Akholi

PART 6 / 2026 RESEARCH STUDY

The Executive Action Plan

Agentic AI Outsourcing at Tier 1 Financial Institutions

Phil Hatch

150 engagements · 850 delivery-team respondents

Observational, cross-sectional study of a nonrepresentative sample. Financial institutions did not independently validate the reported experience. The findings do not establish causation or legal breach.

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REPORT INFORMATION

Agentic AI Outsourcing at Tier 1 Financial Institutions

Full Study Report

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USE OF ARTIFICIAL INTELLIGENCE

Artificial intelligence tools were used to prepare this report. Appendix G discloses how they were used.

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“

They stood up the ticket integration quickly and their people have taken to the change better than I expected. What has to change is upstream. Job titles, cost centers and location codes are spelled three different ways across the HR platform, the directory and the badge system, so an agent answering a leave question has to guess which record is current. One owner for the employee master, and half our escalations disappear.”

ENGAGEMENT MANAGER

CXM, Corporate and back-office functions

Recommended Controls

The study reports gaps in financial institution readiness, which covers the data, processes, people, and internal controls needed for delivery. Weaknesses in co-management, the two firms' arrangements for decisions, risks, changes, and human review, were accompanied by limited visibility into work performed by delivery teams (Parts 2–5). These findings call for controls that establish preparation before commitment and verify how work is actually completed during delivery.

For new engagements, financial institution readiness should be established before contract approval. Co-management should be established before contract signature. For existing engagements, the same controls provide the basis for identifying gaps and prioritizing corrections. The recommendations and schedule are proposed responses to the findings. Their effectiveness was not tested by the study.

Table 6.1. Recommended controls and the reported evidence supporting them

Action	Evidence references
1 Establish financial institution readiness before contract approval	Engagement outcomes: Part 1: outcomes; Failure-category ratings: Part 2: readiness
2 Establish co-management before contract signature	Failure-category ratings: Parts 2 and 3: co-management
3 Audit the design and calculation of vendor reporting	Engagement outcomes: Part 1: outcomes; Manual alteration: Part 5: reporting alteration; Recording and disclosure: Part 5
4 Restructure commercial terms around outcomes and exit	Delivery conditions: Part 2: commercial terms; Engagement outcomes: Part 1: outcomes
5 Treat human oversight as a control function	Failure-category ratings: Parts 2 and 3: oversight; Manual alteration: Part 5: manual work
6 Listen directly to the vendor delivery team	Delivery conditions: Part 4: delivery workforce; Manual alteration: Parts 4 and 5
7 Require a manual alteration register and test it	Manual alteration: Part 5: five methods; Recording and disclosure: Part 5

Note: References identify the supporting Part and relevant subject. The five failure categories are financial institution readiness, vendor capability, co-management, AI technology, and third-party ecosystem. Manual alteration covers human changes to data, processes, AI outputs, or reporting, and third-party work done by hand. A manual alteration register is a shared record of material manual alteration and its authorization. The delivery workforce comprises all 850 respondents. The mappings support the proposed controls without establishing their effectiveness or the effect of manual alteration on engagement survival. For controls 3 and 7, see Part 5, "Reporting Alteration" and "Recording of Manual Alteration." For control 5, see Part 2, "Human Review and the Joint Quality Assurance Loop." For control 6, see Part 4, "Knowledge at Risk of Departure," and Part 5, "Distribution of Manual Alteration Across Roles."

“

Data is bad, this is true, but is not fault of people on their side. Systems are old and nobody there build them, they inherit. When we ask for someone who know the data, they find person same day usually, i cannot complain about that. Access also came through quicker than i expect. What they will not do is change process, they want agent to do exact same steps as before, and for governing AI risk nobody there has done this before, so of course is not mature yet. Two months is not long time.”

INDIVIDUAL CONTRIBUTOR

ITO, Technology engineering and operations

1 Establish a Readiness Standard Before Contract Approval

Financial institution readiness received the lowest category rating in the sample. This category covers the financial institution's data, processes, systems, people, internal controls, and responsiveness. Respondents described difficulties with those conditions, including staffing, decision-making, access, and business-case preparation (Part 2).

Before contract approval, assess data ownership and validation, technical access, documented processes, the identities and access permissions assigned to agents, decision rights, and the business case. Record material gaps, assign owners, and identify those that must be resolved before approval. Specify any remaining conditions that must be satisfied before deployment.

The proposed readiness review is intended to identify work that might otherwise transfer informally to the delivery team. Its effectiveness should be evaluated through implementation and subsequent operational evidence.

“

Step ownership is much clearer now than at kickoff. We sat with their servicing lead in month one and wrote down who owns which part of the flow, voice and chat separately, and that document has held. Change visibility also improved, when the assistant's behaviour is adjusted between releases both sides now see it before it goes live, which was not so in first weeks. What has not moved is the stopping decision. If a reply is going out wrong on chat there is no single agreed person who can pull it from the queue, so i have to find their duty manager on call, and that is twenty minutes we do not have. Fault is the same story, after an incident the two firms are still arguing whose it was. Our joint sampling is also too thin to catch much before cardholder sees it.”

ENGAGEMENT MANAGER

CXM, Payments, cards and disputes

2 Establish Co-Management Before Contract Signature

Accounts of co-management identified separate risk lists, unresolved decisions, and unclear authority to suspend agents (Parts 2 and 3). Positive accounts described arrangements that resolved issues and supported timely intervention.

Before contract signature, agree joint decision rights, limits on the actions agents may take, escalation routes, and shared risk and issue records. Confirm that these arrangements operate before delivery begins. Assign reachable personnel with authority to suspend operation whenever agents are active, with documented coverage and escalation if those personnel are unavailable.

These arrangements should be tested in realistic scenarios. The study provides reasons to examine them but does not establish their implementation cost or guarantee a particular operational benefit.

“

The vendor's attribution dashboard reports a figure as verified once it passes an internal reconciliation check the vendor itself designs and controls, with no independent audit trail the client can inspect.”

ENGAGEMENT MANAGER

KPO, Trade, settlement and reconciliation

3 Audit the Design and Calculation of Vendor Reporting

Respondents described reporting based on activity counts, exclusions, or outputs corrected by delivery teams (Part 5). Such choices can materially affect interpretation even when the underlying arithmetic is correct.

Review reporting definitions, denominators, exclusions, baselines, case aging (the elapsed time since a case was opened), and the treatment of work corrected by people. Reconcile reported results to sampled operational records and check the calculations. Verify agent-generated completion reports against evidence of execution.

Performance measures should distinguish unassisted agent output from work requiring review, correction, or manual completion, with definitions that allow comparison over time.

“When we discussed about the second cycle estimate in March, it was still built on how many analysts sit on the work, which does not fit when the model does the first pass, and I marked those items low for that reason. To be fair, when a calibration run went wrong my leadership did not push it down to my team, they took it up themselves. The banking training is thin though. Most of what my modellers know about the client's chart of accounts they learned from the client.”

ENGAGEMENT MANAGER

KPO, Corporate and back-office functions

4 Restructure Commercial Terms Around Outcomes and Exit

Accounts of pricing based on delivery team headcount, uncertain licensing, and limited tested alternatives suggest areas for commercial review (Part 2). The study did not establish that any one pricing model caused concealment or delivery failure.

Align commercial terms with measurable service outcomes and disclose the human effort included in delivery. Confirm permissions for agent use of third-party services and document feasible transition or exit arrangements. Test those arrangements to an extent proportionate to the consequences of losing the vendor or a relevant model provider or third-party provider.

Outcome-based terms may improve alignment, but they can also create incentives to select favorable measures. Reporting definitions, verification rights, and transparency about manual effort remain necessary under any pricing structure.

“

The suspicious-activity dashboard reports case-closure volume against target without separately reporting how many closures were auto-approved agent recommendations versus human-reviewed decisions, which hides the real oversight bottleneck from anyone reading the summary.”

INDIVIDUAL CONTRIBUTOR

BPO, Financial crime and client onboarding

5 Treat Human Oversight as a Control Function

Respondents described inadequate review capacity, superficial approval, and change procedures poorly matched to operational needs (Parts 2 and 3). These accounts support testing how oversight functions in practice.

Design, staff, and test human oversight according to output volume, risk, complexity, and the time required for meaningful review. Record what reviewers examine. Independently repeat the review work for a risk-based sample of approvals, a procedure known as reperformance, to assess the quality of scrutiny.

Use risk-based change procedures with defined approval, notification, emergency handling, and subsequent reconciliation of emergency changes with the approved records. Assign responsibility for detecting unexpected agent behavior and investigating changes in inputs, configurations, or services supplied by the vendor, model provider, or third-party providers.

“

We are sitting till midnight most cycles because their side answer nothing. I miss two family functions for a deadline that move anyway… my team is tired and two of the juniors are already applying somewhere else. It is not only the work that suffer”

INDIVIDUAL CONTRIBUTOR

KPO, Corporate and back-office functions

6 Listen Directly to the Vendor Delivery Team

Evidence obtained directly from the delivery team should complement management reporting because the roles reported different aspects of manual alteration and its discussion. Individual contributors supplied most affirmative answers about personally performing manual alteration. Engagement managers supplied all 13 affirmative answers about discussion with the financial institution across the three structured questions on data, processes, and AI outputs (Parts 4 and 5). These are pooled answer counts, not counts of unique people or engagements. The pattern does not establish individual contributors' overall contact with the financial institution.

Establish appropriate channels for delivery team members to describe operational problems, manual alteration, and suggestions. Options include confidential interviews, periodic surveys, and review of delivery team records. Define access, privacy, protection against retaliation, escalation, and the limits of confidentiality before collecting information.

Accounts from the delivery team may identify issues not apparent in aggregate reports. They should be assessed alongside operational evidence and information from other relevant parties.

“

This is close to constant on this engagement at this point. We reconcile document versions and fix formatting nearly every week, we have told our own leadership and we have told the client in writing, and nothing has really changed on their end. It has become the baseline expectation rather than an exception at this point.”

ENGAGEMENT MANAGER

KPO, Corporate and back-office functions

7 Require a Manual Alteration Register and Test It

At least one form of manual alteration was reported on every sampled engagement in the combined direct answers and written accounts reported in Part 5. This does not mean that every method occurred on every engagement. Accounts of incomplete recording and limited discussion support reviewing how manual alteration is authorized, documented, and reported.

Establish a manual alteration register, a shared record of material manual alteration and its authorization. Cover manual alteration of financial-institution-provided data, manual alteration of financial institution processes, manual alteration of AI outputs, reporting alteration, and third-party work done by hand. Define materiality and record routine low-risk corrections through proportionate workflow logging linked to the register. Together, the records should identify what was done, by whom, why, under what authority, to which output, and with what required communication.

Test the completeness of these records by tracing samples of outputs, data loads, and reported results to documented manual alteration. Reconcile local trackers with shared records where appropriate and investigate unexplained differences.

“

Reconciliation-break reports showed a shrinking break count each week, but the drop reflected a human logging in manually to clear breaks the agent could not touch, not the agent resolving more on its own. Settlement-funding reports never separated agent-initiated actions from human keyboard fixes, so the dashboard read as steady progress right up to cancellation.”

INDIVIDUAL CONTRIBUTOR

BPO, Trade, settlement and reconciliation

Proposed Implementation Schedule

The proposed 52-week schedule moves from assessment, containment, and initial corrective action during the first 12 weeks to completion of the remaining first-year work. Containment limits exposure while an issue remains unresolved. The timetable is a planning assumption, not a study finding. Scope and dates should reflect engagement volume, severity, available resources, and applicable obligations.

Table 6.2. Proposed implementation phases and oversight deliverables

Proposed implementation timeline

Week 1	Week 2	Weeks 3 to 4	Weeks 5 to 8	Weeks 9 to 12	Weeks 13 to 52
Mandate	Inventory	Prioritization	Review	Corrections	Verification

The timetable is proposed. It is not an observed study result.

Weeks	Actions	Oversight deliverables
Week 1	Appoint the audit lead and the executive accountable for corrections. Approve the mandate and budget. Preserve relevant records, establish risk-based interim controls and emergency procedures, and communicate the review's purpose.	Mandate, appointments, preservation instructions, interim controls
Week 2	Assemble the audit team with defined roles and appropriate independence. Notify vendors of scope, access rights, and preservation expectations. Compile and reconcile the engagement inventory.	Review roles, engagement inventory
Weeks 3 to 4	Prioritize engagements and apply proportionate interim restrictions. Open the confidential channel. Issue the questionnaire, set initial response dates, and allow necessary follow-up.	Prioritized engagements, restrictions, participation status

Table 6.2. Proposed implementation phases and oversight deliverables (continued)

Weeks	Actions	Oversight deliverables
Weeks 5 to 8	Review prioritized engagements on site or remotely as appropriate. Assess other engagements for emerging concerns. Document critical findings, evidence gaps, and the prioritized action plan.	Supported findings, action plan, decisions requested
Weeks 9 to 12	Implement prioritized corrections, verify closures, and decide controls for unresolved critical issues. Prepare the funded first-year plan and assign continuing oversight responsibilities.	Closure evidence, unresolved issues and controls, funded plan
Weeks 13 to 52	At week 13, approve priorities and decisions on reviewed engagements. Complete remaining reviews and corrective work, train relevant personnel, and independently verify material closures. Keep delays and unresolved findings visible.	Quarterly reports, year-end dispositions and unresolved findings

Note: Deliverables go to the oversight committee acting under the board's delegation. Prioritized engagements are those selected for the initial detailed review. Critical findings are those whose financial exposure, operational impact, or control gaps require urgent containment or correction under documented prioritization criteria. Containment limits exposure while an issue remains unresolved. Closure requires evidence that corrective action works. Independent assurance is verification by personnel separate from those responsible for the correction. Disposition means a documented decision to continue, impose controls, restructure, transfer, or exit. The dates are proposed targets, and unresolved findings remain open and visible.

1 Week 1: Appoint the Audit Lead

Week 1 should establish the review mandate and assign accountable leadership. The board or its designated oversight committee should appoint a senior executive as audit lead, with sufficient independence from engagement sponsorship and delivery. The oversight committee acts under the board's delegation. The mandate should define scope, reporting, budget, access within applicable rights, escalation, and authority to recommend interim controls. Assign management responsibility for corrections separately from independent assurance of closure.

Preserve relevant records, establish risk-based interim controls, and name the personnel authorized to suspend agent operation. Legal and compliance specialists should determine any notification, privacy, or privilege requirements. Management should explain the review's purpose, cooperation expectations, and protections against retaliation for good-faith reporting. Emergency changes should remain possible through documented procedures.

Agree reporting frequency with the oversight committee and escalate critical findings promptly. The first-week deliverables should be the approved mandate, named responsibilities, preservation instructions, and initial control decisions.

“

We did a POC with the bank to see if we could handle regulatory filings. Using the same sample documents, the AI never generated the same filing reports. The bank canceled the pilot and started looking at every other AI project.”

ENGAGEMENT MANAGER

CXM, Client servicing and communications

2 Week 2: Form the Audit Team and Notify the Vendors

Week 2 should establish an appropriately independent audit team and a reconciled engagement inventory. Assemble expertise in risk, compliance, legal matters, technology, procurement, outsourcing management, finance, and workforce issues as required. Preserve Internal Audit's independence from management's corrective responsibilities. If an external firm conducts interviews or supports the review, define its role and manage conflicts. It should not simultaneously act as an independent investigator and an advocate for a party under review.

Notify vendors of the review's scope, evidence requests, applicable access rights, and preservation expectations. Invite documented concerns about obstacles within the financial institution. Agree arrangements for participation by delivery team members and financial institution staff, confidentiality, and protection against retaliation, subject to applicable law and contractual provisions.

Compile the engagement inventory from procurement, outsourcing, payment, technology, and model records. Include relevant pilots and transition work, record their subcontractors and third-party dependencies, and reconcile differences among the source registers.

“

What we settle on in the end is a parallel note. Every synthesis the agents produce, one of my seniors reads it against the source before it goes over, and we hold a sheet of our own recording what changed and why. It is not part of any joint process, the client never sees the sheet. But when they come back three weeks later and ask why a figure moved, we can show them, and that is the only reason those conversations stay civil. It is a lot of hours for something that should be in the QA design itself.”

ENGAGEMENT MANAGER

KPO, Corporate and back-office functions

3 Weeks 3 to 4: Rank Every Engagement and Open the Confidential Channel

Weeks 3–4 should identify the prioritized engagements, those selected for the initial detailed review. Assess financial exposure, impact on the financial institution and its customers, regulatory relevance, agent autonomy, processing volume, and known control gaps. Use documented criteria to select the prioritized engagements and determine proportionate interim restrictions. Submit the prioritization method and material scope limitations to the oversight committee. Classify findings as critical when their financial exposure, operational impact, or control gaps require urgent containment or correction under the documented criteria. Record the reason for that designation. This review prioritization does not replace the study's defined engagement-outcome categories.

Open a protected channel for delivery team members and financial institution staff. Explain who can access identifiable information, how findings will be reported, the limits of confidentiality, and procedures for urgent concerns. State only those protections the review can provide. Report findings in aggregate where feasible without obscuring matters requiring action.

Issue a questionnaire covering manual alteration, reasons, authorization, records, disclosure, reporting, and operational obstacles. Seek improvement proposals across financial institution readiness, vendor capability, co-management, AI technology, and the third-party ecosystem. Set initial response dates and allow meaningful participation and follow-up beyond week 4 where needed. Report participation and outstanding evidence requests to the oversight committee.

“

The vendor's change log recorded release approvals as complete once submitted for sign-off, not once actually approved, so the client-facing change-control dashboard showed a healthy pace of updates even during weeks when several releases sat pending for days.”

INDIVIDUAL CONTRIBUTOR

BPO, Corporate and back-office functions

4 Weeks 5 to 8: Audit the Prioritized Engagements

Weeks 5–8 should produce an assessment of the prioritized engagements and an action plan supported by operational evidence. Conduct walkthroughs on site or remotely as appropriate. Examine four areas, retaining separate consideration of AI technology and the third-party ecosystem within the fourth.

1. Assess financial institution readiness through data and processes, organizational arrangements, dependent processes, assigned ownership, and the time taken to answer delivery requests and make decisions.
2. Assess vendor capability through the delivery team, documented delivery methods, controls over manual alteration, and knowledge of the financial institution's business and applicable obligations.
3. Assess co-management through the two firms' decision rights, change procedures, escalation routes, issue resolution, and the time taken to make decisions and resolve issues.
4. Assess AI technology through agent configurations, change history, and monitoring. Assess the third-party ecosystem separately through the services and dependencies on which those agents rely.

Test controls in operation using risk-based samples. Reconstruct material manual alteration for the review period where evidence permits, reconcile performance reports to underlying work, and assess relevant skills. Record gaps in evidence explicitly. Reassess the remaining engagements as new concerns emerge and expand the prioritized reviews when warranted.

Assign each critical finding an accountable owner, containment decision, corrective-action target, impact assessment, and evidence required for closure. Legal and compliance specialists should assess notification and contractual implications. By the end of week 8, the proposed deliverable is a supported assessment and prioritized action plan, with unresolved evidence gaps clearly identified.

“

Notice from the major providers has improved markedly over the last year, to the point where we now plan around deprecations rather than react to them, and our handling of the gated rails, the payroll rails in particular, is as good as I have seen on any account. What has not moved is our answer to the concentration question. If we had to move providers, I could not tell a client with a straight face how long that would take, and we have been saying that for three quarters now.”

PORTFOLIO DIRECTOR

CXM, Corporate and back-office functions

5 Weeks 9 to 12: Correct the Critical Issues and Set the First-Year Plan

Weeks 9–12 should deliver verified initial corrections, decisions on unresolved critical issues, and a funded first-year plan for approval. Management should implement prioritized corrections and verify them against operational evidence. Revised policies or attestations alone are insufficient to demonstrate that a correction works. Where critical risks remain, accountable executives should determine proportionate restrictions, suspension, or exit, with escalation through the financial institution's risk governance arrangements. Containment measures should remain in place while the issue is unresolved.

Prepare the first-year plan around four workstreams.

1. Review remaining engagements in risk order under a consistent evidence standard and document a disposition for each within an agreed timetable.
2. Strengthen co-management where required through assigned decision rights, shared issue records, defined response times, coordinated change control, manual alteration records, and reconciled reporting.
3. Address financial institution readiness through process and data ownership, validated inputs, appropriate access, documented dependencies, and training for engagement owners and oversight personnel.
4. Address vendor capability through relevant domain and regulatory training, demonstrated competence for assigned responsibilities, sustainable staffing, documented delivery methods, and clear requirements for manual alteration records and disclosure.

Assign continuing responsibility for inventories, change control, monitoring, review capacity, suspension authority, and applicable requirements. Use existing governance functions where suitable and define additional responsibilities explicitly. Each action should have an owner, target date, budget, and criterion for closure supported by operational evidence. Require independent assurance proportionate to risk. Report unresolved critical issues and containment measures alongside the plan.

“

we see it happen a lot on my team. i don't do the hands on fixes myself anymore, but i sign off on what they change, access provisioning never finish before we go live so the agents patch around missing permissions constantly, happens most days. and frankly i am tired of explaining it upward to management, though what actually reaches them versus what the team handles day to day, i sometimes wonder about that.”

ENGAGEMENT MANAGER

CXM, Corporate and back-office functions

6 Weeks 13 to 52: Complete the First-Year Plan

Week 13 should establish the approved priorities and decisions governing the remaining first-year work. The oversight committee should approve priorities and decide whether reviewed engagements continue, require additional controls or restructuring, or should transfer or exit, referring decisions to the board where required by its delegated authority. During the remainder of the year, monitor progress, verify material closures independently, and reassess residual risks. Submit quarterly progress reports. The year-end objective is a documented disposition for every in-scope engagement and evidence that required controls operate effectively. Keep delays and unresolved findings visible in those reports.

The reported gaps in financial institution readiness, co-management, and visibility into manual alteration support a review grounded in the work actually performed. Financial institutions should use that evidence to decide which engagements can continue, which require correction or restriction, and which should transfer or exit. The proposed schedule provides a framework for those decisions. Its effectiveness must be judged by operational evidence of implemented controls and transparent reporting of unresolved findings.

“

Last sprint I get two holdings extract, one from platform team and one from their reporting side… same field name means different thing in each one. Nobody owns which is correct. They must fix definition first, one owner per field, then give us test environment with real volume. Their integration side is fine actually, APIs work and process is standard enough. It is definition and ownership that must change.”

INDIVIDUAL CONTRIBUTOR

ITO, Technology engineering and operations

About the Author

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Outsourcing and workforce development

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SSRN research paper

Phil Hatch is an outsourcing and workforce-development executive with more than 30 years of experience. He previously led the global outsourcing business of ManpowerGroup/Experis. His work includes service delivery, workforce strategy, and organizational development across industries and countries.

Hatch has also advised governments on labor and economic development, including workforce strategies intended to support investment and employment.

Following Russia's 2022 invasion of Ukraine, Hatch was asked by the U.S. Department of State and USAID to advise Ukraine on workforce and economic development. His work has addressed technology, outsourcing, skills development, and international investment in support of economic recovery.

Through Akholi, Hatch advises organizations and governments on outsourcing and the implications of AI for work and service delivery.

“

last month i ask for someone senior who knows sanctions screening properly, there is nobody free, we get a person off a retail project instead. They say they will revert back on the staffing, nothing comes. That part has not changed at all. But training did improve, the new course on agent monitoring is actually useful and i finish it in two weeks. And my own lead is fine, he shields us where he can. It is the people above him i cannot say anything good about.”

INDIVIDUAL CONTRIBUTOR

ITO, Financial crime and client onboarding

About Akholi

Akholi, established in 2003, is a research and advisory firm focused on outsourcing, service delivery, and global capability centers. Its work includes the 2026 study of 150 agentic AI outsourcing engagements described in this report.

The study examines relationships among financial institution readiness, co-management, vendor capability, AI technology, the third-party ecosystem, and reported engagement outcomes. Its findings are observational and do not establish that any one category is the sole or primary cause of those outcomes.

Akholi applies this research through advisory and educational work with financial institution leaders. Recommendations derived from the study require assessment against the circumstances and evidence of each engagement.

Akholi

PART 6 / 2026 RESEARCH STUDY

The Executive Action Plan

Part 6 proposes seven institutional control actions and a staged implementation schedule extending from the first week through the first year.

Phil Hatch | Akholi

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Full study and supporting data

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The evidence reflects respondents' reported experience. It is not an independent finding of regulatory breach.