

Governance of Financial Promotions in an AI-enabled environment

This paper sets out the governance implications for FCA-regulated firms where AI functionality influences marketing and financial promotions workflows. It clarifies how current regulatory obligations apply and identifies the control architecture required to maintain supervisory confidence.

It specifically outlines how existing expectations apply in an environment where automation and AI functionality influence customer-facing communications.

I Current regulatory position

The FCA has reiterated in its [updated 2026 position statement](#) that it does not plan to introduce AI-specific regulation and will continue to rely on existing frameworks.

The FCA remains principles-based and technology neutral.

Existing obligations continue to apply, including:

- Financial promotions must be clear, fair and not misleading
- Consumer Duty requires firms to avoid foreseeable harm and support customer understanding
- Under SM&CR, accountability sits with named individuals
- Firms must maintain effective systems and controls

These obligations apply irrespective of whether content is drafted manually, automated or AI-assisted.

Supervisory focus is not on the use of AI, but on whether firms can demonstrate effective oversight of the systems that influence consumer outcomes.

| The governance risk

AI functionality is increasingly embedded within:

- Content drafting tools
- Workflow and routing systems
- Personalisation engines
- CRM platforms
- Third-party marketing technology

This increases:

- Content volume
- Variation of communications
- Speed of distribution
- Dependency on supplier systems

Where marketing systems scale without corresponding control redesign, firms may experience:

- Increased approval cycle times
- Higher rework rates
- Reduced visibility of variation
- Fragmented audit evidence
- Increased supervisory exposure

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The key governance question is:

Can the firm demonstrate that its marketing systems remain controlled, proportionate and defensible when AI functionality is embedded?

| The four tests of governance

Senior Managers may apply the following tests to understand risk:

Test 1

Visibility

Can the firm produce a documented view of where AI functionality operates within marketing systems, including supplier ecosystems?

Test 3

Structured judgement

Where interpretation is required, can the firm demonstrate:

- Human review and sign-off
- Documented approval rationale
- Identified and resolved risk flags
- Clear escalation pathways

Test 2

Deterministic enforcement

Are explicit regulatory requirements enforced consistently and predictably across all financial promotions?

This includes:

- Mandatory disclosures
- Restricted terminology
- Product-linked requirements
- Structural and footer requirements

Test 4

Embedded evidence

Can the firm generate audit-ready documentation without manual reconstruction?

This includes:

- Version history
- Named approvals
- Substantiation links
- Recorded responses to identified issues
- Supplier oversight documentation

If any of these tests cannot be satisfied promptly and confidently, they should be treated as a governance gap.

I Governance Architecture

A defensible control model in an AI-enabled marketing environment should distinguish clearly between enforcement, interpretation and oversight.

A robust architecture typically includes three layers:

1. Deterministic rule enforcement

Explicit regulatory requirements are enforced automatically and consistently through predefined, rules-based controls rather than generative AI.

Relying on manual checks for repeatable obligations increases operational strain and supervisory risk as content volume grows.

2. Structured interpretation

Not all regulatory risk can be managed through predefined rules. Some communications require contextual judgement.

AI tools may help flag ambiguity, complexity or potential risk themes. However, they do not replace compliance or marketing judgement.

Final decisions must remain human, clearly owned and documented.

Interpretation should take place within a controlled workflow that records the reasoning, the challenge applied and the basis for approval.

3. Embedded oversight

Evidence of control should be created automatically as part of the approval process.

Oversight should not rely on reconstructing documents after the event.

A system should be used to retain version history, approvals and decision rationale in a way that is immediately available for review.

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| Further considerations:

In discharging their oversight responsibilities, Senior Managers should satisfy themselves that:

- ✓ Whether marketing governance systems have been stress-tested against increased content volume
- ✓ Whether AI functionality within supplier systems is governed contractually and operationally
- ✓ Whether approval controls are designed for variation at scale
- ✓ Whether MI provides visibility of approval trends, rework rates and risk themes
- ✓ Whether accountability under SM&CR is clearly mapped and evidenced
- ✓ AI usage and associated controls are documented in a manner that could be presented confidently to supervisors

About *bethebrand* and *SeeDynamic*

bethebrand is the financial promotions workflow, approval and asset management platform precision-built for regulated financial services firms.

SeeDynamic is an embedded compliance co-pilot. It applies configurable, rule-based regulatory checks to marketing content before formal compliance review.

This paper draws on over 20 years of experience working with UK financial services marketing and compliance teams.