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Shadow AI: The Invisible Risk Inside Every FSI Organization

Why 80% of your workforce is already using unsanctioned AI and the governance architecture to close the exposure

80%+

of workers use unapproved AI tools
UPGUARD, 2025

\$5.56M

average FSI breach cost, against a
\$4.44M global average
IBM, 2025

\$670K

added cost of breaches involving
shadow AI
IBM, 2025

EXECUTIVE SUMMARY

Shadow AI, the use of AI tools by employees without the knowledge or approval of IT, security, or compliance, is not an emerging threat. It is a current operational reality across every financial services organization.

For FSI the stakes are higher than in most sectors: the average data breach in financial services costs \$5.56 million, against a \$4.44 million global average, and IBM attributes a further \$670,000 premium to breaches

[The full analysis continues in the members' edition](#)

INSIDE THE FULL ARTICLE

- 01 What Shadow AI Is — and Why It Is Different From Everything Before It
- 02 Shadow AI in Financial Services: A Risk Profile Unlike Any Other Sector
- 03 The EU AI Act and Shadow AI: An Enforcement Collision
- 04 Detection: Finding What Is Designed to Be Invisible



Plus 3 further sections, including "The Agentic AI Frontier: Shadow AI Evolves From Passive to Active"

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