

How focusing on ethics can unleash the full potential of AI

Infusing trust to deliver value in a transparent and accountable way



Building a better
working world

Artificial intelligence (AI) is here to stay. AI is transforming our lives at pace, while also redefining industries and enterprise business functions. The UK's National Artificial Intelligence Strategy recognises its potential to drive socioeconomic benefits and position the UK as a global science superpower.

EY teams has surveyed more than 2,000 consumers to gain insight into their understanding of AI, alongside the ethical and data privacy issues it raises. The research findings help unlock the key actions companies should take to ensure greater customer and stakeholder confidence in AI.¹

AI is most simply defined as intelligence displayed or simulated by algorithms, codes or machines; it replicates cognitive functions and tasks such as natural language processing, reasoning, decision-making, problem solving, learning and perception.

While AI brings huge benefits, it also raises ethical risks and considerations, from questions of data control and privacy to the perpetuation of human bias in decision-making. Left unaddressed, these risks could severely undermine customer trust in new technologies, while also negatively impacting confidence in companies which rely on AI.

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1. Survey 'AI and Bias' conducted by YouGov on behalf of EY on 14-15 July 2021.



1

How do consumers engage with AI?

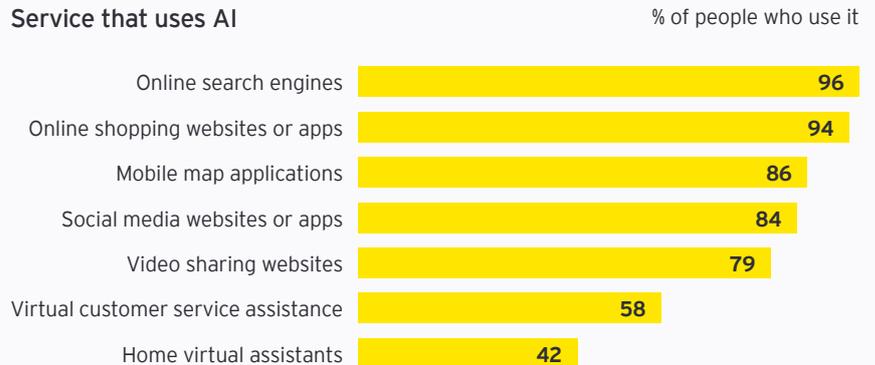


AI underpins everyday online needs

The digital society has come of age

The majority of respondents claim to use services that use AI, ranging from 96% for the most ubiquitous, online search engines, to 42% for more advanced services such as home virtual assistants.

We simply cannot ignore AI. Whether accessing information, consuming content, purchasing online or sharing meaningful experiences, it is woven into the fabric of our society.



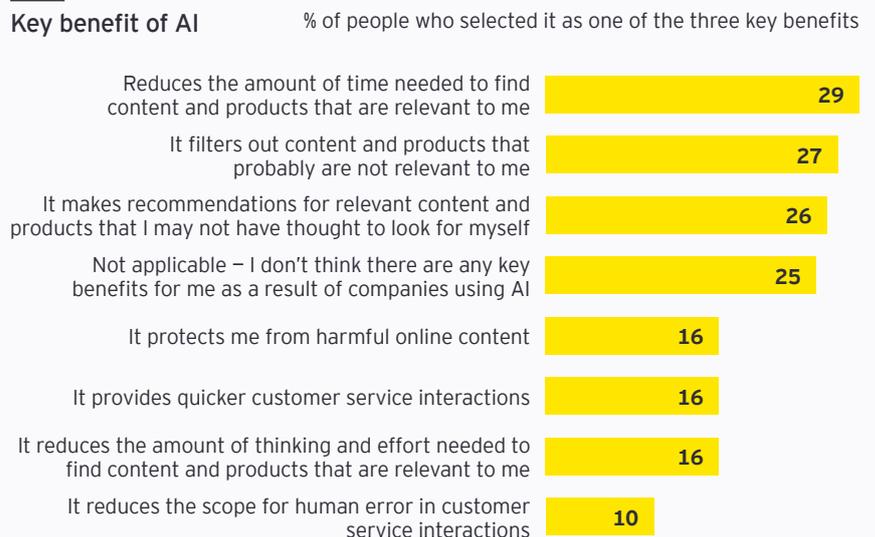
The key benefits of AI: more convenient and relevant services

Yet one in four consumers think there is nothing to gain from AI

Consumers cite speed, personalisation and tailored recommendations as the top three benefits of AI.

AI is revolutionary – its speed, precision and ‘always on’ capabilities deliver a step-change in efficiency and convenience. It can constantly learn and evolve, adapting to people’s needs.

Consumers recognise this, highlighting time savings and increased relevance as AI’s leading benefits. However, not everyone agrees: 25% of respondents don’t think there are any benefits to companies using AI.



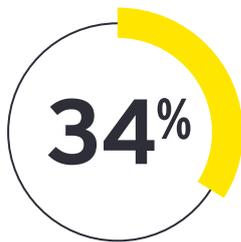
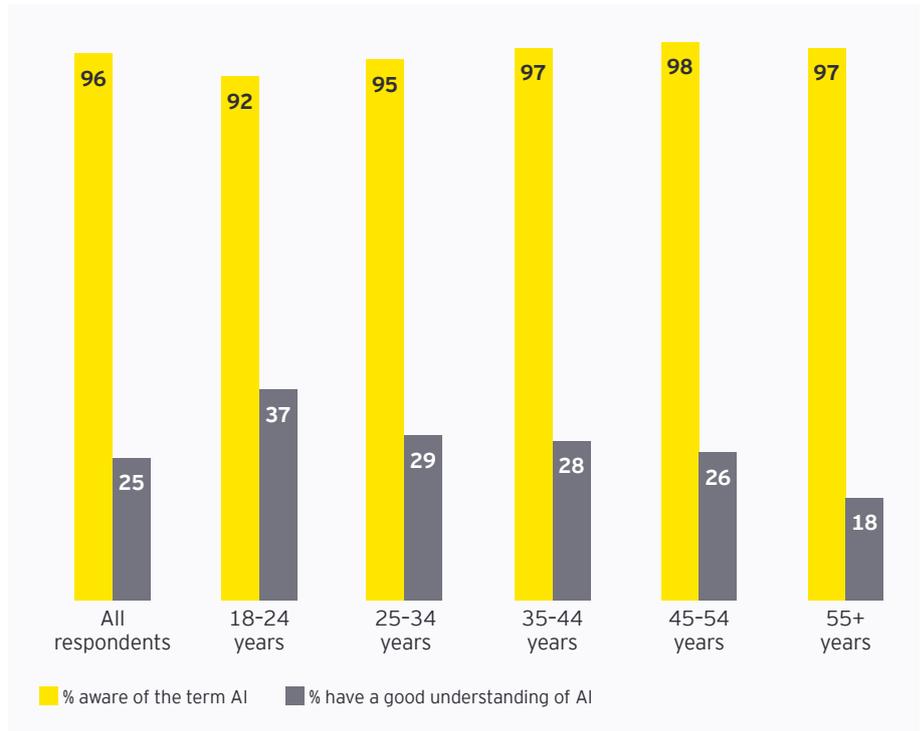
There is a substantial gap between awareness and understanding of AI

Low understanding is greatest among older groups and female respondents

Although 96% of the respondents are aware of the term AI, only 25% claim to have a good understanding of how it is used.

The level of understanding of AI decreases with age – the younger population claim to be better equipped to understand the use of AI in the applications they use on a day to day basis, and this goes hand in hand with their increased social media interaction and digital awareness. Claimed awareness of AI also differs between men and women, with over double the men claiming they have a good understanding of the technology, though actual understanding may differ.

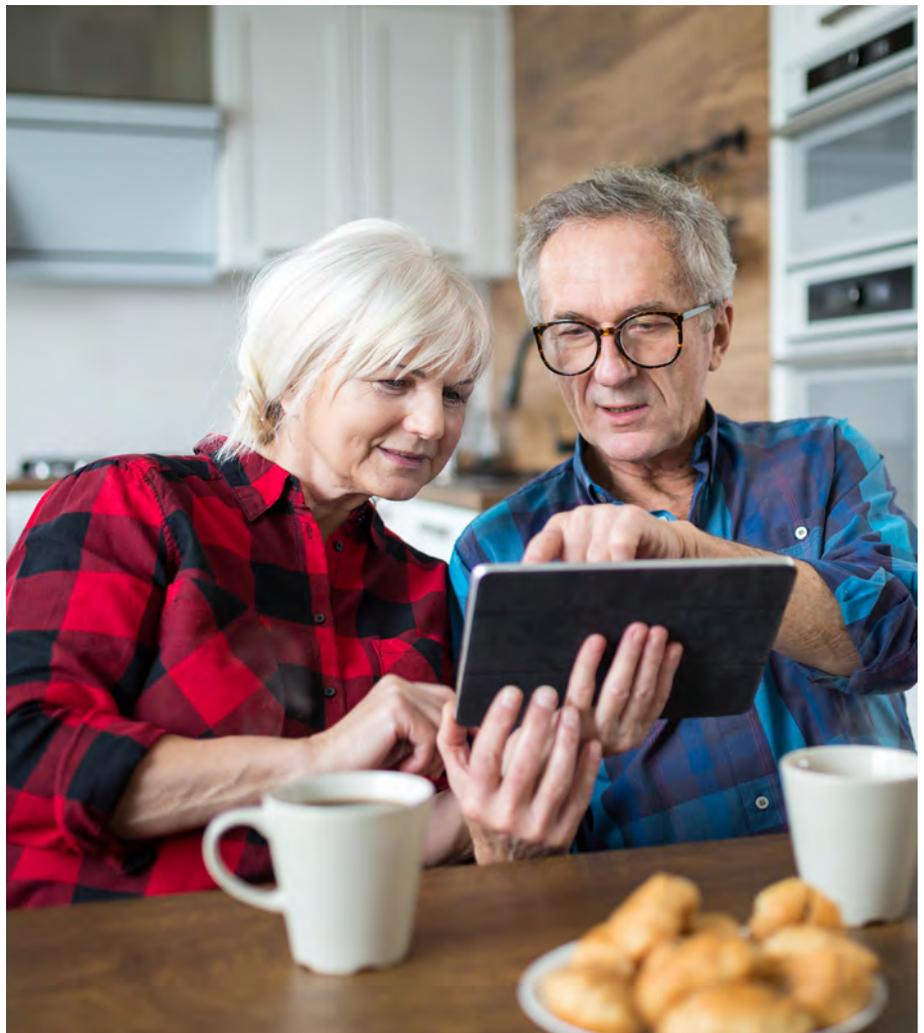
Poor understanding of AI is ultimately the basis for low confidence and trust. As a result, educating customers on what AI is and how it is being used, by whom and what for, is essential.



of male survey respondents were aware of the term AI and have a very good understanding of the meaning.



of female survey respondents were aware of the term AI and have a very good understanding of the meaning.



2

What concerns do consumers have about AI?



Consumers don't know enough about company use and reuse of personal data

More knowledgeable consumers are more fearful of data manipulation

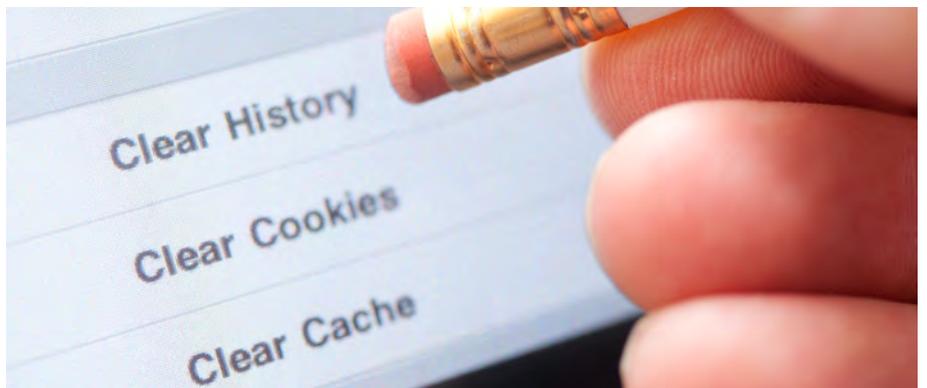
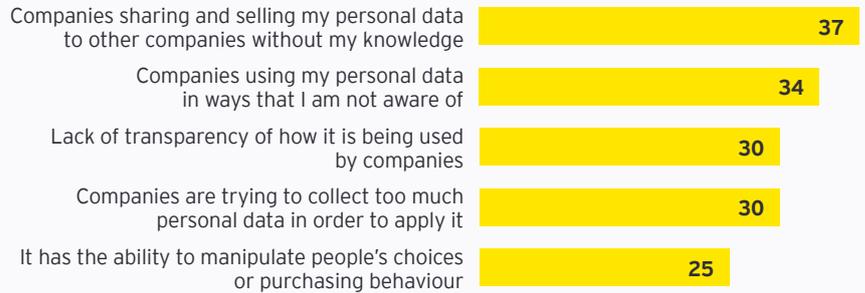
Lack of awareness and knowledge around how companies are using personal data lead the way, with the sharing and selling of data a particular anxiety. The top three reasons – also including a lack of transparency – all underline the inherent problems customers have when it comes to understanding AI.

Interestingly, there is a strong correlation between the level of understanding of AI and concern about manipulation – 6x the number of people with a very good understanding of AI cited manipulation as a concern compared with those with a limited understanding.

This suggests that simply increasing understanding around AI concepts will not address all consumer anxieties. Those with a deeper understanding of AI are more likely to identify more discrete challenges – where improper implementation of AI can negatively impact people's choices. In this light, using AI to customise and personalise products and services requires particular care and attention.

The top five downsides

% of respondents



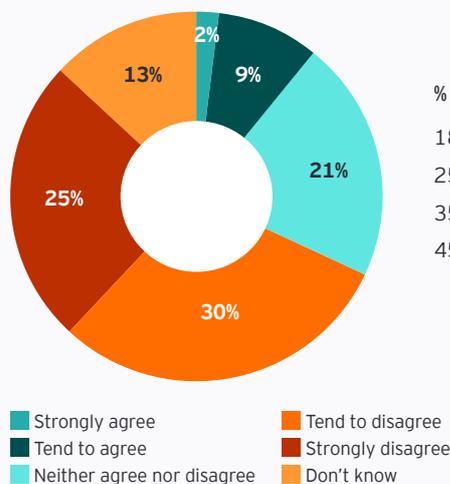
Most consumers believe their privacy is at risk in an AI world

Even younger users feel that their privacy is neglected

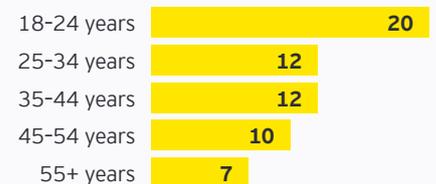
Just 11% of consumers agree that their privacy is protected when companies collect their personal data for use in AI. Thirty-eight percent disagree that this is the case, with one in four strongly disagreeing. Fears around privacy protection are also present among younger groups who have grown up in a world of AI-based internet search engines and social media. Only one in five 18-24 year olds believe their privacy is safeguarded when their data is collected.

As AI evolves, it magnifies the ability to use personal information in ways that can intrude upon private interests – whether that is the release of information which is private, or the creation of new insights based on personal data. With this in mind, trust levels between companies and consumers must be much higher if current and future uses of AI are to overcome these deep-seated concerns around privacy.

I feel that my privacy is protected when companies collect my personal data (e.g., browsing habits, content views) for use in AI



% agree by age group



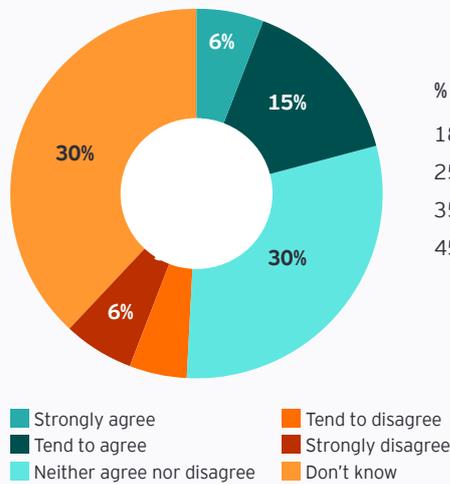
Consumers are not confident that ethnic groups are treated fairly by AI

AI concern is more than a purely personal issue

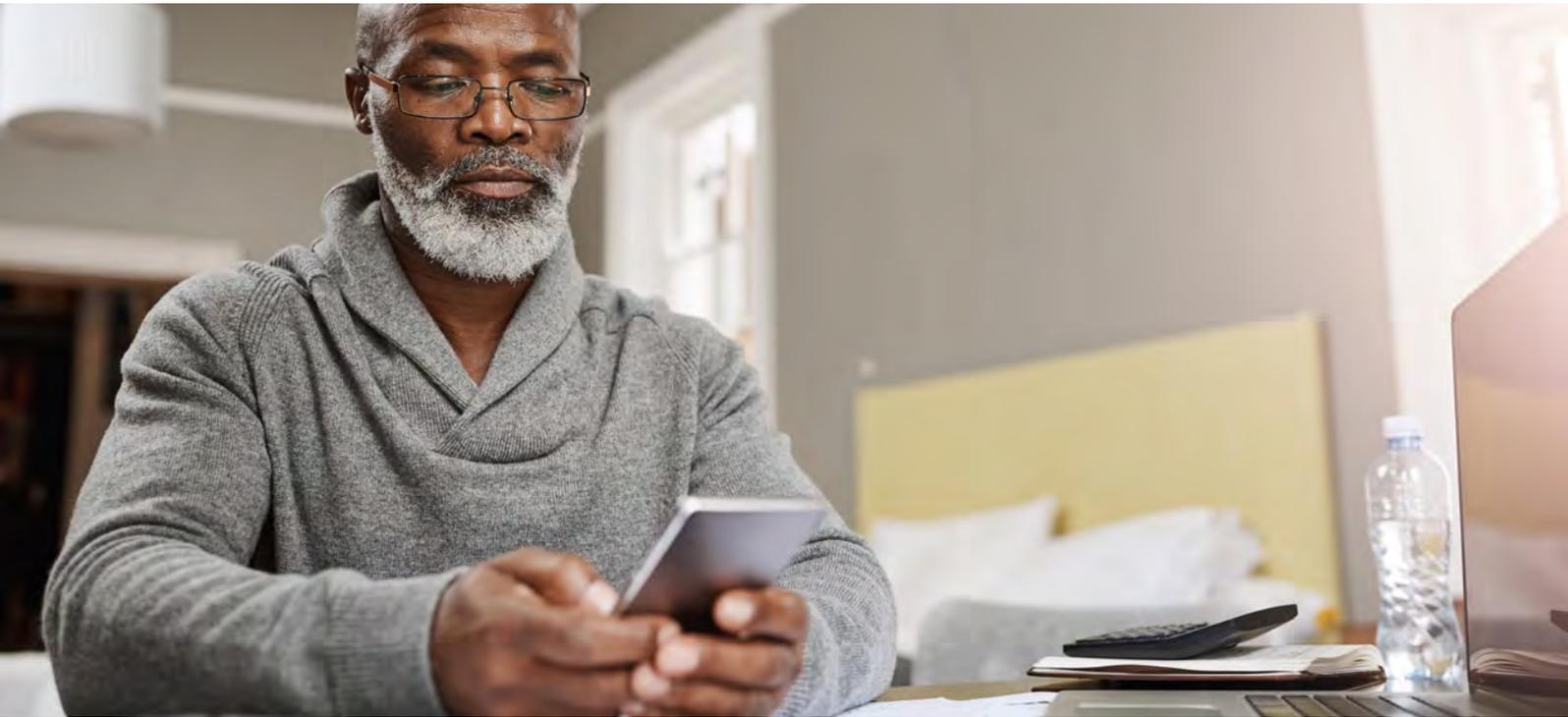
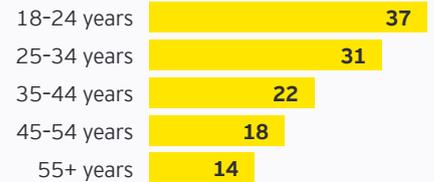
While consumers express clear anxieties about how companies' usage of their data may compromise their need for data privacy at a personal level, AI activities also present risks to people's sense of collective identity, notably in the case of treatment of ethnic groups.

Just one in five respondents believe that their ethnic group is treated fairly by companies' use of AI. This is important, AI-driven recommendations based on ethnicity could prove contentious, especially given the importance of removing unconscious racial bias in society. Nevertheless, consideration of responses by age provides some encouragement: 18-24 year olds are more than twice as likely to agree their ethnic groups are well served by AI, compared with older groups.

Generally my community or ethnic group is fairly treated by companies' use of AI



% agree by age group



Limited transparency: a pain point inside organisations as well as among consumers

Consumers perceive a lack of transparency from companies in terms of how they communicate their use of end-user data, but an imbalance of information affects more than dialogue with customers. Within organisations, knowledge and understanding of AI architecture and algorithms is often concentrated in certain business functions, teams or even individuals.

The ability of AI to create new organisational silos requires attention: without better understanding across the business, companies will struggle to take full advantage of AI while addressing real-world concerns, both inside and outside the organisation.

3

What AI actions do consumers want companies to take?



Consumers want more control over their personal data

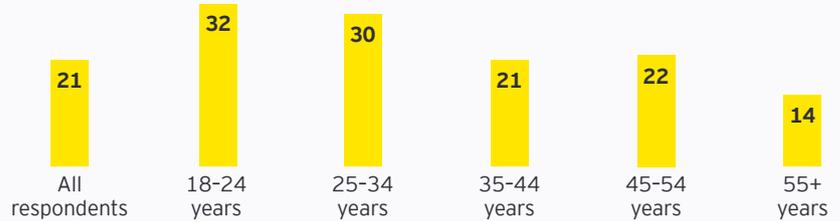
They are prepared to share more data with companies they trust

While companies already allow consumers to opt in and out of data collection, this principle can travel further. Seventy-eight percent of consumers want to be able to easily opt out of personal data collection. The ability to make simple and effective decisions regarding their personal data is overwhelmingly important to end users.

Companies that give consumers a better level of control over their personal data stand to gain but that varies significantly by age. 18-24 year olds are more than twice as likely to share data than those over 55, if they believe they can trust the company and they see a fair value exchange.

Trust is lost when users have no awareness or knowledge as to how their data is being used; worse still, this can spark fears around data manipulation and distortion.

% would be happy to share more personal data with a company that they trust in return for an enhanced user experience



Practical actions are important, whether in terms of having the right two-way communications with companies, or being confident that regulators are providing enough oversight to ensure personal data is safeguarded.



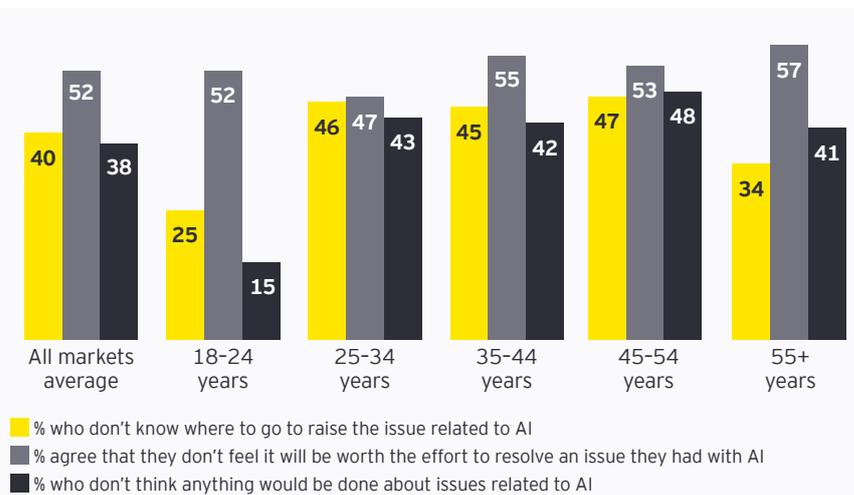
They also want better ways to report their concerns

Many are giving up hope of issue resolution

As companies consider how to improve customer acceptance of AI, practical solutions are essential. Forty percent of all respondents report that they do not know how to raise issues relating to AI. In this light, providing a clear feedback channel is vital: without the right communication mechanisms in place, companies cannot listen to their customers, thereby fundamentally undermining their ability to provide reassurance.

The survey insights also point to a larger problem that requires attention. Thirty-eight percent of respondents don't believe that anything would be done to solve AI concerns, while 52% don't think flagging AI issues is worth the effort.

This mixture of apathy and low confidence is damaging, suggesting that many consumers have given up hope of improvement. However, there are opportunities to make positive changes: only 15% of 18-24 year olds believe that nothing would be done to alleviate their concerns. Companies should take advantage of this relative optimism among younger consumers.



Consumers want proactive action to help combat bias

More than half of respondents don't think companies are doing enough

Fifty-nine percent of consumers don't think that companies are doing enough to ensure that decisions made by AI are free from bias.

This sentiment underlines that consumers are not only looking for practical help in terms of reporting concerns with AI, they want businesses to be proactive. In this light it is vital that companies incorporate strategies and processes that scrutinise AI decision-making principles.



of all respondents agree that companies are not doing enough to ensure that the decisions made by AI are fair, transparent and free from bias.



They are looking at regulators to ensure better AI outcomes

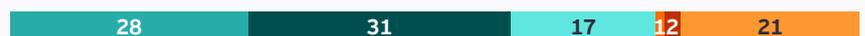
Effective oversight of AI is essential

It's not only businesses themselves that are expected to scrutinise their AI practices with removal of bias in mind. Sixty-one percent of respondents believe that regulators are lagging when it comes to tackling this challenge.

An even higher proportion – 77% – want government or regulators to take meaningful action to address AI usage, by forcing companies to demonstrate their AI practices are fair, transparent and free from bias. While regulation is one of the focal points on the UK's AI strategy, survey responses suggest it is a topic of pressing importance.

Industry regulators are not doing enough to ensure that the decisions made by AI are fair, transparent and free from bias

% of respondents



Companies should be forced to demonstrate to governments/regulators that their use of AI is fair, transparent and free from bias

% of respondents



Strongly agree Neither agree nor disagree Strongly disagree
Tend to agree Tend to disagree Don't know

Recommendations

1

Treat AI as more than a technology

- 1.1 **Put AI on the board level agenda:** make AI ethics a core part of your overall strategy with clear leadership from the top of the organisation, communicating its importance and relevance to each line of business in a consistent way.
- 1.2 **Be proactive towards regulation:** engage proactively with regulators and policy-makers in order to communicate how you are using AI and the steps you are taking to address potential risks.
- 1.3 **Align with ecosystem partners:** collaborate with your partners to build a shared understanding of AI's role in service delivery and a common framework to respond to AI risks.
- 1.4 **Demonstrate transparency and explainability:** make transparency a core principle of your AI system life cycle, in order to build trust within your ecosystem.
- 1.5 **Iterate continuously to improve AI:** build a culture of continuous improvement in your organisation which recognises the central and dynamic role AI will play in the future of your business.

2

Focus on AI's role as a force for good

- 2.1 **Underline AI's positive potential:** provide a long-term vision of AI that accentuates its ability to improve lives, transform societies and address some of the world's most significant macro challenges.
- 2.2 **Educate your customer:** make your customers self-reliant by informing and educating them on the benefits of AI and how it will enhance the products and services they receive.
- 2.3 **Use AI to improve AI:** mitigate the embedded bias in AI systems through the combination of AI as a tool and human oversight.
- 2.4 **Ensure AI's inclusivity:** seek opportunities to use AI across society, enterprise and the economy rather than exacerbating existing bias and vulnerabilities.
- 2.5 **Deploy AI in cyber and privacy:** identify the opportunity for AI to strengthen your organisation's broader cybersecurity and privacy capabilities and infuse these disciplines back into the management of AI.

3

Fix the fundamentals through a human-led approach

- 3.1 **Build trust into the design of your AI:** focus on the quality, integrity and ethical alignment of your algorithms.
- 3.2 **Feed the right data to AI:** relentlessly ensure that data is accurate, clean and inclusive, whilst respecting the wishes of consumers around data collection, usage and storage.
- 3.3 **Form the right teams and train them:** embed teams with the relevant AI skillsets and mindsets, backed by training that sufficiently imparts an understanding of ethical and risk issues.
- 3.4 **Establish clear accountability:** build a human backstop with clear accountability throughout AI design, data, deployment and decision-making to ensure it is intrinsically linked to wider governance framework.
- 3.5 **Manage risks throughout the life cycle:** develop strong real-time risk monitoring and management approaches to mitigate risks associated with AI.

Conclusion

If AI is to realise its full potential, ethics must be at its very core. The impact that AI is already having on lives, societies and economies is transformative, but failure to address ethical concerns, threatens to undermine further adoption and engagement. Only by working together can companies, regulators and the wider stakeholder ecosystem develop an ethical framework that defines how AI must use data, be transparent and accountable and how bias can be eliminated.

“

AI is here, it is omnipresent and has already started to shape our daily lives and businesses and in the very near future it will transform them. The full potential of AI can be unleashed, and it can transform the world but only if ethical concerns are mitigated.

Praveen Shankar

EY UK&I Technology, Media and Telecommunications Leader



For more information on this report, please contact:



Praveen Shankar
EY UK&I Technology, Media and Telecommunications Leader
pshankar@uk.ey.com



Adrian Baschnonga
EY Global Lead Analyst, Telecommunications
abaschnonga@uk.ey.com



Jeremy Foreman
EY UK&I Technology, Media and Telecommunications Director
jforeman@uk.ey.com



Martyn Whistler
EY Global Lead Analyst, Media and Entertainment
mwhistler@uk.ey.com

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