



IDC PERSPECTIVE

Redesign of Digital Banking Leveraging Agentic AI

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EXECUTIVE SNAPSHOT

Retail banking has always been at the forefront of providing technological solutions to help streamline and automate routine financial tasks. The industry is now finding itself at an inflection point when it comes to the adoption of artificial intelligence (AI). The first wave of AI adoption centered on generative AI (GenAI), delivering incremental productivity gains through summarization and conversational interfaces. That wave improved efficiency. It did not fundamentally redesign regulated workflows. The next wave we are undertaking is focused on agentic AI, which moves beyond simply providing information and actually begins to execute transactions on the customer, or the institution's behalf. This wave will help create a complete redesign of existing digital banking solutions.

Key takeaways

- Acquisition, onboarding, and credit origination represent the most immediate ROI vectors for agentic AI deployment.
- Building relationships requires time and must become highly personalized and delivered on a timely basis.
- Servicing and supporting customers and putting agentic tools to work for operational improvements and oversight are vital.

Recommended actions

- Find ways to reduce the friction of onboarding and credit decisioning while strengthening the trust between customer and institution.
- Focus needs to depend less on acquisition and more on deepening relationships throughout the financial journey.
- Note that agentic AI solutions can help monitor and intervene with situations like account takeover, identity theft, and unsolicited money movements, which will become easier as agentic tools become more widely available.

SITUATION OVERVIEW

Definition and concept

Over the past few years, participants in the financial services industry have grappled with how GenAI can be utilized in use cases to generate tangible value for the business; such implementations remain a top priority for many business and technology leaders in financial organizations. Agentic AI refers to large language model (LLM)–powered autonomous software entities capable of perceiving their environment, making decisions, taking action, and interacting across systems. It transforms GenAI from content generation into executable services integrated directly into workflows.

Many financial services institutions have encountered problems in deriving genuine synergies from incorporating at least two LLMs into their portfolio, regardless of whether these LLMs were internally developed for a specific purpose/use case, embedded by a vendor into a solution or platform, or developed by a vendor and adapted internally. Data amounts, quality, and resolution can make the process of finding value-adding synergies more complex.

Here, autonomous agents make a difference. AI agents are LLM-powered autonomous software entities that perceive their environment, make decisions, act upon them, and interact with users or other systems in a human-like manner. Autonomous or agentic AI combines the ability to analyze data and understand human language with the ability to take action without any human intervention. Agentic AI transforms GenAI into actionable services, seamlessly integrating with workflows to enhance decision-making, task execution, and multiagent collaboration. To put it another way, an agent acts as the translation layer with the capability of contextualizing the LLMs.

The next evolution of this concept, which is more likely to be relevant, is a multiagent system — a framework involving autonomous agents that cooperate and interact within a set of objectives instead of rules. Agentic AI is part of AI's natural evolution. While GenAI has firmly sealed its place within the financial services industry, the impact of agentic AI is just now beginning to be felt within not only the financial services industry but the entire global economy.

Limitations of linear automation

Retail banks have operated for quite a while in an environment defined by rapidly changing digital expectations, with a watchful eye on both regulators and bad actors alike. Retail banks have historically succeeded by controlling their operating environment. Workflows were linear. Decision trees were deterministic. Integration partners operated within shared assumptions. Agentic AI disrupts that model. Autonomous agents reason across multiple data domains — some internal and some external — and operate horizontally across the

customer journey. That nonlinearity introduces both competitive advantage and new risk surfaces.

Customer journey orchestration

If there is one domain where agentic AI will generate immediate structural impact, it is customer journey orchestration, with focus centered on creating a true omni-channel experience. The promise of reducing friction without sacrificing security, privacy, or regulations seems like a perfect recipe for success. Attention needs to be on creating an onboarding and account opening experience where abandonment is greatly reduced while fraud losses are minimized. Long-term success of a customer is defined during the first few months of a customer opening or applying for a product, creating that opportunity for agentic AI solutions to address those structural inefficiencies during the early phases of the relationship through careful orchestration.

Some potential use cases and agentic AI options include but are not limited to:

- **Adaptive application orchestration:** One such agent, an adaptive application UI agent, will be key in journey orchestration, transforming static forms and applications into contextual, natural language conversation.
- **Continuous identity:** To maintain trust throughout the process, identity verification cannot be overly complex yet must be strong while working undetected. A continuous identity agent will orchestrate behavioral signals, device intelligence, and identity verification processes and recognize when escalation is necessary. A good agent here will not only help improve conversion rates and protect the consumer but will also help reduce synthetic identity theft.
- **Underwriting:** IDC has previously published a full use case for prequalification of a mortgage as being an early use case for agentic AI, but a full-blown agent can take the next step to coordinate bureau data, income validation, and customer transactional history into a full-blown decisioning agent. While many are yet to take the leap for fully automated mortgages today, reducing the time from application to closing is going to be an attractive use case for an underwriting agent, particularly with transparency and explainability fully vetted.
- **Onboarding and provisioning:** Early usage of recently opened accounts can be achieved by using these provisioning agents to coordinate everything from online and mobile account provisioning and activation and digital wallet and card enablement to funding validation. In addition, these agents can work with monitoring agents, particularly in the early days of the account being opened, to determine if there is any suspicious or fraudulent activity being funneled through the new account.

Engagement and personalization

Hyper-personalization remains one of the most discussed — and least operationalized — themes in retail banking. There is recognition that within retail banking, revenue growth is tied directly to contextual relevance and that marketing and blanket messaging campaigns are often ineffective, costly, and produce diminishing returns. They are great for brand awareness, but they do little to speak to the customer looking for an immediate financial need or question. Agentic AI, when it comes to personalization, must balance the act of detecting life events, both small and large, and configure offers and solutions dynamically. These agents will need to function in an environment that feeds not only digital channels but also to the relationship and transactional agents within the retail bank.

Some potential use cases and agentic AI options include but are not limited to:

- **Behavioral and life-cycle signal:** Identifying meaningful life events, behaviors, and patterns often is associated with a customer entering a new stage in its financial journey. These are often noticed in payment habits, payroll inflows, and changes in overall liquidity. Behavioral insights agents can monitor all of these while keeping an active memory for each customer, creating prioritization of next best action recommendations.
- **Dynamic product and offer configuration:** While the industry has done a great job at creating relationship pricing to get customers to bundle products and services, the ability to create, price, and modify financial products in real time based on the exact specifications to the customer has been difficult, if not impossible. Here, agentic AI will take a multiagent approach to understand the customer's risk profile, adjust pricing and stay within regulatory and policy constraints, and move away from marketing-driven messages to a more structured product approach.
- **Employee and relationship manager augmentation:** There has always been a balancing act between preparation for upcoming meetings with the most up-to-date tools and information available. Premeeting intelligence agents will be able to summarize customer interactions, transactions, and issues and provide gaps to assist the relationship managers when they engage with customers and prospects alike.
- **Attrition prediction and intervention:** Increasing overall loyalty while creating deeper relationships while reducing churn is a great way to improve lifetime value and create value for both the customer and the institution. Retention agents can detect patterns and simulate conversations to be made, either delivered through GenAI tools or fed to customer service agents and branch employees, to help monitor those situations and act quickly to regain the primacy of the customers' relationship with the institution.

Service and support

While the benefits of digital are undeniable by driving efficiency into the hands of customers to self-serve, it also creates more opportunity for fraud, identity theft, cyberbullying, and real-time money movement, which can not only be expensive but can also negatively impact the overall customer experience. The role of agentic AI here will be to provide continuous monitoring to assume all is working as designed and rapidly identify any inconsistencies, which may indicate the beginning of some level of fraud or abuse.

Some potential use cases and agentic AI options include but are not limited to:

- **Authentication monitoring:** Evaluating authentication strength, device anomalies, and behavioral inconsistencies will be the job of session agents who can provide that service across all devices from all regions of the world. If done properly, these agents can also make authentication easier for those who have already proven that they are who they say they are and only put up roadblocks when anomalies are detected. Balancing user experience with stronger protection seems to be a win for both institution and customer.
- **Self-service case resolution:** For lower risk, routine type service requests can be resolved from beginning to end by AI agents. As these service case agents develop over time, they will be able to handle more slightly complex requests or identify when a bank employee will need to be brought in for review and follow up. These agents also will be able to rapidly learn how to resolve recurring service requests, meaning less duplication of efforts and an increase in efficiency.
- **Money movement verification:** Payment orchestration agents can be deployed to ensure that sender and receiver have been properly vetted and identified, monitor and choose the best payment routing path, and ensure that external compliance and internal policies are being followed. Reducing fraud exposure while ensuring Reg E compliance can be done by an agent without adding additional time, thus reducing latency while improving experience.
- **Fraud and abuse detection:** Cyberbullying can take many forms but often starts with small transactions to build trust of the unsuspecting victim. Creating a digital shield agent can help detect these often-non-reported crimes. Advanced digital shield agents may identify anomalous transaction sequencing and behavioral drift indicative of coercion or social engineering. However, deployment must align with privacy regulations and explicit consent frameworks.

Agentic management concerns

One area often not discussed is implementing controls that ensure AI agents behave as intended across their full decision life-cycle. Agentic governance covers model integrity, delivers prompt boundary enforcement, and provides a continuous behavioral baseline to

detect when agent logic has been altered or manipulated, including through adversarial manipulation of agent instructions. The core concern is distinguishing legitimate agent behavior from compromised or incorrectly influenced action. Implementing agent-to-agent interaction controls to govern trust, verification, and audit of interactions between autonomous agents cannot be taken lightly, particularly as multiagent environments mature. This requires robust agent identity and authentication protocols alongside structured trust frameworks and negotiation transcript logging, which will allow banks to identify where agent-to-agent negotiations become distorted through collusion, leading to potential pricing and product manipulation. Governance must also define clear escalation thresholds and human override controls for high-stakes or irreversible actions, with explicit accountability assignment when agent decisions cause harm or compliance failures. These guardrails will become important not just for explainability but also to create the conditions under which more deterministic agents can responsibly handle higher-risk transactions.

ADVICE FOR THE TECHNOLOGY BUYER

- Prioritize the deployment of agentic AI solutions to streamline customer acquisition, onboarding, and credit origination processes, with a focus on reducing friction and strengthening digital trust through continuous identity verification and adaptive application orchestration.
- Shift strategic emphasis from customer acquisition to deepening customer relationships by leveraging agentic AI for hyper-personalization, behavioral signal monitoring, dynamic product configuration, and proactive attrition prediction and intervention across the customer life cycle.
- Integrate agentic AI-driven service and support capabilities, such as authentication monitoring, self-service case resolution, payment orchestration, and advanced fraud and abuse detection, to enhance operational efficiency, regulatory compliance, and customer protection.
- Establish robust digital trust and governance frameworks to ensure that agentic AI implementations align with regulatory requirements, data privacy standards, and organizational risk management policies while enabling secure and explainable AI-driven decision-making.

LEARN MORE

Related research

- *Microsoft Industry Advisory Forum and AI Tour: Frontier Firms Show the Way* (IDC #US54364426, March 2026)

- *IDC PeerScape: Best Practices in Retail Banking Engagement Personalization* (IDC #US47257121, January 2026)
- *IDC FutureScape: Worldwide Banking and Payments 2026 Predictions* (IDC #US53859825, October 2025)
- *Transforming Credit Evaluation and Management with Agentic AI* (IDC #US51441824, October 2025)
- *AI Agent Use Case: Personalized Investment Advice* (IDC #US53785225, September 2025)
- *IDC PeerScape: Generative AI for Demonstrating Real Value in Financial Services* (IDC #US52395225, July 2025)
- *Generative AI Use Case Taxonomy, 2025: The Banking Industry* (IDC #US53344525, April 2025)
- *The Impact of Agentic AI on the Financial Services Industry* (IDC #EUR253233525, March 2025)

Synopsis

This IDC Perspective explores how agentic AI is set to transform digital banking by moving beyond generative AI's information delivery to autonomous execution of transactions and personalized customer engagement. It highlights agentic AI's potential to streamline onboarding, enhance security, orchestrate customer journeys, and enable hyper-personalization while also addressing fraud and operational efficiency. This document emphasizes the need for banks to focus on relationship deepening, trust, and governance as agentic AI becomes integral to the financial ecosystem.

"Agentic AI isn't just changing digital banking — it's redefining trust, personalization, and action across the entire customer journey," says Marc DeCastro, research director, Consumer Banking at IDC. "Agentic AI will not simply enhance digital banking. It will redefine how decisions are executed, monitored, and governed across the customer life cycle."

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