Digital Regulation Cooperation Forum

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Consumer Interest and AI

A report by pattrn.ai for the
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1. Executive Summary

1.1. Details

This report forms part of the work by the Digital Regulation Cooperation Forum (DRCF) on Consumer Interest and Artificial Intelligence (AI). This report focuses on Phase I (Consumer Attitudes) of a June 2026 Call for Input (CfI) with questions centred on: consumer risk tolerance and expectations; transparency, literacy and consent; quality and accountability. AI was defined to encompass: interactive, consumer-facing products and services; passive, consumer-facing products and services; internal-facing tools that still impact the customer experience.[1]

This report is based on a review of the 30 stakeholder responses submitted to the CfI and a complementary review of relevant literature to understand consumer approaches to the risks of generative and agentic AI adoption. This report seeks to (i) summarise evidence from the literature review and CfI responses, and (ii) use this evidence to identify considerations relevant to the DRCF's ongoing work.

This report is intended to present and analyse the information gathered through the CfI, alongside analysis of the relevant literature on this topic. It should not be regarded as providing regulatory positions, advice, or guidance in relation to the questions, issues or views raised by respondents or in the literature.

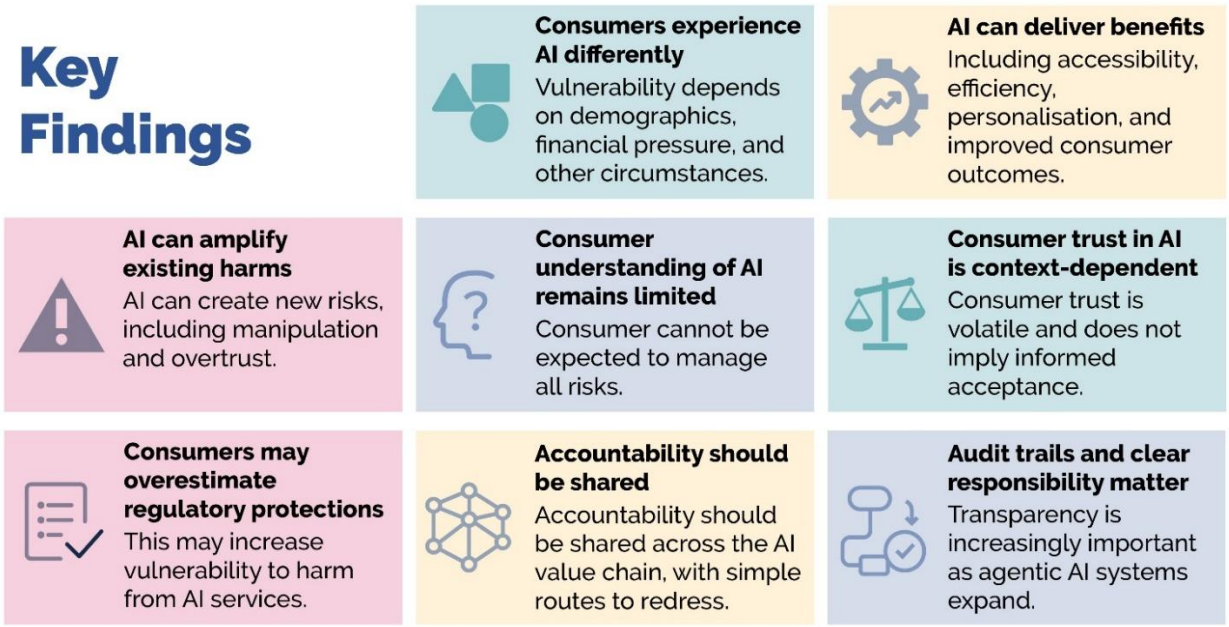
1.2. Key Findings

Together, the literature and CfI responses paint a picture of a complex consumer landscape whereby AI functions as a source of both substantial risks and benefits to consumers. Important findings are as follows:

- Existing literature and CfI responses agree that **consumers are not one cohesive group when interacting with AI,** but rather consumers' interactions are shaped by demographic factors (e.g. digital literacy, age, education) and situational factors (e.g. financial pressure, emotional stress). **Even the most technically literate users can be vulnerable to harm** in particular circumstances.
- When implemented correctly and safely, both the literature and CfI responses outline that **AI offers a range of benefits for consumers**, including cost and time savings, accessibility, personalised advice or product recommendations which better suit the consumers' needs and circumstances, and improved information management and access. The **benefits of AI also have the potential to extend to improved consumer outcomes**, such as 24/7 multilingual customer support, AI productivity gains enabling cheaper products for consumers, and easier cross-product comparisons to support consumer choice.
- Yet the CfI responses and existing literature also point to substantial risks. If not implemented responsibly, some of the same benefits described above can also present risks, for example manipulation through personalised product recommendations. AI can **exacerbate existing risks** of digital technologies (e.g. data privacy risks) and can also **present novel risks, such as falsely building consumers' trust through anthropomorphic or artificially empathetic design.**

[1] DRCF, 'Call for Input - Consumer Interest and AI' (3 June 2026).

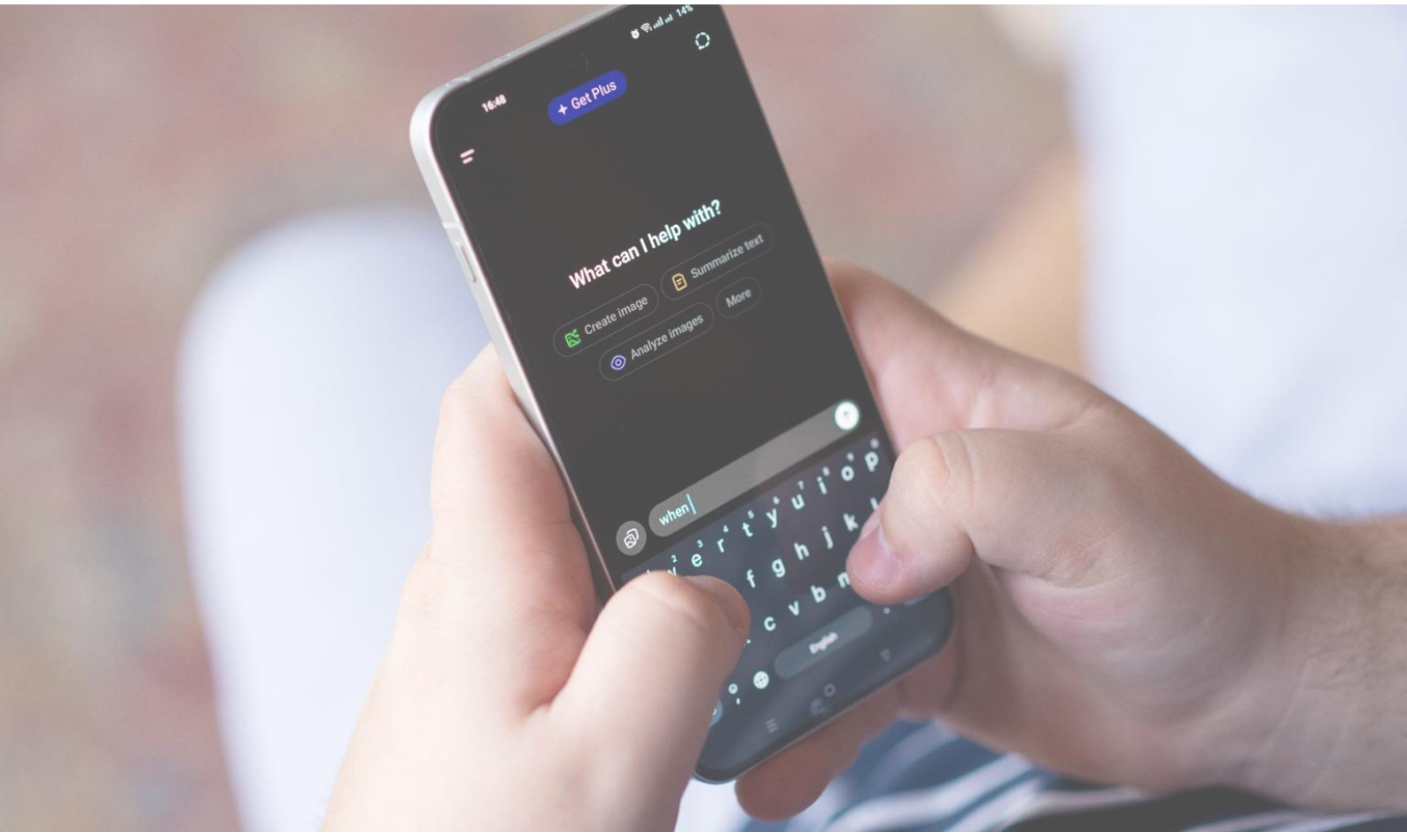
- Across both the literature and CfI responses, evidence is consistent that, among most consumer groups, **understanding of AI is patchy and shallow**. Information and technical capability asymmetries between consumers and service providers are only likely to widen as AI capabilities advance. As such, stakeholders stressed in CfI responses that **consumers should not reasonably be expected to understand and mitigate the full range of risks of AI.**
- CfI responses and the literature concur that **consumer trust and risk tolerance are not static**. Consumers' willingness to use and trust AI depends on the context, the stakes of the output or decision, reversibility, the extent of AI autonomy, and the availability of meaningful human oversight. **Consumers' continued use of AI should not be treated as evidence of informed trust or acceptance of risk.**
- CfI responses indicate that **consumers' assessments of the quality of AI are based on outcomes and lived experience.** Key factors include: fairness and reliability, privacy and security, transparency, user control, accessibility and inclusion, meaningful oversight, and redress. Meanwhile, organisations often capture quality metrics which may measure different things and which may not even be visible to consumers (e.g. error rates, internal audits). It is important that work is done to ensure that organisational technical measures of quality align with good consumer outcomes and consumers' lived experience of AI interactions.
- CfI responses suggest that **consumers sometimes assume that regulation will cover their use of AI tools for topics they know to be regulated, e.g. financial and debt advice. Whilst existing sector rules cover AI deployment by regulated firms, similar services offered by firms outside of those regulatory remits may not attract the same oversight**. Misunderstanding, or lack of clarity around, the application of regulation, accountability, and redress can lead to overconfidence, and this could make consumers vulnerable to harm.
- There exists disagreement around where responsibility should lie if something goes wrong, but the general consensus across respondents was that **accountability should be proportionately distributed across the AI value chain** (all actors involved in creating and delivering an AI system, e.g. developers and deployers) **whilst maintaining a simple consumer-facing route to complaint and redress.** Nonetheless, translating distributed accountability into legal obligations raises challenging questions. Consumer redress raises challenges that must be addressed when considering policy, regulatory, industry, and consumer tools. Importantly, complaint mechanisms and escalation routes must be visible, accessible and capable of resolving AI harms. This may be particularly challenging in the context of agentic AI, particularly when multiple agents are involved. To facilitate this, **audit trails or decision logs, as well as clear allocation of responsibility, are increasingly important as agentic systems act across organisations and services**.



1.3. Themes and Considerations Raised in the Literature and CfI Responses

The evidence gathered and analysed in this report highlights a number of themes and considerations relevant to the DRCF's work concerning the Consumer Interest and AI project:

1. The role consumer AI literacy can play in protecting consumers and their interests.
2. Consumer vulnerability and risk tolerance are dynamic.
3. Key dimensions of high-quality AI for consumers include performance, agency, and recourse.
4. Measures beyond consumer engagement can be helpful for evaluating consumer benefit derived from AI tools.
5. Visibility of specific steps, decisions, and actions within consumers' interactions with AI systems supports accountability, and clear, signposted routes support consumer redress.
6. Capturing consumers' views and experiences of AI can be challenging, particularly as these may vary across contexts and groups. Continued research that highlights the consumer voice, particularly those who may be under-represented or more vulnerable, will be beneficial, recognising that consumers' views may change over time.



2. Introduction

2.1. Call for Input (CfI) Background

On 3 June 2026, the Digital Regulation Cooperation Forum (DRCF) published a Call for Input (CfI) on Consumer Interest and Artificial Intelligence (AI).[2] The CfI covered two parts: (i) consumer attitudes, and (ii) regulator, policymaker, industry, and consumer tools. This report focuses on responses to Phase I on consumer attitudes and is intended to inform Phase II on tools for regulators, policymakers, industry, and consumers (closing in September 2026). Input into Phase I is intended to inform understanding of consumers' approaches to the risks of generative and agentic AI adoption, with questions focusing on three key areas:

- Consumer risk tolerance and expectations
- Transparency, literacy and consent
- Quality and accountability

As consumers themselves are only starting to form opinions on AI, the way questions are framed in surveys may have important effects. For example, in IBM-commissioned research, 74% of consumers in the UK and Ireland were comfortable with AI-powered assistants playing some role in their decision-making, with 57% being comfortable with AI making everyday choices.[3] However, other survey findings suggest that 63% of UK adults are not comfortable with AI systems making decisions that impact their lives.[4] In order to appropriately frame the questions and to guide responses to the CfI, the following information was provided to stakeholders to offer a non-exhaustive list of examples of AI that could impact consumers (Figure 1):

[2] DRCF, 'Call for Input - Consumer Interest and AI' (3 June 2026).
[3] IBM, 'IBM Study: Growing Customer Acceptance of AI Opens Up New Business Opportunities in UK and Ireland, Trust Remains Key' (30 September 2025).
[4] The Ada Lovelace Institute & The Alan Turing Institute, 'How Do People Feel about AI? Wave Two of a Nationally Representative Survey of UK Attitudes to AI Designed through a Lens of Equity and Inclusion' (2025).

Table 1. Non-exhaustive list of examples of AI provided by the DRCF to guide respondents to the CfI on Consumer Interest and AI.

Interactive, customer-facing AI / ML products and services:	Passive, customer-facing AI / ML products and services:	Internal-facing AI / ML tools that still impact the customer experience:
Standalone generative AI chatbots (e.g. Gemini, ChatGPT, Claude)	Recommendation algorithms (e.g. YouTube, Spotify, Netflix)	Coding assistants (e.g. organisations across our sectors using genAI to build software)
Chatbots powered by generative AI models, provided by firms in DRCF's regulated sectors (some customer service chatbots)	Text summary boxes (e.g. found at the top of long articles across the web)	Internal customer-support chatbots (i.e. chatbots designed to support call centre staff)
Chatbots powered by pre-generative AI / ML models, provided by firms in DRCF's regulated sectors (majority of customer service chatbots)	Accessibility tools (e.g. automatic subtitles)	Network vulnerability support (e.g. AI tools that automatically scan networks for vulnerabilities)

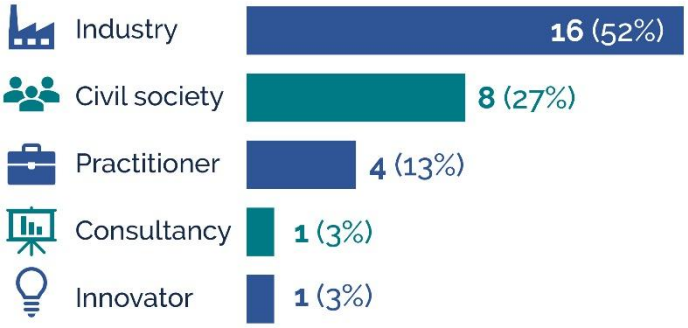
Source: DRCF 'Call for Input – Consumer Interest and AI'

In total, 30 responses were received in response to Phase I. Whilst the respondents were encouraged to be as specific as possible in their references to 'AI', most spoke of AI in broad terms and this is a limitation in the analysis in this report. A breakdown of the organisation types for each of these responses is available in Figure 1. It is worth noting that over half of these submissions were received from industry respondents, meaning that industry perspectives are particularly prominent in the evidence analysed in this report. An additional literature review sought to ensure coverage from other evidence (e.g. DRCF member regulators' research and reports, academic literature); however, the analysis of the CfI findings in this report should be read with this context in mind. In particular, evidence from consumer groups and findings from primary research conducted with consumers were limited compared to industry feedback.

Because responses to the CfI were predominantly received from industry stakeholders, we recognise the evidence cannot be considered fully representative of consumers' views. To help ensure a broader range of perspectives are reflected in this work, the next phase of the Consumer Interest and AI project[5] will include engagement with consumer groups and wider civil society organisations to gather further evidence on consumer views and further explore themes emerging from the Call for Input. This will complement the CfI evidence and the findings of the literature review, which has drawn on existing research to incorporate consumer perspectives and experiences relevant to this topic.

[5] DRCF, 'Call for Input - Consumer Interest and AI' (3 June 2026).

Figure 1. Number of responses to the CfI received by organisation type.



This report is intended to provide evidence from existing literature and CfI responses on how consumers perceive the benefits and risks of generative AI and agentic AI. Given the focus on consumer perspectives, this report largely focuses on consumer-facing AI. However, many of the same considerations apply to 'back-office' uses of AI that affect consumers, even when they are unaware that AI is being used. Based on these findings, this report highlights key themes and considerations that can help the DRCF to focus upcoming work on identifying effective tools that address consumers' protection needs and support the responsible adoption of AI.

2.2. Methods

2.2.1. CfI response analysis

The 30 CfI responses were coded manually using deductive and inductive coding, keeping the analysis focused on the objectives of the CfI whilst remaining open to unexpected insights. Initial theme generation was informed by discussions within the pattrn.ai research team after the researchers had familiarised themselves with the data through repeated reading and annotations of the evidence. The analysis was supported by automated tools. From there, the themes were further developed and refined by the team before arriving at the final analysis.

2.2.2. Targeted literature review

During the analysis of the CfI responses, key evidence gaps were recorded and used to inform a targeted review of external literature. This review was carried out using sources such as scholarly databases, targeted web searches, and regulatory and policy repositories, supplemented by automated tools. Given the focus of many of the CfI responses on secondary organisational perspectives rather than direct consumer insights, sources offering primary insights into consumer research, particularly in the UK context, were prioritised. As this landscape is changing so rapidly, more recent sources were given preference; however, it is worth noting that many of the points discussed form part of longer-running conversations around personalisation, AI, and consumer trust that predate this work and the technological advancements we see now. The findings from this review are outlined in Section 3 and are also interwoven throughout the CfI response analysis in Section 4 where relevant.

3. Context and Review of Existing Literature

While AI has become widely adopted and there are substantial benefits to consumers, the existing literature has also identified important risks which this work seeks to pinpoint. Recent work by UK regulators provides a useful baseline of evidence. Together with other existing research on consumers' experience with and perceptions of AI, this literature establishes the limits of consumers' AI literacy, context-sensitive tolerance to risk, and a consumer demand for safeguards and accountability. Regulator and industry-commissioned reports are the most prevalent sources of evidence here, with more limited support found in academic literature. Given the rapid pace of change in the consumer landscape, there is a need for continued research on how consumers understand the trade-offs of AI in their commercial experiences, particularly when it comes to agentic AI. Moreover, whilst the literature consistently emphasises consumers' demand for protections, the form this should take remains uncertain. The purpose of this report is to summarise the evidence base on consumers' perceptions of AI to inform subsequent work on the tools available to regulators, policymakers, industry, and consumers.



3.1. Consumers' Understanding of AI

> AI interactions are increasingly prevalent in UK consumers' experiences; however, consumer knowledge of specific benefits and risks remains limited. Increased AI literacy is not sufficient protection against negative outcomes for consumers, and awareness of risks does not always prevent harms.

The review of existing literature highlights that AI is increasingly prevalent in consumers' day-to-day experiences across a range of contexts.[6] Examples of where consumers might encounter AI range from the use of general-purpose tools (e.g. ChatGPT, Gemini, Claude) to answer financial questions,[7] to customer support flows,[8] to personalised product recommendations and product try-ons in the beauty sector.[9] These are not isolated use cases; research by Which? found that 51% of UK adults use AI search tools, for example to find products and services, or seek advice.[10] In April 2026, the FCA commissioned a representative survey with over 5,000 UK retail finance consumers and found that, when asked, "Do you currently use an AI-enabled tool to assist you with, or do, tasks in any of these areas?", 16% of consumers were already using AI to support personal finance, primarily for summarising information or asking for suggestions.[11] This figure is higher in 2025 industry-led research by Lloyds which found that, when asked, "In the past 12 months, how often have you used AI tools (such as ChatGPT, Google Bard, or other chatbots) to help with personal finance matters?", 56% of adults had used AI in the past year to help manage their money.[12] Recent research from Ofcom found that 23% of UK internet users had interacted with AI chatbots in the past 12 months, mostly using AI chatbots from: retail businesses (11%), financial services (8%), utilities (8%), and telecoms (6%).[13] Although more back-office uses of AI are also increasing (e.g. predicting reasons for incoming customer service calls),[14] they are less visible to consumers and consumers frequently do not perceive these use cases as AI. Therefore, this research primarily centres on consumer-facing AI use cases where consumers are aware of their use of AI.

3.1.1. Benefits and risks of AI for consumers

As AI uses become more widespread in consumers' everyday lives, awareness of AI amongst consumers is high and increasing;[15] however, it is consumers' understanding of specific risks and benefits or more technical aspects of AI (e.g. how data is used to train AI) that remains limited.[16] Instead, research findings consistently show that consumers see both positives and negatives of AI[17]

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[6] Ofcom, 'Adults' Media Use and Attitudes Report' (2026).
[7] Yonder, 'AI Consumer Research' (Commissioned by the FCA, 2026).
[8] CMA, 'Agentic AI and Consumers' (9 March 2026).
[9] Bain & Company, 'How Agentic AI Is Transforming Customer Experiences' (10 November 2025).
[10] Which?, 'Consumer Use and Attitudes towards AI Search Tools' (9 December 2025).
[11] Yonder, 'AI Consumer Research' (Commissioned by the FCA, 2026).
[12] Lloyds Banking Group, '2025 Consumer Digital Index: The Generative AI Edition' (2025).
[13] Ofcom, 'AI in telecoms markets: the impact on consumers' experiences so far and how it may develop' (25 September 2026).
[14] Bain & Company, 'How Agentic AI Is Transforming Customer Experiences' (10 November 2025).
[15] DSIT, 'Public Attitudes to Data and AI: Tracker Survey (Wave 4) Report' (2024).
[16] DSIT, 'Public Attitudes to Data and AI: Tracker Survey (Wave 3) Report' (2024); DSIT, 'Public Attitudes to Data and AI: Tracker Survey (Wave 4) Report' (2024); Mills, S., 'The Mills Review: AI and the Future of Retail Financial Services' (FCA, 2026); Thinks Insight & Strategy, 'Understanding Consumer Attitudes on AI Use in the Energy Sector' (Commissioned by Ofgem, 2024).
[17] The Ada Lovelace Institute & The Alan Turing Institute, 'How Do People Feel about AI? A Nationally Representative Survey of Public Attitudes to Artificial Intelligence in Britain' (2023); The Ada Lovelace Institute

but these are often understood broadly.[18] Research commissioned by Ofcom found that infrequent users of AI were more sceptical of the benefits in the context of telecoms.[19] Academic research has found that those who understand the personal relevance of AI tools and also believe that they will have a significant impact on their lives are more likely to recognise both the benefits and risks of AI.[20] Drawing on the benefits and risks identified in the literature, we provide illustrative examples in Table 2 and Table 3.

Table 2. Examples of benefits of AI for consumers.

Benefits of AI for consumers	Example
Efficiency or speed	A consumer is able to access a retailer's AI customer service chatbot 24/7.
Access to and understanding of information	A consumer is able to use a general-purpose AI tool to seek a clear explanation of the technical specifications of a complex product to help inform their purchase decision.
More accurate and consistent decisions	A company is able to use AI for customer refund decisions, potentially reducing human error through systematic information processing where implemented responsibly.
Personalised outcomes	An AI chatbot embedded in a retailer's website is able to provide a consumer with personalised product recommendations based on an extended conversation to understand their specific needs.
Lower costs or money savings	A consumer's personal AI agent is able to flag, or cancel, unused subscriptions.
Reduced administrative burden	A consumer's personal AI agent is able to search for the best broadband deal and switch provider accordingly.
Finding better products	A consumer is able to use a general-purpose AI tool to search across multiple retailers' websites for the best product to meet their needs.

& The Alan Turing Institute, 'How Do People Feel about AI? Wave Two of a Nationally Representative Survey of UK Attitudes to AI Designed through a Lens of Equity and Inclusion' (2025); DSIT, 'Public Attitudes to Data and AI: Tracker Survey (Wave 3) Report' (2024); DSIT, 'Public Attitudes to Data and AI: Tracker Survey (Wave 4) Report' (2024); Lee, S. et al., 'Public Perceptions of ChatGPT: Exploring How Nonexperts Evaluate Its Risks and Benefits', *Technology, Mind, and Behavior* 5, no. 4 (2024): 219–30; Tang, H. et al., 'Between Promise and Peril: Users' Risk–Benefit Trade-Offs in Their Generative AI Usage', *Big Data & Society* 12, no. 4 (2025): 20539517251410046; Thinks Insight & Strategy, 'Consumer Use and Understanding of Generative AI, Including in Financial and Debt Advice' (Commissioned by the FCA / the CMA as members of the DRCF, 2024); Thinks Insight & Strategy, 'Understanding Consumer Attitudes on AI Use in the Energy Sector' (Commissioned by Ofgem, 2024); Thinks Insight & Strategy, 'Understanding Consumer Use of Generative AI' (Commissioned by the DRCF, April 2025); Yonder, 'AI Consumer Research' (Commissioned by the FCA, 2026).

[18] Thinks Insight & Strategy, 'Consumer Use and Understanding of Generative AI, Including in Financial and Debt Advice' (Commissioned by the FCA / the CMA as members of the DRCF, 2024).

[19] STRAT7 Jigsaw, 'Exploring the impact of AI on the telecoms customer journey: Qualitative research report' (Commissioned by Ofcom, September 2026).

[20] Lee, S. et al., 'Public Perceptions of ChatGPT: Exploring How Nonexperts Evaluate Its Risks and Benefits', *Technology, Mind, and Behavior* 5, no. 4 (2024): 219–30.

Table 3. Examples of risks of AI for consumers.

Risks of AI for consumers	Example
Inaccuracies or hallucinations	A consumer receives an inaccurate energy bill generated by a company's internal AI tool.
Compromised personal data security or privacy	A consumer's personal AI agent discloses more personal data to a company than a consumer anticipated.
Fraud or scams	AI-generated deepfakes of product images lead a consumer to purchase a scam product.
Bias, discrimination, or unfair outcomes	A consumer's mortgage application is unfairly denied based on inferences made by an AI tool.
Manipulation, persuasion, or exploitative personalisation	An AI tool detects that a consumer might be vulnerable and provides personalised product recommendations that are highly persuasive or even manipulative.
Predatory dynamic pricing algorithms	A back-office AI tool detects that a consumer might be vulnerable and increases the price of the product or service they are looking at.
Loss of consumer control	A consumer's personal AI agent exceeds the authorised spending limit set by a consumer without consent.
Reduced consumer choice	A back-office AI tool withholds offers from certain consumers or ranks consumers in order to prioritise those who might be more profitable.
Unclear about protections	A consumer receives inaccurate financial advice during an interaction with an AI chatbot but does not know who is accountable, if they have protections, or how to seek redress if they do.
Job loss	A consumer loses their own job in a retail organisation as an internal AI tool is deployed to increase efficiency.
Reduced human interaction	A consumer is looking to speak to a human customer service agent to resolve an issue but the company will only allow them to access an AI chatbot.

3.1.2. AI value proposition for consumers

Time savings, cost efficiency, personalised services, and accuracy are commonly described as perceived benefits of AI by consumers.[21] Other benefits include finding better products or deals, and making technical subjects such as financial advice more accessible.[22] Evidence suggests that AI can be useful in consumer situations that can feel overwhelming. For example, in financial services, demand for AI is strongest where "decisions feel complex, high-stakes or hard to navigate."[23] As such, there is potential for AI tools to help consumers, for example those who are vulnerable or face other barriers, who would otherwise struggle to navigate these interactions.[24]

Given that AI use is prevalent amongst many consumers, it is clear that risks are not enough to deter consumer adoption, but there is caution, particularly in higher-stakes contexts such as medical advice and financial guidance.[25] However, the value proposition of AI is not clear to all consumers and not everyone sees these benefits: 45% of consumers identified no potential benefits of using AI in personal finance.[26] Further, consumers do see clear risks of AI. When asked for one word to describe how they feel about AI, the most common words associated with AI are "scary", "worried", "unsure", and "concerned."[27] However, consumers do not always have the technical knowledge required to confidently assess risks, particularly those with limited experience with AI. For example, 13% of non-generative-AI users stated that they did not know what to be concerned about with AI and 28% of non-users expressed a lack of confidence in what generative AI tools are and how they work.[28]

[21] The Ada Lovelace Institute & The Alan Turing Institute, 'How Do People Feel about AI? Wave Two of a Nationally Representative Survey of UK Attitudes to AI Designed through a Lens of Equity and Inclusion' (2025); Ofcom, 'AI in telecoms markets: the impact on consumers' experiences so far and how it may develop' (25 September 2026); Thinks Insight & Strategy, 'Consumer Use and Understanding of Generative AI, Including in Financial and Debt Advice' (Commissioned by the FCA / the CMA as members of the DRCF, 2024); Thinks Insight & Strategy, 'Understanding Consumer Attitudes on AI Use in the Energy Sector' (Commissioned by Ofgem, 2024); Yonder, 'AI Consumer Research' (Commissioned by the FCA, 2026).
[22] Yonder, 'AI Consumer Research' (Commissioned by the FCA, 2026).
[23] Mills, S., 'The Mills Review: AI and the Future of Retail Financial Services' (FCA, 2026, p.36).
[24] DRCF, 'The Future of Agentic AI: Foresight Paper' (2026); Mills, S., 'The Mills Review: AI and the Future of Retail Financial Services' (FCA, 2026).
[25] Thinks Insight & Strategy, 'Consumer Use and Understanding of Generative AI, Including in Financial and Debt Advice' (Commissioned by the FCA / the CMA as members of the DRCF, 2024).
[26] Yonder, 'AI Consumer Research' (Commissioned by the FCA, 2026).
[27] DSIT, 'Public Attitudes to Data and AI: Tracker Survey (Wave 4) Report' (2024).
[28] Thinks Insight & Strategy, 'Understanding Consumer Use of Generative AI' (Commissioned by the DRCF, April 2025).

3.1.3. Data security and privacy

As highlighted in Table 3, an important area of concern for consumers is the security and privacy of their personal data.[29] In one survey of over 4,000 adults in Great Britain, invasions of privacy were a concern for 69% of respondents in the use of AI in targeted consumer advertising.[30] Other research suggests that 31% of generative AI users have concerns about data protection risks[31] and 58% feel uncomfortable about the idea of their personal data being used to train AI tools.[32] These concerns may be exacerbated in contexts where consumers are required to share data in order to personalise experiences or services. Many consumers are not yet comfortable sharing this much personal data with AI tools. For example, only 18% of AI users would give AI tools real-time access to their financial information.[33] Personalised deceptive designs are a key risk, which could exploit "consumers' immediate circumstances, behavioural data, preferences, or vulnerabilities."[34] For example, through personalised marketing that targets and takes advantage of consumer vulnerability,[35] or personalised scams that can be produced quickly and at scale.[36] As AI agents can adapt, this can heighten the risk of manipulative designs that use consumers' personal information to optimise for commercial goals and unduly steer consumers towards poorer outcomes or reduce consumer choice.[37] Research on this level of personalisation is still nascent, particularly in the context of agentic AI.

3.1.4. Changing perceptions of benefits and risks

Perceptions of benefits and risks have been shown to change over time. The Ada Lovelace Institute and The Alan Turing Institute conducted two waves of nationally representative surveys on UK attitudes to AI (2022/2023 and 2024/2025), following the increased prevalence of generative AI tools such as ChatGPT.[38] They found that whilst perceptions of benefits remained stable across these two time periods, overall concern around AI use increased. For example, whilst 41% of respondents were concerned about the use of AI in assessing loan repayment risk in 2022/2023, 50% were concerned in 2024/2025 and low-income groups were more likely to feel that their concerns outweighed perceived AI benefits. Similar findings were reported in the 'Public Attitudes to Data and

[29] The Ada Lovelace Institute & The Alan Turing Institute, 'How Do People Feel about AI? Wave Two of a Nationally Representative Survey of UK Attitudes to AI Designed through a Lens of Equity and Inclusion' (2025); DSIT, 'Public Attitudes to Data and AI: Tracker Survey (Wave 3) Report' (2024); Thinks Insight & Strategy, 'Understanding Consumer Attitudes on AI Use in the Energy Sector' (Commissioned by Ofgem, 2024); YouGov, 'Qualitative Research: User Experiences of Generative Artificial Intelligence (GenAI) Search' (Commissioned by Ofcom, 2025).

[30] The Ada Lovelace Institute & The Alan Turing Institute, 'How Do People Feel about AI? A Nationally Representative Survey of Public Attitudes to Artificial Intelligence in Britain' (2023).

[31] Thinks Insight & Strategy, 'Understanding Consumer Use of Generative AI' (Commissioned by the DRCF, April 2025).

[32] Thinks Insight & Strategy, 'Understanding Consumer Use of Generative AI' (Commissioned by the DRCF, April 2025).

[33] Yonder, 'AI Consumer Research' (Commissioned by the FCA, 2026).

[34] Mills, S., 'The Mills Review: AI and the Future of Retail Financial Services' (FCA, 2026, p.47).

[35] Duivenvoorde, B., 'Generative AI and the Future of Marketing: A Consumer Protection Perspective', *Computer Law & Security Review* 57 (July 2025): 106141.

[36] Ofcom, 'Future Technology and Media Literacy: Applications of Generative AI' (2024).

[37] CMA, 'Agentic AI and Consumers' (9 March 2026).

[38] The Ada Lovelace Institute & The Alan Turing Institute, 'How Do People Feel about AI? Wave Two of a Nationally Representative Survey of UK Attitudes to AI Designed through a Lens of Equity and Inclusion' (2025).

AI Tracker Survey' which found that the public was becoming more pessimistic about the impact of AI on society following the emergence of large language models (LLMs) in people's lives.[39]

3.1.5. AI literacy

Ultimately, accurate calibration of consumers' assessments of benefits and risks is important for consumers. Further work is needed to understand this calibration among UK consumers, but an academic study with 30 generative AI users in China demonstrated that those who emphasised AI's benefits and downplayed risks unintentionally revealed too much personal information when using AI tools, whilst those who emphasised risks and downplayed benefits missed out on opportunities that AI can bring.[40] Definitions of AI literacy differ and the term is often used inconsistently. One helpful definition of AI literacy is "a set of competencies that enables individuals to critically evaluate AI technologies; communicate and collaborate effectively with AI; and use AI as a tool online, at home, and in the workplace."[41] Ofcom has recommended various measures of knowledge, attitudes, confidence, skills, and behaviour in relation to AI literacy.[42] Nevertheless, existing work has highlighted that, whilst important, increased AI literacy is not sufficient protection against negative outcomes for consumers, and awareness of risks does not always prevent harms.[43] Consumers' perceived risks and benefits can become more influential in the success of policy decision-making than actual risks and benefits presented by these technologies.[44] As such, this report's focus on consumer perspectives is important before considering the tools used to address those risks.

3.2. Consumer Vulnerability to AI Harms

> It is not just vulnerable consumer groups that may be at risk of AI harms. All consumers can be vulnerable in certain circumstances.

Whilst the OECD acknowledges that there is no single established definition of consumer vulnerability,[45] in line with the FCA and ICO, this report understands a consumer in vulnerable circumstances to refer to "someone who, due to their personal circumstances, is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care."[46] Further, Ofcom has highlighted that "Anybody can face circumstances that lead to them becoming vulnerable – temporarily or permanently."[47] Research has consistently identified that vulnerability is unevenly distributed amongst consumers and certain groups may be at greater risk of AI harms.[48] Many of

[39] DSIT, 'Public Attitudes to Data and AI: Tracker Survey (Wave 3) Report' (2024).
[40] Tang, H. et al., 'Between Promise and Peril: Users' Risk–Benefit Trade-Offs in Their Generative AI Usage', *Big Data & Society* 12, no. 4 (2025): 20539517251410046.
[41] Long, D. & Magerko, B., 'What Is AI Literacy? Competencies and Design Considerations', *Proceedings of the 2020 CHI Conference on Human Factors in Computing Systems* (21 April 2020, p.2).
[42] Ofcom, 'Evaluation Toolkit: Outcomes, Indicators and Survey Questions Bank' (2026).
[43] Thinks Insight & Strategy, 'Understanding Consumer Use of Generative AI' (Commissioned by the DRCF, April 2025).
[44] Lee, S. et al., 'Public Perceptions of ChatGPT: Exploring How Nonexperts Evaluate Its Risks and Benefits', *Technology, Mind, and Behavior* 5, no. 4 (2024): 219–30.
[45] OECD, 'Consumer Vulnerability in the Digital Age', OECD Digital Economy Papers no. 355 (2023).
[46] FCA and ICO, 'Joint FCA and ICO statement on Regulatory Expectations Regarding Firms' Approaches to Vulnerability Related Data' (2026).
[47] Ofcom, 'Vulnerable people' (2022).
[48] The Ada Lovelace Institute & The Alan Turing Institute, 'How Do People Feel about AI? Wave Two of a Nationally Representative Survey of UK Attitudes to AI Designed through a Lens of Equity and Inclusion' (2025); DSIT, 'Public Attitudes to Data and AI: Tracker Survey (Wave 4) Report' (2024); OECD, 'Consumer Vulnerability

these groups echo consumers who might be vulnerable in other digital contexts. These include consumers that: are digitally excluded, are older, and have lower levels of digital literacy, confidence or skills. For example, consumers with lower digital literacy may be less able to verify AI outputs or recognise misleading content, such as inaccurate product descriptions or deceptive product images.

Nevertheless, previous work has also emphasised that consumer vulnerability in the digital age is increasingly an issue for *all* consumers, not just specific, designated vulnerable groups, particularly when it comes to increasing personalisation and AI interactions.[49] Policy and guidance reflect a shift towards a state-based or dynamic approach to consumer vulnerability,[50] demonstrating that vulnerability can "result from the combination of temporary and permanent factors both internal and external to the consumer."[51]

Furthermore, it is not always clear to consumers when an interaction might involve AI. Research has demonstrated that 'unconscious' AI users are at greater risk of harms as they are not equipped to utilise appropriate safeguards and are less likely to be aware of risks.[52] Other evidence suggests that uncritical, regular users of AI are more trusting, less attentive to risks, more likely to believe safeguards are in place, and therefore are potentially more at risk of harm.[53] This is supported by academic research which has shown that a more critical consumer mindset around AI encourages greater awareness of risks.[54]

In considering tools and mechanisms to protect consumers, existing work highlights the importance of considering vulnerable groups who may be at disproportionate risk of AI harms, while also attending to dynamic, situational, and contextual factors that could affect *any* consumer.

3.3. Consumer Trust in AI and Tolerance to Risk

> Consumer trust in AI is context-dependent but often hinges on transparency, accountability, and control. Consumer tolerance to risk has been relatively under-explored and existing research shows that consumers' level of comfort with AI varies by context.

Consumer trust in and comfort with using AI are context-dependent[55] and many consumers are uncertain about whether to trust AI.[56] Data from YouGov indicates that British consumers' trust in AI varies by sector, with financial services ranking lowest (where 15% of consumers trust AI), retail in the middle (where 21% of consumers trust AI), and technology ranking highest (where 28% of

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in the Digital Age', OECD Digital Economy Papers no. 355 (2023); Thinks Insight & Strategy, 'Understanding Consumer Attitudes on AI Use in the Energy Sector' (Commissioned by Ofgem, 2024).

[49] OECD, 'Consumer Vulnerability in the Digital Age', OECD Digital Economy Papers no. 355 (2023).

[50] FCA, 'FG21/1: Guidance for Firms on the Fair Treatment of Vulnerable Customers' (2021); Ofcom, 'Treating vulnerable customers fairly' (2020), Mende, M. et al., 'Consumer Vulnerability Dynamics and Marketing: Conceptual Foundations and Future Research Opportunities', *Journal of the Academy of Marketing Science* 52, no. 5 (2024): 1301–22; OECD, 'Consumer Vulnerability in the Digital Age', OECD Digital Economy Papers no. 355 (2023).

[51] OECD, 'Consumer Vulnerability in the Digital Age', OECD Digital Economy Papers no. 355 (2023, p.5).

[52] Thinks Insight & Strategy, 'Understanding Consumer Use of Generative AI' (Commissioned by the DRCF, April 2025).

[53] Yonder, 'AI Consumer Research' (Commissioned by the FCA, 2026).

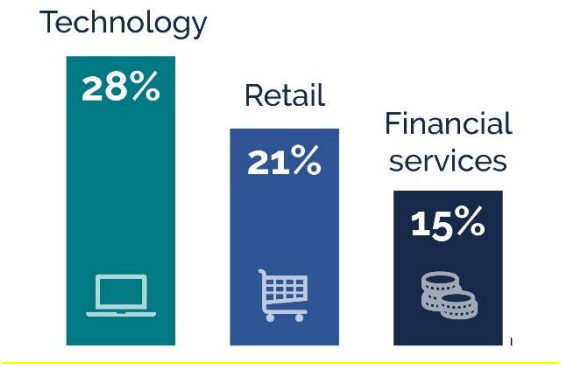
[54] Lee, S. et al., 'Public Perceptions of ChatGPT: Exploring How Nonexperts Evaluate Its Risks and Benefits', *Technology, Mind, and Behavior* 5, no. 4 (2024): 219–30.

[55] DSIT, 'Public Attitudes to Data and AI: Tracker Survey (Wave 3) Report' (2024).

[56] Ofcom, 'AI in telecoms markets: the impact on consumers' experiences so far and how it may develop' (25 September 2026).

consumers trust AI).[57] Trust levels are also lower for older age groups and women,[58] although willingness to use AI is higher amongst those who are financially vulnerable.[59] Other research has found that 27% of UK adults trust AI to carry out tasks in customer service and support use cases.[60]

Figure 2. Share of British consumer trust in AI varies by sector



Source: Clifton, M., 'Consumer Trust in AI for Retail Remains Low in Britain, Especially among Older Adults' (YouGov, 2 January 2026).

Trust is critical in AI adoption[61] and in shaping consumer attitudes to AI.[62] For example, trust has been identified as a key predictor of consumers' acceptance of AI-driven advertising.[63] Familiarity with AI can also reduce consumers' uncertainty and increase trust.[64]

When it comes to building trust, Table 4 outlines the key components for consumers from across the literature:[65]

[57] Clifton, M., 'Consumer Trust in AI for Retail Remains Low in Britain, Especially among Older Adults' (YouGov, 2 January 2026).
[58] Clifton, M., 'Consumer Trust in AI for Retail Remains Low in Britain, Especially among Older Adults' (YouGov, 2 January 2026).
[59] Yonder, 'AI Consumer Research' (Commissioned by the FCA, 2026).
[60] Office for National Statistics, 'Public Opinions and Social Trends, Great Britain: June 2026' (2026).
[61] Mills, S., 'The Mills Review: AI and the Future of Retail Financial Services' (FCA, 2026) and Ofcom, 'AI in telecoms markets: the impact on consumers' experiences so far and how it may develop' (25 September 2026).
[62] Vasiliki, M. et al., 'Ethical Consumer Attitudes and Trust in Artificial Intelligence in the Digital Marketplace: An Empirical Analysis of Behavioral and Value-Driven Determinants', *Digital* 6, no. 1 (2026): 1.
[63] Vasiliki, M. et al., 'Ethical Consumer Attitudes and Trust in Artificial Intelligence in the Digital Marketplace: An Empirical Analysis of Behavioral and Value-Driven Determinants', *Digital* 6, no. 1 (2026): 1.
[64] Vasiliki, M. et al., 'Ethical Consumer Attitudes and Trust in Artificial Intelligence in the Digital Marketplace: An Empirical Analysis of Behavioral and Value-Driven Determinants', *Digital* 6, no. 1 (2026): 1.
[65] The Ada Lovelace Institute & The Alan Turing Institute, 'How Do People Feel about AI? Wave Two of a Nationally Representative Survey of UK Attitudes to AI Designed through a Lens of Equity and Inclusion' (2025); Clifton, M., 'Consumer Trust in AI for Retail Remains Low in Britain, Especially among Older Adults' (YouGov, 2 January 2026); STRAT7 Jigsaw, 'Exploring the impact of AI on the telecoms customer journey: Qualitative research report' (Commissioned by Ofcom, September 2026); Thinks Insight & Strategy, 'Consumer Use and Understanding of Generative AI, Including in Financial and Debt Advice' (Commissioned by the FCA / the CMA as members of the DRCF, 2024); Thinks Insight & Strategy, 'Understanding Consumer Attitudes on AI Use in the Energy Sector' (Commissioned by Ofgem, 2024); Vasiliki, M. et al., 'Ethical Consumer Attitudes and Trust in Artificial Intelligence in the Digital Marketplace: An Empirical Analysis of Behavioral and Value-Driven Determinants', *Digital* 6, no. 1 (2026): 1; Yonder, 'AI Consumer Research' (Commissioned by the FCA, 2026).

Table 4. Key components of consumer trust in AI.

Component	Description
Human oversight	Consumer trust is increased if there are clearly signposted mechanisms to contact customer support or speak to a human about decisions.
Transparency and explainability	Consumer trust is increased if AI use is disclosed and explained clearly.
Consumer benefits	Consumer trust is increased if the expected benefit is clear and feels in the consumer's best interest.
User controls	Consumer trust is increased when user controls are clearly available and are well understood.
Ability to opt out	Consumer trust is increased where there is a clear ability to opt out of using AI if they choose.
Reputation of tool provider	Consumer trust is increased when a well-known, established provider is offering the AI tools.
Appropriate use cases	Consumer trust is increased if the use cases for AI feel 'smart' (i.e., something that would be otherwise hard to do manually or would be burdensome), recognisable, and routine (e.g. administrative support).
Information accuracy and sources	Consumer trust is increased if information is accurate and sources are cited for information by an AI tool.
Ability to appeal a decision	Consumer trust is increased where there is a clear mechanism for appealing a decision.
Volume of personal data and responsible data use	Consumer trust is increased where the volume of personal data requested is proportionate to the task and does not feel excessive, and personal data is used safely and responsibly.
Quality of AI	Consumer trust is increased if the AI interaction effectively meets the consumer's needs.

Consumer tolerance to risk has been relatively under-explored and existing research demonstrates that consumers' level of comfort with AI differs based on the context of use. In general, academic studies on how the public assesses benefits and risks of AI have been relatively limited[66] and fewer industry or regulatory reports have considered this question. Emerging evidence suggests that when weighing accuracy against explanations, there is a preference for explanations, with both explanations and human involvement favoured, especially among older age groups.[67] In the energy sector, one study found that whilst consumers were more comfortable using AI to support lower-risk enquiries, they also acknowledged the limits of AI in complex or emotive contexts, such as complaints and conversations about financial support.[68] Consumers are less tolerant of risks in agentic use cases (discussed in more depth in Section 3.4). For example, whilst 66% of consumers trust AI to compare prices, only 11% trust AI to place an order for them.[69] Ofcom's qualitative market research echoes these findings, highlighting that participants worried about loss of control when relying on a personal AI agent.[70] Future work is needed to explore factors that influence consumer risk tolerance, how considerations may differ across use cases and sectors, and how consumers make these trade-offs in the moment. The CfI findings in this report offer a starting point.

3.4. Agentic AI

> Agentic AI raises new questions about consumer vulnerability, trust, and risk tolerance.

Agentic capabilities, where AI moves from advising or providing information to taking action, potentially interacting with multiple services in the process (including in multi-agent systems), offer new opportunities for planning and taking action on behalf of consumers. For example, in 2025, OpenAI announced an Agentic Commerce Protocol co-developed with Stripe that "lets AI agents, people, and businesses work together to complete purchases."[71] Recent work by the CMA[72] and the DRCF[73] has highlighted the opportunities and emerging risks of agentic AI. There are benefits to agentic AI for consumers, including reduced friction, improved personalised support, time savings, and reduced cognitive load.[74] However, agentic interactions could lead to worse outcomes for consumers (e.g. through hallucinations, bias, or 'agentic collusion'), and there are increased

[66] Lee, S. et al., 'Public Perceptions of ChatGPT: Exploring How Nonexperts Evaluate Its Risks and Benefits', *Technology, Mind, and Behavior* 5, no. 4 (2024): 219–30; Tang, H. et al., 'Between Promise and Peril: Users' Risk–Benefit Trade-Offs in Their Generative AI Usage', *Big Data & Society* 12, no. 4 (2025): 20539517251410046.
[67] The Ada Lovelace Institute & The Alan Turing Institute, 'How Do People Feel about AI? Wave Two of a Nationally Representative Survey of UK Attitudes to AI Designed through a Lens of Equity and Inclusion' (2025).
[68] Thinks Insight & Strategy, 'Understanding Consumer Attitudes on AI Use in the Energy Sector' (Commissioned by Ofgem, 2024).
[69] Clifton, M., 'Consumer Trust in AI for Retail Remains Low in Britain, Especially among Older Adults' (YouGov, 2 January 2026).
[70] Ofcom, 'AI in telecoms markets: the impact on consumers' experiences so far and how it may develop' (25 September 2026).
[71] OpenAI, 'Buy It in ChatGPT: Instant Checkout and the Agentic Commerce Protocol' (29 September 2025).
[72] CMA, 'Agentic AI and Consumers' (9 March 2026).
[73] DRCF, 'The Future of Agentic AI: Foresight Paper' (2026).
[74] CMA, 'Agentic AI and Consumers' (9 March 2026); DRCF, 'The Future of Agentic AI: Foresight Paper' (2026); Mills, S., 'The Mills Review: AI and the Future of Retail Financial Services' (FCA, 2026) and Ofcom, 'AI in telecoms markets: the impact on consumers' experiences so far and how it may develop' (25 September 2026).

concerns about privacy, transparency, and accountability risks.[75] Importantly, agentic systems are often opaque, making it difficult for consumers to exert control, particularly in multi-agent systems where there might be cascading errors.[76] There is a need to better understand where consumers perceive benefits and risks, and how they evaluate trade-offs in this agentic landscape.

Some consumers are already open to more agentic experiences. In financial services, willingness to use AI declines as AI acts more autonomously (e.g. AI managing investments or paying bills), although existing AI users are more open to AI taking autonomous actions based on pre-set instructions or goals.[77] However, levels of comfort vary, as consumers report that reviewing insurance is the most attractive agentic use case whilst moving money between accounts is the least.[78] As mentioned in Section 3.3, consumer tolerance to risk in this agentic context is lower, with one recent survey of 2,000 UK consumers finding that 60% would stop using an AI agent after one mistake in a shopping context.[79] Despite potential time and cost savings, consumers are concerned about increased risk of mistakes, scams and fraud, stress, and loss of control as AI autonomy increases.[80] These concerns are not always outweighed by the potential benefits and 44% of UK consumers would not trust an AI shopping agent regardless of financial savings.[81] Consumers are also less tolerant of risks from agentic AI in high-stakes sectors. For example, previous work has demonstrated consumers' hesitance to let AI take action in high-stakes financial uses (e.g. investment decisions).[82]

High levels of AI autonomy can make consumers feel powerless, which can lower AI adoption.[83] However, academic research has shown that acceptance and adoption of high-autonomy AI assistants are increased when the experiential benefits of AI are clearly articulated to consumers, and these benefits are especially influential in contexts of scarcity (e.g. the purchase of 'limited edition' items).[84]

Agentic AI raises new questions for appropriate consumer protections, including novel data protection risks.[85] For example, a recent report in Australia emphasises that existing governance practices of attribution, authorisation, oversight, and evaluation come under strain in multi-agent

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[75] CMA, 'Agentic AI and Consumers' (9 March 2026); DRCF, 'The Future of Agentic AI: Foresight Paper' (2026); Mills, S., 'The Mills Review: AI and the Future of Retail Financial Services' (FCA, 2026); Ofcom, 'AI in telecoms markets: the impact on consumers' experiences so far and how it may develop' (25 September 2026).
[76] DRCF, 'The Future of Agentic AI: Foresight Paper' (2026).
[77] Yonder, 'AI Consumer Research' (Commissioned by the FCA, 2026).
[78] Yonder, 'AI Consumer Research' (Commissioned by the FCA, 2026).
[79] ACI Worldwide, 'Six in Ten UK Consumers Would Stop Using an AI Shopping Agent After One Mistake, ACI Survey Finds' (29 June 2026).
[80] ACI Worldwide, 'Six in Ten UK Consumers Would Stop Using an AI Shopping Agent After One Mistake, ACI Survey Finds' (29 June 2026); STRAT7 Jigsaw, 'Exploring the impact of AI on the telecoms customer journey: Qualitative research report' (Commissioned by Ofcom, September 2026); Yonder, 'AI Consumer Research' (Commissioned by the FCA, 2026).
[81] ACI Worldwide, 'Six in Ten UK Consumers Would Stop Using an AI Shopping Agent After One Mistake, ACI Survey Finds' (29 June 2026).
[82] Thinks Insight & Strategy, 'Consumer Use and Understanding of Generative AI, Including in Financial and Debt Advice' (Commissioned by the FCA / the CMA as members of the DRCF, 2024).
[83] Frank, D. & Otterbring, T., 'Autonomy, Power and the Special Case of Scarcity: Consumer Adoption of Highly Autonomous Artificial Intelligence', *British Journal of Management* 35, no. 4 (2024): 1700–1723.
[84] Frank, D. et al., 'Consumer Acceptance of High-Autonomy AI Assistants Is Driven by Perceived Benefits in Online Shopping Settings Characterized by Scarcity', *Psychology & Marketing* 43, no. 3 (2026): 538–55; Frank, D. & Otterbring, T., 'Autonomy, Power and the Special Case of Scarcity: Consumer Adoption of Highly Autonomous Artificial Intelligence', *British Journal of Management* 35, no. 4 (2024): 1700–1723.
[85] ICO, 'ICO Tech Futures: Agentic AI' (2026).

systems.[86] The CfI findings in the current report highlight how decision reversibility, consequence, and autonomy influence consumers' perceptions of risk.

3.5. Consumer Demand for Protections

> Consumers are clear that they want protection, but the most effective approach remains uncertain.

Consumers' understanding of regulation and recourse is limited.[87] For example, whilst there are many existing regulatory frameworks in the UK that are applicable to AI,[88] a third of consumers believe there is no regulation of generative AI in the UK and less than a third of consumers are confident that generative AI is well-regulated in the UK.[89] Nonetheless, the UK public are clear that they *want* more active regulation of AI: 85% of respondents in a recent survey said the UK needs stronger laws to make AI safe and secure.[90]

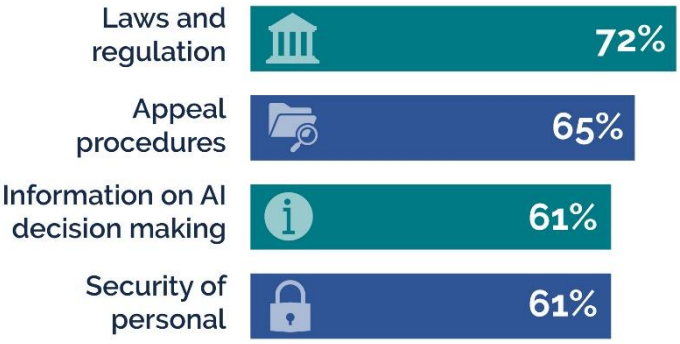
Reassurance of protection, laws, and regulation is a driver of AI adoption and comfort for consumers. For example, when asked what would make them more likely to use AI tools to manage money and financial services, the top three responses from consumers were: "If there were clear rules protecting me if something went wrong"; "If it had a proven track record of accuracy and reliability"; "If I could easily opt out or speak to a human at any point."[91]

Similarly, The Ada Lovelace Institute and The Alan Turing Institute identified the top mechanisms for increasing comfort with AI use as: laws and regulations (72%), procedures for appealing decisions (65%), information on how AI makes decisions about you (61%), and security of personal information (61%).[92] When consumers are asked for the most important factors in determining whether to trust AI to make a purchase, the key elements include accountability and knowing who is responsible if something goes wrong (34%), consumer control to review and cancel purchase (32%), and security of payment and data privacy (32%).[93]

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[86] Reid, A. et al., 'Risks and Controls for Multi-Agent Systems: An Analytical Framework for Understanding How AI Agents Interact across Organisational Boundaries' (10 August 2026).
[87] Thinks Insight & Strategy, 'Consumer Use and Understanding of Generative AI, Including in Financial and Debt Advice' (Commissioned by the FCA / the CMA as members of the DRCF, 2024); Thinks Insight & Strategy, 'Understanding Consumer Use of Generative AI' (Commissioned by the DRCF, April 2025); Yonder, 'AI Consumer Research' (Commissioned by the FCA, 2026).
[88] Thinks Insight & Strategy, 'Understanding Consumer Use of Generative AI' (Commissioned by the DRCF, April 2025).
[89] Thinks Insight & Strategy, 'Understanding Consumer Use of Generative AI' (Commissioned by the DRCF, April 2025).
[90] Stone, D., 'The UK AI Compass: What the UK Thinks, Feels and Wants from AI Regulation' (Diffusion.AU, 2026).
[91] Yonder, 'AI Consumer Research' (Commissioned by the FCA, 2026).
[92] The Ada Lovelace Institute & The Alan Turing Institute, 'How Do People Feel about AI? Wave Two of a Nationally Representative Survey of UK Attitudes to AI Designed through a Lens of Equity and Inclusion' (2025).
[93] Adyen, 'Almost Half of UK Shoppers Would Trust AI To Shop on Their Behalf' (9 January 2026).

Figure 3: Share of UK consumers who say each measure would increase their comfort with AI



Source: The Ada Lovelace Institute & The Alan Turing Institute, 'How Do People Feel about AI? Wave Two of a Nationally Representative Survey of UK Attitudes to AI Designed through a Lens of Equity and Inclusion' (2025).

It is important, however, that consumers' perceptions of regulatory protection align with reality. There is sometimes a disconnect between what consumers believe to be in place and what protection is actually there, particularly for boundary uses (e.g. general-purpose chatbots providing financial advice). Consumers sometimes assume that regulation will cover their use of AI tools for topics they know to be regulated, e.g. financial and debt advice.[94] Whilst existing sector rules cover AI deployment by regulated firms, similar services offered by firms outside of those regulatory remits may not attract the same oversight. For example, when a consumer seeks financial advice from a general-purpose generative AI tool, the tool is not bound by the same regulations as a financial adviser would be.[95] In the context of retail finance, only 40% of consumers understand that there is no formal recourse mechanism if something goes wrong when using general-purpose tools (e.g. ChatGPT or Gemini) and those that use AI are more likely to think protections are in place.[96] Misunderstanding, or lack of clarity around, the application of regulation, accountability, and redress can lead to overconfidence,[97] and this could make consumers vulnerable to harm.

In terms of accountability, consumers want to know: "who is responsible, the choices they are making, what is at stake, and what should be done about it."[98] This suggests there may be value in (i) informing consumers of how established regulations apply, and (ii) helping consumers identify risks and the limits of protection where AI systems fall outside of existing regulatory frameworks.[99] However, complex and opaque AI value chains (all actors involved in creating and delivering an AI system, e.g. developers and deployers) and agentic AI raise challenges about the allocation of responsibility.[100] The literature is inconsistent on who consumers believe should be accountable; however, it is clear that there is no single entity that all consumers agree is ultimately responsible.

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[94] Thinks Insight & Strategy, 'Consumer Use and Understanding of Generative AI, Including in Financial and Debt Advice' (Commissioned by the FCA / the CMA as members of the DRCF, 2024).
[95] FCA, 'Using AI for Investment Research' (30 July 2026).
[96] Yonder, 'AI Consumer Research' (Commissioned by the FCA, 2026).
[97] Thinks Insight & Strategy, 'Consumer Use and Understanding of Generative AI, Including in Financial and Debt Advice' (Commissioned by the FCA / the CMA as members of the DRCF, 2024).
[98] Stone, D., 'The UK AI Compass: What the UK Thinks, Feels and Wants from AI Regulation' (Diffusion.AU, 2026, p.8).
[99] Mills, S., 'The Mills Review: AI and the Future of Retail Financial Services' (FCA, 2026); Thinks Insight & Strategy, 'Understanding Consumer Use of Generative AI' (Commissioned by the DRCF, April 2025).
[100] DRCF, 'The Future of Agentic AI: Foresight Paper' (2026); Ofcom, 'AI in telecoms markets: the impact on consumers' experiences so far and how it may develop' (25 September 2026), Mills, S., 'The Mills Review: AI and the Future of Retail Financial Services' (FCA, 2026); Smakman, J., 'Risky Business' (The Ada Lovelace Institute, 2025).

For example, some consumers believe that responsibility should be shared between companies developing AI technologies and the organisations deploying the AI tools,[101] and most expect organisations deploying AI tools to be responsible for redress or reimbursement in the event that something goes wrong.[102] Another study found that when asked who they think should be responsible for AI safety, most respondents reported that an independent regulator (58%) and the companies developing AI technologies (58%) should be responsible.[103] The same study found that 87% said government or regulators, not just private companies, should be able to stop the use of an AI product if it was considered to present a risk of serious harm.[104] Finally, other research has found that 54% of consumers believed the company who built the AI tool, and only 9% believed the retailer deploying the AI tool, should be responsible.[105]

There is, however, an underlying lack of trust in organisations and institutions to appropriately manage AI risk. Research has found that 59% of consumers said they would not trust any organisation to manage AI-powered shopping and payments, and only 20% trusted banks and other regulated financial payment providers.[106] Meanwhile, 80% of the UK public do not trust the UK Government's ability to control AI.[107]

The availability and visibility of redress mechanisms are particularly important for consumers; however, consumers do not think they are always available or easy to navigate. Consumers are concerned about being forced to engage with AI and not having routes to speak to a human.[108] Only 6% of consumers have gone on to seek redress for issues experienced with generative AI tools.[109] Barriers included not knowing how to do this, or not thinking it was possible to do.[110] Recent research in the energy sector found that concerns about contestability of decisions and redress were greater for older consumers and those who were less digitally confident.[111] The literature is consistent that the views and experiences of diverse groups must be embedded in decision-making.[112]

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[101] Thinks Insight & Strategy, 'Understanding Consumer Use of Generative AI' (Commissioned by the DRCF, April 2025).
[102] Thinks Insight & Strategy, 'Consumer Use and Understanding of Generative AI, Including in Financial and Debt Advice' (Commissioned by the FCA / the CMA as members of the DRCF, 2024).
[103] The Ada Lovelace Institute & The Alan Turing Institute, 'How Do People Feel about AI? Wave Two of a Nationally Representative Survey of UK Attitudes to AI Designed through a Lens of Equity and Inclusion' (2025).
[104] The Ada Lovelace Institute & The Alan Turing Institute, 'How Do People Feel about AI? Wave Two of a Nationally Representative Survey of UK Attitudes to AI Designed through a Lens of Equity and Inclusion' (2025).
[105] ACI Worldwide, 'Six in Ten UK Consumers Would Stop Using an AI Shopping Agent After One Mistake, ACI Survey Finds' (29 June 2026).
[106] ACI Worldwide, 'Six in Ten UK Consumers Would Stop Using an AI Shopping Agent After One Mistake, ACI Survey Finds' (29 June 2026).
[107] Stone, D., 'The UK AI Compass: What the UK Thinks, Feels and Wants from AI Regulation' (Diffusion.AU, 2026).
[108] Ofcom, 'AI in telecoms markets: the impact on consumers' experiences so far and how it may develop' (25 September 2026).
[109] Thinks Insight & Strategy, 'Understanding Consumer Use of Generative AI' (Commissioned by the DRCF, April 2025).
[110] Thinks Insight & Strategy, 'Understanding Consumer Use of Generative AI' (Commissioned by the DRCF, April 2025).
[111] Thinks Insight & Strategy, 'Understanding Consumer Attitudes on AI Use in the Energy Sector' (Commissioned by Ofgem, 2024).
[112] The Ada Lovelace Institute & The Alan Turing Institute, 'How Do People Feel about AI? Wave Two of a Nationally Representative Survey of UK Attitudes to AI Designed through a Lens of Equity and Inclusion' (2025).

New considerations for consumers continue to emerge as AI capabilities develop.[113] For example, the literature reviewed above highlights how agentic AI raises new questions about consumer protection, allocation of responsibility, and consumer risk tolerance. Whilst the existing literature has identified a consumer demand for protections, recommendations for the most effective product and regulatory approaches to protect consumers differ. Different ideas exist from policy safeguards to user controls to safety-by-design. However, the links between these recommendations and specific evidence about consumer needs remain limited. This report addresses this by clearly outlining consumer needs and perceptions based on evidence from literature and CfI responses. Based on this evidence, this report highlights key themes and considerations for the DRCF's ongoing work on Consumer Interest and AI (focusing on appropriate tools and mechanisms to protect consumers).

[113] Ofcom, 'AI in telecoms markets: the impact on consumers' experiences so far and how it may develop' (25 September 2026).

4. CfI Findings and Analysis

The following section is separated into four key connected areas, drawing together insights from the CfI responses and additional relevant literature. The sections are as follows: (i) Consumer Understanding: Benefits, Risks, and Vulnerability; (ii) Trustworthy AI: Quality, Transparency, and Control; (iii) Accountability, Redress, and Consumer Protection in an Agentic AI Context; (iv) Evidence Gaps and Areas of Disagreement. Many of the respondents shared organisational perspectives rather than direct consumer evidence. Where direct evidence is available, this is made clear in the following analysis.

4.1. Consumer Understanding: Benefits, Risks, and Vulnerability

AI literacy is critical but insufficient in addressing consumer risks.

- Consumers are aware of high-level AI benefits (e.g. time savings, accessibility) and risks (e.g. data protection risks, loss of user control).
- However, consumers often lack the technical understanding and skills required to effectively mitigate risks.
- All consumers can be vulnerable to harms.
- Consumers' risk tolerance and perceptions of personalisation are not fixed and depend on the context of AI use.
- Consumers are likely to be more risk-averse in high-stakes agentic AI interactions where actions are irreversible.
- Consumers' continued use of AI products should not be mistaken for risk tolerance.

4.1.1. Understanding and AI literacy

AI literacy was used as an expansive concept throughout the CfI responses to capture a range of competencies, including recognising AI, understanding what AI can and cannot do, understanding how their data is used, understanding AI risks, knowing how to engage with AI (including how to engage with user controls or permissions and how to seek recourse). This aligns with academic definitions of AI literacy, which capture competencies such as recognising AI, understanding AI's strengths and weaknesses, recognising the role of humans in AI, and understanding that AI learns from data.[114] The topic of consumers' AI literacy was addressed in the majority of the CfI responses, with broad agreement that **consumers' AI literacy is generally low and patchy**, reflecting the existing literature highlighted in Section 3.1. For example, a survey commissioned for the DRCF highlighted that 28% of non-generative-AI users expressed a lack of confidence in what generative AI tools are and how they work (see also Section 3.1).[115] Importantly, there was consensus that responsibility should not fall to consumers to understand or manage the full range of AI risks. The respondents stressed that informational and technical capability asymmetries between consumers and businesses in the AI value chain render consumers poorly positioned to have visibility of and respond to these risks. Stakeholders emphasised that this should not be understood as simply a lack of knowledge or willingness to learn on the part of consumers. Rather, responses explained that these systems are sufficiently complex and opaque that we cannot, and should not, expect consumers to understand their workings.

Respondents emphasised that these asymmetries are only widening in the context of agentic AI where interactions are increasingly complex, and the system's processes may not always be within the consumers' view. As such, they argued that the AI literacy skills consumers need are evolving. Responses reflected that it is not only getting more challenging for consumers to distinguish between AI- and human-generated content, but agentic AI interactions require them to understand:

[114] Long, D. & Magerko, B., 'What Is AI Literacy? Competencies and Design Considerations', *Proceedings of the 2020 CHI Conference on Human Factors in Computing Systems* (21 April 2020).
[115] Thinks Insight & Strategy, 'Understanding Consumer Use of Generative AI' (Commissioned by the DRCF, April 2025).

what an agent can and cannot do, what it will do, and how they can regain control or revoke consent.

Respondents strongly emphasised that when it comes to AI literacy, as with digital literacy more generally, an important question to ask is: where are the gaps? The CfI responses demonstrated that levels of AI literacy are uneven, with certain consumer groups demonstrating lower levels of AI literacy, echoing the familiar patterns seen with digitally excluded groups who may have less opportunity to engage with AI tools and capacity to understand the technical risks of AI. Those identified in the responses as more likely to face barriers in building AI literacy included younger consumers, older consumers, consumers from lower socioeconomic groups, disabled consumers, consumers with limited language proficiency, non-English speakers, and consumers with limited or no qualifications. Ofcom's research highlights that consumers may need sufficient awareness, confidence and AI literacy to engage with AI-enabled services. People with low digital literacy could be affected adversely if providers rely heavily on using AI and digital channels to support them. Ofcom's research into adults' broader experience of AI found that, in some customer service interactions, people were unsure whether they were interacting with AI, a less sophisticated automated system or a real person.[116] The FCA's Mills Review also highlighted the risks of a two-tiered market for those who can pay for AI services as compared with those that rely on free services.[117]

Ultimately, respondents suggested that **initiatives to support consumers' AI literacy should be promoted, but bolstering AI literacy alone is insufficient to tackle consumer risks**. This aligns closely with the existing literature which emphasised that AI literacy alone is not sufficient to protect consumers from risk. In responding to the CfI, stakeholders emphasised that improved AI literacy cannot replace safe product design and regulation. Instead, they argued that building AI literacy should be treated as a supplement to other tools, and AI literacy initiatives should be designed to support *all* consumers without assuming access to knowledge, resources, or experience.

4.1.2. Awareness of benefits and risks

In line with consumers' lower levels of AI literacy, the responses emphasised that consumers' awareness of benefits and risks of AI is often superficial. This parallels the literature in Section 3.1. For example, DSIT found that 71% of UK adults had minimal or no knowledge of how data is used to train AI models and only 15% reported knowing what AI is and being able to explain this in detail.[118]

CfI respondents noted that benefits are often easier for consumers to understand than risks as they can feel more immediate and tangible, whereas risks can feel delayed or more technical. Potential benefits for consumers outlined in the responses included cost and time savings, accessibility, personalised advice or product recommendations which better suit the consumers' needs and circumstances, and improved information management (e.g. summarisation and easier comparisons between products). This is supported by research with consumers in the legal sector which found that consumers feel that AI would have a positive impact on affordability and ease of use.[119]

Nonetheless, stakeholders reported that **consumers have a general awareness of risks but do not necessarily understand the specific technical details.** Risks identified in the responses ranged from societal risks, such as job loss, to individual risks, such as concerns around personal data security and

[116] Ofcom, 'AI in telecoms markets: the impact on consumers' experiences so far and how it may develop' (25 September 2026).
[117] Mills, S., 'The Mills Review: AI and the Future of Retail Financial Services' (FCA, 2026).
[118] DSIT, 'Public Attitudes to Data and AI: Tracker Survey (Wave 4) Report' (2024).
[119] Keating, M. & Gosling, R., 'AI in Legal Services: Research Report' (Legal Services Board, 2026).

privacy. Responses suggested that, although consumers are increasingly aware that data protection risks exist, these risks are inconsistently understood by consumers. For example, 88% of non-AI users report that data privacy and security are concerns for them.[120] However, the responses explained that consumers do not have a good sense of agency in mitigating these risks. Concerns for consumers illustrated within the CfI responses included data sharing with third parties, data sharing that benefits companies/third parties rather than the consumer, data being used for purposes the consumer hasn't consented to, data being retained indefinitely, profiling or manipulation, excessive data collection, and hacks and data breaches. As a related risk, CfI respondents discussed concerns over the potential impact of data-driven, personalised content and product recommendations. For example, where granular consumer data is collected to tailor recommendations that target a consumer, encouraging them to make a choice that is in the best interest of the business, not the consumer themselves, such as in advertising, product recommendations from chatbot applications, or AI-generated marketing content.

Although these risks exist with other digital technologies, the responses emphasised that these were more acute in the context of AI interactions, particularly in agentic contexts. The submissions reflected that consumers' extended discussions with AI agents allow the system to build a sophisticated picture of them from a high volume and concentration of, sometimes very sensitive, personal data. The responses detailed that this data could come from a range of data sources but could also be inferred by the system or inadvertently shared by the consumer (e.g. uploading an image without realising what information this revealed). Respondents shared that consumers do not currently understand the specifics of how increasingly personalised and agentic experiences may shape their data privacy and security vulnerability.

Like AI literacy, and in line with existing literature, the CfI submissions highlighted that attitudes towards AI benefits and risks vary by context. For example, respondents noted that consumers who are younger, have more experience using AI, and are more digitally literate tend to be more optimistic about the benefits of AI whereas older consumers and those with less experience of AI tend to be more wary of risks. As such, respondents were aligned that policy and regulatory approaches should not assume consistent views across 'consumers' as a group.

4.1.3. Dynamic and situational vulnerability

The CfI responses identified several groups who may be more vulnerable in digital contexts and whose experiences should be considered carefully: children and young people, older consumers, consumers with lower digital literacy, consumers with lower financial literacy, consumers who are digitally excluded, consumers in financial difficulty, consumers experiencing mental health problems, consumers in emotional distress, consumers with language barriers, and disabled consumers.

Nevertheless, as reflected in the review of existing literature, a repeated theme within the CfI responses was a move away from thinking about static categories of vulnerability towards a more dynamic or situational approach (see Section 3.2): any consumer can be vulnerable in particular circumstances, and AI systems may identify, respond to, or exploit those circumstances. Responses reflected that even those who are highly digitally literate can be vulnerable in the moment when engaging with AI, closely echoing the OECD's state-based approach to understanding consumer vulnerability.[121]

[120] Lloyds Banking Group, '2025 Consumer Digital Index: The Generative AI Edition' (2025).
[121] OECD, 'Consumer Vulnerability in the Digital Age', OECD Digital Economy Papers no. 355 (2023).

Work highlighted in the CfI responses has also called for particular attention to be paid to children and young people.[122] For example, research has called attention to the social and emotional aspects of AI interactions, such as emotional dependency, sycophancy, anthropomorphism, and companionship,[123] which may be particularly compelling for vulnerable groups. This is particularly apparent with young people where 16% of vulnerable children report using AI chatbots because they wanted a friend and 50% of young people using AI chatbots say it feels like talking to a friend.[124]

Responses reflected that the ability of AI to detect vulnerability could be beneficial, for example in escalating to a human or guiding the consumer to support; however, stakeholders also stressed that there are risks of this identification, particularly in light of the social and emotional considerations discussed above. Any tools to protect consumers should consider how AI itself might create or exploit moments of situational vulnerability for consumers through manipulation, persuasion, or personalised recommendations, particularly for those who may already be vulnerable.

4.1.4. Risk tolerance

Many respondents emphasised that **consumers' tolerance to risk is dynamic and context-dependent**. Whilst a number of key factors emerged through the submissions (see Table 5), the respondents agreed that tolerance largely decreases as AI autonomy and consequences increase. As such, the submissions proposed that **consumers are likely to be more risk-averse in high-stakes agentic AI interactions where actions are irreversible.** Corresponding research from the Legal Services Board highlights consumers' resistance to autonomous AI in legal services: 63% disagree with AI acting without consent even when the action was easily reversible, and 81% agree that an AI legal tool should never act autonomously for a vulnerable person in a high-stakes situation.[125] Responses reflected that as consumer experiences transition from AI providing information to taking action in an agentic context, these considerations of risk tolerance are particularly important (see also the literature reviewed in Section 3.4).

[122] Internet Matters, 'Me, Myself and AI: Understanding and Safeguarding Children's Use of AI Chatbots' (2025).
[123] Internet Matters, 'Me, Myself and AI: Understanding and Safeguarding Children's Use of AI Chatbots' (2025); McStay, A. & Bakir, V., 'Do AI Companions Understand? Most UK Teens Say Yes' (The Emotional AI Lab, Bangor University, 2026).
[124] Internet Matters, 'Me, Myself and AI: Understanding and Safeguarding Children's Use of AI Chatbots' (2025).
[125] Keating, M. & Gosling, R., 'AI in Legal Services: Research Report' (Legal Services Board, 2026).



Table 5. Key factors influencing consumers' tolerance to risk in AI interactions.

Factor	Description
Ability to reverse decision or action	Risk tolerance is increased if the consumer has the ability to easily reverse a decision or action.
Expected benefit	Risk tolerance is increased if the expected benefit feels certain, immediate, valuable, or in the consumer's best interest.
Availability of human escalation	Risk tolerance is increased if there are clearly signposted mechanisms to contact customer support or speak to a human about decisions.
Stakes of use	Risk tolerance is increased in low-stakes uses (e.g. entertainment, search) as compared with high-stakes uses (e.g. financial/healthcare/legal).
Autonomy of AI	Risk tolerance is increased in scenarios where AI is providing a response (e.g. generative AI) as compared to scenarios where AI is taking action (e.g. agentic AI).
Severity of potential harm	Risk tolerance is increased where the potential harm is low-severity (e.g. hallucinated café recommendation) compared with high-severity potential harms (e.g. an AI agent making an unauthorised payment that cannot be returned).
User controls	Risk tolerance is increased when user controls are clearly available and are well understood.
Outcome verification	Risk tolerance is increased where consumers have the ability to independently verify an outcome.
Accountability	Risk tolerance is increased where accountability is clear in the case that something goes wrong.
Reputation of provider	Risk tolerance is increased when consumers are engaging with known, trusted, or regulated service providers.

Several responses underscored fundamental consumer protections that consumers will not trade off, including fairness and safety. Stakeholders reflected that consumers expect a minimum level of safety when engaging with AI tools, regardless of whether these tools are free or paid; they are not willing to be exposed to a greater risk of harm for a free or cheaper tool.

Importantly, several CfI responses highlighted that **consumers' continued use of products should not be mistaken for risk tolerance**. Responses reflected that consumers may continue to use tools because of constrained choice or not recognising risks. Stakeholders stressed that trade-offs for consumers often reflect incomplete information or understanding rather than considered decisions based on comprehensive understanding of the benefits and risks of AI interactions, particularly in agentic contexts where these may not be fully visible to the consumer.

4.1.5. AI personalisation

The CfI responses argued that personalisation should not be considered either inherently positive or negative for consumers, but instead evaluations of necessary safeguards should consider consumer outcomes and context. On the one hand, submissions suggested that personalisation can provide real consumer benefit, including saving time, providing more relevant and tailored services, and offering more age-appropriate services. Nevertheless, the responses emphasised that personalisation also has the potential to be exploitative or manipulative.

Consumers' trade-offs for personalisation described in the responses echo their considerations for general risk tolerance detailed in Table 5. Further research is needed to better understand the thresholds of consumer comfort with personalisation, particularly in an agentic landscape.

4.2. Trustworthy AI: Quality, Transparency, and Control

Consumers' perceptions of high-quality and trustworthy AI are centred around outcomes and lived experience.

- Key dimensions of high-quality AI for consumers are accuracy and reliability, transparency, privacy and data protection, safety and security, fairness and non-discrimination, and user control.
- Consumers' trust in AI is not stable, and clarity around responsibility and accountability is central to trust.
- AI also presents unique risks whereby consumer trust could also form relationally through anthropomorphic or artificially empathetic design, leading to misplaced trust in a system that feels trustworthy.
- Where trust marks or other trust certifications are adopted, they must be backed by clear standards, independently assessed, and be subject to ongoing enforcement with clear consequences for organisations failing to meet these standards.
- Consumers expect human oversight and often expect more oversight than is currently in place.
- Consumers' expectation of oversight increases in higher-stakes contexts and in contexts where AI might act more autonomously, raising questions in agentic contexts where it may be impractical to have humans approve each step.
- Human oversight needs to be genuine, meaningful, and capable of changing the outcome for the consumer.
- The provision of appropriate user controls is essential but should not imply that consumers are responsible for mitigating risk.
- When it comes to transparency, just-in-time, layered, and contextual disclosures were generally preferred, with greater detail for higher-risk uses.

4.2.1. Consumer perceptions of high-quality AI

A number of the responses emphasised that organisational metrics and internal AI governance are important but often measure aspects that are not always visible to the consumer. Common approaches raised in the submissions for currently measuring quality included auditing, error or hallucination rates, and internal governance processes and standards. Other measures listed sit closer to the consumer experience, such as resolution time, complaint rates, and user reversal or action override rates. Respondents agreed that these technical measures are important but highlighted the need to consider the consumer perspective.

Overwhelmingly, the responses suggested that **consumers' measurement of AI quality is often centred on outcomes and lived experiences**. Within the responses, **dimensions that emerged repeatedly as key for high-quality AI for consumers were accuracy and reliability, transparency, privacy and data protection, safety and security, fairness and non-discrimination, and user control** (see Table 6 for dimensions of high-quality AI for consumers raised in the responses). Several responses highlighted that quality should be defined by consumer outcomes (in line with the Consumer Duty and other regulatory approaches)[126] and not technical performance alone. For example, evidence submitted around consumer complaints and redress in the financial services sector highlighted that AI had fuelled a rise in complaints that had real-world consequences for consumers, including issues with account access, credit scoring and affordability. Further research is needed to understand how consumer outcomes and lived experiences align with common technical measures.

Table 6. Dimensions of high-quality AI for consumers highlighted in the CfI responses.

01 - Performance	02 - Agency	03 - Recourse
Accuracy and reliability	Transparency	Human oversight
Fairness and non-discrimination	User control	Accountability and governance
Safety and security	Privacy and data protection	Redress
Consumer benefit	Accessibility and inclusion	Contestability and reversibility
	Ease of use	

4.2.2. Formation and maintenance of trust in AI

As with vulnerability and risk tolerance, the respondents underscored that **consumers' trust in AI is not stable, and clarity around responsibility and accountability is central to trust.** Responses articulated that, particularly in agentic contexts, trust is bolstered by clear consumer controls and the presence of meaningful human oversight (see Section 4.2.3 for more on this). Importantly, some of the responses drew an important distinction between trust formation and maintenance, highlighting that consumer trust in AI must be continually earned throughout their engagement with a tool. Ultimately, the responses argued that whilst consumers' trust in AI tools is closely related to uptake, continued use does not imply informed trust.

The responses suggested that consumers' initial formation of trust can be influenced by brand or organisational reputation and consumers may be more inclined to trust AI when it is embedded within a familiar, trusted, or regulated organisation, particularly where they have an existing relationship with this organisation. Nevertheless, some responses highlighted that this inherited trust may lead to unjustified trust in AI. Conversely, some stakeholders reported that standalone or

[126] FCA, 'PS22/9: A New Consumer Duty Feedback to CP21/36 and Final Rules' (2022). Ofcom's 'Strategic Approach to AI 2026/27' describes its technology-neutral, outcomes-based regulatory principles to AI.

general-purpose AI tools may initially be viewed more sceptically by consumers as they are less clear on where responsibility lies if something goes wrong.

The responses reflected that, whilst these factors influence trust formation, maintenance of trust relies on what happens to consumers during their engagement with AI. Respondents set out that trust must be preserved through a consistent experience, reliable performance, and robust safeguards. In the context of some AI interactions, several responses stressed that AI presents unique risks whereby **consumer trust could also form relationally through anthropomorphic or artificially empathetic design**, particularly for young people.[127] Respondents stressed that care must be taken here to ensure that consumers do not fall prey to harm as a result of misplaced trust in a system that feels trustworthy but actually lacks such qualities. For example, where an AI system sounds knowledgeable or authoritative and is therefore trusted as a source of information, or where an AI system is designed to feel supportive and emotionally responsive and as such feels reliable. Respondents indicated that this induced or misplaced trust should be understood as a design feature inherent in AI systems, not as failures of consumer understanding.

For responses that addressed trust marks, there was some divergence in opinion. The submissions largely presented trust marks as useful heuristics for consumers, but respondents maintained that they should not be expected to foster trust on their own. As such, stakeholders argued that there is still a need for regulation, accountability, and redress. On the other hand, some respondents raised concerns that trust marks could create false confidence or misplaced trust for consumers, leaving them unknowingly vulnerable to harms. Responses concurred that **where trust marks or other trust certifications are adopted, they must be backed by clear standards, independently assessed, and be subject to ongoing enforcement with clear consequences for organisations failing to meet these standards**.

4.2.3. Human oversight and user control

Human oversight and user control came up repeatedly throughout the CfI responses, informing consumer risk tolerance, trust, and assessment of high-quality AI. Stakeholders agreed that **consumers expect human oversight, and often expect more oversight than is currently in place.** Responses reflected that this **consumer expectation of oversight increases in higher-stakes contexts and in contexts where AI might act more autonomously, raising questions in agentic contexts where it may be impractical to have humans approve each step.**

Importantly, CfI responses stressed that **human oversight needs to be genuine, meaningful, and capable of changing the outcome for the consumer**. Human presence was deemed insufficient and instead respondents explained that humans must be technically equipped to intervene and correct errors, particularly in high-stakes contexts. Some responses highlighted that human oversight also has emotional importance for consumers, which may be particularly important in more sensitive contexts such as health and wellbeing.

In parallel, the responses underscored the importance of consumer-facing controls, particularly in the context of agentic AI. Submissions stated that controls such as approval before action, confirmation before purchase, pre-set spending limits or boundaries, and clear 'off' switches were essential. Responses indicated that pre-action approvals are particularly important for consequential actions, for example disclosing sensitive data, making payments, or entering into contracts with services. Some responses reflected that consumers should be able to define the guardrails for an AI

[127] Internet Matters, 'Me, Myself and AI: Understanding and Safeguarding Children's Use of AI Chatbots' (2025); McStay, A. & Bakir, V., 'Do AI Companions Understand? Most UK Teens Say Yes' (The Emotional AI Lab, Bangor University, 2026).

agent: what an agent can and cannot do, where permission is required, what the limits are, and when this permission expires. Nonetheless, several responses were clear that **the provision of user controls should not imply that consumers are responsible for mitigating risk** but instead should support their engagement with AI tools that have been designed to protect them from risk.

4.2.4. Transparency and disclosures

The CfI responses largely agreed that AI transparency matters for consumers but differed in their perspectives on how much information consumers need. Importantly, stakeholders emphasised that providing information to consumers is not the same as fostering meaningful understanding. Respondents concurred that existing terms and conditions do not adequately meet consumer transparency needs. Responses argued that lengthy explanations can overwhelm consumers and may not improve understanding as they risk being ignored. This is supported by existing research, for example, in a study on consumers' trust in direct-to-consumer AI health apps, participants repeatedly highlighted that they do not read terms and conditions and simply agree in order to move forward.[128] This has also been reflected in previous work by Ofcom where only 8% of social media and video-sharing platform users reported reading terms and conditions thoroughly before agreeing to them.[129] To note, existing rules and guidance address the need for transparency. Ofcom has stated that it expects communications providers to be transparent about their AI deployment. Customers using GenAI-augmented chatbots should be aware where the application is powered by AI.

Respondents recommended **just-in-time, layered, and contextual disclosures with greater detail for higher-risk uses.** Respondents argued that layered disclosures allow consumers to understand the most important aspects quickly and provide deeper information for those who would like to learn more. Responses outlined that contextual disclosures meet consumers in-flow and can be displayed at the point of action (e.g. before a consumer gives an AI agent permission to act). Stakeholders stressed that this information should be easy to understand, accessible, and targeted to the audience. One example provided was that consumer products used by children and young people should adopt age-appropriate language. Submissions suggested that visual options, such as icons or persistent indicators, are beneficial for consumers. Respondents favoured providing pertinent information when it is needed rather than providing too much up front such that it overwhelms the consumer. The responses outlined key pieces of information required for appropriate disclosure: if AI is being used; the role of AI; what AI is doing; what data is being used and where it is going; what user controls are available; if and how humans are involved; who is responsible if something goes wrong; how the consumer can seek help if something goes wrong. These are summarised in Table 6.

[128] Ryan, K. et al., 'Users' Perceptions and Trust in AI in Direct-to-Consumer mHealth: Qualitative Interview Study', *JMIR mHealth and uHealth* 13 (2025): e64715.
[129] Ofcom, 'Promoting user engagement with Terms and Conditions' (2024).

Table 7. Key pieces of information for consumer AI disclosure outlined across CfI responses.

Overarching question	Key aspects for consumers to understand
Is AI being used?	Yes/No
What is the role of AI?	Providing advice, taking action, etc.
What is AI doing?	Detailing what AI can and cannot do, including permissions
What data is being used?	Describing exactly what data is used in a way consumers can understand
Where is the data going?	Detailing who has access to this data and whether it is being shared or retained, and whether data is used in model training
What user controls are available?	What do these controls do? Where can they be found?
Are humans involved?	Yes/No. If so, how?
Who is responsible?	Clearly outlining accountability if something goes wrong
How can I get help?	Detailing complaints and redress mechanisms and providing a clear pathway to support

As with AI literacy, respondents stressed that transparency should not replace safe product design, AI governance, and protections. Instead, disclosures should reflect these safeguards. The level of detail required should increase with the stakes of the use case, the level of AI autonomy, and the consequence of the actions for consumers.

Some responses expressed a preference for standardised disclosures as consumers can recognise them at a glance and quickly digest the information provided. Nonetheless, others warned that standardised disclosures may be insufficient as they may not be able to carry the requisite information in an increasingly complex environment.

Some academic evidence suggests there is an AI "disclosure penalty": when content is labelled as AI-generated or AI-assisted users think of it as less valuable and engage with it less.[130] At the same time, research has found that users actively seek AI disclosures. One study described this as a "disclosure paradox" where users wanted AI disclosure but evaluated the content less favourably when this disclosure was made.[131] The CfI responses were clear that consumers expect transparency with regard to AI use and have a strong preference for AI disclosure. However, emerging evidence suggests that familiarity with AI may improve perceptions,[132] thus reducing the "disclosure penalty." Overall, respondents emphasised that it is important that any disclosures are clear and provide consumers with the right information at the right time to support their positive engagement with AI.

[130] Raj, M. et al., 'The Artificial Intelligence Disclosure Penalty: Humans Persistently Devalue AI-Generated Creative Writing', *Journal of Experimental Psychology: General* 155, no. 4 (2026): 896–915.
[131] Sahebi, S. et al., 'The AI Penalty and Disclosure Paradox: Trust, Authenticity and Knowledge Uptake in AI-Mediated Communication', *Computers in Human Behavior: Artificial Humans* 8 (May 2026): 100304.
[132] Eom, D. et al., 'Familiarity Matters: Examining the Effects of AI-Generated Images on Science Information Credibility', *Science Communication* 0, no. 0 (2025): 10755470251380116.

4.3. Accountability, Redress, and Consumer Protection in an Agentic AI Context

Consumers have inconsistent expectations around who should be accountable if something goes wrong and need a simple route to make complaints and seek redress.

- Consumers do not always have a clear picture of who to hold accountable if something goes wrong. Many expect the consumer-facing organisation to be accountable when using embedded AI tools but there is greater uncertainty around external AI systems.
- Allocation of responsibility is more complex in agentic systems.
- Current tools and mechanisms for managing AI risk are challenging for consumers as they are often fragmented.
- Redress pathways need to be clear, easy to navigate, and able to provide real resolution for consumers.

4.3.1. Accountability across AI value chains

The responses argued that **consumers do not have a clear picture of who to hold accountable** because AI systems are opaque and consumers often do not think about the underlying structures unless something goes wrong. Nevertheless, responses repeatedly suggested that, when engaging with embedded AI tools, many consumers expect the consumer-facing organisation to be accountable if something goes wrong. Responses highlighted that this is the entity that is most visible and closest to them, and with whom they already have a commercial relationship. From a sectoral regulation perspective, Ofcom's report 'AI in telecom markets' initial conclusions state that it is the responsibility of the regulated communications providers to ensure they are compliant with rules (Ofcom's General Conditions), including where they deploy a third party AI application.[133] Yet, as outlined in Section 4.2.2, responses reflected that the allocation of accountability is less clear for consumers in external AI systems. It is worth noting that this clear picture of accountability with embedded systems illustrated in the CfI responses sits in tension with existing literature which paints a more complex picture (see Section 3.5). For example, these findings differ from those from The Ada Lovelace Institute and The Alan Turing Institute where only 25% thought that the organisation or institution using AI (e.g. companies, public services) should be responsible for ensuring AI is used safely, and instead the most common responses were an independent regulator (58%) and companies developing the AI technology (58%).[134] A number of responses acknowledged that consumers do not have a clear picture of the underlying AI value chain and therefore are not well-positioned to evaluate who has ultimate responsibility for harms.

By contrast, the respondents themselves argued that accountability should be proportionately distributed across the AI value chain according to control over, and deployment of, as well as benefit from, AI. Some stakeholders explicitly stated that the consumer-facing entity should not automatically bear ultimate responsibility simply because they sit closest to the consumer. Responses indicated that there may be a divergence between who consumers turn to for redress

[133] Ofcom, 'AI in telecoms markets: the impact on consumers' experiences so far and how it may develop' (25 September 2026).
[134] The Ada Lovelace Institute & The Alan Turing Institute, 'How Do People Feel about AI? Wave Two of a Nationally Representative Survey of UK Attitudes to AI Designed through a Lens of Equity and Inclusion' (2025).

and who is ultimately liable. Some responses stressed that consumer protection should not be weakened as a result of diffuse responsibility and underscored the importance of making accountability clear for consumers even in the face of this complexity. Nevertheless, translating this distributed accountability into legal obligations raises challenging questions, including who is responsible for the relevant risk and whether the harm arises from the design or use of the tool. This is actively being considered by the DRCF in the next phase of this work, which is focused on regulator, policymaker, industry, and consumer tools.

CfI responses stressed that **allocation of responsibility is more complex in agentic systems**, particularly where there are multiple agents at play. Responses referenced risks of cascading harms and ambiguity in consumer requests that can be amplified through complex systems. As such, some argued for the need for auditable hand-offs between agents and traceable action logs or audit trails made visible to the consumer and others in the AI value chain to aid in the identification of responsible parties should harm arise.

For the smaller set of responses that addressed questions of whether regulators should mandate strict liability, there was some disagreement around the benefits of this approach. Some respondents favoured this approach in agentic AI systems to aid in clear allocation of responsibility. Others opposed a blanket approach and proposed a more targeted use of strict liability in high-autonomy or high-consequence agentic AI contexts where causation is difficult to trace. Those who argued against strict liability offered alternative approaches, including clear, proportionate allocation of responsibility or shifting the evidential burden onto organisations where a consumer cannot demonstrate how an outcome occurred.

Some respondents indicated that consumers also expect governments and regulators to play a role in protecting them from harms. For example, stakeholders reported that consumers are reassured by knowing that clear standards and regulatory oversight are in place. Several of the respondents also emphasised a role for government in providing AI literacy training to support consumers.

4.3.2. The challenge of safeguards and redress

Importantly, given consumers' limited understanding of protections and redress mechanisms (see Section 3.5), there was limited direct evidence within the CfI responses on the effectiveness of existing safeguards and redress mechanisms from a consumer perspective. Where such research was reported, it demonstrated that consumers expect clear complaints and redress mechanisms. For example, findings from the legal sector suggest that 89% of consumers expect there to be a complaints process, and 66% of these expect to be able to speak to a human in a complaints process.[135] Other research in the legal sector found that consumers also have high expectations around redress and express concerns about limited pathways for protection and redress in the event something goes wrong.[136]

Some of the CfI responses argued that **current tools and mechanisms for managing AI risk are challenging for consumers as they are often fragmented.** Examples of current tools and mechanisms include: customer service routes, sector-specific ombudsman escalation, regulatory complaints procedures, and platform reporting tools. These tools and mechanisms may be particularly stressed in the context of agentic AI where they are harder to operationalise as it can be challenging to trace causation. Respondents called for action logs or audit trails to be made available for consumers to be able to review when something goes wrong. Further, responses articulated that

[135] Legal Services Board, 'Acceptability of Technology in Legal Services: Research with Lawyers and the Public' (2022).
[136] Keating, M. & Gosling, R., 'AI in Legal Services: Research Report' (Legal Services Board, 2026).

understanding of complaints and redress procedures (e.g. knowing it is possible to make a complaint to an ombudsman) may be lower for consumers who are less digitally confident.

Respondents reported that when consumers seek redress, this resolution is not about financial compensation alone. Other markers of redress to consider include apologies and, importantly, reversals of decisions or charges. However, stakeholders outlined that consumers do not always know how to seek redress and, if they do, sometimes the humans involved in a complaints procedure are not technically capable of remedying the situation. Respondents highlighted that the existence of these routes is not sufficient. Instead, they emphasised that **pathways need to be clear, easy to navigate, and capable of providing real resolution.**

4.4. Evidence Gaps and Areas of Disagreement

Key areas for future research revolve around primary research with consumers.

- Consumer evidence gaps include how consumers make risk/benefit trade-offs in the moment, the future of consumer perspectives across specific types of AI use and multi-agent systems, and what meaningful human oversight, accountability, and redress look like for consumers in practice.
- Points of disagreement within the CfI responses included balancing regulatory oversight with innovation and appropriate allocation of responsibility.

As emphasised at the beginning of Section 4, many of the responses did not reflect consumers' direct experiences but rather provided organisational viewpoints, secondary analysis of consumer perspectives and recommendations. The literature review conducted here has addressed some of these shortcomings (for example, through quantitative data from research with consumers around trust in AI and mechanisms for increasing comfort with AI), but important gaps remain that warrant further research with consumers and consumer groups across a range of sectors, particularly as the landscape is evolving so rapidly. In particular, whilst the current report offers a guiding framework for factors that might influence consumers' tolerance to risk, robust primary evidence is needed from research with consumers, and not only third-party stakeholder perspectives, to understand how consumers make risk/benefit trade-offs in the moment across different use cases and sectors. Further, there is work to be done on understanding how consumers' perceptions may differ across specific types of AI use such as comparing interactive and passive examples of consumer-facing AI (see Table 1), or in multi-agent systems. Another key gap is what meaningful human oversight, accountability, and redress look like for consumers in practice. This is a key area for the next phase of the Consumer Interest and AI project.

Although some responses touched on what changes for consumers in an agentic landscape, the evidence base is still emerging, particularly for multi-agent systems. Careful attention should be paid to emerging risks (see Section 3.4) and how consumers' perspectives might evolve with more frequent encounters with these systems. Responses disagreed on whether existing regulatory approaches were sufficient in this agentic context and there was no clear allocation of responsibility. Further disagreement within the responses centred on balancing regulatory oversight with innovation, including the need for strict liability. The responses also disagreed on the effectiveness of existing safeguards and redress mechanisms for consumers. These are important topics for

consideration in the next phase of this work, which is focused on regulator, policymaker, industry, and consumer tools.

5. Themes and Considerations Raised in the Literature and CfI Responses

The CfI responses and literature in this report demonstrate that with the large-scale adoption of AI, consumers are facing a complex technical environment, one in which they may not have a great deal of visibility, understanding, or control of the systems at play. At the same time, it is clear that there is consumer demand for safeguards against the risks associated with AI-driven applications, and for a deeper understanding of the mechanisms through which they can and should be protected when engaging with AI.

The tables that follow outline six high-level themes directly based on the literature and CfI input analysed in this report. These are not intended as firm recommendations; rather, they bring together the key findings of this report to prompt discussion and reflection. They are designed to highlight themes that the DRCF, and/or other relevant organisations, could consider in their next steps and ongoing work.



Theme 1: The role consumer AI literacy can play in protecting consumers and their interests.

How This Might Inform Future Work	Examples of Possible Areas for Consideration
Consumer AI literacy is a complement to safe product design, AI governance, and consumer protection regulation. AI literacy initiatives support consumers in building the competencies they need to understand, evaluate, and safely and effectively use AI. Evaluating the impact of such initiatives can be done by identifying outcomes and appropriate measures (e.g. Ofcom's media literacy evaluation toolkit provides example survey questions for measuring "Increased understanding of AI systems and their role in digital environments").137 The findings in this report indicate that consumers do not fully understand AI and even those who are highly technically literate remain vulnerable to harms (e.g. inaccuracies, hallucinations, fraud, scams). Evidence suggests that consumers with greater critical awareness are more attuned to AI risks. However, there is a risk of overconfidence. As such, AI literacy initiatives can focus not only on broad risks but also on helping consumers understand what the implications might be for them and what steps they are able to take to seek remediation or redress.	Cross-sector education efforts to build age-appropriate understanding of AI Freely available, user-centred resources, training, and public-awareness campaigns

[137] Ofcom, 'Evaluation Toolkit: Outcomes, Indicators and Survey Questions Bank' (2026).



Theme 2: Consumer vulnerability and risk tolerance are dynamic.

How This Might Inform Future Work	Examples of Possible Areas for Consideration
Effective policy, regulatory, industry, and consumer tools recognise that vulnerability and risk tolerance are not fixed. The context of use is important, and the interplay between the consumer's situation, the stakes of the use case, and the AI tool are necessary considerations. There is a risk that AI systems could exploit this vulnerability through predatory dynamic pricing algorithms or for manipulation, persuasion, or exploitative personalisation. Particular attention can be paid to AI uses in high-stakes contexts, as well as in contexts where AI acts more autonomously and where actions are more consequential and may not be easily reversed.	Services that can adapt flexibly when vulnerability changes with clear mechanisms to ensure consumers are not manipulated, unduly persuaded, or exploited because of vulnerability Flexible consumer protections so that safeguards are continually reassessed based on the consumer's situation, the stakes of the use case, and the AI tool



Theme 3: Key dimensions of high-quality AI for consumers include performance, agency, and recourse.

How This Might Inform Future Work	Examples of Possible Areas for Consideration
It may be valuable to explore how to support the design of AI experiences that perform well for consumers and are accurate, fair, and safe, with the consumer benefit clearly articulated. Data should be secure and systems should be monitored for bias, discrimination, unfair outcomes, or reduced consumer choice. Practical controls for users (e.g. approval before AI takes action, confirmation before purchase, pre-set spending limits or boundaries, and clear 'off' switches) can support consumer agency, particularly in the context of agentic AI. These controls should be intuitive, easy to access, and responsive to the level of AI autonomy and stakes of use, and should be supported by transparency, privacy, and data protection for consumers, including relevant disclosures. Particularly where AI decisions are consequential for consumers, human oversight and pathways to human escalation should be available and capable of supporting consumers in contesting or reversing a decision.	Consumer choice to opt out of an AI journey and proceed through an alternative route to access the service Readily accessible human support that can effectively override, reverse, or remedy AI decisions



Theme 4: Measures beyond consumer engagement can be helpful for evaluating consumer benefit derived from AI tools.

How This Might Inform Future Work	Examples of Possible Areas for Consideration
When evaluating the success of any policy and regulatory measures, the evidence in this report suggests that consumers' continued engagement with AI is not always an indicator of informed trust, acceptance of risk, or high-quality experiences. The responses demonstrated that there are many reasons consumers may continue to engage with AI tools, including cost and a lack of choice or awareness, and measures beyond consumer engagement can be helpful in evaluating consumers' experiences.	User research to confirm alignment between business measures of quality and consumer perceptions of quality Regulatory success measures that include consumer consultation



Theme 5: Visibility of specific steps, decisions, and actions within consumers' interactions with AI systems supports accountability, and clear, signposted routes support consumer redress.

How This Might Inform Future Work	Examples of Possible Areas for Consideration
The findings in this report indicate the benefit of further explorations of consumer tools that make specific steps, decisions, and actions within consumers' interactions with AI systems visible and transparent so that consumer redress is practical and accountability is clear. Whether and how existing mechanisms can be operationalised in an agentic AI landscape is an ongoing consideration. Working to clarify accountability across AI value chains whilst retaining a simple consumer-facing route for complaints and redress remains a challenge. As systems become increasingly complex (e.g. multi-agent systems) and responsibility is diffuse, it is important that consumer pathways remain clearly signposted even if accountability is distributed further up the chain.	Persistent, consumer-accessible record of AI actions and consumer permissions An audit trail of which organisation is responsible for each action in a multi-agent system Highly visible entry point for consumer support Complaint route that is simple and escalates to humans where needed



Theme 6: Continued research that highlights the consumer voice, particularly those who may be under-represented or more vulnerable, will be beneficial, recognising that consumers' views may change over time.

How This Might Inform Future Work	Examples of Possible Areas for Consideration
Capturing consumers' views and experiences of AI can be challenging, particularly as these may vary across contexts and groups. Continued research efforts to understand the diversity of consumer experiences in this rapidly evolving landscape are essential, particularly with groups that may be more vulnerable to AI harm or whose voices are under-represented, such as older consumers, disabled consumers, or digitally excluded consumers. This is particularly important given the over-representation of industry submissions within the CfI responses analysed in this report.	Research repeated over time to capture changes in consumer attitudes and risk tolerance (e.g. concerns about societal risks such as job loss) Targeted work with vulnerable and under-represented consumer groups, including young people