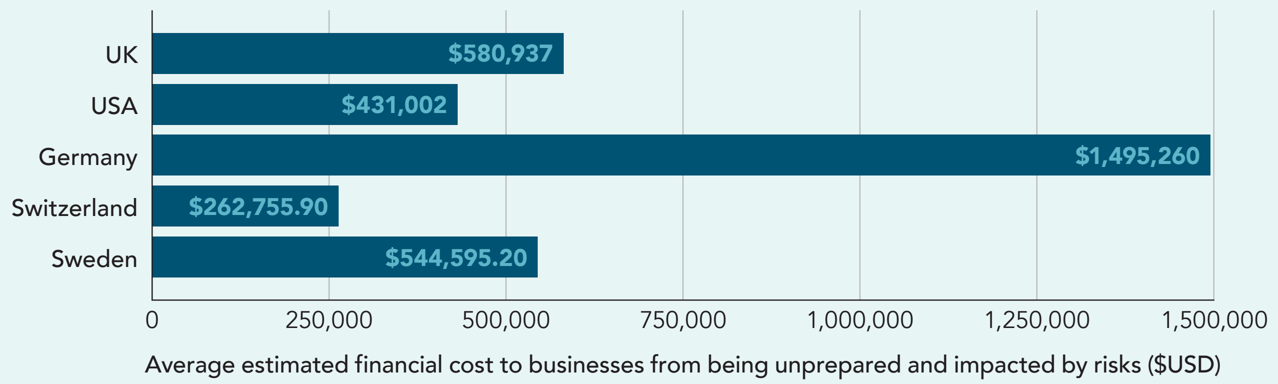
DIRK RADETZKI
CHIEF REGIONAL OFFICER, CENTRAL EUROPE, DUN & BRADSTREET

Q: What negative impacts, if any, has your organisation faced as a result of not being prepared for risks related to third parties?



The average estimated financial cost of these impacts across the 5 key regions surveyed as part of this research is $706,000, but there are some differences in the amounts. Switzerland ($262,755) and USA ($431,002) have suffered the least in relation to other areas, however the average impact to German firms is almost $1.5million.

Q: What is the estimated financial cost (in $USD) to your business from these negative impacts?



SECTION 03

DECISION-MAKING AND AI ADOPTION

Poor data quality and manual processes hinder decision-making and AI adoption

Almost two-thirds (64%) of financial services and insurance firms do not feel they can effectively make informed business decisions with their existing data.

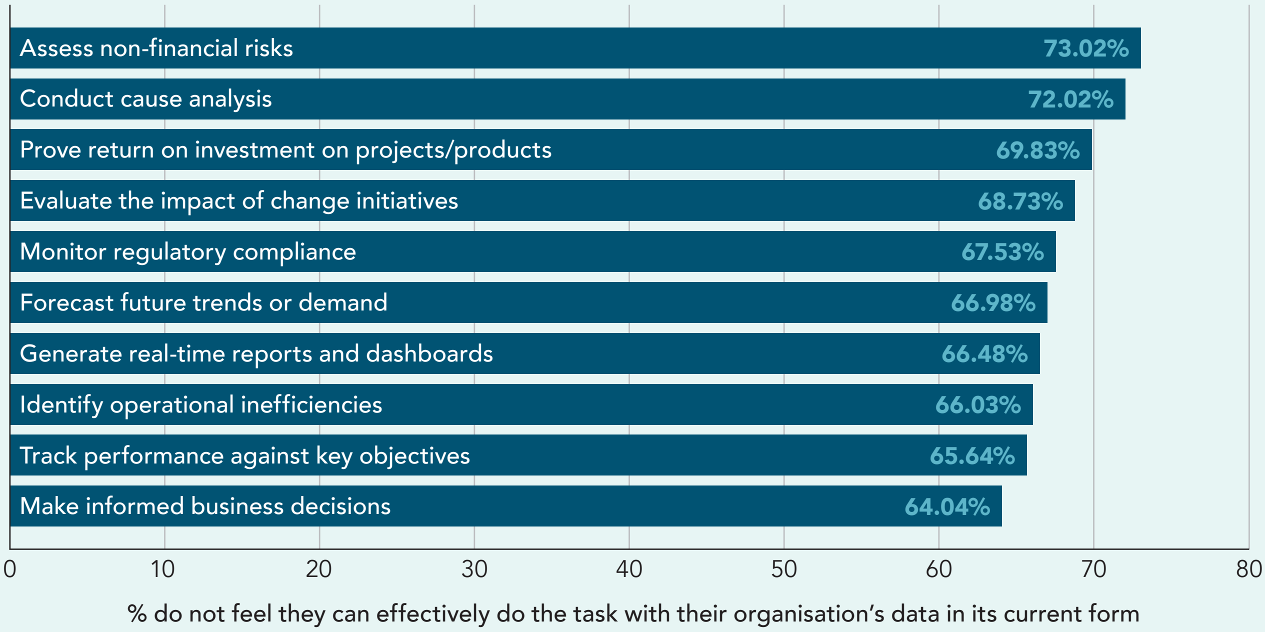
There is also a lack of confidence in effective use of data in other areas such as assessing non-financial risks (73%), monitoring regulatory compliance (68%) and forecasting demand (67%).

EXPERT COMMENTARY

"For AI to be effective, the foundational data it is built on and trained with must be solid. The research shows us that, right now, that foundation is shaky. AI-aside, many firms feeling unable to assess risk, make clear evaluations and tracking performance with their current data and systems is worrying. The message is clear: data governance is no longer optional. Siloed systems, duplicate records, and distrust in internal datasets are stalling innovation. To unlock the full potential of technology investments and ensure data is supporting smart decision making, firms must invest in managing their master data. Otherwise, they risk amplifying bias, regulatory exposure, and reputational damage."

SARA DE LA TORRE
UK HEAD OF FINANCIAL SERVICES & INSURANCE, DUN & BRADSTREET

Q: What, if anything, do you feel unable to do effectively with your organisation's data in its current form?



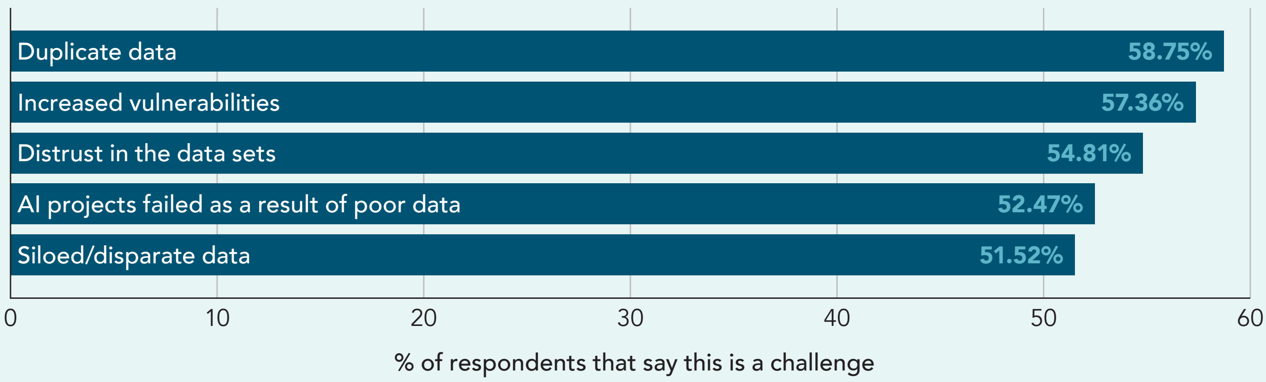
Data challenges

This lack of confidence in organisations' data appears to be caused by several major perceived data challenges: over half of leaders admit they distrust their own data (55%), just under 3 in 5 (59%) say they are dealing with duplicate records and over half (52%) report siloed, disparate datasets.

These issues directly hinder innovation, with over half (52%) of companies experiencing failed AI projects due to poor data quality.

These challenges can directly impact profitability and compliance.

Q: Do you come up against these challenges with your organisation's data?



Market differences

- The UK feels the challenge the most with duplicate data, with 64% noting this was a challenge.
- Conversely, in Germany, only half of respondents said they come up against this issue with their company's data. Across the board, German organisations note the lowest challenges with data.
- Switzerland appears to have the most challenges with data – over 60% cited issues in all areas except duplicate record
- 48% of those surveyed in the US reported issues with siloed data, vs the average of 52%.
- In Sweden, organisations noted their top challenge as AI projects failing as a result of poor data (58%).

Industry spotlight

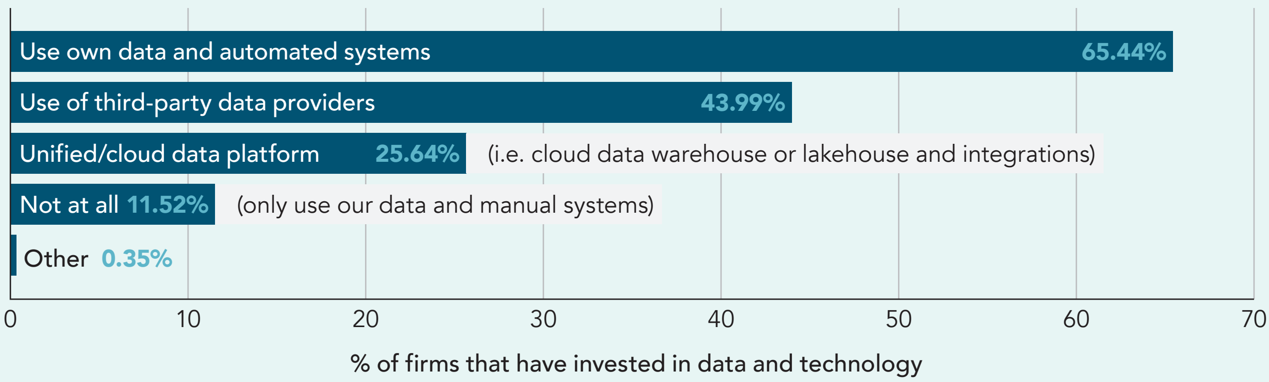
- Insurers (59%) and brokers (57%) are the industries least likely to trust in their datasets.
- Retail banks and payments firms have the lowest reported distrust in data with just over half (52%) not trusting their organisation's data.
- Capital markets and investment banking firms report the highest number of challenges with increased vulnerabilities and duplicates within their data sets.

Limited levels of automation and data investment

At the process level, automation is still limited. Around half of organisations say that key processes like customer retention (50%), third-party risk assessments (48%), and customer onboarding (48%) are mostly manual, while only around a quarter report these processes are mostly or completely automated.

When it comes to managing data, overall, 65% of financial services and insurance companies are relying solely on their own data, plugged into automated systems. Only 44% invest in third-party data providers for enhanced insights, and around a quarter (26%) have some kind of unified or cloud data platform in place.

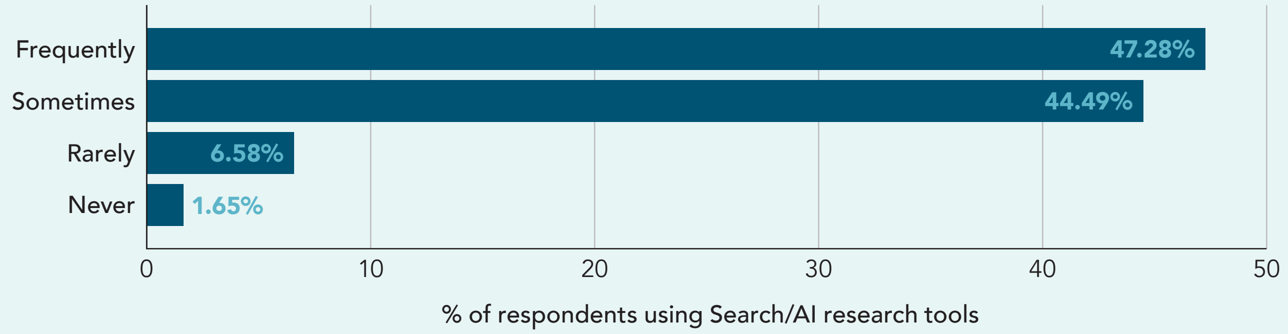
Q: To what level, if at all, has your business invested in data and technology to support key processes?



The role of AI

In lieu of trusted data, worryingly many firms are turning to search and AI engines (such as Google and Chat GPT) to find out more information about business partners and the risk they pose to their business.

Q: How often, if ever, do you use search engines (e.g. Google) or AI research tools (e.g. ChatGPT) to find out more information about your third parties and the risk they pose to your business?



Market differences

- Germany tops the list with 57% of firms frequently using search engines and AI research tools to find out more about third parties, and 95% of firms using it more than just on the odd occasion.
- The numbers for the UK and US are similar, with 49% and 52% frequently using these tools for third-party research.
- Only 37% of Swiss and Swedish firms say they use these search and AI tools, with 13% of respondents from Sweden likely to use them only rarely or not at all.

Industry spotlight

- Fintech (95%) and investment banking firms (94%) are most likely to use search engines and AI in some capacity (either frequently or sometimes) to find information on third parties and the risk they pose. More traditional industries like brokers (89%) and capital markets (88%) use less often, but still a large amount.
- Insurance is the sector most likely to use these tools frequently at 56%, 19% more than the average across all sectors.

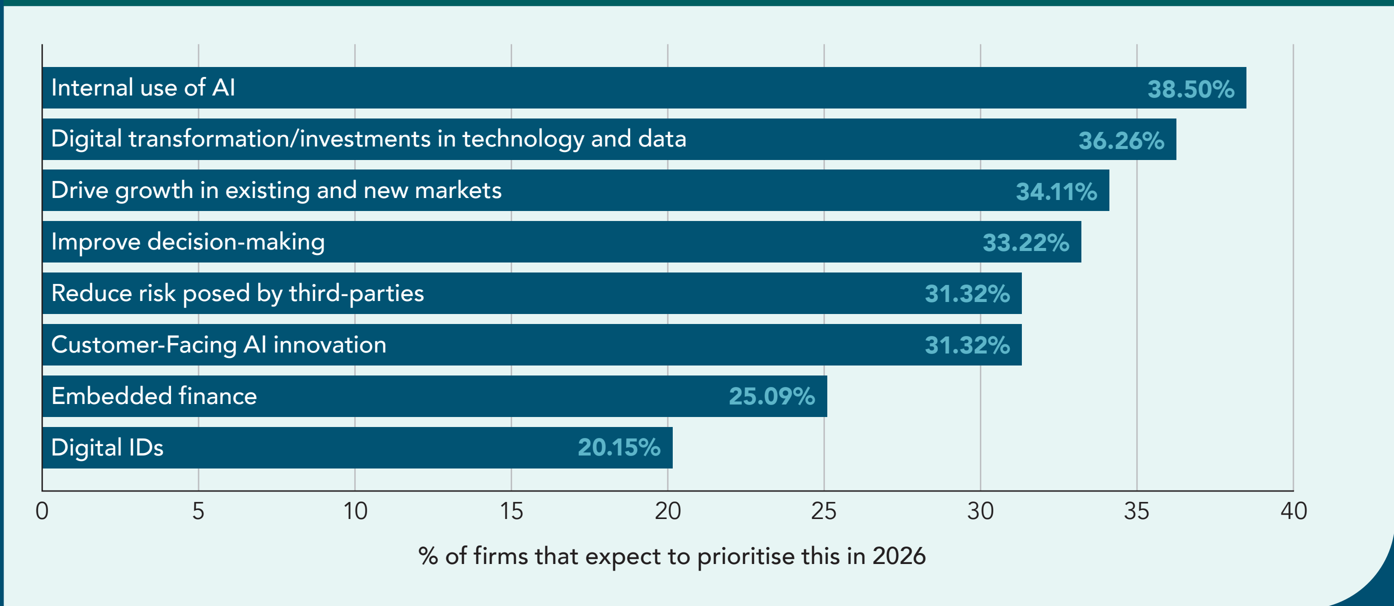
SECTION 04

TOP PRIORITIES AND CONCERNS FOR 2026

Use of AI and digital transformation are top priorities for 2026

Looking ahead to 2026, financial and insurance leaders have identified the internal use of AI (39%) and digital transformation (36%) as their top business priorities, signalling a major push towards a tech-driven future. There is also a push for growth (34%), both in existing and new markets.

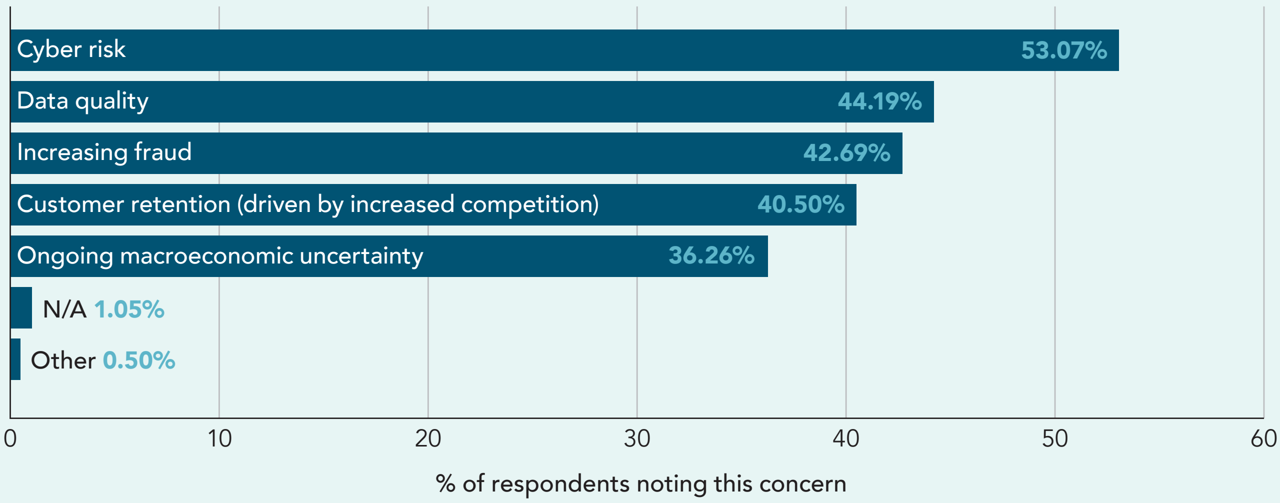
Q: Which, if any, of the following are key priorities for your business in 2026?



Foundational concerns

However, this technological ambition is shadowed by deep concerns about foundational weaknesses that could undermine their efforts and delay projects going live. Over half of respondents (53%) cite cyber risk as their single biggest concern for 2026, while poor data quality follows at 44%.

Q: What, if anything, do you believe your biggest concerns in 2026 will be?



These fears are mostly based on a combination of feedback from clients and partners (40%) and external expert predictions (a further 40%), showing a willingness to listen to the market.

Looking for help

To bridge the gap between their goals and their current readiness, a significant majority of leaders acknowledge they need external help, specifically identifying the need for new technologies (61%) and, crucially, increased or more accurate data (57%) to navigate these future challenges.

EXPERT COMMENTARY

"The ambition is there – AI and digital transformation top the strategic agenda for 2026. The firms that will lead the next wave of transformation are those that pair innovation with governance – embedding resilience into their tech stack, investing in trusted data, and building cross-functional teams that can adapt quickly."

MALIN HÖÖK
SENIOR DIRECTOR, FINANCE AND RISK SOLUTIONS, NORTHERN EUROPE

CONCLUSION & STRATEGIC RECOMMENDATIONS

The FS&I sector is at a critical inflection point. While leaders are increasingly aware of the risks they face and are investing in mitigation strategies, foundational weaknesses – particularly around data quality, visibility, and automation – are holding them back.

The cost of poor preparedness is already evident in financial losses, reputational damage, and failed innovation efforts.

As firms push toward AI-driven transformation and digital maturity, they must first address the underlying issues that threaten to derail progress.

Without trusted data, integrated systems, and a proactive approach to third-party risk, even the most ambitious strategies will fall short.

To move from awareness to action, FS&I leaders must prioritise the following shifts:

1 Improve Third-Party Risk Management

Implement robust third-party risk frameworks and leverage external data sources to gain deeper visibility into partner vulnerabilities. Prioritise investment in cybersecurity and fraud prevention technologies, with a focus on proactive monitoring and real-time threat detection.

2 Invest in Data Quality and Integration

Consolidate siloed datasets, eliminate duplicates, and build unified data platforms to support accurate decision-making and AI readiness.

3 Automate Key Processes and Adopt Technology Responsibly

Accelerate automation in areas like onboarding, risk assessment, and customer retention to reduce manual errors and improve efficiency. Ensure AI initiatives are supported by clean, structured data and clear governance policies. Avoid reliance on unverified external tools for critical risk assessments and ensure critical systems can recover quickly should a breach occur.

4 Seek Strategic Partnerships

Collaborate with technology providers, data experts, and consultants to bridge capability gaps and accelerate transformation.

5 Strengthen Governance and Culture Around Risk

Embed risk awareness into organisational culture through regular training and upskilling, board-level sponsorship and clear

6 Collaborate Internally and Externally

Encourage cross-functional collaboration between internal departments including compliance, IT, and business units to ensure risks are understood and managed holistically. Where possible, participate in industry-wide initiatives and knowledge-sharing platforms to tackle systemic risks like fraud, cybercrime, and climate-related financial exposure

CASE STUDIES

HOW DATA CAN IMPROVE RISK MANAGEMENT

01 Global bank strengthens third-party risk intelligence

CHALLENGE

A leading global bank faced mounting pressure to improve visibility into its third-party ecosystem.

With tens of thousands of business partners spread across markets, fragmented data systems were creating siloes, inconsistencies, and gaps.

These challenges were undermining both internal reporting and regulatory compliance.

SOLUTION

To address this, the bank matched its records to the Dun & Bradstreet D-U-N-S number, a unique identifier, and enriched them with critical data points such as corporate hierarchies, financial ratings, ESG rankings, and cyber risk scores.

This enabled the creation of a unified, centralised view of its third-party network. Automated alerts and monitoring were introduced to flag critical changes in real time, while workflows were streamlined to reduce manual effort.

OUTCOMES

The transformation delivered measurable impact:

- A single, consistent view of third-party relationships across markets
- Enhanced onboarding and risk management processes
- Significant cost and time savings
- Improved reporting accuracy and regulatory alignment

This case highlights how data consolidation and enrichment can unlock operational resilience and strategic clarity.

02 Global insurer accelerates risk assessments and compliance

CHALLENGE

A global insurance provider was struggling with slow, manual third-party risk assessments. Reliant on self-completed forms and siloed systems, the firm lacked timely insight into changes that could affect its operations.

Meeting Digital Operational Resilience Act (DORA) requirements was becoming increasingly difficult.

SOLUTION

The insurer integrated an API into its governance, risk, and compliance (GRC) system. This automated the onboarding process by pulling in unique identifiers, registration numbers, LEI codes, sanctions lists, financial viability scores, and ESG metrics. The system can perform instant checks and monitor for changes, eliminating manual data entry and delays.

OUTCOMES

With their processes streamlined and automated, decisioning has been simplified and accelerated:

- 684 hours saved in sanctions checks and risk assessments
- Faster, more accurate decision-making
- Optimised regulatory reporting processes
- Improved partner experience and operational agility

This case demonstrates how automation and trusted data can dramatically improve speed, accuracy, and regulatory readiness.

ABOUT THE RESEARCH

Objectives and Approach

Our aim was to understand how financial services and insurance organisations are approaching risk and resilience, and their key priorities in the years to come.

Through primary research surveying 2,005 professionals across 5 key markets, we explored concerns, challenges and priorities in the following areas:

- Financial and non-financial risk
- Areas of investment
- Data, AI and Automation

We partnered with independent research consultants, Censuswide to design and deliver the study which included responses from financial services and insurance organisations of all sizes.

The senior professionals that responded were from a wide variety of job functions including risk, finance, lending, tech, data and growth areas. Research was undertaken during August 2025.

Market Breakdown

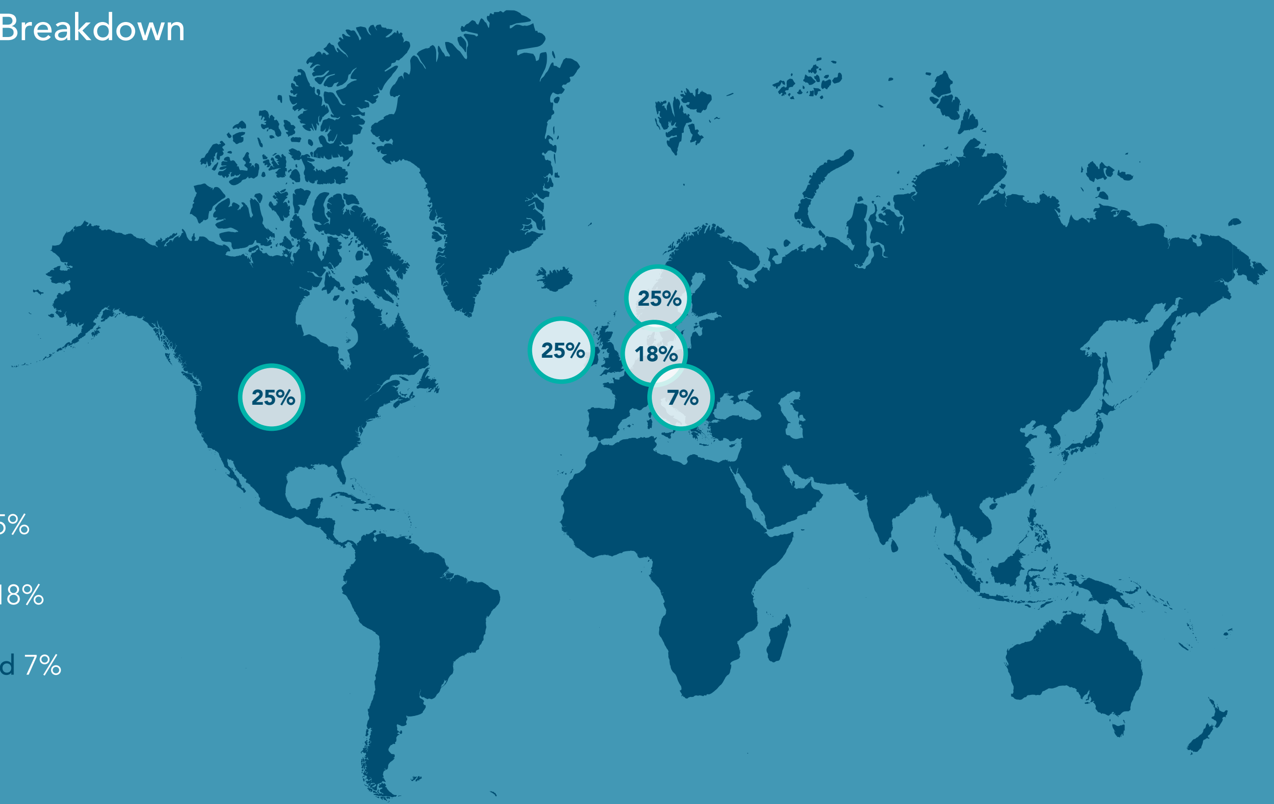
USA 25%

UK 25%

Sweden 25%

Germany 18%

Switzerland 7%



Subsector Breakdown

23% Insurers and Brokers

43% Retail and Investment Banking

24% Payments and Fintech

29% Capital Markets

1% Other

Company Size (By Employee)

24% Small/Micro business (up to 99 employees)

49% Medium – large business (100 – 500 employees)

27% Enterprise (500+ employees)

Censuswide abides by and employs members of the Market Research Society and follows the MRS code of conduct and ESOMAR principles. Censuswide is also a member of the British Polling Council.

CONTACT US

For more information about the research, or to request a chat with one of our experts about the findings of this survey, please email **hello@dnb.com**

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