



DID YOU KNOW?

There are two general categories for defining artificial intelligence



Payments
Innovation Alliance®



Generative AI creates new content, including text, images, video, music and more, from existing data and user input. Digital tools have put the power of generative AI in everyone’s hands to simplify business and personal tasks. However, there is a dark side: fraudsters are using generative AI to refine their financial crimes. Synthetic voices or images—known as “deepfakes”—can be used to make people believe something is real when it is not.



Predictive AI recognizes patterns from existing data. Organizations that have a lot of data may use predictive AI to identify patterns of the stock market, support health care diagnosis and treatment, analyze energy consumption and more. Payments companies may use data to detect payments fraud or make credit decisions.

	Generative AI	Predictive AI
Objective	Create new content such as text, images, video, music, software code, etc.	Forecast future trends and outcomes based on historical data.
Benefits	<p>Easy-to-use tools readily available, and are included in some browsers to emphasize creativity.</p> <p>Generates original outputs based on user prompts or training data.</p>	Analyzes existing patterns and makes informed predictions based on historical data, statistical algorithms and machine learning.
Challenges	<p>May create “hallucinations” with incorrect data, or image errors such as missing body parts.</p> <p>Fraudsters can use AI tools to perpetrate financial crimes to imitate companies and loved ones that appear more convincing than ever before using text messages, emails, phone calls and social media.</p>	Limited to existing patterns, may miss novel scenarios, and subject to inherent biases.

This document was developed by the Cybersecurity & Payments AI Project Team of Nacha’s Payments Innovation Alliance.

[The Payments Innovation Alliance](#) is a membership program that shapes the future of the payments industry and develops thought leadership relevant to financial service institutions. The Alliance established the Cybersecurity & Payments AI Project Team to help organizations understand and respond to evolving threats related to potential cyberattacks. Visit the [Cybersecurity & Payments AI Project Team](#) page to see more resources developed by the team.