

Benefits and Challenges of Artificial Intelligence in FinTech

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Abstract

The proliferation of digital transactions in the financial sector when it comes to the 4th Industrial Revolution (4IR) has allowed companies to use artificial intelligence. Worryingly, it appears that scant is known about artificial intelligence in the FinTech discourse especially when it comes to African economies. As such, this chapter aims to fill this gap by focusing on the role of artificial intelligence in FinTech. With the utilization of a comprehensive literature review methodology, it was observed that artificial intelligence is of utmost importance as it can augment accuracy, efficiency, fraud detection, effectiveness, human capabilities, and customer experiences; mitigate economic crimes; and accelerate regulatory compliance. Despite these benefits of artificial intelligence in FinTech, it brought to the fore some insurmountable challenges in the financial sector like ethical concerns, human rights issues, social engineering, and fraudulent data generation. The results of the current study are associated with theoretical and practical implications.