BUSINESS SCHOOL

AALBORG
UNIVERSITY

Master's Thesis 2025

Msc. Economics and Business Administration (International Business)

Regulating AI in Digital Finance: A Cross-National Study on Trust and Perceived Risk

Emilia Pakulnis 20231414

Supervisor:

Svetla Trifonova Marinova

No. of characters: 133 869

Aalborg University Bussines School

Fibigerstræde 2, 9220 Aalborg, Denmark

Acknowledgement

This thesis would not have been possible without the support and contribution of a few key people, to whom I am deeply grateful.

First and foremost, I would like to express my heartfelt thanks to my supervisor at Aalborg University, Svetla Trifonova Marinova, whose guidance, patience, and continuous support were invaluable throughout this entire journey. Her constructive feedback and thoughtful insights helped me make sense of a complex topic and navigate the challenges of writing this thesis with confidence. I sincerely appreciate the clarity and encouragement she provided at every stage of the process.

I would also like to thank the participants who agreed to be interviewed for this study. Their openness and willingness to share their experiences and reflections on AI in finance made this research possible and added valuable depth to my findings.

Finally, I would like to express my gratitude to the AAU Business School for giving me the opportunity to pursue a Master's degree in Economics and Business Administration: International Business and for all the learning experiences that came with it.

Abstract

The growing implementation of Artificial Intelligence (AI) in digital financial services is reshaping the way consumers interact with banks, investment platforms, and fintech applications. AI-based tools such as robo-advisors, credit risk assessment systems, fraud detection algorithms, and automated customer service agents promise to improve efficiency, accuracy, and personalisation. However, these developments also raise concerns about decision-making transparency, data privacy, algorithmic fairness, and user control. While regulators have introduced frameworks such as the EU AI Act, the General Data Protection Regulation (GDPR), and the Digital Operational Resilience Act (DORA) to mitigate such risks and promote trustworthy AI, the real question remains whether these frameworks are understood or trusted by the consumers they are meant to protect.

This thesis investigates how consumers perceive and evaluate risks related to AI in finance and to what extent awareness of regulatory protections influences their trust in AI-powered services. The research draws on a qualitative methodology based on semi-structured interviews with 10 participants from Denmark and Germany. These two countries were selected due to their shared membership in the European Union, yet differing institutional and digital cultures, allowing for cross-national comparison. The study focuses on individual attitudes towards AI tools in financial contexts, perceived benefits and barriers, the role of emotional comfort and human interaction, and the degree of familiarity with existing regulation. The data was analysed thematically, using inductive coding, with specific attention to how consumers make sense of risk, responsibility, and digital trust.

The findings suggest that while consumers generally appreciate the potential benefits of AI in finance, they also experience significant uncertainty when it comes to relying on these systems in high-stakes or sensitive decisions. Risk perception often stems from fears of data misuse, lack of transparency, and the absence of human judgment. Trust was shown to be conditional and shaped not only by the perceived technical competence of AI tools, but also by social signals, institutional credibility, and previous experiences with digital technologies. Interestingly, while many participants had little direct knowledge of AI-related regulation, the mere awareness that some form of oversight exists could provide reassurance. Danish participants tended to associate regulation with general legal compliance and safety, while German participants expressed a stronger desire to understand the content and impact of specific laws before fully trusting AI systems.

Based on these insights, a final conceptual framework was developed, illustrating the key elements influencing customer trust in AI-driven finance: perceived risk, transparency, emotional comfort, social validation, and the visibility of regulation. This framework contributes to ongoing discussions on consumer protection, ethical AI deployment, and financial innovation. By placing the user perspective at the centre, the thesis highlights the importance of aligning regulation, communication, and design with real-world trust dynamics. Ultimately, building trust in AI requires more than just technical accuracy or regulatory enforcement, it requires transparency, inclusion, and meaningful user engagement. These findings can inform financial institutions, policymakers, and designers in shaping future strategies that promote both technological advancement and consumer confidence.

Table of Contents

List of Figures

List of Tables

1. Introduction

The increasing use of Artificial Intelligence (AI) in digital finance has transformed how consumers interact with financial services. AI-powered technologies are designed to enhance security and efficiency. However, despite their benefits, these innovations also raise concerns regarding data privacy, decision-making transparency, and financial risk exposure.

In response to these developments, regulatory frameworks such as the European Union's Artificial Intelligence Act (EU AI Act), the Digital Operational Resilience Act (DORA), and the General Data Protection Regulation (GDPR) have been introduced to ensure responsible AI deployment and protect consumers. Yet, an important question remains: do these regulations effectively foster consumer trust in AI, or do they contribute to further uncertainty? Consumers may perceive AI-driven financial services as both an opportunity and a risk, depending on their knowledge of regulatory safeguards, trust in financial institutions, and sense of control over personal data.

This thesis investigates how consumers perceive risks associated with AI in digital finance and examines whether current regulations help reduce these concerns or introduce new layers of doubt. By focusing on the customer perspective, the study aims to provide insights into how regulatory frameworks influence consumer trust in AI-driven financial services. Understanding these dynamics is crucial for developing policies and technologies that not only protect consumers but also encourage confidence in an increasingly digitised financial ecosystem.

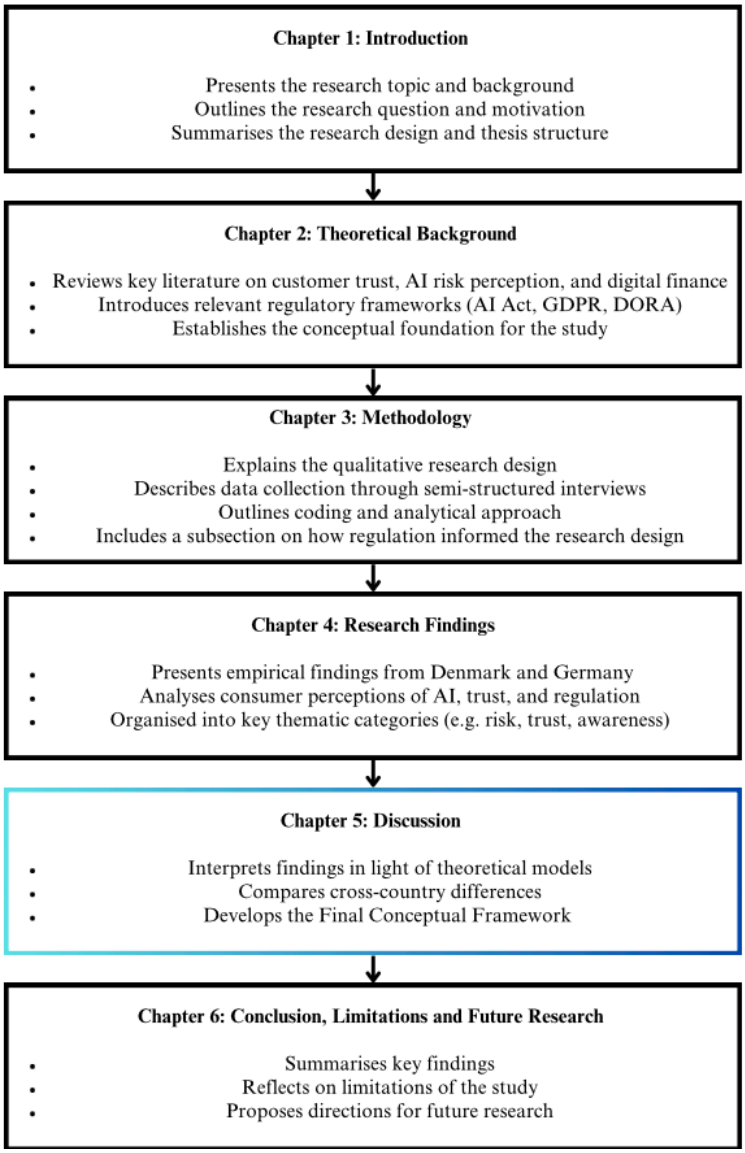
The research follows a qualitative methodology, based on in-depth semi-structured interviews with participants in Denmark and Germany. These countries were selected for their shared European regulatory environment and differing socio-cultural contexts, enabling a comparative exploration of consumer trust, risk perception, and regulatory awareness. The interview data was analysed thematically, allowing the identification of recurring patterns and divergences in how AI is understood and evaluated by users in both countries.

To guide the reader through this investigation, the structure of the thesis is as follows: Chapter 1 introduces the topic, outlines the research problem and summarises the methodological approach. Chapter 2 provides the theoretical background, focusing on key concepts such as trust formation, risk perception in digital finance, and the role of AI regulation. Chapter 3 presents the research methodology, explaining the qualitative design, data collection process, and analytical strategy. Chapter 4 delivers the empirical findings from the interviews,

highlighting participants' views on AI, trust, and regulation in the context of finance. Chapter 5 offers a critical discussion of the findings in light of the theoretical framework, compares perspectives across the two countries, and presents the final conceptual framework that explains how consumers assess trust and risk in AI-driven finance. Chapter 6 concludes the thesis by summarising the key insights, reflecting on limitations, and proposing directions for future research.

As illustrated in Graph 1, this structure provides a logical progression from theoretical grounding to empirical exploration and conceptual synthesis.

Figure 1. Structure of the Thesis (created by the Author)



2. Theoretical Background

A better understanding of how customers perceive risk and build trust in AI-driven financial services is crucial for analysing the impact of AI regulations in digital finance. Existing literature highlights that the integration of artificial intelligence into financial services has not only transformed operational processes but also reshaped consumer expectations, behaviours, and concerns. In particular, scholars have widely examined how the perceived risks associated with AI technologies can create scepticism, emotional hesitation, and resistance among users. At the same time, consumer trust is increasingly recognised as a fundamental factor driving the acceptance and sustained use of AI-powered financial tools. Trust in this context is shaped by both technical factors and contextual ones. Perceived risk and trust form the analytical backbone of this thesis, particularly in relation to how they interact with emerging regulatory frameworks like the EU AI Act, GDPR, and DORA.

This chapter provides a structured overview of the existing academic literature on these interconnected themes. First, it explores theoretical approaches to trust in AI, particularly in the financial domain. Second, it reviews studies related to customer perception of risk in digital finance, identifying key factors that influence user hesitation or engagement. Third, it discusses how regulation can serve both as a trust enabler and as a source of confusion. Finally, the chapter concludes with a critical reflection on gaps in the literature and presents a conceptual framework that integrates the most relevant behavioural and institutional dimensions influencing trust and risk in AI-driven financial services. This framework will guide the empirical analysis and support the interpretation of the qualitative findings presented later in the thesis.

2.1. Theoretical foundations

The ongoing digital transformation of the financial sector has brought about significant changes in how financial services are designed, delivered, and experienced. Central to this change is the growing use of artificial intelligence (AI), a development that has generated both optimism and concerns among stakeholders. As traditional, human-led services are increasingly being replaced by algorithmic systems, understanding how trust and perceived risk influence customer behaviour becomes essential. This is particularly true in the financial sector, where services often involve high stakes, sensitive personal data, and a strong reliance on institutional credibility. Numerous studies have explored how digitalisation changes the way consumers

evaluate risk and place trust in service providers, with a growing body of research now focusing specifically on the role of AI in these dynamics. To understand how AI affects consumer behaviour in digital finance, particularly in terms of trust and perceived risk, this thesis draws upon two key theoretical constructs: trust in digital environments and perceived risk in AI technology. These concepts, which will be discussed in more detail in the sections below, provide the theoretical foundation for analysing how regulation influences consumer perceptions of AI-based financial services in two European countries, more specifically Denmark and Germany.

Firstly, trust is widely recognised in the literature as a key factor influencing customer engagement, particularly in settings characterised by high levels of uncertainty and complexity, such as financial services (Isaeva et al., 2020). In these environments, consumers often lack the technical knowledge or transparency necessary to fully understand how services operate, making trust a crucial substitute for direct control or complete information. According to Cowles (1997), trust develops when customers perceive that a service provider acts in their best interest, consistently delivers reliable services, and safeguards personal data. This foundation of trust is traditionally built through human interaction, reputation, and regulatory compliance. In the context of AI-driven finance, however, this relationship becomes significantly more complex. The "invisible" and opaque nature of algorithmic systems makes it difficult for consumers to assess the competence, transparency, or intentions of the service provider. Algorithms often operate in a so-called “black box” manner, where decision-making processes are not easily explainable, even to the institutions that deploy them. This lack of visibility can create psychological distance between the consumer and the service, leading to a sense of disempowerment or scepticism. Building on this, several scholars have emphasised that trust is not a static concept but rather a dynamic one, which means that it evolves over time and is shaped by a variety of contextual factors, including past experiences, brand reputation, social influence, and the perceived fairness and predictability of the system. As Zulkarnain et al. (2021) highlight, trust is reinforced when consumers believe that financial institutions demonstrate competence, behave with integrity, and genuinely prioritise customer welfare. Yet in AI-based systems, even minor lapses in perceived fairness or clarity can erode this trust. Moreover, concerns about algorithmic bias, data misuse, and lack of human oversight further contribute to an atmosphere of caution. As noted by Isaeva et al. (2020), consumers may question whether AI systems are capable of making ethical or empathetic decisions, particularly when financial outcomes carry significant personal consequences. Thus,

establishing and maintaining trust in AI-driven financial services requires more than technological accuracy. It involves transparent communication, accountability mechanisms, and user-oriented design that align with consumer expectations and values.

Perceived risk is another critical concept that shapes customer behaviour in AI-powered financial services. Mitchell (1999) defines perceived risk as the consumer's subjective expectation of suffering a loss in pursuit of a desired outcome. He highlights that this perceived risk is multidimensional, encompassing financial, social, psychological, and performance risks. Financial services, by their nature, involve significant monetary stakes, which amplifies consumers' sensitivity to potential loss or errors in AI-driven decisions. Rodgers (1961) argued that risk perception is fundamental to consumer behaviour, with risk being "inherent in most purchasing decisions". He identified that perceived risk stems not just from the product but also from the context and the consumer's psychological predisposition towards risk-taking. In digital finance, this context is shaped by rapid technological change, regulatory uncertainty, and the growing complexity of financial products. Even highly sophisticated AI systems can provoke consumer hesitation when their inner workings remain opaque or unfamiliar. This concern is amplified by the lack of human contact, which usually helps to reassure clients and make financial decisions seem more understandable and trustworthy. Additionally, Mitchell (1999) notes that perceived risk is often intensified in situations where consumers lack sufficient knowledge or experience, making financial AI applications particularly vulnerable to scepticism. Many users do not possess the technical expertise to assess how AI systems reach their conclusions, which fosters a sense of uncertainty. For many customers, the inability to fully understand AI-driven systems exacerbates fears of making wrong decisions, suffering financial losses, or losing control over personal data. Moreover, concerns about data misuse, cyber threats, and the irreversible nature of algorithmic decisions can increase the emotional and cognitive burden on users. Consequently, even when AI offers improved efficiency or accuracy, its perceived risks may outweigh potential benefits from the consumer's point of view, especially if transparency and control are lacking.

The literature consistently suggests that trust and perceived risk are deeply interconnected. Trust serves as a key mechanism to reduce perceived risk. When consumers trust the institution or the technology, they are more likely to engage with AI-driven services despite uncertainties (Zulkarnain et al., 2021). In fact, trust can function as a psychological buffer, enabling consumers to tolerate certain levels of risk when using complex or non-transparent technologies. As noted by Pavlou (2003), in online environments where uncertainty and

information asymmetry are high, trust becomes even more essential for facilitating user acceptance. This is particularly relevant in digital finance, where the perceived risks may be substantial. Moreover, perceived risk can also inhibit the formation of trust, creating a feedback loop that influences long-term consumer engagement. Ultimately, these theoretical perspectives underline that both trust and perceived risk are central to understanding consumer behaviour in digital finance. Successful adoption of AI-driven financial services depends not only on technological advancement but also on addressing these psychological and emotional factors that drive consumer decision-making. However, despite the extensive literature on these constructs, relatively little research has examined how trust and perceived risk are shaped by emerging regulatory frameworks in the financial sector. While existing studies often explore trust in AI or algorithmic systems, they rarely consider how regulation affects these consumer perceptions. At the same time, regulatory research tends to focus on compliance and institutional responsibilities, with limited attention given to how regulation influences individual behaviour. This thesis seeks to bridge that gap by exploring how current and forthcoming AI regulations intersect with consumer trust and risk perception in digital finance. In doing so, it contributes to a more integrated understanding of how psychological and regulatory factors jointly influence consumer acceptance of AI technologies in sensitive financial contexts.

2.2. Customer Trust in AI

The concept of trust is crucial to understanding how consumers interact with artificial intelligence in digital financial environments. As AI systems increasingly mediate customer-facing services the issue of trust becomes central to their widespread adoption and sustained use. Unlike human interactions where trust develops through social cues, shared experiences, and emotional connections (McKnight, Cummings, Chervany, 1998), trust in AI must be established through more abstract mechanisms. These include perceptions of the system's competence, transparency, and alignment with user interests, all of which determine whether consumers feel comfortable delegating financially consequential decisions to algorithms. This comfort level is ultimately rooted in trust, which Mayer et al. (1995) define as the willingness of consumers to accept vulnerability when interacting with AI systems, based on expectations that the technology will act competently, ethically, and reliably on their behalf.

In the context of AI, trust is a multidimensional construct that includes perceptions of ability, integrity, and benevolence (Mayer et al., 1995). When users believe an AI system is technically

competent (ability), operates fairly (integrity), and acts in the users' best interest (benevolence), they are more likely to trust and accept it. Wang and Siau (2023) extend this model by noting that, in human-machine interaction, competence refers to the ability of artificial intelligence to perform tasks accurately, integrity refers to the reliability and consistency of its outputs, and benevolence can be translated into system design choices that reflect ethical intentions or user-centred characteristics. These dimensions collectively guide the decision to rely on AI in sensitive domains such as finance. Furthermore, trust in AI is strongly influenced by explainability. Explainable AI techniques enhance user trust by making decision-making processes transparent and understandable. According to Ghazi et al. (2023), the lack of algorithmic transparency is a major barrier to AI adoption in services requiring high levels of accountability. When users cannot interpret or question the decisions made by AI systems, they may perceive those systems as unpredictable or biased. Baron (2023) also argues that trust requires an understanding of why a recommendation or outcome is generated, especially when it involves financial consequences or exposure of personal data. Explicability therefore is used as a cognitive mechanism to fill the knowledge gap between system design and user perception. Multiple studies emphasize that trust is not static but evolves over time. Dietvorst et al. (2015) highlight that users tend to lose trust in algorithms more rapidly than in humans when errors occur, even if algorithms perform better overall. This algorithm aversion indicates that trust in AI is fragile and easily disrupted by perceived failure. Conversely, consistent performance and clarity of purpose can help rebuild trust after a system fails, provided there is sufficient human oversight and recourse. In customer service settings, design plays a central role in fostering trust. Feine et al. (2019) and Einwiller et al. (2000) suggest that social signals embedded in chatbot interactions can make AI systems seem more relatable and reliable. Similarly, Hasan et al. (2023) demonstrate that personalized responses, even when generated by non-human agents, enhance perceived trustworthiness and service satisfaction, especially when privacy and ethical concerns are proactively addressed. Importantly, contextual and demographic factors also shape trust. Aldboush and Ferdous (2023) argue that ethical considerations, such as how customer data is handled, influence perceptions of AI in fintech. Users who are aware of data protection mechanisms tend to report higher trust, particularly when these safeguards are visible during interactions. Their research shows that trust is not merely a function of the technology but also of the institutional and regulatory environment in which it operates. Hasija and Esper (2023) provide further qualitative insights by showing that trust is often co-constructed through past experiences, institutional reputation, and perceived alignment with user values. In high-risk environments like finance, trust is particularly sensitive to uncertainty,

and thus regulations that enforce fairness, transparency, and data protection become critical to trust-building processes.

In summary, customer trust in AI is a layered and dynamic phenomenon influenced by perceptions of competence, integrity, and benevolence, but also by regulatory context, system design, and explainability. As AI continues to mediate key aspects of financial decision-making, fostering trust through transparent, ethical, and user-aligned systems will be central to broader societal acceptance.

2.2.1. The impact of AI regulation on consumer trust

The regulation of artificial intelligence in the financial sector is crucial in shaping the level of consumer trust in digital financial services. In studies related to technology acceptance and digital finance, consumer perceptions, such as perceived trust, perceived risk, and perceived control, play a significant role in shaping behaviour (Mitchell, 1999). Concepts such as perceived trust, risk or control are structured and measurable elements of consumer behaviour analysis. In contrast to general emotions or intuitive feelings, they allow researchers to more precisely understand and compare how customers perceive new financial technologies. As As Pattit et al. (2024) highlight, customers' trust in financial institutions depends not only on their direct experience with the technology itself, but also on the broader ecosystem in which this technology operates e.g. the regulatory framework. Regulatory mechanisms provide a structural layer of protection, establishing legal standards for transparency, accountability, and data privacy. When effectively communicated, these mechanisms can create a baseline of security that reassures consumers, particularly those who may feel uneasy about the opaque or autonomous nature of AI systems. In this way, regulation becomes an indirect but powerful driver of consumer trust. However, the relationship between regulation and trust is not always straightforward. While clear rules and legal safeguards can foster a sense of control, overly complex or restrictive regulation may have the opposite effect. As noted in the European Banking Authority's (2024) latest report, excessive regulatory interventions can sometimes be interpreted by consumers as a sign that the technology in question is risky or potentially harmful. This can lead to heightened caution or even rejection of AI-based services. For instance, mandatory explainability requirements, which aim to increase algorithmic transparency, may unintentionally reduce the perceived performance or efficiency of AI tools. Especially if technical trade-offs compromise their effectiveness in decision-making (Adewale, 2024). This paradox illustrates a key regulatory dilemma: consumers want systems that are both transparent and effective, yet in practice, these objectives can be difficult to reconcile.

Striking the right balance between innovation and consumer protection is therefore a central challenge for policymakers and industry actors alike. On one hand, consumers increasingly expect financial services to be not only safe and compliant but also fast, personalised, and digitally accessible. On the other hand, a regulatory environment that is too rigid may discourage financial institutions from experimenting with new AI-driven solutions due to the risk of non-compliance or reputational harm. Menezes et al. (2024) argue that consumers evaluate AI services not just on the basis of security or legal conformity, but also in terms of convenience, responsiveness, and added value. In this sense, regulation can no longer be viewed merely as a set of restrictions, but rather as a tool for shaping a trustworthy digital ecosystem. However, even the most sophisticated regulatory initiatives will have limited impact on trust if consumers remain unaware of their scope or implications. Educational efforts are essential for translating legal safeguards into actual consumer confidence. Simplified disclosures, interactive explanations of how AI systems function, and tools that help users understand algorithmic decisions can all contribute to making regulation more tangible. When consumers feel included in broader conversations about fairness, accountability, and the ethical design of AI, they are more likely to view these technologies as working in their interest and worthy of trust.

In summary, the impact of AI regulation on consumer trust is multifaceted. While a well-designed regulatory framework can serve as a foundation for trust by providing legal clarity and safeguards, it must also be flexible enough to support innovation and be accompanied by efforts to educate and empower consumers. Only when regulation, system design, and consumer awareness operate in tandem can trust in AI-driven finance be meaningfully sustained.

2.3. Customer Perception of Risk in AI-driven Finance

The integration of artificial intelligence (AI) in financial services has transformed the way consumers interact with banking, credit, and investment platforms. These technologies offer enhanced automation, speed, and personalization. However, customer adoption is far from universal. While some appreciate the efficiency gains, many remain cautious due to a variety of perceived risks. One of the central concerns relates to the opacity of AI systems. Many AI-based financial tools operate as so-called “black boxes,” producing outputs that are difficult for the average consumer to understand or interrogate (Adewale, 2024). This lack of explainability can undermine users’ confidence, especially in contexts where AI is involved in critical

decision-making such as credit scoring, insurance assessment, or investment recommendations. Customers fear that without knowing the logic behind the decision, they may be treated unfairly, and they would have little recourse to contest outcomes. Closely linked to this is the issue of algorithmic bias. When AI systems are trained on biased historical data, they may inadvertently perpetuate or even exacerbate inequalities. For example, certain demographic groups may be at a disadvantage in credit evaluations or risk assessments (Menezes, Kavyashree & Naik, 2024). This raises concerns about financial inclusion and fairness, particularly among already marginalized population. In addition to these technical concerns, data privacy and cybersecurity risks are particularly significant. AI systems rely on vast amounts of consumer data to generate accurate predictions and recommendations. This reliance increases the surface area for potential data breaches or misuse. Customers may worry about unauthorized third-party access, identity theft, or surveillance, especially in the absence of clear information on how their data is stored and used (Botunac, Parlov & Bosna, 2024). Such fears are not unfounded, given data leaks and the increasing frequency of cyberattacks targeting financial institutions. Beyond these structural and systemic concerns, psychological and emotional factors also influence how consumers perceive risk. Financial decision-making inherently involves a degree of uncertainty, and for many individuals, the idea of entrusting complex, high-stakes choices to an algorithm triggers anxiety. Research shows that users with low digital literacy, limited prior exposure to financial technology, or culturally ingrained scepticism toward automation are less likely to adopt AI-based tools (Menezes et al., 2024; Paul, 2022). Perceived risk, therefore, cannot be reduced to objective measures of system performance. It is also constructed through subjective experiences, cultural contexts, and communication gaps. For instance, if AI-enabled decisions are not accompanied by understandable justifications, users may view the entire process as arbitrary or even hostile. This is especially sensitive in services, where personal financial implications are high, but human contact is minimal.

Furthermore, perceptions of risk are strongly shaped by trust in financial institutions and their perceived accountability. Consumers may tolerate certain levels of technological uncertainty if they believe the bank or financial entity using the AI is reputable and acting in their best interest. In contrast, even technically sound AI systems may be rejected if consumers sense a lack of transparency, fairness, or ethical oversight (Adewale, 2024, Pattit & Pattit, 2024). This dynamic underscore the importance of institutional context in mediating the customer–AI relationship.

In sum, the perception of risk in AI-driven finance emerges from an interplay between technological complexity, data governance, individual literacy, and institutional credibility. For AI to be successfully adopted in consumer finance, service providers must go beyond compliance and actively address the emotional, cognitive, and ethical dimensions of customer trust.

2.3.1 Key risks of AI in finance

Artificial intelligence (AI) is increasingly finding its way into the financial sector, bringing numerous benefits to both institutions and customers. Process automation, rapid data analysis and intelligent algorithms allow for more efficient risk management, fraud detection and personalisation of financial offers. However, despite these advantages, AI also raises numerous doubts, especially among customers who approach modern technologies affecting their finances with caution. Can we fully trust artificial intelligence in finance? Although AI-based systems are becoming more advanced, there is still a risk of wrong decisions, algorithmic biases or privacy breaches. Many are concerned that algorithms may act in an unintelligent manner, which could lead to unfair treatment of users. In addition, the financial sector's reliance on artificial intelligence raises questions about data security and the potential consequences of cyber attacks. This chapter will discuss the key risks associated with the use of AI in finance, such as lack of algorithmic transparency, systemic risk, privacy breaches and vulnerability to manipulation. Understanding these risks is important for both regulators and customers themselves to make informed decisions about the use of AI-based financial services.

One of the primary concerns is the lack of explainability in AI-driven decision-making. Many financial AI models operate as "black boxes," where the rationale behind their predictions and outcomes is difficult to interpret. This lack of transparency raises ethical and legal questions, particularly in credit approvals or investment decisions, where customers may be unaware of the factors influencing their financial opportunities (Adewale, 2024). Additionally, algorithmic bias remains a persistent issue. AI models trained on biased datasets can inadvertently reinforce existing inequalities, disproportionately affecting vulnerable populations in areas such as lending and insurance assessments (Menezes, Kavyashree & Naik, 2024). Another significant risk is data privacy and security. AI systems rely on vast amounts of personal and financial data, making them attractive targets for cybercriminals. Unauthorized data breaches and cyberattacks can expose sensitive financial information, undermining consumer trust and leading to regulatory penalties (Botunac, Parlov & Bosna, 2024). Moreover, the increasing reliance on third-party AI providers further complicates accountability and data protection

measures, requiring financial institutions to adopt stringent cybersecurity frameworks. Regulatory compliance challenges present additional risks. As AI adoption outpaces legislative developments, financial institutions must navigate a complex regulatory landscape, ensuring that their AI applications comply with evolving legal requirements such as the EU's AI Act and General Data Protection Regulation (GDPR). Failure to adhere to these regulations can result in legal repercussions and reputational damage, further affecting consumer confidence in AI-driven financial services.

Given the various risks associated with AI in financial services, establishing and maintaining consumer trust becomes a critical factor for adoption and long-term success. Research highlights that trust is shaped by factors such as transparency, perceived fairness, and the reliability of AI-driven systems (Pattit & Pattit, 2024). Without clear explanations of AI decision-making processes, customers may remain sceptical and hesitant to fully engage with AI-powered financial solutions (Menezes et al., 2024). Additionally, concerns about data security and privacy play a major role in shaping consumer attitudes toward AI in finance. As trust is a fundamental element in financial decision-making, understanding how AI systems can foster or undermine it is crucial for financial institutions aiming to enhance customer confidence (Adewale, 2024). To build trust, financial institutions need to ensure that AI systems operate ethically and provide clear, understandable information about their decisions. Customers are more likely to trust AI-based financial tools when firms actively demonstrate transparency, integrity and data security (Adewale, 2024). Implementing understandable AI solutions, improving user education and reinforcing strong compliance can significantly increase customer trust. Furthermore, personal experiences, brand reputation and previous interactions with financial institutions influence how much trust consumers place in AI systems (Pattit & Pattit, 2024).

2.4. Literature Criticism and Conceptual Framework

This thesis set out to examine how consumers perceive risk and trust in relation to AI-driven financial services and how regulation may influence these perceptions. To achieve this, the literature review explored theoretical frameworks related to trust formation, risk perception, digital financial behaviour, and the regulatory environment surrounding artificial intelligence. However, during the review process, several gaps and inconsistencies emerged, leading to the development of a tailored conceptual framework that integrates these fragmented perspectives.

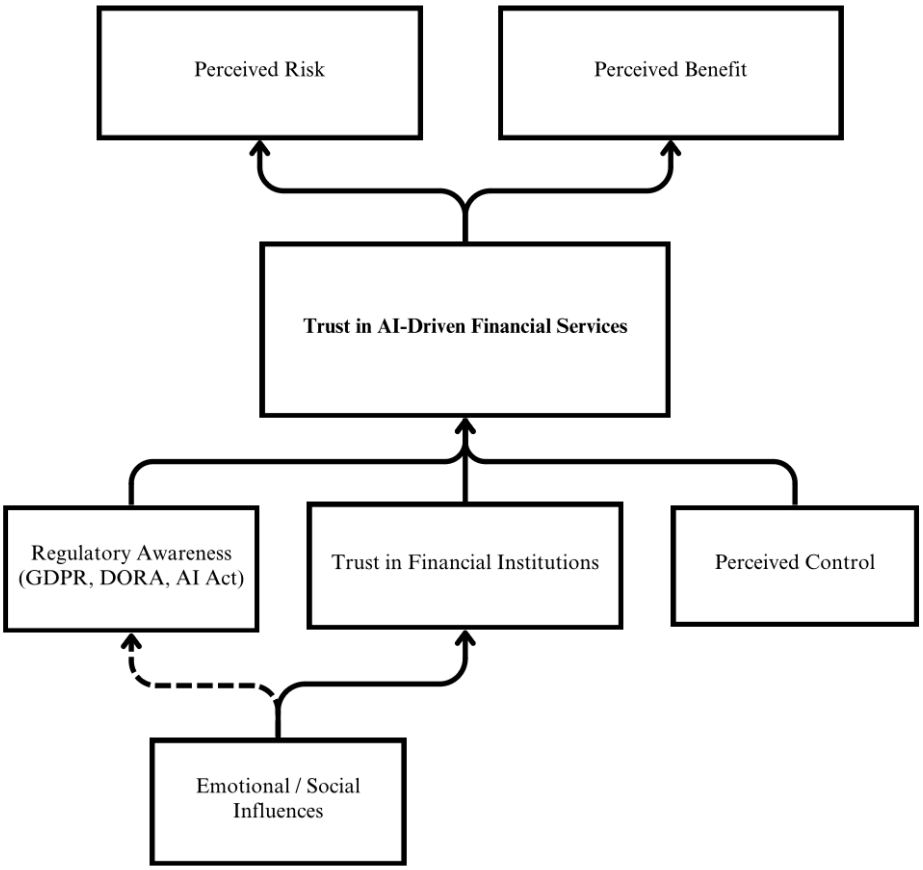
One of the key limitations in existing literature lies in the fragmented treatment of trust and risk. While models such as Mayer et al.'s (1995) framework on trust are widely cited, many studies fail to situate this model within the specific context of AI in financial services. The literature often assumes a uniform understanding of trust, without accounting for how perceptions differ depending on the complexity of AI systems, user familiarity, or contextual sensitivity such as personal finance. Similarly, while research on perceived risk addresses factors like data privacy, bias, and algorithmic opacity, it rarely considers how these risks are subjectively constructed by consumers who may lack technical literacy or experience with AI tools. As a result, the literature does not fully explain how consumers form their impressions of AI technologies, nor how these impressions are shaped by regulatory visibility, human interaction, or social influence.

Moreover, much of the literature treats regulation as either a structural safeguard or an external constraint on innovation. Although regulatory frameworks such as the GDPR, DORA, and the AI Act are discussed in terms of their legal mandates, there is limited discussion on how these frameworks are perceived by consumers or how they translate into practical trust-enhancing mechanisms. This creates a gap between legal theory and actual consumer experience. As this thesis demonstrates, regulation is not only a matter of compliance but also a symbolic factor that influences whether users feel protected and informed. The regulatory frameworks' visibility and clarity, or lack thereof, play a crucial role in how consumers evaluate their safety and agency when using AI tools. Additionally, the literature inadequately addresses emotional and social drivers of consumer behaviour. While technical functionality and institutional credibility are essential, qualitative findings from this study show that emotional comfort, social validation, and perceived control are equally important in determining trust. Consumers often base their evaluations not on factual knowledge but on social cues, peer opinions, or general narratives surrounding AI. These psychological and sociocultural elements are frequently neglected in theoretical models, resulting in a conceptual gap between the technological and human dimensions of AI adoption.

In response to the gaps highlighted in the literature, this thesis introduces an integrated framework to better understand how consumer trust in AI-powered financial services is shaped. At its core, the model views trust as a multidimensional concept that emerges from the interplay between perceived risks and perceived benefits. Perceived risks include concerns about data misuse, lack of transparency, and potential financial loss. In contrast, perceived benefits refer to greater efficiency, improved personalisation, and enhanced security in financial services.

These perceptions are not formed in isolation, they are shaped by individual awareness of regulations, trust in institutions, and a sense of personal control over one's data. The framework also takes into account psychological and social dimensions, which often guide decision-making, especially when technical understanding is limited.Bringing these aspects together allows for a more complete view of how trust in AI develops within the context of digital finance. This model lays the groundwork for the empirical analysis that follows, and supports a more nuanced exploration of how people respond to the growing presence of AI in financial services.

Figure 2. Conceptual Framework- Factors Influencing Consumer Trust in AI-Driven Financial Services (created by the Author)



As illustrated above, the conceptual framework integrates perceived risk, benefit, regulatory and emotional dimensions to explain how consumers form trust in AI-based financial services.

3. Methodology

This chapter presents the methodological foundation of the study, outlining the philosophical positioning and research approach applied to investigate consumer trust in AI-driven financial services. The methodological choices made throughout the research process reflect specific assumptions about the nature of reality, knowledge generation, and human perception. These assumptions are grounded in a critical realist philosophy, which recognizes the existence of an objective reality while acknowledging that individuals interpret and engage with it in subjective ways.

Building on this philosophical orientation, the study adopts a qualitative approach to explore the emotional, cognitive, and behavioural dimensions of consumer trust in financial AI applications. The research is designed to capture nuanced insights into how individuals perceive risk, assess the credibility of AI systems, and respond to regulatory frameworks in the context of digital finance. The chapter outlines the method and research design employed to address the research objectives, detailing the data collection strategy, participant selection, and interview structure. It further explains the analytical techniques used to interpret the findings, with a particular focus on thematic analysis and pattern recognition. This methodological framework ensures a comprehensive understanding of how trust is formed and challenged in an increasingly automated financial environment.

3.1. Philosophy of Science

In any research project, the philosophy of science defines the researcher's worldview and sets the foundation for how reality is perceived, interpreted, and studied (Kuada, 2012). As Andreas Beck Holm (2018) describes, the philosophy of science is the "systematic study of how scientific knowledge is produced, substantiated and used in society." This perspective is particularly important in qualitative research, where subjectivity, meaning, and social interpretation play central roles. This study aims to explore how consumers perceive the use of AI in financial services, especially in the context of trust, perceived risk, and the role of regulation. The research is inherently shaped by the researchers' assumptions about what constitutes valid knowledge, how knowledge is generated, and how social reality is constructed, all of which are addressed through ontological and epistemological positions.

3.1.1. Ontological Position

Ontology refers to how researchers understand the nature of reality. In this thesis, reality is seen as socially constructed and shaped through individual experience and perception. Rather than assuming a single, objective truth about how AI and regulations function in the financial sector, the study acknowledges that consumers construct their own understanding based on their knowledge, emotions, and previous interactions. This aligns with the interpretivist paradigm, where reality is understood as subjective and context-dependent (Kuada, 2012). Therefore, the study explores not how AI objectively works in finance, but how it is perceived, trusted, or feared by individuals, moreover how regulatory frameworks influence this perception.

3.1.2. Epistemology Position

Epistemology deals with how knowledge is acquired and what counts as valid knowledge. From this perspective, the study adopts a subjective, interpretative stance. It assumes that understanding consumer trust in AI-driven financial services requires accessing individual narratives and perspectives through qualitative methods such as semi-structured interviews. Knowledge in this context is not discovered from a distance, but co-constructed through dialogue and interpretation. Rather than aiming for universal truths, the research seeks to uncover patterns, shared meanings, and variations in how people make sense of AI in finance and the role of regulation in that process.

3.1.3. Research Paradigm – Critical Realism

This research is grounded in critical realism, a paradigm that bridges the gap between positivism and interpretivism. Critical realism acknowledges the existence of an objective reality, but also recognises that our access to this reality is always mediated by social, cultural, and cognitive filters (Easton, 2010). In this study, it shows the institutional presence of AI systems and financial regulations. Critical realism is particularly appropriate for studying phenomena like consumer trust and regulatory influence because it allows for both structural analysis (examining the role of institutions, laws, and technologies) and interpretative understanding (exploring how these structures are perceived and experienced by individuals). As Sayer (2001) notes, social phenomena are concept-dependent, they must be interpreted through human meaning-making, even if they exist independently of any single interpretation. Applying this paradigm enables the research to investigate how regulation shapes trust in AI technologies, and how individual perception is influenced by broader institutional settings.

3.2. Research design method

A research design method provides the strategic framework that guides the collection, analysis, and interpretation of data. It ensures that the study's objectives are addressed systematically and aligns the research with theoretical frameworks. The aim of this research is to analyse the role of trust and perceived risk in consumer acceptance of AI-driven financial services. As artificial intelligence becomes increasingly integrated into the financial sector, understanding how consumers perceive the risks and trustworthiness of AI-based decision-making is crucial. The study examines the factors influencing consumer trust and explores how individuals perceive and navigate the risks associated with AI-driven financial services. This research adopts a qualitative approach to explore the complexities of consumer trust in AI-driven finance. Given the nature of the study, semi-structured interviews are used to gain in-depth insights into consumer attitudes, concerns, and decision-making processes when interacting with AI-powered financial services. The qualitative approach allows for a deeper understanding of subjective perceptions of trust and risk, which are difficult to quantify using numerical data alone. Furthermore, this study follows an inductive approach, which aligns with the exploratory nature of the research. Rather than beginning with a theoretical hypothesis, the research builds understanding from the ground up by allowing insights to emerge from participants' perspectives and experiences. This inductive reasoning supports the identification of recurring themes and meaning structures, making it particularly suitable for a qualitative investigation of trust and perceived risk in AI-driven financial services. It also complements the critical realist stance by bridging observed empirical data with deeper conceptual understanding, without assuming a fully objective or predetermined framework. A purposive sampling strategy is applied, ensuring that participants have relevant knowledge of AI-driven financial services. The insights gathered from the interviews will help build a framework for enhancing trust and reducing perceived risks in AI-driven finance.

This study contributes to a broader understanding of consumer trust in AI-driven financial services, offering insights into how individuals perceive and navigate AI-related risks. The findings will help identify key factors that influence trust and perceived security, providing a foundation for improving consumer experiences in AI-powered finance.

3.3. Data selection

The study targeted individuals who demonstrated relevant knowledge or awareness of AI-powered financial services, regardless of whether they had directly used such technologies. A

purposive sampling strategy was employed to ensure the inclusion of participants with diverse levels of financial awareness, digital literacy, and familiarity with AI applications in finance. This approach was selected to gather rich, varied insights into consumer perceptions shaped by different experiences and contexts. Participants were recruited from Germany and Denmark, two countries with advanced digital infrastructures and active financial technology sectors. The sample included individuals from a range of age groups, professions, and educational backgrounds, ensuring that the collected data would reflect a broad spectrum of views. By incorporating perspectives from users with different degrees of exposure to AI technologies, the study aimed to capture both informed scepticism and openness to innovation, which are crucial for exploring trust and perceived risk in the financial use of AI. This diverse selection allowed for a deeper exploration of how demographic and experiential factors influence consumer attitudes towards AI-driven tools

3.4. Data collection

The data for this study was collected through in-depth, semi-structured interviews with individuals from Germany and Denmark who possess relevant knowledge of AI-powered financial services. Participants were selected based on their familiarity with financial technologies involving artificial intelligence, which ensured a diverse range of perspectives on consumer trust and perceived risk. The interviews were designed using a structured framework but remained flexible to allow for the inclusion of new insights as they emerged during the conversations. The questions were developed to explore key themes such as consumer behaviour and AI usage, general perceptions of AI in finance, trust and risk perception, awareness of AI regulations, and future expectations. Examples of interview questions included: "How do you typically manage your finances?", "Have you ever used AI-powered financial tools such as fraud detection systems or robo-advisors?", "What is the first thing that comes to your mind when you think about AI in banking or finance?", and "Do you generally trust AI-powered financial services?", “What factors make you trust or distrust AI-powered financial services?”, “Are you aware of existing AI regulations in financial services?”, “Do you think AI regulations effectively protect consumers from potential risks?”, “Do you think stricter AI regulations would make you more likely to use AI-powered financial services?”, “What would need to change for you to feel fully comfortable and trusting toward AI-powered financial tools?”. Interviews were conducted either in-person or via online communication platforms such as Microsoft Teams, depending on the availability and preference of the participants. Conversations were held in English or German, and then translated to English, to

ensure that participants could express their views comfortably. Minor adjustments to the interview guide were made when necessary to capture unexpected but relevant insights. All interviews were conducted in real time and recorded with the explicit consent of the participants to ensure the accuracy and reliability of the data analysis. The recordings were subsequently transcribed and prepared for thematic analysis.

Table 1. Demographic characteristics of the interview respondents (Author's own data)

Case Pseudonym	**Informants**	**Age**	**Based country**	**Primary Data**
G1	Marketing and Sales Student/ Commercial Excellence Student Worker	24	Germany	1x Interview (12 min)
G2	Accountant	24	Germany	1x Interview (12 min)
G3	Marketing and Sales Student	23	Germany	1x Interview (14 min)
G4	Entrepreneur/ Restaurant owner	41	Germany	1x Interview (17 min)
G5	Technical project management	26	Germany	1x Interview (15 min)
D1	Bank Employee with marketing	28	Denmark	1x Interview (10 min)
D2	Physiotherapist Student/ Disability Assistant	21	Denmark	1x Interview (18 min)
D3	Law Student	25	Denmark	1x Interview (25 min)

D4	Marketing and Sales Student	24	Denmark	1x Interview (15 min)
D5	Elementary school teacher student	28	Denmark	1x Interview (15 min)

A total of 10 interviews were conducted, each lasting between 10 and 25 minutes. The interviews took place in April 2025. The number of interviews allowed for an appropriate level of data saturation, providing a balanced and comprehensive analysis of consumer trust in AI-based financial services.

3.5. Data analysis

The data analysis in this study followed a structured qualitative approach, incorporating thematic analysis to identify key patterns in consumer trust towards AI-powered financial services. A three-step process was employed to systematically interpret the data and derive meaningful insights. The analysis began with an in-depth review of academic literature on consumer trust, AI ethics, and risk perception in financial services. This step helped establish the key theoretical concepts related to trust formation, transparency, and perceived risks of AI-powered financial tools. The literature review also guided the development of an analytical framework that structured the interpretation of empirical data. The second stage involved processing and analysing the collected interview data. The recorded interviews were transcribed and analysed using NVivo 15 software. Key phrases, statements, and themes related to trust in AI-driven financial services were identified and coded. Codes were developed based on recurring content across the interviews and included the following categories: perceived lack of control and limited knowledge about AI tools, preference for human interaction in financial decision-making, awareness of AI regulations, concerns about data privacy and errors in algorithmic decisions, as well as expressions of trust or distrust in AI based on personal experiences. Additional codes focused on positive perceptions of AI, such as perceived efficiency, time-saving potential, and future expectations related to financial automation, as well as on the perceived need for increased awareness and transparency.

Once the data was coded, thematic clustering was applied to group related insights and identify connections between themes. This allowed for the creation of hierarchical structures and a deeper exploration of interrelations between consumer trust, risk perception, and AI

transparency. Recurring patterns were identified, along with variations in trust levels based on participants' financial knowledge and previous experiences with AI-powered services. In total, 14 codes were identified through the coding process. These codes were refined and clustered into four overarching themes: 1.Trust in AI and Human Preferencess, which includes codes such as Trust in AI Financial Tools and Human Interaction in AI; 2.Perceived Risks and Algorithmic Concerns, encompassing Mistakes made by AI, Sense of Risks, and Data Privacy; 3. Regulatory Awareness and Impact, with codes like Knowledge about Regulations and The Impact of the Regulations on Consumer Perceptions; and 4. User Perceptions of AI in Finance, which integrates insights from Benefits of AI, Experience and Knowledge with AI, and Future Expectations. This thematic structure enabled a deeper interpretation of how consumers perceive trust and risk in AI-powered financial services and highlighted the multi-dimensional factors shaping these perceptions. A visual code summary (see Table 2) presents the frequency and distribution of key themes across participant responses, reinforcing the analytical rigor and transparency of the coding process.

Table 2. Frequency and Distribution of Key Themes (Author's own data)

Name	Sources	References
Awareness and Knowledge	0	0
Knowledge about Regulations	5	8
Need for Increased Awareness	5	6
The Impact of the Regulations on Consumer Perceptions	9	24
Consumer Perceptions of AI in Finance	0	0
Benefits of AI	5	6
Digital Financial Behaviour	10	10
Experience and Knowledge with AI	9	15
First thought about AI in finance	8	11
Future Expectations	9	10
Perceived Risks and Barriers	0	0
Mistakes made by AI	4	6

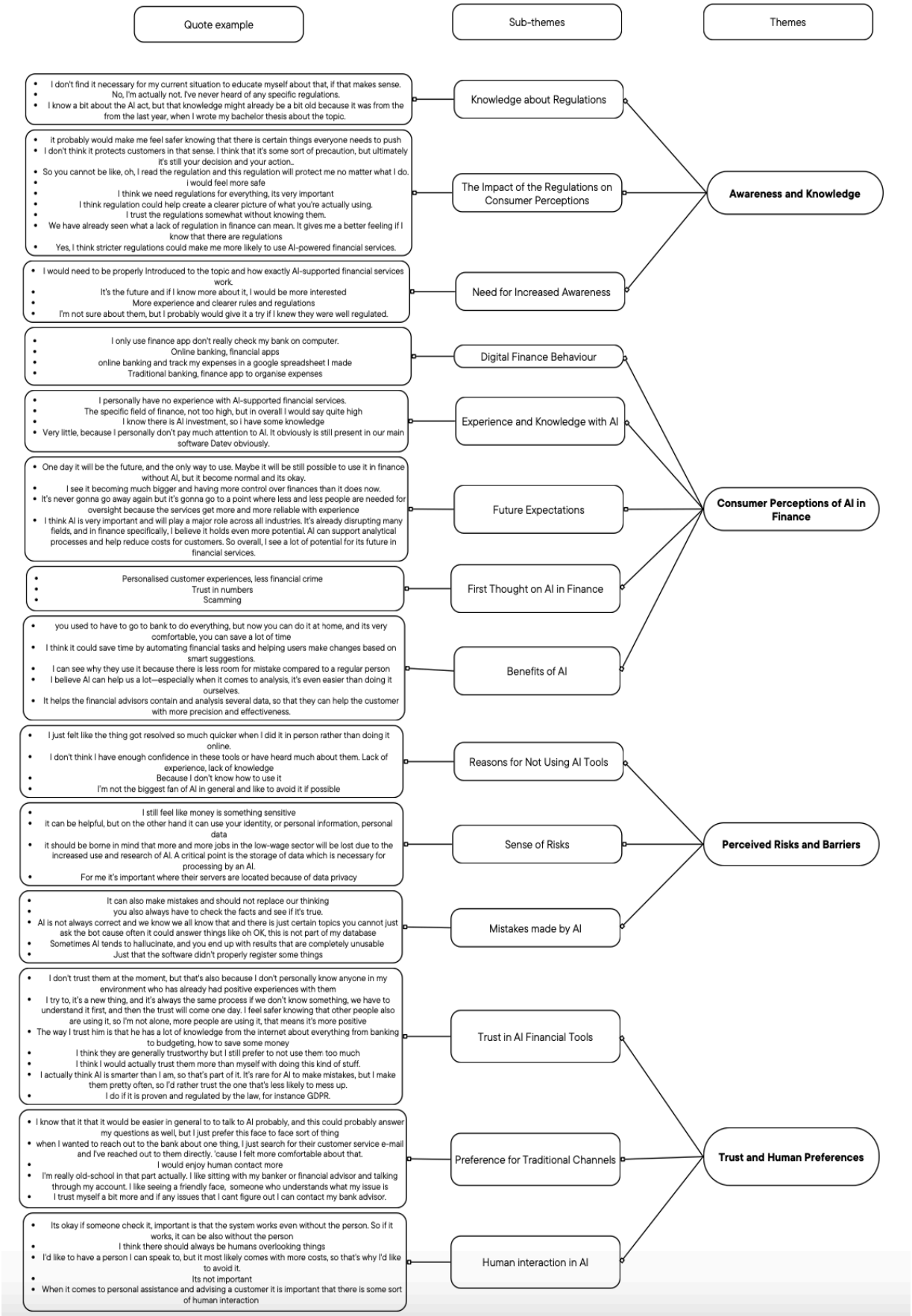
Name	Sources	References
Reasons for Not Using AI Tools	9	15
Sense of Risks	5	7
Trust and Human Preferences	0	0
Human interaction in AI	5	5
Preference for traditional channels	6	20
Trust in AI Financial Tools	10	20

A comparative analysis was conducted to identify similarities and differences across responses. The study explored the factors influencing consumer trust in AI-powered financial services and examined ways to address concerns related to AI use. The analysis highlighted key aspects such as transparency, ethical AI implementation, and effective consumer communication strategies.

To deepen the understanding of the emerging themes, a visual representation was developed to map the main themes, sub-themes, and illustrative quotes derived from the interview data. This mapping provides a clearer view of how participants' statements align with the thematic structure and supports the transparency of the analytical process **(**See Graph 3**)** for an overview of these connections, which further illustrate the patterns and nuances identified through the comparative analysis.

Through this structured approach, the study offers insights into consumer attitudes towards AI in finance and highlights strategies that can enhance trust and mitigate perceived risks. The findings were derived from a systematic and transparent coding process, supported by thematic clustering and comparative analysis. These results provide a foundation for the subsequent discussion, where the identified themes are further interpreted in light of relevant theories and regulatory contexts.

Figure 3. Data structure and coding process (Author's own data)



3.6. AI Regulations in Finance

The advancement of artificial intelligence (AI) in financial services has transformed the industry, enabling automation, fraud detection, risk assessment, and personalized financial advisory. However, as AI becomes increasingly embedded in financial decision-making, concerns about transparency, accountability, and consumer protection have led to the introduction of regulatory frameworks aimed at ensuring its responsible and ethical use. This section aims to provide an overview of the most relevant legal frameworks and guidelines currently shaping the use of AI in financial services, particularly in the European context. It introduces the regulatory landscape with a focus on how such frameworks influence consumer perceptions, especially regarding trust and perceived risk, and how these perceptions will be explored in the qualitative part of this study. Regulations such as the European Union's AI Act, the General Data Protection Regulation (GDPR), and the guidelines issued by financial supervisory bodies (e.g., the European Banking Authority) serve not only as safeguards but also as potential trust-building mechanisms. These frameworks will be presented and critically assessed in terms of their implications for the consumer experience of AI in finance. This regulatory context will serve as a foundation for the interview guide and subsequent analysis, supporting the examination of how these rules influence users' acceptance, confidence, and behaviour in relation to AI-powered financial tools.

One of the main regulatory frameworks shaping AI in finance is the European Union's AI Act (Regulation (EU) 2024/1689). This legislation establishes a harmonized legal framework for artificial intelligence in the European Union, focusing on promoting trustworthy AI while mitigating risks associated with its deployment. Recognizing the profound impact AI can have on individuals and industries, the regulation introduces a risk-based classification system to ensure AI systems adhere to strict legal and ethical standards (European Parliament, 2024). A core principle of the AI Act is the classification of AI applications into four risk categories: minimal risk, limited risk, high risk, and unacceptable risk. AI systems used in financial services, such as credit scoring, fraud detection, and automated investment decisions, fall into the "high-risk" category due to their significant influence on individuals' economic well-being. This classification subjects financial institutions utilizing AI to stringent compliance requirements, including robust data governance, risk management, transparency, and human oversight (European Parliament, 2024). To ensure accountability, the AI Act mandates that financial entities using high-risk AI systems implement measures to prevent algorithmic bias and discrimination. Institutions must provide clear documentation on AI decision-making

processes, maintain detailed logs, and establish mechanisms for users to contest automated decisions. These obligations aim to foster consumer trust and regulatory compliance while reducing the risks of unfair outcomes in financial services (European Parliament, 2024) (European Commission, 2024). Many AI models operate on a black-box basis, meaning that it is difficult to determine exactly how the system arrived at a particular decision. This can lead to scepticism from both regulators and consumers, and raise questions about accountability and trust in AI in the financial sector (The Landscape of AI in Finance, 2024). To address these challenges, the AI Act places particular emphasis on the transparency and interpretability of AI systems used in finance. Tools such as robo-advisors or automated credit assessments must disclose their operational logic to both regulators and consumers. Financial institutions are required to ensure that AI algorithms are understood and that customers are informed about how AI affects their financial decisions. Article 13 of the AI Act directly requires AI systems to be sufficiently transparent to allow users to interpret the results and make informed decisions (AI Act, 2024). The Act also introduces obligations for AI developers and deployers, including the need for pre-market conformity assessments and continuous monitoring of AI systems. Financial institutions must implement rigorous testing to identify potential biases, inaccuracies, or vulnerabilities before deploying AI applications in customer-facing services. Additionally, high-risk AI systems must comply with EU data protection laws, ensuring that consumer data is handled securely and ethically (European Parliament, 2024)

The Digital Operational Resilience Act (DORA) was introduced by the European Union as a response to the growing cybersecurity threats faced by financial institutions. With AI-driven automation playing an increasingly significant role in financial transactions, ensuring the resilience of digital infrastructure is crucial for maintaining consumer trust and market stability (European Parliament, 2022). One of the central components of DORA is the ICT risk management framework, which financial institutions are required to implement. This framework ensures that companies maintain a structured approach to identifying, assessing, and mitigating risks related to digital operations. According to Article 5 of the regulation, firms must conduct regular assessments of IT vulnerabilities, establish preventive security measures, and develop incident detection and response mechanisms to address cyber risks effectively (European Commission, 2022). AI-driven financial systems, which often rely on machine learning algorithms to analyse transactions and detect fraudulent activity, must now be designed with built-in risk mitigation protocols to comply with DORA's cybersecurity requirements. In addition to the risk management framework, The DORA (Digital Operational

Resilience Act) introduces stringent ICT incident reporting requirements for financial institutions in the European Union. Under Article 19, these entities are required to report serious information and communication technology (ICT) incidents to the relevant supervisory authorities ‘without undue delay’ as soon as they become aware of them. The process involves several steps, including the initial notification, intermediate reports and a final report, which must include an analysis of the causes, the impact of the incident and the corrective measures taken. In addition, if the incident is likely to affect the financial interests of customers, institutions are required to inform them immediately and provide recommendations on potential protective measures. DORA also provides for the possibility to outsource reporting obligations to external service providers, but the responsibility for compliance with the regulations remains with the financial institution. These provisions aim to increase transparency and digital resilience of the financial sector, contributing to more effective operational risk management and minimising the risks of cyber attacks (European Parliament, 2022). DORA also requires regular cyber resilience testing, which requires financial institutions to regularly assess their ICT infrastructure to identify vulnerabilities. Article 24 of the regulation mandates that institutions establish a comprehensive digital operational resilience testing program as part of their ICT risk management framework. These tests must be conducted at least yearly for critical systems and applications and must be carried out by independent internal or external parties to ensure objectivity. This regulation is particularly relevant for AI applications in fraud detection, trading algorithms, and risk assessment models, as it ensures these systems undergo continuous evaluation against emerging cyber threats (European Commission, 2022). The introduction of DORA highlights the growing recognition of AI-related risks in financial services and the need for proactive regulation to safeguard consumers and businesses from cyber threats. By enforcing strict IT risk management protocols, incident reporting mechanisms, cyber resilience testing, and third-party risk assessments, DORA establishes a comprehensive cybersecurity framework that financial institutions must adhere to.

The cornerstone of data protection in the EU continues to be the General Data Protection Regulation (GDPR), emphasising individuals' rights over their personal data. It requires all actors to process personal data under strict conditions, focusing on lawful processing, data minimisation and user consent. As highlighted by Botunac, Parlov and Bosna (2024), GDPR’s principles of data protection by design and by default are especially relevant when financial institutions implement AI-driven solutions that handle large volumes of personal data. These

principles require that privacy measures be embedded into AI systems from the outset, ensuring that data security and compliance are maintained throughout the entire processing lifecycle. To ensure compliance and increase consumer confidence, the GDPR introduces the principle of the 'right to an explanation', allowing individuals to understand and challenge decisions made by AI systems. In addition, the GDPR requires minimising the risk of discrimination in automated decision-making processes. Financial institutions must use mechanisms to ensure the fairness of algorithms and avoid situations where AI decisions lead to biased or unfair results. Consequently, these regulations force financial entities to implement regular audits and controls to monitor compliance and address potential systemic errors.

The regulation of artificial intelligence in the financial sector plays a key role in ensuring transparency, accountability and consumer protection. The AI Act classifies AI systems by risk and requires financial institutions to ensure oversight, interpretability and avoid algorithmic bias. DORA strengthens operational resilience through stringent requirements for ICT risk management, cyber security testing and incident reporting. As the cornerstone of data protection in the EU, GDPR requires the lawful processing of personal information, the provision of a 'right of explanation' in AI decisions and the implementation of mechanisms to mitigate the risk of discrimination. Together, these regulations create a comprehensive legal framework that balances innovation in the financial sector with the need to protect users and maintain market stability. The development of the interview guide and the subsequent coding process were strongly informed by the regulatory frameworks governing the use of artificial intelligence in financial services. These frameworks provided a conceptual backdrop that helped shape the design of the interview guide Although most interviewees were not familiar with these specific legal instruments, the broader themes they represent emerged organically in participants' reflections. Moreover, regulatory concerns indirectly guided the thematic coding of the qualitative data. Codes such as "Knowledge about Regulations," "Need for Increased Awareness," and "The Impact of Regulations on Consumer Perceptions" were included to capture participants' responses relating to institutional trust, rule visibility, and the symbolic function of legal oversight. In this way, regulation served not as the primary object of investigation, but rather as a conceptual filter through which consumer trust, scepticism, and behavioural intentions could be better understood. By drawing on regulatory discourse to inform the interview structure and coding logic, the study bridges the gap between legal frameworks and lived consumer experience, offering insights into how policies might shape everyday perceptions of AI in finance.

4. Research findings

This chapter presents the findings from the qualitative interviews conducted with individuals from Germany and Denmark, aimed at exploring how consumers perceive trust and risk in AI-powered financial services. The purpose of this analysis is to identify key patterns in user attitudes, experiences, and levels of awareness regarding AI applications in finance, particularly in relation to regulatory frameworks. Building on the theoretical foundations discussed in the previous chapters, this section focuses on how individual perceptions shape acceptance or rejection of AI tools, such as chatbots. The findings are drawn from in-depth, semi-structured interviews and organised thematically to reflect the core dimensions of the study: consumer trust, perceived risk, and the impact of regulation. Participants responses reveal a wide range of sentiments, from openness and curiosity to strong scepticism and emotional resistance. Many highlighted the importance of human interaction and voiced concerns over the lack of transparency and accountability in AI-driven decisions. Others pointed to the potential benefits of AI, such as speed, efficiency, and convenience, particularly in managing everyday financial tasks. Crucially, the level of familiarity with AI technologies and the awareness of AI regulations appeared to significantly influence how secure or vulnerable participants felt.

The themes presented in this chapter emerged through coding and comparative analysis. The chapter does not seek to generalize, but rather to provide a rich, nuanced understanding of consumer perspectives, illustrating the psychological and regulatory factors that either facilitate or hinder trust in AI in digital finance.

4.1. Customer Perception of AI in finance

This section presents general insights into how participants from both Germany and Denmark perceive artificial intelligence AI in the financial context. Rather than focusing on national differences at this stage, the aim is to offer an aggregated view of shared behaviours, attitudes, and expectations related to AI-driven financial technologies. The analysis highlights how consumers understand and experience AI in everyday financial services, including how they manage their finances digitally, what they associate with AI in banking, and what kind of benefits or concerns they perceive. The interviews included people with varying degrees of technology and financial literacy, capturing a variety of insights from both digital and more traditional users. Although the majority of participants were not actively engaging with AI

tools in a conscious or sophisticated way, many had interacted with digital financial systems in some form, whether through banking apps, automated notifications or online payment platforms. These interactions, while not always explicitly described by users as 'AI', have helped shape their perceptions and expectations. The aim of this chapter is therefore to identify how people perceive the growing presence of artificial intelligence in financial services, even if they are not deeply involved in the technology. It explores consumer behavioural patterns, spontaneous associations with artificial intelligence and emerging attitudes towards the growing role of automation and algorithms in finance. As trust and perceived risk are key constructs of this thesis, this chapter lays the groundwork by exploring the broader mental patterns people have of financial technology, before delving into more detailed assessments of trust and regulation in the following sections.

As a starting point, the study examined participants' daily habits and preferences regarding how they manage their personal finances. This initial area of research provides an important context for understanding the extent to which individuals are familiar with digital financial environments in general, which in turn influences their perceptions of more advanced tools such as AI-based services. Most participants described themselves as digitally active in managing their finances. Online banking and financial apps were often mentioned as primary tools, while traditional banking played a minor role. One participant (D4) explained*: "I only use finance apps, don't really check my bank on computer"*. Another (G4) added: *"I use online banking and a spreadsheet I made to track my expenses"*. While participants generally expressed familiarity with digital financial tools, direct experience with AI-powered financial services remained limited. Several interviewees noted that although they were aware of artificial intelligence as a concept, their understanding of its applications in finance was minimal or vague. As one participant (G3) put it, *"I personally have no experience with AI-supported financial services",* while another (D3) admitted, "*I know what AI is, but don't know what it is in financial things"*. This distinction between general knowledge and domain-specific understanding was recurrent. Many respondents had only encountered AI through indirect or non-financial means highlighting a gap between awareness and practical engagement. Some participants recognised AI's potential to support financial tasks, like budgeting, yet still had not explored these tools themselves. Others simply stated (G2) that they *"don't pay much attention to AI",* or had (G1) *"not yet"* tried relevant tools in financial settings. Overall, this reveals that while AI may be conceptually familiar, it often remains abstract and distant in the financial lives of many consumers, which could hinder adoption and informed trust

development. When asked about their initial associations with artificial intelligence in the financial sector, most participants responded with positive or neutral impressions. Common themes included improved convenience, personalised services, automation, and better analytical capabilities. For instance, one participant (G3) mentioned *"personalised customer experiences"* and *"less financial crime"* as the first ideas that came to mind. Another (D2) reflected on how AI could help users *"automate financial tasks",* making budgeting and expense management more efficient. One interviewee (G1) described it as a good trend, stating: *"I believe AI can help us a lot, especially when it comes to analysis, it's even easier than doing it ourselves"*. Similarly, another participant highlighted (D1) AI's value for professionals: "*It's good when it comes to collecting data and making the customer experience more fluid. It helps financial advisors analyse several data points, so they can help customers with more precision and effectiveness"*. These responses reflect a widespread belief that AI technologies can enhance both individual and institutional financial decision-making. Another interviewee (D2) further emphasised the practical value of AI by explaining how it can *"save time by automating financial tasks and helping users make changes based on smart suggestions"*. These perspectives suggest that participants generally viewed AI as an opportunity to increase financial efficiency, streamline services, and reduce the time required to manage personal finances, while also supporting more informed and accurate assistance from financial professionals. However, not all associations were fully positive. One participant (D5) from Denmark immediately linked AI in finance with '*scamming*', suggesting lingering concerns about security and potential fraud. Despite this, the overall tone was one of curiosity and recognition of AI's potential benefits in simplifying financial processes and improving user experience.

Looking ahead, participants generally expressed a strong belief that artificial intelligence will continue to play an increasingly significant role in the future of financial services. Many described AI as '*the future'*, anticipating that its presence will become unavoidable and even essential in everyday financial management. One participant (G4) noted, "*One day it will be the future, and the only way to use. Maybe it will still be possible to use it in finance without AI, but it will become normal and that's okay"*. Others envisaged more advanced forms of integration, such as fully autonomous systems capable of managing entire budgets and transactions without user intervention. One participant (D3) imagined: "*Maybe in the future, AI could become something more physical or fully autonomous, like a system where you just give your money to the AI, and it handles everything for you. It could manage your budget,*

make financial decisions, and even take care of purchases automatically". Another interviewee (G1) highlighted the possibility that AI could *"help reduce costs for customers"* and enhance decision-making by *"supporting analytical processes."* Despite the generally optimistic tone, several respondents stressed that such developments would need to be accompanied by proper regulation and education. As one participant (G3) put it, *"I think it definitely offers a great opportunity, but AI needs to be used and regulated in a controlled way."* Many agreed that greater public awareness and knowledge would increase trust and comfort with more advanced AI applications in the financial sector. Overall, the future of AI in finance was seen as promising but conditional on transparency, ethical use, and accessible education.

Overall, most participants demonstrated high levels of digital engagement in their financial routines, the conscious use of AI-powered tools remained limited. Some respondents had only minimal direct experience with AI in financial contexts and several of them expressed uncertainty about how AI technologies actually function in this domain. This gap between awareness and experience highlights that limited exposure and lack of familiarity may serve as barriers to broader adoption. Nonetheless, participants associated AI with convenience, efficiency, and analytical support. They recognised AI's potential to automate tasks and improve both personal and institutional decision-making. Expectations for the future reflected a belief that AI will become increasingly embedded in financial services, potentially managing entire budgets or operating autonomously. However, participants also emphasised the importance of regulation, oversight, and education to ensure secure and ethical AI adoption. Overall, the findings suggest that while trust and adoption are still developing, AI is viewed as an inevitable and potentially beneficial part of the future financial landscape.

4.2. Findings from Denmark

The current section provides an overview of the findings from interviews conducted with participants based in Denmark. The aim is to explore how Danish consumers perceive the use of artificial intelligence in financial services, with a particular focus on perceived risks, trust-related concerns, and the role of AI regulations. By examining the participants' views and personal experiences, the section highlights how individuals assess the safety and reliability of AI tools in the financial sector and whether current or proposed regulations influence their willingness to engage with such technologies. The insights discussed here reflect individual levels of awareness, emotional reactions, and expectations, offering a nuanced perspective on how Danish consumers approach AI in finance.

4.2.1. Consumer Concerns and Barriers to Engagement with Financial AI

Participants from Denmark expressed a variety of concerns and hesitations that influence their willingness to adopt AI-powered financial services. A dominant theme among respondents was a general lack of familiarity or perceived necessity for using such tools. Several individuals noted that they simply *"didn't really need"* AI assistance in their financial management, opting instead for more familiar and traditional forms of customer service. As one participant put it, *"I just felt like the thing got resolved so much quicker when I did it in person rather than doing it online".* This perception was reinforced by uncertainty or lack of knowledge about how AI functions. One respondent admitted, *"I just think I don't have much knowledge about it and I don't know how to use it",* while another explained, *"I didn't know it existed"*. Interestingly, one interviewee framed their hesitation as a matter of financial comfort: *"I would probably use an AI, but maybe only when I have enough money that I don't care what happens to it".* These responses suggest that AI is often perceived as unnecessary or intimidating, especially when trust in traditional methods remains high. Concerns about AI's accuracy also played a role in shaping participants' attitudes. There was a clear awareness that AI systems are fallible and not always reliable. As one participant described, *"AI is not always correct… there are just certain topics you cannot just ask the bot",* while another added, "*you also always have to check the facts and see if it's true".* These doubts about the technology's competence contributed to a sense of hesitation and skepticism.Some participants also shared stronger emotional reactions or personal aversions to the use of AI tools in finance. One Danish interviewee stated bluntly: "*I avoid these…. It's annoying".* While such views were less common, they highlight a segment of consumers who feel actively uncomfortable or frustrated with AI-based systems. Perceived risk was another central element in participants' responses. For many, the financial domain remains sensitive and deeply personal, and this contributes to cautious behaviour. "*I still feel like money is something sensitive",* one person reflected, while another emphasised broader concern related to technology: *"There is always risk when it comes to online technology and data collection".* These statements underline a lingering discomfort with the idea of handing over financial control to automated systems, especially in the absence of full transparency and understanding.

The findings from Danish participants reveal a general caution towards the use of AI in financial services. While most individuals were digitally active in managing their finances, many had limited or no experience with AI-specific tools, often citing a lack of knowledge, perceived irrelevance, or preference for human interaction. Participants expressed concerns

about the reliability of AI systems, with some highlighting the risk of errors and the need to double-check AI-generated information. Emotional resistance was also observed, with a few respondents describing AI tools as impersonal, frustrating, or untrustworthy. Furthermore, there was a clear awareness of broader technological risks, such as data misuse and cyber threats, which contributed to the reluctance to fully adopt AI-driven financial solutions. Overall, the responses indicate that trust remains fragile, and AI adoption is hindered by a mix of emotional, cognitive, and informational barriers.

4.2.2. Building and Challenging Trust in AI-Driven Financial Services

Trust in AI-driven financial tools among Danish participants was shaped by a complex balance of personal preferences, perceived reliability, and institutional reassurance. A dominant theme that emerged was a strong preference for traditional communication channels, particularly human interaction. Several participants emphasised that they feel more secure and confident when dealing directly with a person rather than a machine. One respondent remarked, *"Every time I wanted to reach out to my bank, I just always searched for like a specific e-mail for the customer service, cause I didn't wanna deal with the chat box".* Another explained, *"I just feel more comfortable knowing that it's a real person answering me—some sort of security".* This preference was rooted not only in habit but also in emotional reassurance and perceived credibility. As one participant expressed, *"It's more credible... I feel safer".*

This pattern of trust in human-to-human interaction was particularly pronounced when discussing financial decisions. Participants associated human advisors with empathy, experience, and the ability to offer tailored advice, especially in sensitive contexts. As one interviewee put it, *"I'm really old-school in that part actually. I like sitting with my banker or financial advisor and talking through my account. I like seeing a friendly face—someone who understands what my issue is".* Even those who acknowledged that AI might be more efficient still preferred speaking to a person: *"I know that it would probably be easier to talk to AI... but I just prefer this face-to-face sort of thing".* This perceived human connection was further associated with trust, comfort, and a reduced sense of vulnerability, underscoring the relational nature of trust in financial matters.

Despite these reservations, trust in AI-based financial tools was not entirely absent. Several respondents articulated a more nuanced stance. For instance, one participant noted, *"I wouldn't say I don't trust them",* while another said, *"If the big companies were using it publicly, then maybe I would".* These statements suggest that trust is partially contingent on visibility, social

proof, and institutional endorsement. Other respondents acknowledged the strengths of AI, especially in terms of computational power and logical reasoning. As one interviewee said, *"It can't be worse than me. I actually think AI is smarter than I am… it's rare for AI to make mistakes, but I make them pretty often, so I'd rather trust the one that's less likely to mess up".* Another participant commented, *"It has a better knowledge than me".* These expressions point to a growing awareness of the capabilities of AI, although they often remained abstract or hypothetical.

Still, some participants highlighted conditions under which their trust would increase. For example, one explained, *"I do [trust it] if it is proven and regulated by the law, for instance GDPR".* Another reinforced this by stating, *"Regulated by the law".* These views demonstrate that regulation plays an important role in shaping consumer trust, not only as a technical safeguard but as a symbolic assurance that the system has been vetted and ethically governed. However, scepticism persisted, especially in commercial contexts. A respondent raised concerns about misleading narratives in AI-powered investment services, stating, *"When they try to sell it as a way to get rich quick… you've seen the commercials where you use this AI to manage your investments and then you'll get rich on it. I think that makes you very distrustful".* They added, *"AI, the word is kind of a trendy word now, so they use it for everything".* Another participant expressed uncertainty about AI's ability to evaluate trustworthy sources: *"He has a lot of knowledge from the internet... but I also think you have to be able to think about it, because there are a lot of things on the internet that you can't really trust, but AI still uses them because they are on the internet".*

Although participants held varying levels of confidence in AI, the question of whether human interaction remained necessary in AI-powered financial services produced mixed responses. One respondent stated plainly, *"It's not important",* indicating a degree of comfort with automated systems. However, this view was in the minority. Most participants emphasised the importance of human involvement, particularly in advisory contexts: *"When it comes to personal assistance and advising a customer, it is important that there is some sort of human interaction".* Trust, in this sense, was not only about the technical competence of AI but about the presence of a human safety net, someone who could step in when nuance, judgement, or emotional understanding was required.

In summary, Danish participants demonstrated both openness and caution toward AI-powered financial services. While some were willing to place conditional trust in AI systems,

particularly when these were backed by legal frameworks and reputable institutions, the majority still preferred human interaction for reasons of comfort, credibility, and emotional reassurance. Trust in AI was most evident when participants viewed the technology as a complement to human expertise. The findings suggest that to foster stronger trust in AI-driven finance, institutions must prioritise transparent communication, regulatory compliance, and the maintenance of accessible human support structures.

4.2.3. Awareness about the Regulations

Regulatory frameworks are increasingly being positioned as safeguards for consumers in digital finance, especially with the rise of AI-powered services. However, the findings from Denmark reveal that awareness and understanding of these regulations among participants remains low. Many interviewees openly admitted to having little or no knowledge about the existence of any specific AI regulations in the financial sector. One participant stated, *"I didn't read them and I'm not really aware",* while another explained, *"No, I'm actually not. I've never heard of any specific regulations".* Even among those who had some familiarity, the awareness was often passive or superficial *"Maybe I've heard something mentioned somewhere, but I've never really looked into it or tried to understand how it works".* Despite this general lack of knowledge, most participants believed that regulation could have a positive impact on their sense of safety and control. Some responses suggested that regulations, if clearly communicated and effectively implemented, could improve trust and comfort when using AI in financial services. One interviewee explained, *"I think it would, in a way, because then you have more control over your financial matters. It wouldn't feel like something bad is happening without oversight".* Another added, *"Yes, I think stricter regulations could make me more likely to use AI-powered financial services. If the regulations limit certain risky behaviours, (...) that's a trade-off I'd accept, especially if it means my bank account is more secure".* On the other hand, a few participants expressed a degree of scepticism about the real-world effectiveness of these laws, especially when they are poorly communicated or too complex to understand. For example, one respondent reflected, *"I trust the regulations somewhat without knowing them",* while another said, *"I wouldn't read it anyway. I just press the big square where you can put a check mark in and then I accept it. And then I'll never read it".* These comments point to a common behavioural pattern of formally accepting terms without truly engaging with their content, which dilutes the protective function of regulation from the consumer's perspective. Moreover, there was a repeated view that consumer trust in AI could increase significantly if regulatory information were more transparent, accessible, and

practically relevant. *"If I was communicated clearly the regulations and I was aware of them, my point of view would probably be different, but at this point I don't have the knowledge",* said one participant, highlighting how the communication gap makes it difficult for regulators to build trust. This idea was followed by another respondent who noted that more experience and clearer rules would be essential for building both understanding and trust. Finally, the data show that while participants may not actively seek regulatory information themselves, they are still sensitive to the broader presence and credibility of such frameworks. For instance, one participant who were asked about willignes to using AI financial tools if they are controlled by regulations stated: *"I do, if it is proven and regulated by the law, for instance GDPR"*. This suggests that well-known and trusted regulatory bodies can have a symbolic function in reassuring users, even if the specific mechanisms of those regulations are not fully understood.

Overall, the Danish interviews indicate a clear gap between the existence of regulation and its actual influence on consumer trust. The findings suggest that without better communication and greater public awareness, the trust-enhancing potential of regulation may remain underutilized. Bridging this gap appears essential for fostering more confident consumer engagement with AI in finance.

4.3 Findings from Germany

This section presents the findings from interviews conducted with participants based in Germany. The aim is to explore how German consumers perceive the use of artificial intelligence in financial services, with particular attention to perceived risks, trust-related concerns, and the impact of AI regulations. Through participants' reflections and individual experiences, the section examines how users evaluate the safety, reliability, and ethical dimensions of AI-driven tools in the financial sector. It also considers whether awareness of regulatory frameworks influences their openness to adopting these technologies. The insights gathered provide a deeper understanding of the attitudes, concerns, and expectations that shape German consumers' approach to AI in finance.

4.3.1. Resistance and Risk Perception in the Adoption of AI in Finance

Participants from Germany expressed a combination of hesitations, doubts, and practical limitations that shaped their willingness to engage with AI-powered financial services. While many individuals demonstrated a generally open attitude toward technology and acknowledged the benefits of digital banking, they also raised a number of critical concerns that serve as barriers to AI adoption. These ranged from lack of knowledge and experience to more

fundamental concerns about privacy, control, and trust. The main reason for not using AI-based tools was unfamiliarity with them. Several participants explained that they either did not come into direct contact with these technologies or lacked the necessary understanding to use them. As one German participant put it: *"I don't think I have enough confidence in these tools or have heard much about them"*. Another repeated this uncertainty, saying: "*Because I don't know how to use it"*. These statements suggest that perceived complexity and a lack of exposure are key inhibitors to adoption. For some, the issue was not only technical but also psychological. One interviewee reflected: *"I would rather have my finances under control myself",* implying that surrendering control to automated systems can feel uncomfortable. In other cases, participants acknowledged that AI could become relevant in the future but saw no personal need at the present moment. *"I didn't need to use them",* one respondent stated plainly, while another took a more long-term perspective: *"It's the future and if I know more about it, I would be more interested".* In this case, the reluctance to adopt AI was not due to rejection, but rather in the belief that AI tools are either premature or irrelevant to their current financial routines. A few respondents mentioned specific reservations: *"I'm not the biggest fan of AI in general and like to avoid it if possible",* said one participant, while another pointed to practical constraints: *"It's just that I don't have the time for it".* These responses reveal that emotional aversion and time constraints can all act as subtle yet significant barriers. Concerns about AI's accuracy and reliability also emerged as notable themes. Multiple interviewees noted that AI is not immune to error and should not replace human judgement. *"It can also make mistakes and should not replace our thinking",* one participant warned. Others expressed similar views: *"AI can also make mistakes",* and "*Sometimes AI tends to hallucinate, and you end up with results that are completely unusable".* These statements suggest a wariness towards fully relying on AI, especially in contexts where accuracy and nuance are critical. Moreover, some respondents shared negative experiences. One participant explained: *"Just that the software didn't properly register some things",* pointing to real-life instances where AI-driven tools failed to meet expectations. These failures, even if minor, seem to deepen scepticism and reinforce the need for human oversight.

One of the most prominent and recurring concerns among German participants was related to data privacy and personal information protection. Several individuals raised specific objections to how AI systems collect, process, and store user data. *"It can be helpful, but on the other hand, it can use your identity or personal information",* one person noted, highlighting the double-edged nature of AI capabilities. Others were more explicit about the risks: *"A critical*

point is the storage of data which is necessary for processing by an AI", and *"For me, it's important where their servers are located because of data privacy".* These concerns are not only about potential breaches or leaks but also about systemic misuse or lack of transparency regarding where and how data is handled. Beyond individual data, participants also expressed concern over the broader societal implications of AI integration into finance. One respondent warned: *"It should be borne in mind that more and more jobs in the low-wage sector will be lost due to the increased use and research of AI".* Another elaborated: *"In order for AI to achieve its goal, many existing jobs will have to disappear".* These remarks reflect a growing unease about the long-term consequences of automation, not only for users but also for labour markets and economic stability. In this context, the perceived risk goes beyond personal finance and touches on ethical and systemic issues.

In summary, the German participants identified a wide range of barriers to AI adoption in financial services. These include a lack of personal experience, limited knowledge, and a general feeling of unfamiliarity. There was also a strong emphasis on data privacy, loss of control, and fear of errors, which combined to create a cautious, and at times sceptical, stance towards AI. While not entirely dismissive of its potential, many participants made it clear that they were not yet ready to rely on AI systems without significant improvements in transparency, reliability, and user education. The results suggest that, for German consumers, trust in artificial intelligence is not easy to gain, it has to be earned through demonstrated efficiency, clear communication and, above all, responsible handling of data.

4.3.2. Trust in AI-Driven Finance: The German Perspective

German participants expressed mixed attitudes toward the trustworthiness of AI-powered financial services, shaped by a balance of curiosity, cautious optimism, and a continued reliance on traditional financial interaction. While some demonstrated openness toward AI technologies, particularly when supported by broader user adoption or institutional backing, others revealed persistent reservations regarding the replacement of human contact and the perceived limits of AI competence in financial decision-making.

As in the Danish sample, a preference for traditional channels was notable. Several participants voiced a desire for human involvement in financial matters, especially where advisory support or accountability was needed. One participant explained, *"I would enjoy human contact more",* while another stated that *"a permanent human presence and that the AI cannot/may not make any decisions itself would make me feel more comfortable when using AI".* This view

reflects a desire for oversight and a sense of security rooted in human judgement. Others acknowledged the practical barriers to accessing personalised service, as one respondent remarked, *"I'd like to have a person I can speak to, but it most likely comes with more costs, so that's why I'd like to avoid it"*. These statements point to a tension between emotional preference for human support and the perceived efficiency and affordability of AI systems.

When asked directly about trust in AI tools, responses were wide-ranging. Some participants expressed scepticism rooted in personal experience or social context. One noted, *"I don't trust them at the moment, but that's also because I don't personally know anyone in my environment who has already had positive experiences with them",* highlighting the social dimension of trust-building. Another participant admitted, *"I think they are generally trustworthy, but I still prefer to not use them too much"*. A more nuanced view was also evident: *"I don't think I would ever feel fully trusting of completely relying on AI regardless of the safety measures",* indicating that even with safeguards in place, emotional hesitations can remain.

At the same time, some German participants expressed a more progressive or pragmatic approach. One individual linked trust to familiarity and learning: *"I try to, it's a new thing, and it's always the same process, if we don't know something, we have to understand it first, and then the trust will come one day"*. The same participant drew on later the comfort of broader adoption: *"It's worldwide, so I feel safer knowing that other people also are using it… more people are using it, that means it's more positive"*. This social proof dynamic shows that consumer trust in AI may develop over time as visibility, exposure, and peer usage increase. Still, concerns about performance and reliability persist. As one participant noted, *"If the output tends to be wrong or inaccurate, it naturally leads to distrust"*.

The role of human interaction in building trust was varied. For some, it was non-negotiable: *"I think there should always be humans overlooking things"*. Others offered a more conditional approach. One participant stated, *"It's okay if someone checks it. What's important is that the system works even without the person. So if it works, it can be also without the person"*. Another reiterated the practical trade-off: *"I'd like to have a person I can speak to, but it most likely comes with more costs"*. These responses reflect a pragmatic perspective among some German consumers, meaning that trust may be possible in autonomous AI systems, but reassurance through human monitoring remains valuable, especially in the early phases of implementation.

In summary, the findings indicate that German participants' trust in AI financial tools is shaped by multiple factors. While some express conditional reliance on these systems, others remain sceptical due to insufficient positive experiences, concerns over autonomy, and a preference for human validation. Crucially, trust appears to depend not only on technical performance and regulatory safeguards but also on social influences, such as peer adoption and institutional endorsement. These results emphasize the importance of transparency, incremental implementation, and maintaining accessible human oversight to foster greater confidence in AI-driven financial services.

4.3. Awareness of the Regulations

The interviews with German participants revealed a mixed level of awareness regarding the existence and implications of AI-related regulations in the financial sector. While a few individuals were somewhat familiar with regulatory discussions, however most of them admitted to having limited or no detailed knowledge about how these frameworks apply to everyday financial services. One participant stated simply, *"No, never read about this before",* while another reflected, *"I know a bit about the AI Act, but that knowledge might already be a bit old because it was from last year, when I wrote my bachelor thesis about the topic".*

Despite the generally low engagement with specific regulatory content, many participants believed that regulations could contribute positively to consumer protection and overall trust in AI-powered financial tools. One interviewee highlighted how important are regulations: *"Yes, I think we need regulations for everything, it's very important",* while another agreed, that it would increase their comfort with AI financial tools: *"I would feel more safe".* Several participants emphasised that while they may not be familiar with the specific rules of existing laws, the mere awareness that such regulations are in place gives them some sense of security. As one participant noted, *"We have already seen what a lack of regulation in finance can mean. It gives me a better feeling if I know that there are regulations".* However, this general sense of reassurance was not always sufficient to generate deeper trust. A few participants pointed out the limitations of relying on regulations alone, especially when these rules are not well understood or clearly communicated. For instance, one interviewee stated, *"It's good, but since I don't know the regulations, just knowing they exist doesn't make me feel safer".* Another added, *"I would hope so",* when asked whether AI regulations effectively protect consumers. In contrast to the idea that more regulations always leads to greater trust, some participants voiced concerns that overregulation could have the opposite

effect. One participant elaborated: *"The real issue for me is that if regulations become too strict, there's less flexibility, and everything becomes too complicated. I don't like complicated processes, especially when it comes to approvals or setup. If I download a finance app and have to go through hundreds of steps to identify myself just to make it safer, it wouldn't encourage me to use it".* This highlights an important trade-off perceived by some consumers. While a basic level of regulatory oversight is appreciated, excessive procedural complexity may discourage rather than encourage use. In addition, several participants expressed a clear need for better awareness and education. One interviewee remarked, *"I would need to be properly introduced to the topic and how exactly AI-supported financial services work",* while another noted, *"It's the future, and if I know more about it, I would be more interested".* These statements underscore that regulations alone can not create trust. It must be accompanied by transparent communication, consumer education, and practical guidance that helps users feel informed and supported.

Overall, the findings from Germany reflect a cautious but pragmatic view of regulations. Participants recognise its importance but also highlight its limitations when disconnected from clear communication and user-friendly application. While trust in AI can be supported by regulatory frameworks, building that trust depends equally on awareness, simplicity, and a sense of personal control.

5. Discussion

The purpose of this chapter is to interpret and contextualise the empirical findings presented in the previous sections by relating them to the theoretical framework outlined in the literature review. This discussion aims to demonstrate the study's contribution to the ongoing debate on consumer trust in AI-powered financial services and the role of regulatory awareness in shaping user behaviour. In particular, it addresses the research gap concerning how different national and institutional contexts may influence trust formation, perceived risks, and regulatory understanding.

By comparing the perspectives of participants from Germany and Denmark, the chapter explores whether these findings reflect broader consumer trends or are specific to the sampled demographic. It also evaluates how well the data supports existing theories of trust, including Mayer et al.'s (1995) trust model, and recent studies on explainability, transparency, and ethical concerns in AI. Furthermore, the final conceptual framework developed in this thesis is used

as a lens through which to interpret the interplay between perceived competence, emotional comfort, risk perception, regulation, and social context in shaping trust and consumer behaviour. The discussion further examines whether regulatory frameworks such as the EU AI Act and GDPR succeed in fostering trust or if they create additional uncertainty. Ultimately, this chapter contributes to a more nuanced understanding of how regulation, knowledge, and psychological comfort interact in shaping consumer acceptance of AI technologies in finance.

5.1. Cross-Country Comparison

While both Danish and German participants acknowledged the growing role of AI in financial services, their perceptions of regulation and its relationship to trust revealed meaningful differences. These distinctions offer insight into how national context, cultural values, and user expectations shape attitudes toward technological innovation and oversight.

One of the clearest contrasts lies in how participants in each country related to regulatory frameworks. For Danish interviewees, knowledge of specific regulations was limited. Many admitted to never reading privacy policies and felt generally unfamiliar with data governance. Nevertheless, the very idea that rules and legal structures exist appeared to increase their sense of safety and trust. Several participants expressed that simply knowing "someone is in charge" or that there are formal safeguards in place would make them more willing to try AI-powered services. In this sense, regulation functions symbolically for Danish consumers, even without understanding the details, it provides a form of psychological assurance. Trust is fostered not through deep familiarity with the content of the law but through the perceived legitimacy and presence of legal oversight.

By contrast, German participants showed a markedly more engaged and analytical stance toward regulation. While they also voiced limited knowledge of the finer points of laws, their comments reflected a desire to understand how these regulations operate in practice. For these individuals, the existence of regulation alone was not enough. Several interviewees stressed that real trust would only emerge if they were well-informed about the rules and confident that these safeguards were not just theoretical but actively implemented. Some even linked their interest in regulation to personal or professional experiences, indicating a deeper level of reflection. This suggests that in the German context, trust in AI systems is more closely tied to transparency, accountability, and a conscious evaluation of risk, rather than an abstract faith in institutions.

Moreover, the German participants demonstrated a high level of openness to AI as a tool for improving efficiency and convenience. Many recognised the potential of AI to streamline processes, reduce manual labour, and offer personalised financial insights. However, they also expressed concern about broader societal consequences, such as job displacement and increased surveillance. Issues related to personal data were raised repeatedly, with several participants questioning how and where their data would be stored, and under what conditions it might be shared or exploited. Their position could be described as cautiously pragmatic: optimistic about AI's potential, but only under well-defined and enforceable conditions.

Danish respondents, on the other hand, framed their hesitation more around emotional and relational concerns than regulatory complexity. Their scepticism stemmed from the unfamiliarity and impersonal nature of AI, especially in a domain as sensitive as finance. They appeared less worried about abstract systemic risks, such as data centralisation or bureaucratic overreach, and more focused on the human dimension of trust. Many participants said they would be more comfortable using AI if it were clear that the system operated in line with national laws, rather than requiring detailed explanations of how specific regulations function. In essence, where German users sought clarity and evidence, Danes sought compliance and reassurance.

These findings underline a key difference in trust-building mechanisms across the two countries. For German users, increasing trust may require greater regulatory transparency, public communication of safeguards, and opportunities for users to educate themselves about AI systems and legal protections. In contrast, Danish users may respond better to communication that affirms ethical standards and assures the public of legal alignment, regardless of technical depth. While both groups value protection, their respective routes to trust diverge: the Germans look for proof, the Danes for reassurance.

Importantly, both populations appeared to share a basic understanding that AI is evolving and will become increasingly present in digital finance. They acknowledged that such technologies aim to simplify services, save time, and increase customer access to financial tools. However, they also recognised the inherent risks that accompany automation, although they viewed them through different lenses. Germans emphasized the societal and technical implications, while Danes focused on personal comfort and emotional security. Together, these findings suggest that regulatory efforts should not adopt a one-size-fits-all approach. Instead, they must be

sensitive to national expectations and cognitive trust triggers, whether rooted in detailed understanding or broader institutional confidence.

Table 3. Country Comparison Summary (created by the Author)

Aspect	Germany	Denmark
General Attitude Toward AI	Pragmatic and cautiously optimistic; openness to AI if safeguards are in place	Open but emotionally reserved; preference for human contact
Trust Triggers	Requires understanding, transparency, and proven reliability	Relies more on emotional comfort, personal reassurance, and perceived legality
Regulatory Awareness	Moderate; some familiarity with GDPR and EU AI Act	Low; general unawareness of regulations, but expressed interest if rules are clearly communicated
Impact of Regulation on Trust	Regulation helps if well understood; trust depends on clarity and implementation	Even basic awareness that regulations exist increases trust and willingness to engage
Data Concerns	High concern for data privacy, storage, and misuse	Less frequently raised, more focus on unfamiliarity and potential impersonality of AI
View on AI Automation	Generally accepting if it leads to efficiency: concerned about job loss and system complexity	More hesitant; prefer human oversight, especially in sensitive financial matters
Role of Legal Compliance	Trust grows with clear, enforceable rules and transparency	Trust grows if AI is simply perceived as law-abiding, even without knowing specific rules

As summarised in Table 3, the cross-country comparison reveals that although both German and Danish participants express cautious optimism toward AI in finance, their trust-building mechanisms differ considerably. These insights underscore the importance of tailoring regulatory communication and implementation to national and cultural expectations.

5.2 Reference to Literature and Theory

The findings of this study reveal a complex and layered relationship between consumer trust and AI-powered financial services, which aligns with several theoretical models and empirical studies outlined in the literature review. This section explores how the themes that emerged from the interviews intersect with broader academic discussions around trust formation, risk perception, and the regulatory landscape surrounding AI in digital finance.

To begin with, the qualitative data collected from Danish and German participants highlight that trust in AI is not an abstract notion, but a dynamic and experience-based judgment. This resonates with Mayer et al.'s (1995) foundational trust model, which defines trust as the willingness to be vulnerable to another party, based on perceived ability, benevolence, and integrity. In the context of this study, trust in AI systems was often shaped by perceptions of technological competence (such as belief that AI can provide accurate and fast financial insights), but also undermined by the absence of interpersonal cues and limited transparency in decision-making processes. Furthermore, the literature repeatedly underscores the role of transparency and explainability in fostering trust. Several studies argue that the nature of AI, where users cannot understand how decisions are made, undermines confidence, especially in high-stakes areas like finance (Barredo Arrieta et al., 2020; Baron, 2023). Participants echoed this sentiment stating that they would feel more comfortable using AI tools if they could understand how outputs are generated or if a human expert could oversee the system. This directly aligns with the concept of explainable AI, which seeks to bridge the interpretability gap and is regarded in the literature as a key condition for ethical and trustworthy AI deployment.

Another theoretical connection can be drawn from the human-computer trust literature, particularly studies exploring the social cues embedded in AI interfaces. Research by Feine et al. (2019) and Einwiller et al. (2000) suggests that design elements such as tone of voice, perceived warmth, and familiarity contribute to users' trust in AI-powered services. However, as this study revealed, many consumers still demonstrate a strong preference for traditional, human-led financial interactions, especially in Denmark. This reflects a recurring theme in empirical research: that AI systems often fail to replicate the relational depth and emotional assurance associated with human advisors (Aldboush & Ferdous, 2023).

The interviews also showed the dual role of regulations. Firstly, as a potential enabler of trust, but also as a source of confusion or disconnection. Literature on regulatory trust mechanisms suggests that robust legal frameworks can provide consumers with a sense of safety, particularly when interacting with opaque or unfamiliar systems (OECD, 2024; Ghazi et al., 2023). Yet, as the data from both countries shows, awareness of these regulations is limited. While some participants appreciated the existence of oversight, many admitted they had never heard of such rules or did not know what they entailed. This finding underscores what scholars like Martin (2022) and Hasija and Esper (2022) argue: that regulation, to be effective as a trust-building mechanism, must be visible, comprehensible, and communicated clearly to the public.

The data also support the "trust asymmetry" principle described in prior studies, where negative experiences with AI are more influential than positive ones in shaping user attitudes (Lankton et al., 2015). While some respondents were open to experimenting with AI tools, even minor uncertainties led them to revert to human advisors. This asymmetry further complicates the adoption of AI in financial services and reinforces the importance of building long-term credibility through consistent, error-free experiences and clear support mechanisms. Finally, the results show that trust in artificial intelligence is not just a technological issue. It is also a psychological, social and contextual issue. Respondents often based their attitudes not just on their direct use of AI, but also on second-hand knowledge and broader societal narratives. This is supported by sociotechnical trust theories, which suggest that trust in technology is shaped not only by its functionality, but also by institutional cues, media narratives, and peer influence (Siau & Wang, 2018).

In conclusion, the insights gathered from the interviews reinforce much of what has been described in the academic literature, while also pointing to gaps between theory and consumer experience. Trust in AI is multidimensional: it is influenced by knowledge, experience, interface design, perceived risk, and regulatory context. Theories of trust, risk perception, and regulation are helpful in understanding these dynamics, but the real-world application depends heavily on how these factors are communicated, implemented, and embodied in the daily realities of users. Bridging these gaps is not only essential for consumer protection but also for the sustainable integration of AI technologies in the financial sector.

5.3. Understanding Customer Behaviour in Digital Finance Based on Artificial Intelligence – Final Framework

Based on the empirical findings and the theoretical perspectives reviewed in this study, a final conceptual framework can be proposed to illustrate how consumers form trust and make decisions regarding the use of AI in digital financial services. This framework synthesizes key behavioral drivers identified during the interviews and connects them to established theories of customer behavior, trust formation, and risk perception. At the core of the framework lies the understanding that consumer behavior in AI-driven finance is shaped by a dynamic interaction between cognitive, emotional, and contextual factors. Decision-making is influenced by perceived competence of the AI system, emotional comfort, social norms, perceived risks, and trust in both technology and institutions.

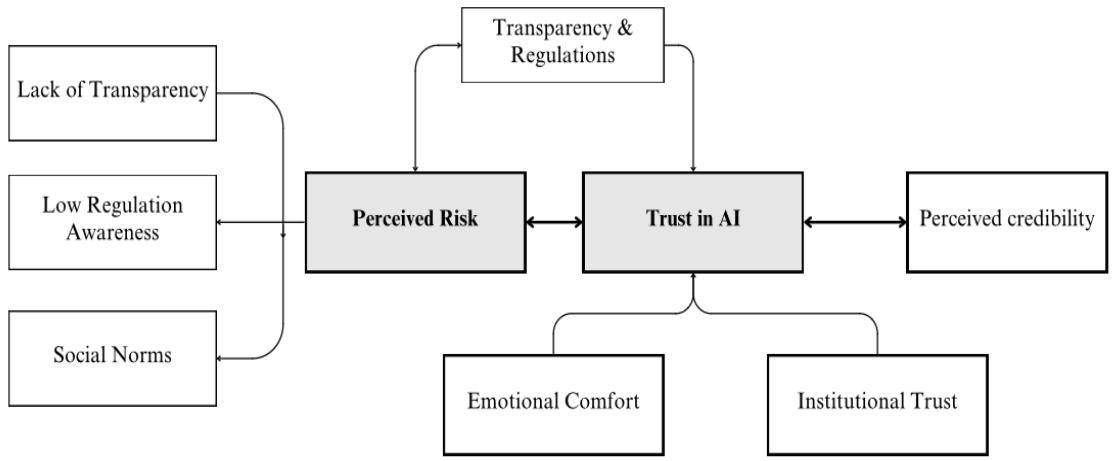
One of the first and most consistent observations from both Danish and German participants was the importance of perceived competence of AI systems. Many respondents evaluated whether an AI tool could provide reliable, fast, and helpful financial insights. This reflects the "ability" component in Mayer et al.'s (1995) trust model and highlights that consumers need to believe the technology is technically capable before considering its use. However, technical competence was rarely enough. Many participants also needed to feel emotionally comfortable with the idea of using AI. In Denmark, this often meant preferring some form of human contact or reassurance. In Germany, the emphasis was more on clear processes and accountability. When AI systems felt too impersonal or non-transparent, users questioned whether the system could be trusted, not because it was inaccurate, but because they were unsure about how and why it made certain decisions. Another important factor in the framework is risk perception. As shown in earlier sections, participants expressed concerns not only about financial errors, but also about data misuse, lack of human oversight, or the broader social effects of automation. Even minor doubts often led to hesitation or preference for human advisors. This supports previous research that shows how negative experiences or uncertainties carry more weight in trust formation than positive ones (Lankton et al., 2015). Importantly, these findings illustrate that perceived risk and trust are deeply interrelated. A high sense of risk undermines trust, while transparent design and institutional reassurances can mitigate perceived risk and foster trust. Moreover, social context plays a role in shaping consumer attitudes. Participants mentioned that their opinions were influenced by what they heard from the relatives or the media. This aligns with the idea that trust in technology is not only a personal judgment but also influenced by social norms and public narratives (Siau & Wang, 2018). The more common and accepted AI becomes in everyday financial services the more likely people are to accept and trust it. A recurring theme in both interviews and the literature was the need for transparency and explainability. Many respondents said they would feel more confident using AI if they could understand how it works or if there was an option for a human expert to review decisions. This reflects the growing importance of explainable AI (Barredo Arrieta et al., 2020), especially in sensitive sectors like finance where users want to feel in control. Finally, regulation was seen as both a potential source of trust and a point of confusion. While some participants said they felt safer knowing that there are laws and rules in place, others admitted they were unaware of existing regulations. As discussed in the literature, regulations can only support trust if they are not just well-designed, but also visible and understandable to the public (Martin, 2022; Hasija & Esper, 2022). This gap between legal frameworks and public awareness shows the

importance of not only regulating AI but also clearly communicating those protections to consumers.

In summary, the final framework highlights that trust in AI-based financial services depends on multiple interconnected factors, including consumers' perceptions of technical ability and fairness, emotional comfort and personal preferences, social validation and exposure, clarity of design, and a transparent and visible regulatory environment. Perceived risk plays a central role in this process. When it is high, it undermines trust, but when reduced through institutional safeguards and human-centred design, it enables greater openness to AI technologies. This underscores that building trust in AI is not solely about improving technology but also about understanding and addressing the psychological and contextual concerns of users.

To visually summarise the conceptual structure of these relationships, Figure 4 presents the final conceptual framework developed in this study, which illustrates how consumers form trust and evaluate risk in relation to AI-driven financial services. The framework is grounded in both empirical data and theoretical models, and captures the interplay between emotional, cognitive, and contextual factors in decision-making. Trust and perceived risk are positioned as central, interrelated constructs influenced by various drivers, including perceived reliability of AI, emotional comfort, social norms, regulatory clarity, and institutional trust. The model highlights that consumers do not assess AI solely on technical grounds, but through a broader lens shaped by personal experience, social context, and the perceived transparency and accountability of institutions. This framework provides a practical basis for understanding consumer behaviour in digital finance and suggests key areas where policy and design can enhance trust.

Figure 4. Final Framework- Factors Influencing Consumer Trust in AI-Driven Financial Services (created by the Author)



6. Conclusion, Limitations, and Future Research

This final chapter summarises the key findings of the study and provides a comprehensive answer to the research question concerning how AI regulation influences consumer trust in digital finance. Building on the theoretical background and qualitative data gathered in Denmark and Germany, the section reflects on the broader implications of the results and highlights the contribution of this thesis to the current academic and practical discourse. In addition, it discusses the methodological and conceptual limitations that shaped the scope and depth of the analysis. Finally, the chapter outlines directions for future research, suggesting how the insights developed here can inform and inspire further investigations into the evolving relationship between artificial intelligence, regulation, and consumer behaviour in the financial sector.

6.1. Conclusion

This thesis set out to explore how consumers perceive and trust AI-driven financial technologies in an increasingly digitalised financial landscape, and how regulation might shape or mediate these perceptions. By drawing on qualitative interviews with individuals in Denmark and Germany, it aimed to provide a grounded, human-centred account of the social dynamics underlying trust, risk perception, and regulatory awareness in the age of financial artificial intelligence.

A central finding of this study is that trust remains a fundamental element in shaping consumer engagement with AI in finance. Importantly, this trust does not emerge from a detailed understanding of how AI systems work. Rather, it is largely constructed through broader perceptions of familiarity, institutional credibility, and the feeling that someone is “in control.” Participants rarely referred to technical mechanisms or algorithmic transparency. Instead, they associated trust with the professionalism of the financial institution, the reliability of the interface, and the assumption that regulatory bodies were protecting their interests in the background. In this way, regulation plays a dual role: as a governance tool, but also as a symbolic reassurance of oversight and accountability. However, the findings also reveal that this trust is far from uniform. Instead, it is conditional, fragmented, and often underpinned by emotional and heuristic reasoning. Participants’ views were shaped less by direct interaction with advanced AI tools and more by indirect influences such as societal discourse and generalized attitudes toward technology. In both Denmark and Germany, few interviewees had extensive real-world experience with sophisticated AI in financial services. As a result, their

perceptions of AI-related risk were often abstract or emotionally framed, ranging from concerns about surveillance and privacy, to fears of losing control, to a more diffuse discomfort with automated decision-making in high-stakes areas like finance. While many participants were open to using AI tools for convenience and efficiency, they expressed hesitation. This points to a core tension in AI deployment: the very features that make AI attractive, can also trigger doubts about fairness, accountability, and human oversight.

From a regulatory perspective, the study uncovered a striking gap between the sophistication of legal frameworks and the low level of consumer awareness. While the EU has introduced some of the most advanced legislation, few participants were familiar with these initiatives. In both countries, even basic awareness of existing data protection laws was limited. Regulation, while necessary, is insufficient unless accompanied by clear, accessible communication and visible implementation. To build trust, laws must not only function to protect but also be seen to protect. In other words, regulation must be socially legible, not just legally enforceable.

The comparative nature of the study also offered nuanced insights. While many of the findings overlapped between Danish and German participants, some subtle differences emerged. Danish participants tended to express greater trust in digital financial services. German participants, by contrast, were often more sceptical, more protective of their personal data, echoing broader cultural tendencies toward caution in the adoption of new technologies. These differences suggest that trust in AI is not only shaped by individual psychology but also embedded in national cultures. More broadly, this thesis contributes to the ongoing conversation about the social integration of AI technologies. It demonstrates that trust in AI is not simply a technical challenge to be solved by better algorithms or more secure data systems. Instead, it is a fundamentally social and emotional issue, rooted in feelings of control, fairness, and inclusion. As such, AI development in finance must be guided by more than just innovation and efficiency. It must be shaped by ethical transparency and institutional accountability.

In essence, this study argues that consumer trust in AI is shaped by interactions with institutions, by broader narratives about technology, and by the presence of meaningful safeguards. As AI becomes increasingly embedded in financial infrastructures, these insights become ever more critical. If the goal is to build a future of digital finance that is not only efficient but also equitable and trusted, then human-centred design, regulatory visibility, and cultural sensitivity must move to the centre of AI governance and innovation.

6.2. Limitations

As with any qualitative research, several limitations must be acknowledged which may influence the generalisability and scope of the findings.

First, the age and life stage of the participants played a significant role in shaping the study's outcomes. Most interviewees were relatively young adults who, while digitally active, are not yet fully immersed in complex financial responsibilities such as mortgage management, retirement planning, or long-term investments. As such, their limited practical engagement with financial AI tools may have restricted the depth of insight into real-world use cases. This age-related limitation may also explain the lower exposure to and reliance on AI in their personal financial decision-making.

Second, participants demonstrated limited prior knowledge and understanding of both AI technologies and the regulatory frameworks governing them. This resulted in responses that were often based on general impressions rather than informed evaluations. It may have constrained the level of detail and nuance in certain areas of the analysis. Similar to findings in previous research (Sonntag, Mehmann & Teuteberg, 2022), the novelty of AI technologies continues to challenge participants' ability to critically assess them.

Third, related to the above, is the lack of experience with AI-powered financial tools among most participants. While some had interacted with basic features such as chatbots, very few had engaged meaningfully with more advanced AI applications like automated investment platforms or predictive budgeting systems. This limits the extent to which the study could examine user trust formed through direct and sustained interaction with AI systems, which might differ significantly from trust formed through assumptions or hypothetical scenarios.

Fourth, the sample size and demographic scope represent another constraint. Although the study aimed for diversity by including participants from Germany and Denmark, the overall sample was still relatively small and comprised individuals with similar levels of education and digital literacy. Broader representation, including older populations or those from different socioeconomic backgrounds, could yield more robust insights into how trust and risk are perceived across different user groups.

Finally, time constraints impacted the study's ability to follow up with participants or conduct a more longitudinal analysis of changing perceptions. With more time, it might have been

possible to gather additional data from consumers before and after interacting with specific AI services, or from individuals who had experienced changes in regulatory communication.

Despite these limitations, the research provides meaningful insights into emerging perceptions of AI in digital finance and identifies key factors that influence consumer trust. Future research would benefit from expanding the sample diversity, exploring generational effects, and focusing on specific financial behaviours linked to AI maturity and regulatory literacy.

6.3. Future Research

This thesis has aimed to offer a starting point for exploring how consumers perceive risk and trust in AI-driven digital finance, particularly in view of emerging regulation. While it provides valuable initial insights based on a limited group of participants in Denmark and Germany, further research is needed to broaden and deepen the understanding of this topic.

First, future studies could expand the geographical scope of the research. Including participants from a wider range of countries, especially outside of Europe, such as the United States. It could help assess whether the trends identified in this study hold in different regulatory, cultural, and economic environments. Public awareness of AI regulation and the level of trust in digital finance may vary significantly depending on national institutional settings, the maturity of the local fintech market, and societal attitudes toward automation and data governance.

Second, it would be highly valuable to include the perspectives of financial institutions themselves. While this study focused on consumers, gaining insights from banks, fintech startups, or regulatory bodies could offer a more complete picture of how trust is intentionally built through AI implementation. Understanding how institutions perceive consumer expectations, navigate compliance challenges, and balance innovation with accountability would add an important dimension to the ongoing conversation about responsible AI in finance.

Finally, future research could include a greater number of participants and possibly focus on specific subgroups, such as older users or individuals with low digital literacy. A case studies of consumers who actively use AI-based financial tools, could help trace how trust develops over time and in response to real interactions with AI systems.

While this study provides a foundation, it only scratches the surface of a complex and rapidly evolving topic. The intersection of AI, regulation, and consumer behaviour remains underexplored and offers a promising field for continued academic inquiry.

7. References and Appendices

7.1. List of References

Adebush, H.H.H. and Ferdous, M., 2023. Building trust in fintech: An analysis of ethical and privacy considerations in the intersection of big data, AI, and customer trust. *International Journal of Financial Studies*, 11(2), pp.1–21. https://doi.org/10.3390/ijfs11020059

Baron, S., 2023. Trust, Explainability and AI. *Philosophy & Technology*, 36(2), pp.1–22. https://doi.org/10.1007/s13347-022-00580-5

Bell, E., Bryman, A. and Harley, B., 2019. *Business Research Methods*. 5th ed. Oxford: Oxford University Press. pp.33-35

Challoumis, C., 2024. The Landscape of AI in Finance. November. [online] ResearchGate. Available at: https://www.researchgate.net/publication/385859157_THE_LANDSCAPE_OF_AI_IN_FINANCE [Accessed 2 June 2025].

Cowles, D., 1997. The Role of Trust in Customer Relationships: Asking the Right Questions. *Marketing Management Journal*, 7(1), pp.35-43.

Dietvorst, B.J., Simmons, J.P. and Massey, C., 2015. Algorithm aversion: People erroneously avoid algorithms after seeing them err. *Journal of Experimental Psychology: General*, 144(1), pp.114–126. https://doi.org/10.1037/xge0000033

Easton, G., 2010. Critical realism in case study research. *Industrial Marketing Management*, 39(1), pp.118–128.

Einwiller, S.A., Rauh, T. and Schnauber, A., 2000. The role of reputation in the trust-building process of corporate communication. *Corporate Reputation Review*, 3(1), pp.65–73.

European Banking Authority (2024) Special topic on artificial intelligence. Available at: https://www.eba.europa.eu/publications-and-media/publications/special-topic-artificial-intelligence (Accessed: 27 May 2025).

European Banking Authority (EBA), 2024. Regulatory Challenges and Consumer Trust in AI-driven Finance, EBA Report, pp. 25-33.

European Commission, 2024. Regulatory framework proposal on artificial intelligence. [online] Available at: https://digital-strategy.ec.europa.eu/en/policies/regulatory-framework-ai [Accessed 2 June 2025].

European Parliament, 2022. Regulation (EU) 2022/2554 on digital operational resilience for the financial sector (DORA). [online] Available at: https://www.digital-operational-resilience-act.com/ [Accessed 2 June 2025].

European Parliament, 2024. Regulation (EU) 2024/1689 laying down harmonised rules on artificial intelligence (AI Act). [online] Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32024R1689 [Accessed 2 June 2025].

Feine, J., Morana, S. and Maedche, A., 2019. Leveraging design elements for trust in chatbot-based customer service. *Journal of Service Management Research*, 3(1), pp.3–12. https://doi.org/10.15358/2511-8676-2019-1-3

Ghazi, I., Mertens, P., Rauschnabel, P.A. and Ivens, B.S., 2023. Benefit-triggered or trust-guided? An investigation of customers' perceptions towards AI-adopting hotels. *Journal of Business Research*, 157, 113547. https://doi.org/10.1016/j.jbusres.2023.113547

Hasan, M., Rahman, M.S., and Monowar, M.M., 2023. Empirical Study on The Role of Explainable AI (XAI) in Improving Customer Trust in AI-Powered Products. *Procedia Computer Science*, 219, pp.168–175. https://doi.org/10.1016/j.procs.2023.01.170

Hasija, A. and Esper, T., 2023. In artificial intelligence (AI) we trust: A qualitative investigation of AI technology acceptance. *Journal of Business Logistics*, [online] Available at: https://www.researchgate.net/publication/358755892_In_artificial_intelligence_AI_we_trust_A_qualitative_investigation_of_AI_technology_acceptance[Accessed 18 May 2025].

Holm, A.B. and Xiao-an, E., 2018. *Philosophy of Science: An Introduction for Future Knowledge Workers*. 2nd ed. Frederiksberg: Samfundslitteratur.

Isaeva, N., Galaktionova, I. & Lavrova, I., 2020. Trust as a Key Factor of Financial Services Digitalization. *SHS Web of Conferences*, 80, 01016.

Kuada, J., 2012. *Research Methodology: A Project Guide for University Students*. Frederiksberg: Samfundslitteratur. pp.58-61

Mayer, R.C., Davis, J.H. and Schoorman, F.D., 1995. An integrative model of organizational trust. *Academy of Management Review*, 20(3), pp.709–734. https://doi.org/10.5465/amr.1995.9508080335

McKnight, D.H., Cummings, L.L. and Chervany, N.L., 1998. Initial trust formation in new organizational relationships. *Academy of Management Review*, 23(3), pp.473–490.

Menezes, K., Kavyashree, V. & Naik, R., 2024. Customer Perception of Artificial Intelligence in Public Banking: An Empirical Analysis. *International Journal of Financial Studies*, 12(2), pp.141-150.

Menezes, K., Kavyashree, V. & Naik, R., 2024. Artificial Intelligence and Risk Perception in Financial Services, pp.9-10.

Mitchell, V.W., 1999. Consumer Perceived Risk: Conceptualisations and Models. *European Journal of Marketing*, 33(1/2), pp.163–195.

Pavlou, P.A., 2003. Consumer acceptance of electronic commerce: Integrating trust and risk with the technology acceptance model. *International Journal of Electronic Commerce*, 7(3), p.105.

Paul, R., 2023. Customer perception of Artificial Intelligence in public banking: An empirical analysis. *ITM Web of Conferences*, 53, 01026, pp.359–365. https://www.researchgate.net/publication/367632494_Artificial_Intelligence_in_Financial_Services_New_Risks_and_the_Need_for_More_Regulation

Pattit, J. & Pattit, R., 2024. An empirical exploration of the drivers of trust in consumer financial services. *Financial Insights Journal*, 32(4), pp.87-102.

Regulation (EU) 2022/2554, Article 5. Governance and organisation. [online] Available at: https://www.digital-operational-resilience-act.com/Article_5.html [Accessed 2 June 2025].

Regulation (EU) 2022/2554, Article 19. Reporting of major ICT-related incidents. [online] Available at: https://www.digital-operational-resilience-act.com/Article_19.html [Accessed 2 June 2025].

Regulation (EU) 2022/2554, Article 24. Advanced testing of ICT tools, systems and processes. [online] Available at: https://www.digital-operational-resilience-act.com/Article_24.html [Accessed 2 June 2025].

Rodgers, W.C., 1961. Customer Behavior as Risk Taking. *Harvard Business Review*, 39(3), pp.93-102.

Sayer, A., 2001. For a critical cultural political economy. *Antipode*, 33(4), pp.687–708.

Wang, W. and Siau, K., 2023. Trust in artificial intelligence: A multidisciplinary review. *International Journal of Human–Computer Interaction*, 39(2), pp.103–117. https://doi.org/10.1080/10447318.2022.2117079

Zulkarnain, N.A., Zainuddin, Y., & Lestari, D., 2021. The Role of Trust in the Financial Service: A Critical Review. *Advances in Social Science, Education and Humanities Research*, 581, pp.184-190.

7.2. Appendices

Interview G1:

- Do you give consent to being recorded? Yes
- How old are you? 24
- Where are you from? Northern Germany
- What is your profession? Marketing and sales student
- What is your level of familiarity with AI-driven financial services/financial services powered by artificial intelligence? (What is your knowledge about financial services provided by AI) The specific field of finance, not too high, but in OK I would say quite high.
- How do you typically manage your finances? Traditional banking, finance app to organise expenses

- Have you ever used AI-powered financial tools? Not yet, chat bots but not in finance context
- If not, is there any specific reason for not using them? No, it's I. I think I would actually trust them more than myself with doing this kind of stuff. So it's it's just that I don't have the time for it.
- What is the first thing that comes to your mind when you think about AI in banking or finance? Trust in numbers, I know that AI can also make mistakes, and when there's someone you can talk to about how, how, what, what does this number mean? How does it come? It's something else when if it just comes from from an AI.
- How do you feel about the increasing use of AI in financial services? I think it's a good tendency.

  I think we can. It can help us a lot and especially analysis wide it's it's even even easier than if we do it ourselves.
- Do you generally trust AI-powered financial services? Yes, I'm always a little bit sceptic, but yeah I trust it in general.
- What factors make you trust or distrust AI-powered financial services? If the output tends to be wrong or inaccurate, it naturally leads to distrust.
- How important is human interaction in financial services for you? I'd like to have a person I can speak to, but.

  It most likely comes with more costs, so that's why I'd like to avoid it.
- Would you feel more comfortable if AI systems had more human oversight? Yeah, I think so
- Have you ever had a negative experience with AI-powered financial tools? If so, can you describe what happened? Not really, i meant, not specifically with financial tools. But with AI in general, yes. The problem is often with the underlying data structure, when it's messy, the output can also be messy. Sometimes AI tends to hallucinate, and you end up with results that are completely unusable. However, I haven’t had that kind of experience in a financial context yet.
- Are you aware of existing AI regulations in financial services? I know a bit about the AI act, but that knowledge might already be a bit old because it was from the from the last year, when I wrote my bachelor thesis about the topic.

- Do AI regulations make you feel safer and more comfortable using AI in finance? Yes, I think so. We have already seen what a lack of regulation in finance can mean. It gives me a better feeling if I know that there are regulations.
- Do you think AI regulations effectively protect consumers from potential risks? Yes, yes, I think so.
- Do you think stricter AI regulations would make you more likely to use AI-powered financial services? No, not really. I think regulations are already quite strict in some places. The real issue for me is that if regulations become too strict, there's less flexibility, and everything becomes too complicated. I don't like complicated processes, especially when it comes to approvals or setup. If I download a finance app and have to go through hundreds of steps to identify myself just to make it safer, it wouldn't encourage me to use it. Of course, a certain level of security and governance is necessary, but too much can be discouraging.
- How do you see AI evolving in financial services in the future? I think AI is very important and will play a major role across all industries. It's already disrupting many fields, and in finance specifically, I believe it holds even more potential. AI can support analytical processes and help reduce costs for customers. So overall, I see a lot of potential for its future in financial services.

Interview G2:

- How old are you?

24 Years old.

- Where are you from?

Berlin, Germany.

- What is your profession?

I work as an accountant, mainly in bookkeeping and in payroll accounting.

- What is your knowledge about financial services provided by AI?

Very little, because I personally don't pay much attention to AI. It obviously is still present in our main software Datev obviously.

- How do you typically manage your finances?

I use online banking and a spreadsheet I made to track my expenses

- Have you ever used AI-powered financial tools?

No I have only used chat bots on various other websites but never financial related

- Is there any specific reason for not using them?

I'm not the biggest fan of AI in general and like to avoid it if possible

- What is the first thing that comes to your mind when you think about AI in banking or finance?

How it makes it easier to book invoices because it prefills the textfields in our software

- How do you feel about the increasing use of AI in financial services?

I can see why they use it because there is less room for mistake compared to

a regular person

- Do you generally trust AI-powered financial services?

I think they are generally trustworthy but I still prefer to not use them too much

- What factors make you trust or distrust AI-powered financial services?

For me it's important where their servers are located because of data privacy

- How important is human interaction in financial services for you? Would you feel more comfortable if AI systems had more human oversight?

I think there should always be humans overlooking things

- Have you ever had a negative experience with AI-powered financial tools? If so, can you describe what happened?

Just that the software didn't properly register some things

- Are you aware of existing AI regulations in financial services?

No

- Do AI regulations make you feel safer and more comfortable using AI in finance?

I think it's good but since I don't know the regulations just knowing they exist doesn't make me feel safer

- Do you think AI regulations effectively protect consumers from potential risks?

I would hope so

- Do you think stricter AI regulations would make you more likely to use AI-powered financial services?

Yes it would definitely be more likely

- How do you see AI evolving in financial services in the future?

It’s never gonna go away again but it’s gonna go to a point where less and less people are needed for oversight because the services get more and more reliable with experience

- What would need to change for you to feel fully comfortable and trusting toward AI-powered financial tools?

I don’t think I would ever feel fully trusting of completely relying on AI regardless on the safety measures

Interview G3:

- Do you give consent to being recorded? yes
- How old are you? im 23 years old
- Where are you from? Germany
- What is your profession? Im currently a master student
- What is your level of familiarity with AI-driven financial services/financial services powered by artificial intelligence? I personally have no experience with AI-supported financial services.
- How do you typically manage your finances? I use my online banking exclusively.
- Have you ever used AI-powered financial tools? No, I haven't yet. At most, I've written to a chatbot once when I had a general question.
- Is there any specific reason for not using them? I don't think I have enough confidence in these tools or have heard much about them. I would rather have my finances under control myself.
- What is the first thing that comes to your mind when you think about AI in banking or finance? Personalised customer experiences, less financial crime
- How do you feel about the increasing use of AI in financial services? I think that AI can really make our life easier but since it is still kind of new, we have to be careful when to use it and also how to use it. It can also make mistakes and should not replace our thinking

- Do you generally trust AI-powered financial services? Why or why not? I don't trust them at the moment, but that's also because I don't personally know anyone in my environment who has already had positive experiences with them
- What factors make you trust or distrust AI-powered financial services? Lack of experience, lack of knowledge
- How important is human interaction in financial services for you? Would you feel more comfortable if AI systems had more human oversight? Yes, as AI can also make mistakes.
- Are you aware of existing AI regulations in financial services? No
- Do AI regulations make you feel safer and more comfortable using AI in finance? yes
- Do you think AI regulations effectively protect consumers from potential risks? I think so
- Do you think stricter AI regulations would make you more likely to use AI-powered financial services? yes
- How do you see AI evolving in financial services in the future? I think it definitely offers a great opportunity, but AI needs to be used and regulated in a controlled way
- What would need to change for you to feel fully comfortable and trusting toward AI-powered financial tools? I would need to be properly Introduced to the topic and how exactly AI-supported financial services work

Interview G4:

- Do you give consent to being recorded? yes
- How old are you? 41
- Where are you from? Germany, berlin
- What is your profession? Restaurant owner
- What is your level of familiarity with AI-driven financial services/financial services powered by artificial intelligence? (I know about it, but never used it
- How do you typically manage your finances (online banking, traditional banking, financial apps)? Online banking, financial apps
- Have you ever used AI-powered financial tools (AI fraud detection, robo-advisors, chat bots)? No, never
- If not, is there any specific reason for not using them? Because I don’t know how to use it, and I don’t know how it can be relevant

- What is the first thing that comes to your mind when you think about AI in banking or finance? it can be helpful, but on the other hand it can use your identity, or personal information, personal data
- How do you feel about the increasing use of AI in financial services? It's the future and if I know more about it, I would be more interested
- Do you generally trust AI-powered financial services? Why or why not? I try to, it's a new thing, and it's always the same process if we don't know something, we have to understand it first, and then the trust will come one day
- What factors make you trust or distrust AI-powered financial services? Its worldwide, so I feel safer knowing that other people also are using it, so I'm not alone, more people are using it, that means it's more positive
- How important is human interaction in financial services for you? Would you feel more comfortable if AI systems had more human oversight? Its okay if someone check it, important is that the system works even without the person. So if it works, it can be also without the person
- Are you aware of existing AI regulations in financial services? No, never read about this before
- Do AI regulations make you feel safer and more comfortable using AI in finance? Of course I would
- Do you think AI regulations effectively protect consumers from potential risks? Yes,
- Do you think stricter AI regulations would make you more likely to use AI-powered financial services? Yes, I think we need regulations for everything, its very important
- How do you see AI evolving in financial services in the future? One day it will be the future, and the only way to use. Maybe it will be still possible to use it in finance without AI, but it become normal and its okay. I also have to learn more about it, to understand how and why it become the future. You have to go with the time. if you don't go with time, you live behind, so you have to go ahead. Its like the smartphones. if you never use the smartphone I think that you don't need them, if you start to use it, then you find its not just phone to call, but something more , you can also use it for online banking now, you used to have to go to bank to do everything, but now you can do it at home, and its very comfortable, you can save a lot of time

Interview G5:

- Do you give consent to being recorded? yes
- How old are you? 26
- Where are you from? Berlin, Germany
- What is your profession? Technical project management
- What is your level of familiarity with AI-driven financial services/financial services powered by artificial intelligence? (What is your knowledge about financial services provided by AI) i dont have any specific experience
- How do you typically manage your finances (online banking, traditional banking, financial apps)? Financial apps
- Have you ever used AI-powered financial tools (AI fraud detection, robo-advisors, chat bots)? No, never
- Is there any specific reason for not using them? I didnt need to use them
- What is the first thing that comes to your mind when you think about AI in banking or finance? Chatbots
- How do you feel about the increasing use of AI in financial services? The basic idea of AI is good, but it should be borne in mind that more and more jobs in the low-wage sector will be lost due to the increased use and research of AI. The employees who enter the labour market as a result may not have the opportunity to take up another job/occupation.
- Do you generally trust AI-powered financial services? Why or why not? No i don't trust. A critical point is the storage of data which is necessary for processing by an AI.
- What factors make you trust or distrust AI-powered financial services? Data storage, hidden costs
- How important is human interaction in financial services for you? Would you feel more comfortable if AI systems had more human oversight? I would enjoy human contact more
- Are you aware of existing AI regulations in financial services? no
- Do AI regulations make you feel safer and more comfortable using AI in finance? no
- Do you think AI regulations effectively protect consumers from potential risks? no
- Do you think stricter AI regulations would make you more likely to use AI-powered financial services? Yes, as long as the AI is permanently checked by humans
- How do you see AI evolving in financial services in the future? In order for AI to achieve its goal, many existing jobs will have to disappear.

- What would need to change for you to feel fully comfortable and trusting toward AI-powered financial tools? A permanent human presence and that the AI cannot/may not make any decisions itself would make me feel more comfortable when using AI

Interview D1:

- Do you give consent to being recorded?
    - Yeah
- How old are you?
    - 29 years
- Where are you from?
    - Denmark
- What is your profession?
    - I study a masters in Marketing and Sales via AAU and work at a bank (Spar Nord) with marketing.
- What is your level of familiarity with AI-driven financial services/financial services powered by artificial intelligence?
    - I'm familiar with it.
- How do you typically manage your finances (online banking, traditional banking, financial apps)?
    - I use a financial app.
- Have you ever used AI-powered financial tools (AI fraud detection, robo-advisors, chat bots)?
    - I have not used AI for financial purposes. But I have used chat bots for other issues.
- If not, is there any specific reason for not using them?
    - I just have not needed any guidance through AI services aligning with financial issues. I trust myself a bit more and if any issues that I cant figure out I can contact my bank advisor.
- What is the first thing that comes to your mind when you think about AI in banking or finance?

    - It’s good when it comes to collecting data and making the customer experience more fluid. It helps the financial advisors contain and analysis several data, so that they can help the customer with more precision and effectiveness.
- How do you feel about the increasing use of AI in financial services?
    - I’m fine with it as long as it is regulated according to the law.
- Do you generally trust AI-powered financial services? Why or why not?
    - I do if it is proven and regulated by the law, for instance GDPR.
- What factors make you trust or distrust AI-powered financial services?
    - Regulated by the law.
- How important is human interaction in financial services for you? Would you feel more comfortable if AI systems had more human oversight?
    - When it comes to personal assistance and advising a customer it is important that there is some sort of human interaction.
- Are you aware of existing AI regulations in financial services?
    - Not specifically.
- Do AI regulations make you feel safer and more comfortable using AI in finance?
    - Yes, a bit.
- Do you think AI regulations effectively protect consumers from potential risks?
    - No, there is always risk when it comes to online technology and data collection.
- Do you think stricter AI regulations would make you more likely to use AI-powered financial services?
    - Yeah, maybe.
- How do you see AI evolving in financial services in the future?
    - It will grow even more. It will become an integral part of all financial services.
- What would need to change for you to feel fully comfortable and trusting toward AI-powered financial tools?
    - More experience and clearer rules and regulations.

Interview D2:

- Do you give consent to being recorded? Yes
- How old are you? 21
- Where are you from? Denmark, hjörring
- What is your profession? Physical therapist student

- What is your level of familiarity with AI-driven financial services/financial services powered by artificial intelligence? (What is your knowledge about financial services provided by AI) I don't have any knowledge about it actually**.** I think it could, like organise a budget for you, but I have not tried that**.**
- How do you typically manage your finances (online banking, traditional banking, financial apps)? physical banking, but I have online app from the bank.
- Have you ever used AI-powered financial tools (AI fraud detection, robo-advisors, chat bots)? No, I think I haven't
- If not, is there any specific reason for not using them? No there is not. I just think I don't have much knowledge about it and I don't know how to use it
- What is the first thing that comes to your mind when you think about AI in banking or finance? Something that you can have some advice for your finance. Become a budget or something like that. If you want to get something how you can find the money in your system.
- How do you feel about the increasing use of AI in financial services? I think its fine, because you can get immediate information about what you can do with it, but you also always have to check the facts and see if it's true. So I think it's fine, but I don't think it's the answer to everything.
- Do you generally trust AI-powered financial services? Why or why not? I don't , but I'm sceptical about it because I don't know if it's 100% right.
- What factors make you trust or distrust AI-powered financial services? The way I trust him is that he has a lot of knowledge from the internet about everything from banking to budgeting, how to save some money, but I also think you have to be able to think about it because there are a lot of things on the internet that you can't really trust, but AI still use them because they are on the internet
- How important is human interaction in financial services for you? Would you feel more comfortable if AI systems had more human oversight? I'm really old-school in that part actually. I like sitting with my banker or financial advisor and talking through my account. I like seeing a friendly face — someone who understands what my issue is and can say: You can do something like this or that. I just think it feels more real sitting down with a human. If it's just written on a computer, for example, you don't really get the seriousness of the problem. It's more like, "Whatever, let's just get it over with." So yeah, human interaction is kind of important for me.

- Are you aware of existing AI regulations in financial services? No, I'm actually not. I've never heard of any specific regulations. Maybe I've heard something mentioned somewhere, but I've never really looked into it or tried to understand how it works.
- Do AI regulations make you feel safer and more comfortable using AI in finance? I think it would, in a way, because then you have more control over your financial matters. It wouldn't feel like something bad is happening without oversight. So yes, I think regulation could help create a clearer picture of what you're actually using.
- Do you think AI regulations effectively protect consumers from potential risks? Yeah, it could definitely do that.
- Do you think stricter AI regulations would make you more likely to use AI-powered financial services? Yeah, probably. I haven't tried them yet because I'm not sure about them, but I probably would give it a try if I knew they were well regulated. I'd see if it works for me, and if not, then I'd just leave it.
- How do you see AI evolving in financial services in the future? I see it becoming much bigger and having more control over finances than it does now. I think it could save time by automating financial tasks and helping users make changes based on smart suggestions. In general, AI can really help with budgeting and managing personal finances, it could offer better control over how people handle their money.

Interview D3:

- Do you give consent to being recorded? yes
- How old are you? 25
- Where are you from? Denmark
- What is your profession? Student law
- What is your level of familiarity with AI-driven financial services/financial services powered by artificial intelligence? (What is your knowledge about financial services provided by AI) I know what AI is, but don't know what it is in financial things, I know what you can use it for studies, but I don't know if you can use it for money. but I use it for studies.
- How do you typically manage your finances (online banking, traditional banking, financial apps)? Online banking, stocks app, and then I used the the card app you know so I can pay with my phone.

- Have you ever used AI-powered financial tools (AI fraud detection, robo-advisors, chat bots)? No
- If not, is there any specific reason for not using them? I didn’t know it existed. I would probably use an AI, but maybe only when I have enough money that I don't care what happens to it. I guess I don't mind trying it — I’ve just never done it before.
- What is the first thing that comes to your mind when you think about AI in banking or finance? sadness but nice.
- How do you feel about the increasing use of AI in financial services? I didn't even know it existed, so I don't know if I can feel that it's increasing if I didn't even know it was existing. But I feel safe.
- Do you generally trust AI-powered financial services? Why or why not? Do you generally trust AI-powered financial services? Why or why not? Yea It can’t be worse than me. I think it's smarter than me, so you know, that's a thing. I actually think it's part of that. It's rare for AI to make mistake, but it's pretty common for me to make mistake, so I'd rather have my odds on the one who didn't makes this mistake.
- What factors make you trust or distrust AI-powered financial services? because it has a better knowledge that me
- How important is human interaction in financial services for you? Would you feel more comfortable if AI systems had more human oversight? Its not important
- Are you aware of existing AI regulations in financial services? No
- Do AI regulations make you feel safer and more comfortable using AI in finance? I wouldn't read it anyway. Like I just press the big square where you can put a check mark in and then I accept it. And then I'll never read it.
- Do you think AI regulations effectively protect consumers from potential risks? Yes, that's essentially what laws are for, so I believe they can be effective. But it really depends on who creates the laws. Some regulations can be influenced or biased, but in your case, the law seems fairly neutral, so I think it's fine.
- Do you think stricter AI regulations would make you more likely to use AI-powered financial services? Yes, I think stricter regulations could make me more likely to use AI-powered financial services. If the regulations limit certain risky behaviours, like reducing the temptation to gamble, that’s a trade-off I’d accept, especially if it means my bank account is more secure.

- How do you see AI evolving in financial services in the future? Maybe in the future, AI could become something more physical or fully autonomous, like a system where you just give your money to the AI, and it handles everything for you. It could manage your budget, make financial decisions, and even take care of purchases automatically. So instead of putting money into a traditional bank account, you'd deposit it into an AI-managed account that operates on your behalf. I think something like that could be possible one day.

Interview D4:

- Do you give consent to being recorded? yes
- How old are you? 24
- Where are you from? Denmark
- What is your profession? Marketing and sales student
- What is your level of familiarity with AI-driven financial services/financial services powered by artificial intelligence? (What is your knowledge about financial services provided by AI) I don't know much about it, i know the AI is every where, there are virtual assistants but I don't know that much
- How do you typically manage your finances (online banking, traditional banking, financial apps)? I only use finance app don't really check my bank on computer. I always check it on my phone in the app.
- Have you ever used AI-powered financial tools (AI fraud detection, robo-advisors, chat bots)? No. Every time I wanted to reach out to my bank, I just always searched for a specific e-mail for the customer service 'cause I didn't wanna deal with the chat box. I mean I use the chat bottom rynair website maybe once, but it's nothing to do with the finances so but I avoid these. I hate them. It's annoying. I want to talk to a real person.
- If not, is there any specific reason for not using them? I didn't really need to use them, but when I wanted to reach out to the bank about one thing, I just search for their customer service e-mail and I've reached out to them directly. 'cause I felt more comfortable about that.
- What is the first thing that comes to your mind when you think about AI in banking or finance? Money
- How do you feel about the increasing use of AI in financial services? Honestly, I think I prefer talking to people. 'Cause I know that it that it would be easier in general to to

talk to AI probably, and this could probably answer my questions as well, but I just prefer this face to face sort of thing. Like it gives me some more. It's more credible. I don't know how to explain it like I feel safer. And I still feel like money is something sensitive. It don't make sense.

- Do you generally trust AI-powered financial services? Why or why not? I wouldn't say I don't trust them. I think it's just my personal preference that I wouldn't want to use it at this point.
- What factors make you trust or distrust AI-powered financial services? just before that I just feel more comfortable knowing that it's a real person answering me some sort of security. Because AI is not always correct and we know we all know that and there is just certain topics you cannot just ask the bot cause often it could answer things like oh OK, this is not part of my database or whatever. And yeah, I just feel like I always feel more comfortable discussing things with a real person.
- How important is human interaction in financial services for you? Would you feel more comfortable if AI systems had more human oversight? And I think it's very important. So you you would feel so much more comfortable. Yeah, for sure, because sometimes you have those things you need to discuss with your bank. And I had some issues with my. Under bank and I just felt like the thing got resolved so much quicker when I did it in person rather than doing it online.
- Are you aware of existing AI regulations in financial services? I'm not
- Do AI regulations make you feel safer and more comfortable using AI in finance? I think if I would have read them, I would probably have a different opinion on certain things, but since I didn't read them and I'm not really aware. At this point, I'd you know. I really cannot say, but it probably would make me feel safer knowing that there is certain things everyone needs to push and yeah.
- Do you think AI regulations effectively protect consumers from potential risks? I don't think it protects customers in that sense. I think that it's some sort of precaution, but ultimately it's still your decision and your action. Mm hmm. So you cannot be like, oh, I read the regulation and this regulation will protect me no matter what I do. It's not how I do it in any other topic we could talk. It could still like if you do something stupid, you cannot expect the the regulation to save your back. You still have to have some critical thinking

- Do you think stricter AI regulations would make you more likely to use AI-powered financial services? As I said, if I was communicated clearly the regulations and I was aware of them, that my point of view would be probably different, but at this point I I don't have the knowledge of them. So hmm and I don't find it necessary for my current situation to educate myself about that, if that makes sense. They would probably change my point of view.
- How do you see AI evolving in financial services in the future? Probably gonna be much more than now. And it's so funny because I'm not really aware of it to to that extent at this point in my life. But probably the older we get, the more.
- AI powered it's gonna be so. I mean, we all know that.
- What would need to change for you to feel fully comfortable and trusting toward AI-powered financial tools? Overall awarenesses, or if the big companies were using it publicly. I didn't really feel like it's that publicly because at this point, or maybe I'm just not coming into contact with it, but it's not like I'm sceptical. But it's just like I still prefer that person to talk to and not just the bot, not just my personal preference at this point in my life. I don't know, maybe in five years it's gonna be completely different

Interview D5:

- Do you give consent to being recorded? Yeah
- How old are you? 28
- Where are you from? Denmark
- What is your profession? Elementary school teacher student
- What is your level of familiarity with AI-driven financial services/financial services powered by artificial intelligence? (What is your knowledge about financial services provided by AI) I know there is AI investment, so i have some knowledge
- How do you typically manage your finances (online banking, traditional banking, financial apps)? I use an online bank
- Have you ever used AI-powered financial tools (AI fraud detection, robo-advisors, chat bots)? No
- If not, is there any specific reason for not using them? Not really
- What is the first thing that comes to your mind when you think about AI in banking or finance? scamming

- How do you feel about the increasing use of AI in financial services? I think it makes it more manageable for people if they use it for other things than investments. I think the scam part is investments
- Do you generally trust AI-powered financial services? Why or why not? Except for investments, yes.
- What factors make you trust or distrust AI-powered financial services? When they try to sell it as a way to get rich quick, you know, you've seen the commercial where you use this AI to manage your investments and then you'll get rich on it. I think that makes you very distrustful. Like AI, the word is kind of a trendy word now, so they use it for everything.
- But you can also use it for budgeting finances. - Yes, if that's the case, that's fine. But in general I don't trust it because the only ads I see are for the investment part.
- How important is human interaction in financial services for you? Would you feel more comfortable if AI systems had more human oversight? I think it would. I would trust the information more if another person that has knowledge about finances more than he has actually looked at what they are, so it's just not the AI doing things.
- Are you aware of existing AI regulations in financial services? Not at all.
- Would AI regulations make you feel safer and more comfortable using AI in finance? Yes, a lot.
- Do you think AI regulations effectively protect consumers from potential risks? I trust the regulations somewhat without knowing them.
- Do you think stricter AI regulations would make you more likely to use AI-powered financial services? Yes, if I knew what they were, then yes.
- How do you see AI evolving in financial services in the future? I think in the future it's very broad, but I think way in the future like AI will do all the finance still for you. I think it would be useful. Everything, as soon as it's good enough. It's developing already, we can see the difference.