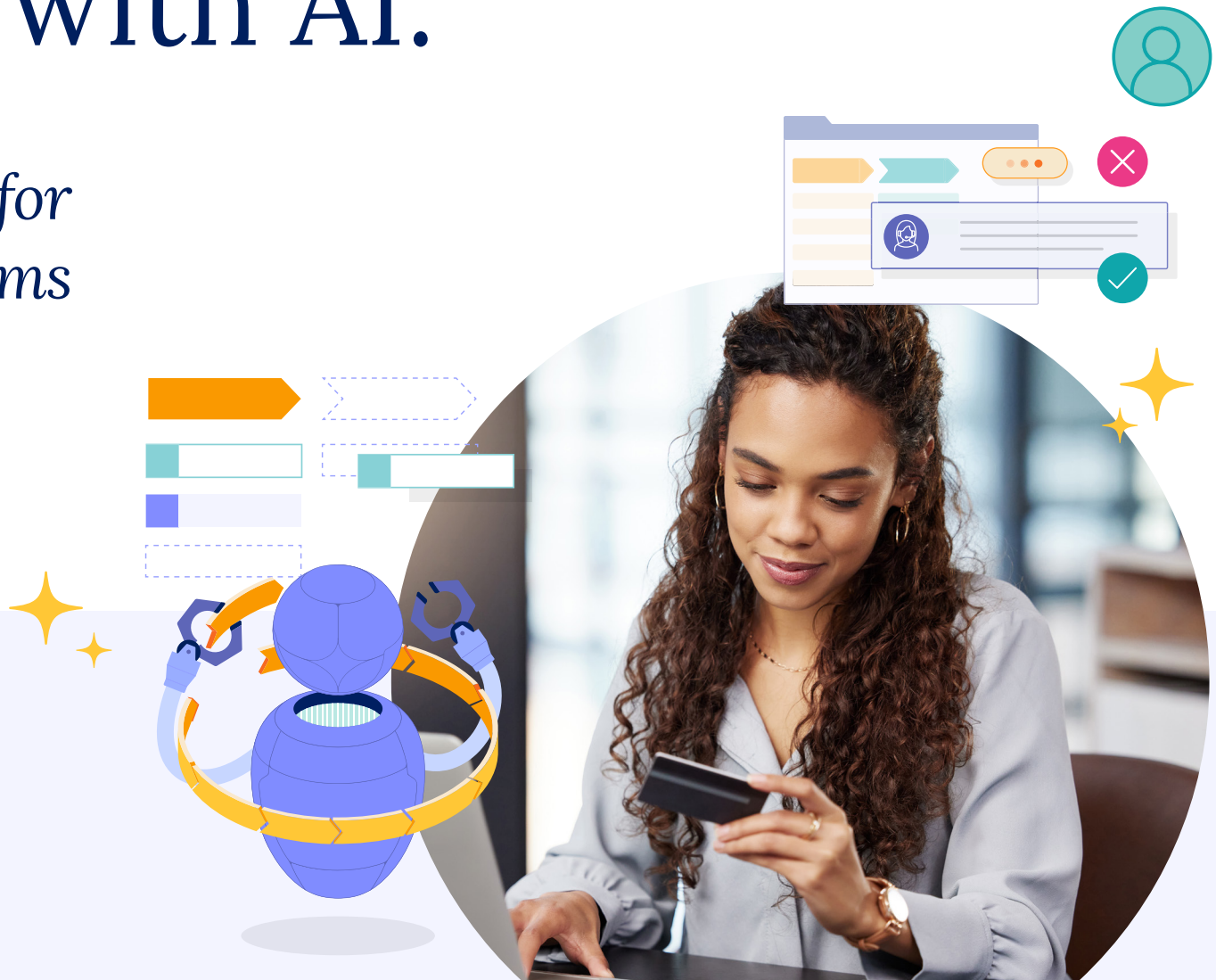
Reimagine dispute operations with AI.

The path to leadership for disputes and fraud claims today and tomorrow.



Executive Summary

Payments are transforming faster than ever.

Payment systems face unprecedented disruption from AI, fraud proliferation, and evolving payment methods. Yet dispute operations investments lag dramatically behind these changes.

Financial institutions need a unified, cloud-based dispute backbone powered by AI and intelligent workflow management to bridge this gap. This integrated solution delivers operational control and adaptability across today's complex payment landscape while remaining flexible for tomorrow's innovations.

By consolidating fragmented systems and automating fraud and non-fraud claims processing, banks can reduce losses, improve compliance, cut costs, and enhance customer experience—turning dispute resolution from a liability into a competitive advantage.

RAPID CHANGE AND WHAT IT MEANS FOR THE INDUSTRY.

Payment systems are facing unprecedented disruption. COVID accelerated this transformation, but deeper structural shifts were already driving the change we see today.

The fragmentation of global payments infrastructure—with different countries, regions, and jurisdictions operating independent systems—will persist. Adoption of newer payment methods continues to vary significantly by geography and demographics. Simultaneously, growing demands for payment sovereignty and reduced reliance on US-based networks are reshaping the landscape.

Yet rapid growth and AI bring their own challenges. Fraudsters are weaponizing AI while merchants increasingly report that many disputes stem from customer misuse rather than actual fraud.

Critically for bank operations teams, established payment methods don't disappear; they diminish. Banks cannot focus exclusively on "today".

Instead, they must embed AI and adaptability into their infrastructure to effectively manage both existing and emerging payment complexity as the landscape continues evolving.

Changes are disrupting the payment markets today

1. PROLIFERATION

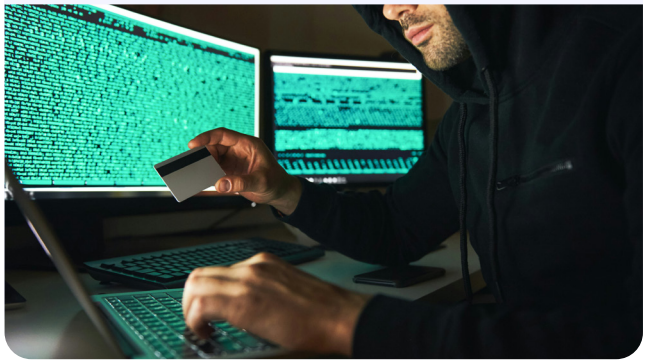
Regular announcements of new or improved payment types covering P2P, RTP, A2A, Pay by Bank, digital wallets, and more.

2. CONVERGENCE

Cross-border and domestic payments are increasingly adopting ISO 20022 and Open Banking standards.

3. FRAUD & AI

Overall fraud is exploding especially as fraudsters employ AI and RTP as facilitators.



The Paradox of Invisible Complexity

As payment methods proliferate, the dispute landscape will force banks to change.

The payments industry stands at a critical juncture approaching 2027. Regulatory certainty is increasing, infrastructure is becoming commoditized, and the competitive focus has shifted from payment method innovation to ecosystem integration.

The landscape of 2030-2031 will differ markedly from today, driven by converging technological, regulatory, and consumer trend shifts. Crypto, CBDCs, PSD3, Agentic shopping, and payment sovereignty may not be mainstream today but will play a material role in five years.

After years of proliferation, we expect there to be either overlays to abstract the complexity or outright consolidation as the market becomes overwhelmed with options. The growing desire for clarity on the most secure and reliable options will force it.

With payments at the core of a bank's business, disputes and fraud claims remain a Top 5 contact service reason and is a critical part of a bank's day-to-day operations.

Every dispute is a moment of truth and banks need fair, fast resolutions at scale as "older" payments shift, but never disappear, to newer rails.

However, as banks expand payment offerings, they are finding challenges in efficiency due to the lack of well-defined arbitration and recovery processes, along with evolving regulations related to fraud and recovery liability.

According to Interpol*, AI-enhanced fraud is 4.5 times more profitable than traditional methods. "Agentic AI" systems can autonomously plan and execute complete fraud campaigns - from reconnaissance to ransom demands. Newer payment types remain immature around controls and understanding of vulnerabilities.

The result is increasing scrutiny by legislators and regulatory agencies looking to hold banks accountable for losses.

*https://www.interpol.int/en/News-and-Events/News/2026/INTERPOL-report-warns-of-increasingly-sophisticated-global-financial-fraud-threat

FAST FACTS

Interpol reports a **54%** increase in fraud cases with global fraud losses estimated at $442 USD*.

Instant payments have increased dramatically beyond initial projections, now growing at a CAGR of **35%** through 2029, vastly outpacing "cards".

In 2025, APP fraud was up **19%** in the UK, while fraud in the USA was up **30%** according to the FTC.

Challenges for Banks

1. OPERATIONAL COST

- More volume, same staff — “AI as the fix” pressure
- Fragmented channel solutions limit automation & self-serve
- Multiple manual systems by network/rail limit STP & cross-skilling

2. FRAUD & LOSS LIABILITY

- Losses rising with volume & “friendly fraud” claims
- Faster payments = faster fraud — scams surging
- Agentic commerce opens an entirely new risk area

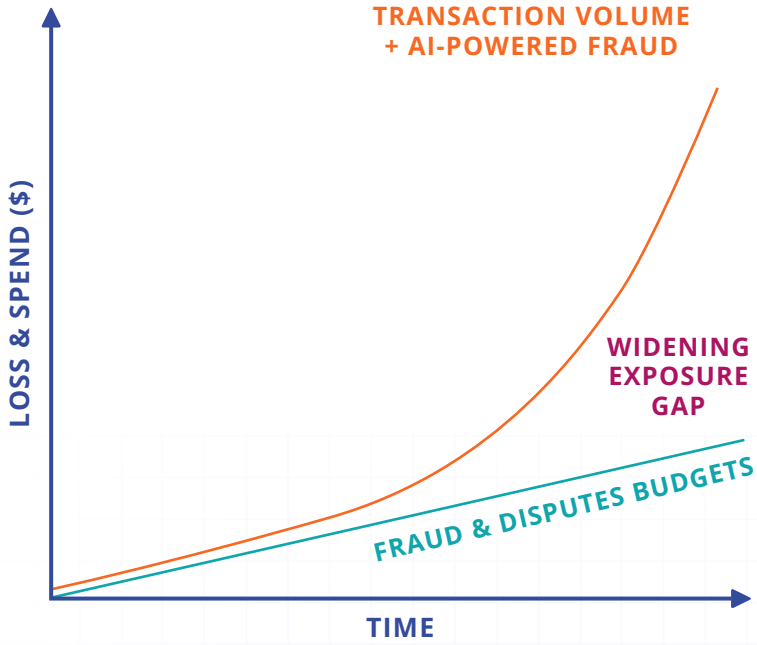
3. REGULATORY COMPLIANCE RISK

- Constant retraining for network & regulation changes
- Limited visibility or automation to prevent compliance failures
- Compliance first — even at the cost of efficiency

4. CUSTOMER EXPERIENCE

- Legacy systems can’t deliver conversational self-service
- No traditional protections for newer payment types
- Disputes are a “moment of truth” for loyalty & attrition*

Fraud & Disputes growing faster than capacity to handle



*PwC study on service

INDEPENDENT AUTOMATION

Incrementalism without orchestration.

Banks spend a lot of time in chasing independent payment rails and projects to address the challenges they are facing today.

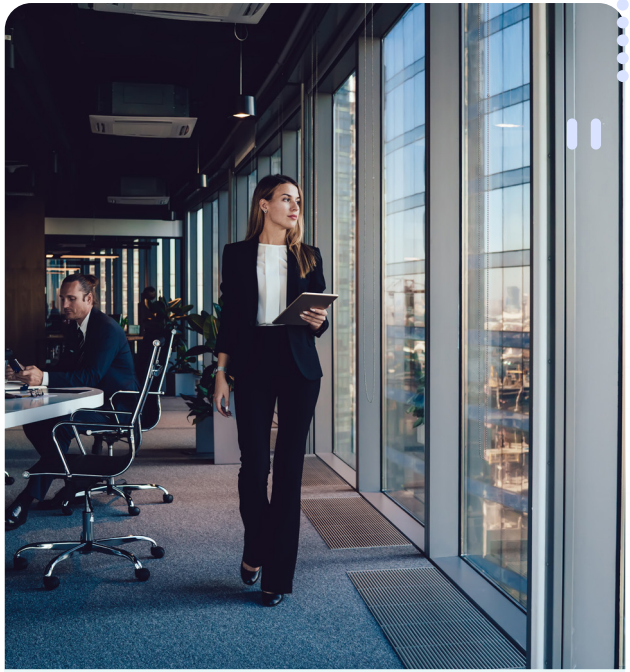
The lack of a concerted vision dilutes these efforts - often leaving the business with “spaghetti” and IT with indigestion.

Leaders Looking Forward

Faced with the challenges in this broader payment landscape, payment operations leaders must adopt new solutions to ensure both control and adaptability for the volume and increased complexity disputes.

As the ecosystem develops, splinters, and then consolidates, they cannot rely on a myriad of point solutions or AI that may hallucinate. Instead, business and IT leaders are working together on upgrading their technology to consolidate and manage disputes and fraud claims holistically with key capabilities.

Business and IT leaders also understand this solution must be delivered quickly, but iteratively - not as a “big bang“. They also cannot take on the risk of immediate obsolescence or unknown token costs. Banks need ROI today and agility for tomorrow.



BUSINESS LEADERS WANT:

- AI powered decisioning they can trust to automate work and improve STP
- Best in class workflow with human-in-the-loop assistants when needed
- Industry accelerators for faster time to market and ongoing compliance

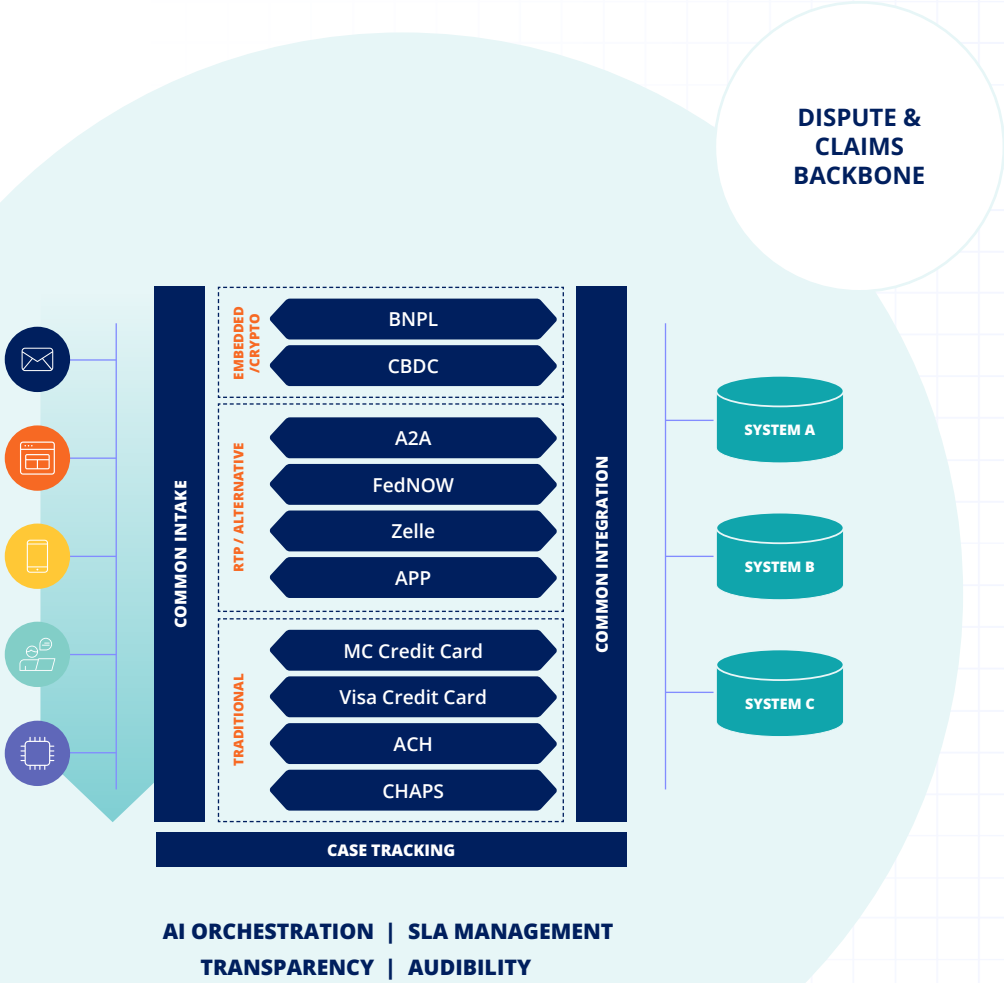
IT LEADERS WANT:

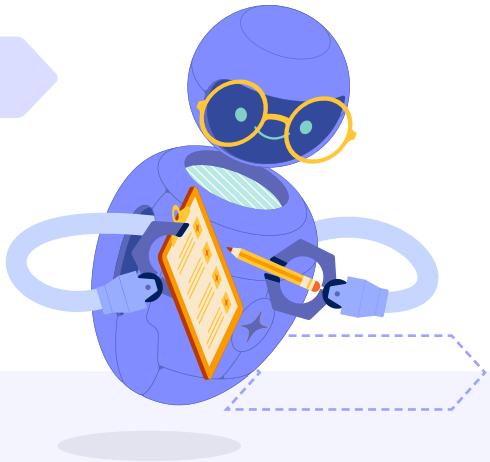
- A modern, cloud-based architecture to reduce build and maintenance expenses
- Extensive re-use like channel/ system interfaces to eliminate duplicate efforts
- AI support to build and maintain faster in an era of scarce resources and budgets

Build for change

Imagine a unified, AI-powered dispute operations that ticks all the boxes.

The right solution is agile enough to fold in the next payment rail, change recovery rules, or shift fraud liability. It can handle the surge in claims coming with trusted outcomes while reducing operational costs through consolidation. It simplifies ongoing IT maintenance with channel and system API re-use as well as predictable AI costs. Finally, it improves CX and efficiency with seamless channel choice. One solution covers them all.





To get started learn more here