**Problems created by AI**

**Machine Learning Biases:** AI abuses data and creates crisis data. These data usually come from:

* Geographic – location could determine how an individual is perceived or received.
* Demographics – age, and race could play a part too.
* Card users – Positive cases from Bank offers and negative cases from reckless card users. A lot of personal information is always revealed.

**Lack of transparency:** lack of trust in the information provided which does not enhance trust from users and stakeholders.

**Data breach:** These are financially motivated by the perpetrators, leading to privacy violations, identity theft, financial losses, and reputational damage to organizations

**Data breaches that happened in the finance industry in the last 10 years. Did AI cause or solve it?**

Over the last decade, the financial industry has experienced numerous data breaches, exposing sensitive information and significant financial losses. These breaches have been attributed to various causes, including cyberattacks, insider threats, and system vulnerabilities.

Notable Data Breaches in the Financial Industry:

**First American Financial Corporation (2019):** A vulnerability in the company's website exposed approximately 885 million records related to real estate transactions. The breach was due to a "business logic flaw," allowing unauthorized access to documents without authentication.

**Equifax (2017):** A cyberattack compromised the personal information of 147 million individuals. The breach was caused by the exploitation of an unpatched vulnerability in a web application, highlighting the importance of timely software updates.

**Capital One (2019):** A misconfigured web application firewall led to unauthorized access to the personal information of over 100 million customers. This incident underscored the risks associated with cloud storage misconfigurations.

**Role of Artificial Intelligence (AI):**

AI has a dual role in the context of data breaches within the financial sector.

**Causing Data Breaches:**

**AI as a Tool for Attackers:** Cybercriminals have leveraged AI to enhance the sophistication of their attacks. For instance, AI-generated deepfake technology has been used to create convincing fake audio and video content, facilitating fraudulent activities.

**Solving Data Breaches:**

AI in Cybersecurity: On the other hand, financial institutions are increasingly adopting AI to bolster their cybersecurity defenses. AI algorithms can analyze vast amounts of data to detect anomalies and potential threats in real time, enabling proactive responses to cyber threats. For example, AI-powered systems can identify unusual transaction patterns indicative of fraud, allowing for immediate intervention.

In summary, while AI has been exploited by malicious actors to perpetrate data breaches, it also serves as a critical tool for financial institutions aiming to enhance their cybersecurity measures and prevent such incidents.