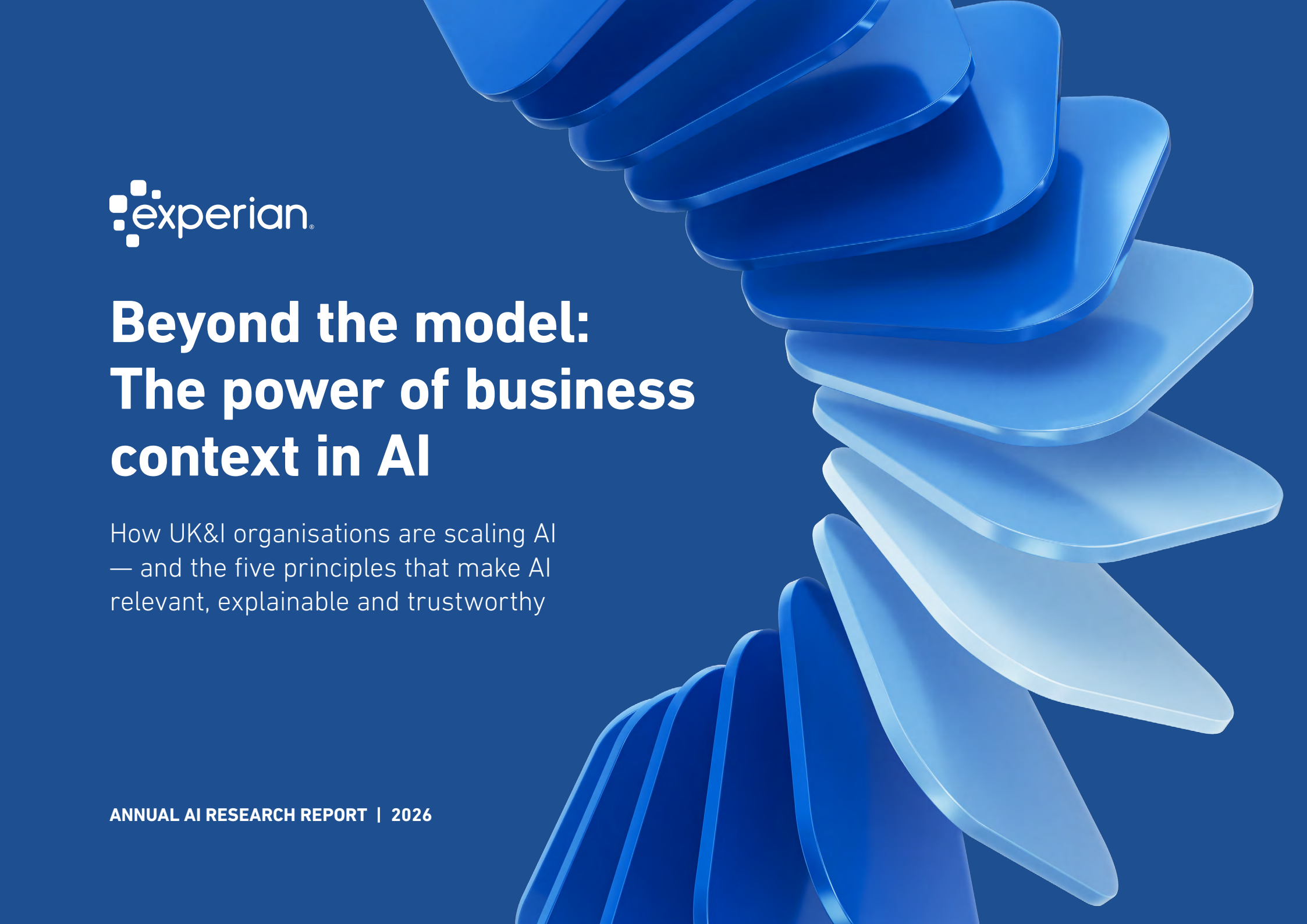


Beyond the model: The power of business context in AI

How UK&I organisations are scaling AI — and the five principles that make AI relevant, explainable and trustworthy

ANNUAL AI RESEARCH REPORT | 2026

Foreword.

Jonathan Westley, Chief Data Officer, UK&I and EMEA, Experian

AI is creating new possibilities for how businesses serve customers, develop products and organise work. For technology leaders, the opportunity is to turn these capabilities into innovation that delivers long-term value. That means deciding where to invest, how to demonstrate returns and how to scale success across the business.

These decisions come at a time of both ambition and caution when it comes to AI. Businesses want to explore what AI can do while protecting sensitive information and maintaining accountability, particularly as AI agents take on more complex tasks.

At the same time, customer expectations are evolving. **Forrester Consulting** found that people are embracing AI, but trust is determining adoption. **While 58% of consumers are interested in the potential of AI agents, eight in 10 are concerned their personal data could be accessed or misused.**

Against this backdrop, our new research explores how technology leaders across the UK and Ireland are approaching AI implementation.

We found that businesses are moving AI into everyday decision-making through agents and generative systems, but not yet at scale. **With that, a new implementation challenge is emerging: helping AI understand and apply the layer of knowledge and information that contextualises enterprise data.**

While data remains the foundation of effective AI, information alone is no longer enough. As businesses scale AI across more decisions and workflows, AI also needs context: the business understanding needed to interpret information appropriately. Knowledge and semantic technologies help provide that context by connecting information, relationships and meaning in ways AI can understand.

Interestingly, our research found that organisations that successfully combine data with context are more likely to report stronger outcomes, particularly in innovation. The question then is how businesses can create the conditions for AI to deliver outcomes that are not only intelligent, but relevant, explainable and trustworthy.

This report highlights context as an increasingly important factor and shows how, when supported by strong foundations across data, decisions, skills and trust, it can help organisations scale AI effectively and responsibly.



Our research.

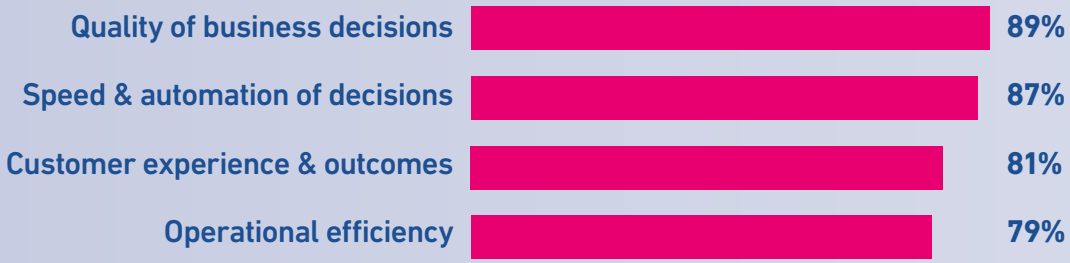
AI is scaling, but significant impact is not yet universal

AI is becoming established across business operations and decision-making. Across every business area we measured, **up to 67% of respondents say AI is scaled across multiple processes or deeply integrated.** Scaling and integration are further ahead in IT and technology operations, and business operations and process automation than other areas of the business.

The results of this integration are largely positive. Organisations reported widespread benefits from AI adoption, with up to 89% reporting at least some positive impact in each area explored.

Yet significant positive impact remains low. **Only 24% have AI deeply integrated across four or more business areas.** This shows AI adoption is widespread, but substantial impact is not yet universal.

Improvements in organisations reporting some positive impact from AI:



Data AI-readiness remains inconsistent

Trusted data remains essential, but many organisations are still building the foundations AI needs. **Just 18% say the data supporting AI fully meets their requirements for reliability (defined as accuracy and consistency).**

In addition, only 14% have formal definitions or standards for AI-ready data applied consistently across their organisation.

Context-ready organisations

We define context-ready organisations as those whose respondents said their existing AI has access to both the data and business context it needs. **Our results suggest that just 17% of organisations are context-ready, with the remainder (82%) context-constrained, and a small fraction (1%) reporting it was too early to tell.**

Business context has not kept pace

However, among our respondents, we found that AI often lacks sufficient business context. Business context is the understanding that guides how information should be used: customer circumstances, organisational objectives, risk appetite, policies and decision frameworks.

The findings cement the importance of context for scaling AI. The vast majority of respondents (84%) said they need to improve the business context available to AI within the next 12 months to achieve their AI ambitions.

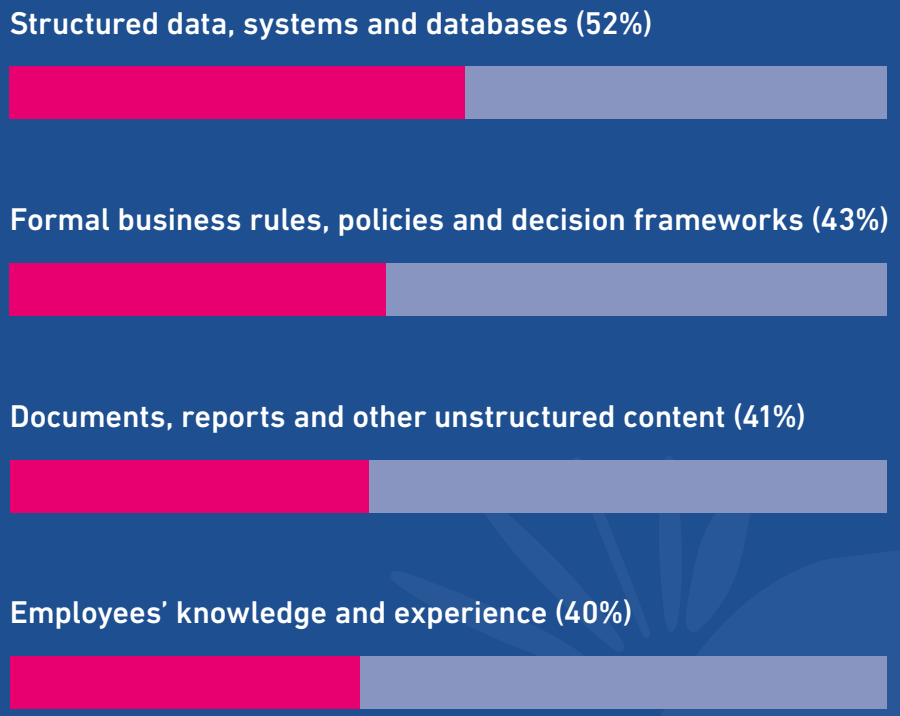
84%

say their organisation has prioritised giving AI access to data over the business context needed to use it effectively

73%

say the importance of business context for AI is not yet fully understood across their organisation

One reason for this challenge is that business context is often spread across the organisation and stored in different forms. For those businesses surveyed, business context exists in:



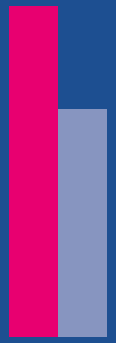
The emerging context advantage

Context-ready organisations report significant positive impact more frequently than context-constrained organisations across eight outcomes we measured, including speed and automation of decision-making (58% vs 45%), and quality and effectiveness of business decisions (50% vs 35%). The comparison shows an association, rather than proving that context causes better outcomes.

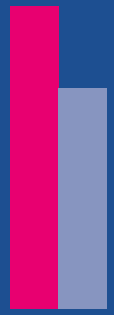
The other outcomes are as follows (context-ready vs context-constrained organisations):



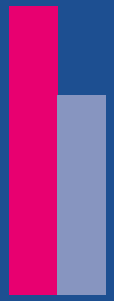
Innovation and development of new products and services: **48% vs 32%**



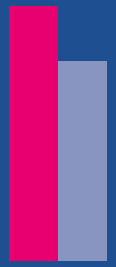
Operational efficiency and productivity: **48% vs 33%**



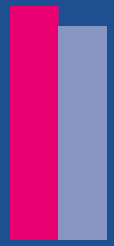
Customer experience and outcomes: **44% vs 32%**



Revenue and commercial performance: **42% vs 29%**



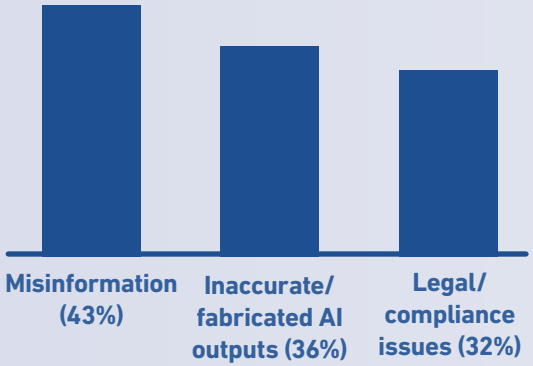
Consistency and reliability of decisions and outcomes: **37% vs 29%**



Managing risk, fraud, financial crime and regulatory compliance: **34% vs 31%**

The consequences of insufficient context are also just as tangible. **Just under 90% have experienced at least one negative consequence.**

Negative consequences experienced:



Looking ahead, **85% believe business context will become a greater source of competitive advantage as AI becomes more widely adopted.** Realising that advantage means bringing context together with trusted data, effective decisions, capable people and the confidence to act.

The framework:
Five principles for scaling AI.



1. Context

The missing ingredient: the business understanding that tells AI what matters.



2. Data

Establish clear ownership and accountability for AI-ready data.



3. Decisions

Turn insight into trusted action with clear authority and workflow.



4. Skills

Empower skills and capabilities: AI literacy, collaboration and confidence.



5. Trust

The guiding rule: context, explainability and controls build confidence.

Trusted data + business context + effective decisions + skills + the right controls = the context advantage

Principle 1 – Context: the missing ingredient.

Many organisations have been laser-focused on data. However, while data is still essential for AI, it's not the whole story. In order for AI to support a business effectively, it needs access to the context surrounding that data.

Data or context?

Data is an organisation's raw information, such as customer records, invoices, credit scores, product specifications and sensor readouts. This information may already be interconnected or held in separate silos.

Context covers everything from qualitative statements about customer needs and circumstances, to established business priorities, decision frameworks, business rules, risk appetite and organisational expertise.

To use a specific example, an organisation's data might include the purchase records of a major customer. However, the knowledge that the customer is currently undergoing a merger is context that could be stored in an email or arise from a client meeting. If AI is only provided with the organisation's data, and not the crucial context, its recommendations around customer strategy will lack relevance and usefulness.

Data plus context: a winning combination

AI needs access to both data and business context in order to make useful, trustworthy and actionable recommendations. Our findings suggest organisations already realise that context is the 'missing ingredient' in getting the most from AI: **61% of our respondents say AI has growing or substantial access to data but not enough business context.**

And where is context kept? Our research indicates that much of this knowledge is dispersed across systems, documents, rules and people, with **almost three-quarters (73%) reporting that a significant amount of business knowledge remains embedded in day-to-day operations and employee experience.**

To get the most from AI, organisations need to close the gap between what their AIs have access to already, and what they actually need in order to provide optimal results.

How to close the context gap

Each organisation should start by asking how it can better organise its systems and knowledge for AI.

1. Identify the context your AI needs

Start with the business decisions or tasks you want to support. Work out what customer understanding, product knowledge, policies and operational information those tasks require.

2. Map where that context resides

Context is often distributed across a wide range of information sources, business processes and organisational knowledge. Consider both qualitative insights and structured data, and identify where information may be missing, fragmented or difficult to access.

3. Create the architecture that connects context

Design how AI will access, interpret and link information across the organisation. Establish a shared approach so relevant knowledge can be brought together for different tasks, rather than remaining fragmented across systems.

4. Make the context reliable and usable

Resolve conflicting information, identify authoritative sources and establish what is current. Prepare information so AI can retrieve and interpret it, with appropriate permissions. Simply making every document available will not resolve the gap.

5. Connect context across the business

Bring related sources together, such as customer requirements and product capabilities. Build on successful team-level AI applications, connecting them through shared architecture rather than leaving them as isolated initiatives.

6. Establish ownership and independent oversight

Business teams should maintain the context within their domains, supported by common standards and board-level commitment. It's imperative to separate the responsibility for developing these capabilities from compliance and risk teams, who can provide oversight through the process.

7. Keep context and controls under review

Update knowledge as products, policies and customer circumstances change. Check that retention policies, access controls and review processes are being applied, and assess whether the context is helping AI support the intended tasks.

Making business context usable by AI

Providing business context for AI involves making information accessible, its meaning clear and its relevance to a particular task explicit. Knowledge and semantic technologies can help organisations do this:

- **Knowledge graphs connect information about customers, products, policies and other business entities, making relationships explicit.**
- **Ontologies and semantic layers define business concepts and relationships, helping AI interpret information consistently across systems. For example, they can clarify what counts as an "active customer" when departments use different definitions.**
- **Metadata and retrieval tools help identify where information comes from, whether it is current and which sources are relevant to a task.**

These capabilities help organise and supply the business context AI needs. Their effectiveness depends on reliable information, clear ownership and appropriate controls, with definitions and connections maintained as the business changes.



Laurie Schnidman, Chief Product Officer, AI Ecosystem, Experian UK&I

"Our research supports what we've observed in practice: trusted data is foundational, but alone it is not enough to scale agentic AI. Trusted business context, together with trusted data, is the unlock.

This is especially important as organisations move from AI assistants that support specific tasks to more autonomous agents capable of acting, learning and adapting over time. To deliver trusted outcomes, these systems need machine-readable context that helps them interpret information, apply business rules and operate within appropriate boundaries.

In highly regulated sectors, this goes beyond giving AI access to data. It requires the context needed to understand customer circumstances, organisational policies, regulatory obligations and operational priorities.

Some of this context is explicit, captured in policies, decision rules and documented processes. But much of it resides in employee expertise and judgement, including understanding exceptions, nuances and established ways of working that are rarely codified.

As organisations scale agentic AI, this context must be connected, governed and maintained through shared architecture, clear ownership and common standards. Without that foundation, autonomous systems risk acting on incomplete or inconsistent understanding."

Principle 2 – Data: establish clear ownership and accountability.

While our findings highlight the need to provide AI with better business context, high-quality data remains essential. From our survey, 84% of respondents agree that high-quality data is necessary, although they believe it's insufficient on its own to deliver effective AI outcomes.

Yet the results point to a tangible gap between what organisations need and what they have in terms of data standards, with only 14% of organisations reporting AI-ready data standards applied consistently across the organisation. This falls to 9% in financial services and insurance.

For most organisations, there are four key challenges in terms of managing data consistently:

- **Fragmented technology stacks and siloed data and legacy tools make consistent application difficult**
- **Unclear ownership means accountability for data standards is missing**
- **Manual processes cannot keep pace with today's scale and complexity**
- **Inconsistent governance policies and controls make it difficult to enforce permitted use, manage approvals and demonstrate compliance**

Applying trusted data standards can really reinforce confidence in AI-supported decisions. **Celent's report *Moving from Decision Management to Decision Intelligence in Loan Decisioning Platforms*** draws on a survey of 250 lenders. It found that 51% ranked data integrity, lineage, privacy and control among their top three priorities for building trust when embedding AI into decisioning platforms.



What does AI-ready data look like?

We define 'AI-ready data' as data that is reliable, relevant, safe to use and representative of the people or situations the AI will encounter. To determine whether their data is AI-ready, organisations should assess it against the following criteria:

Reliable

Can the data be trusted as a factual record? Is it accurate, complete, consistent, current and traceable?

Relevant

Is this the right data for this use case? Does it have the right attributes, granularity and context?

Safe

Can it defensibly be used in terms of consent, lawful basis, lineage and access control?

Representative

Does the data reflect the population, situations and edge cases the AI will encounter in production?



How do you build and maintain AI-ready data?

The first step is to understand what data exists, where it comes from and how that data is used, maintained and safeguarded. AI models depend on the data they learn from and reference, so quality matters far more than quantity.

Organisations uncertain where to start should focus on four actions:

1. Define what 'good' looks like: set standards for reliability, relevance, safety and representativeness, guided by business goals and the people or situations the AI will encounter. Consider the consequences of inaccurate, incomplete, outdated or unsuitable data.

2. Catalogue your data and assess readiness: record what data you hold, where it comes from, how it is used and who maintains it. Assess each relevant dataset against the agreed standards, noting gaps, duplicates, outdated information and risks. Use the findings to prioritise improvements.

3. Start small and measure impact: clean and validate a single high-value dataset, then track how improvements affect AI outcomes. This builds a clear business case for scaling.

4. Embed data governance: assign clear ownership and establish policies for access and permitted use. Maintain records of data sources, lineage, changes and approvals, and regularly review quality and controls so data remains trusted as AI use expands.

Once the data foundation is in place, organisations can move beyond adhoc AI development towards a more repeatable and scalable approach. Reuse is not about deploying the same AI solution everywhere.

It starts with testing proven capabilities across a small number of use cases, understanding how they perform and putting the right governance in place to monitor and manage them over time.

Yao Li, Global Chief Product Officer of Data Quality, Experian

"Organisational data readiness for AI varies greatly by industry and use case. However, across all sectors, the same principle applies: AI cannot exist in a vacuum – it depends on trusted data to learn, adapt and deliver value responsibly. Without it, models underperform and risk producing biased or inaccurate outputs, ultimately eroding trust.

Think of it like gardening: before you can grow AI, you need healthy, fit-for-purpose soil. The stronger and more accurate the data, the more effective and trustworthy the AI becomes – powering operational excellence, sustainable growth and innovation.

Closing this data quality gap requires treating trusted data as a core part of AI investment. That means clear accountability, strong stewardship, robust controls and automated quality pipelines. Then as adoption grows, visibility becomes as important as capability with organisations needing to create a more holistic view of the AI estate across platforms, business units and use cases.

It's also important to remember that embedding AI isn't just a technology challenge; it's a people one. The most successful organisations invest in talent and make people a central and integral part of the implementation."

Principle 3 – Decisions: turning insight into trusted action.

Although many organisations now have copilots, models and assistants capable of producing recommendations, the next big challenge is turning these insights into trusted action.

AI is certainly having a positive impact across many business functions. Among our respondents, 89% report at least some positive impact on the quality and effectiveness of business decisions, compared with 79% on operational efficiency and productivity.

Yet gaps in ownership, governance, workflow integration and accountability can prevent those recommendations from becoming action.

This was confirmed in our results, with 67% of organisations saying their ability to act on AI-generated insight is lagging behind their ability to generate it, rising to 71% in financial services and insurance. Revealingly, only a quarter (26%) say the two are keeping pace.

The next AI bottleneck may therefore be less about producing answers and more about embedding the organisational judgement and decision-making processes needed to act on them, so that trusted data and context become trusted action.

How context-ready organisations responded

Context-ready organisations are more likely to say insight and action are keeping pace: 45%, compared with 22% of other organisations. They are also more likely to report no significant barriers to turning insight into action: 35%, compared with 6% of other organisations.

Barriers turning insight into action

According to our survey, the most significant barriers to turning insight into action were operational, including difficulties with integration into workflows (44%), unclear ownership or accountability of AI-driven outcomes (38%) and making outputs relevant and actionable (36%).

How to close the gap between insight and action

It's crucial for organisations to put clear responsibilities and processes around AI-generated recommendations. Three practical steps can help organisations with this process:

1. **Define decision authority and accountability.** Establish which decisions AI can make, where it should only recommend and when human review is required. Assign a named owner who remains accountable for the outcome.

2. **Build recommendations into existing workflows.** Decide where AI output goes, who receives it and what happens next. Connect it to the systems and processes people already use, with clear routes for approval, exceptions and escalation. Test decisions in a controlled environment before they reach customers.

3. **Check whether insights lead to better outcomes.** Track whether recommendations are acted upon, where they stall and whether the resulting decisions achieve the intended business outcome. Keep a record of what was decided, by whom and why. Use that feedback to improve the process.

Decisioning in lending

In a financial services context, general-purpose AI can be highly effective in generating insight. However, it does not inherently have access to the context required to apply it within credit and fraud risk environments. In order for AI to be effective in this context, it must have access to proprietary data and signals, including identity resolution, fraud intelligence and behavioural patterns, and the ability to apply these within operational workflows.

In a lending decision, for example:

- **Data and signals provide information about the applicant, their credit history and potential fraud**
- **AI models can help assess risk or interpret information**
- **A decisioning platform brings those inputs together with the lender's policies and rules to approve, decline or refer an application for review**

According to **Celent's** global survey of 250 lenders, 61% ranked enabling LLM capabilities within third-party decision platforms among their top three expectations for LLM providers. This supports the idea that AI should work within the decisioning environment, rather than being seen as a replacement.

Embedding data quality, governance and business context into these workflows will allow financial institutions to scale AI with confidence and efficiency. But only with controls applied as decisions are made.

Principle 4 – Empower skills and capabilities.



Much of the recent hype and expectation around AI has been about the technology stack. However, our survey uncovered something important.

Looking ahead over the next two to three years, 55% of respondents believe skills and capabilities will have a greater impact on their organisation's ability to achieve better AI outcomes than advances in AI alone.

This is a striking result. It suggests that no matter how advanced AI becomes, organisations will still need teams capable of using it effectively.

However, almost all our respondents (97%) face challenges in this area, led by:

AI literacy across the workforce: 39%

Understanding what context AI needs: 35%

Collaboration between tech and business teams: 36%

Employee confidence in using and acting on AI: 35%

While AI is often discussed as a technology challenge, these findings suggest the bigger hurdle is organisational. Businesses must not only deploy AI but also help employees understand where it can add value, how to use it responsibly and when to trust its outputs.

Christine Foster, General Manager of AI and Automation, Experian UK&I

"The organisations seeing the greatest value from AI are those investing in these four key areas:

1. Making AI relevant to each role: It's crucial to translate the organisation's AI ambitions into clear expectations for different roles, including what will change and how success will be measured. In addition, provide tools suited to people's tasks and technical confidence. In a call centre, for example, success may mean helping employees better understand customer needs and deliver higher-quality interactions, alongside reducing handling time.

2. Building capability through practical application: Organisations should look at combining internal, external and on-the-job learning to help people use AI to address real problems. That means covering the tools available and how to use them safely and responsibly, including when handling sensitive data. Finally, creating a space for safe experimentation and using early successes will build confidence and momentum.

3. Combining existing expertise with new AI skills: Established disciplines such as Lean and Six Sigma are made more valuable than ever when redesigning processes around AI. Organisations should look at bringing together generalists, specialists and 'T-shaped' colleagues: people with deep expertise in one area and broad understanding across disciplines. Together, they can work on a shared problem with aligned goals, translating these strengths into useable technology.

4. Supporting continued learning and adaptation: Leaders should model responsible AI use and recognise employees who apply it to improve their work. Encourage knowledge-sharing and give people confidence to question outputs, raise concerns and suggest improvements. It's important to also keep teams updated on available tools, regularly communicate policies and practices, and provide opportunities to develop skills and judgement as AI evolves."

Principle 5 – Trust: the guiding rule.

The key theme running through all other principles in this report is trust. In addition, consumers are increasingly turning to AI for guidance, but trust remains the deciding factor in whether they act on its recommendations.

What gives organisations confidence around AI? Our survey revealed that organisations put more faith in outcomes when they believe the AI has access to sufficient context (51%). This was followed closely by explainability (48%) and confidence in the quality and integrity of the underlying data (39%).

In a sense, context and explainability address complementary questions: did AI have the understanding needed for the task, and can the organisation understand how it reached its conclusion?

This was clearly reflected in our results. We found a lack of business context can undermine the reliability of results and, subsequently, trust. Almost nine in ten respondents (89%) report having experienced issues when AI lacked the business context it needed:

Make context available under appropriate controls

Access to context is therefore essential in building trust in AI. However, it's equally important to note that AI access to business context creates responsibilities for protecting the information it uses.

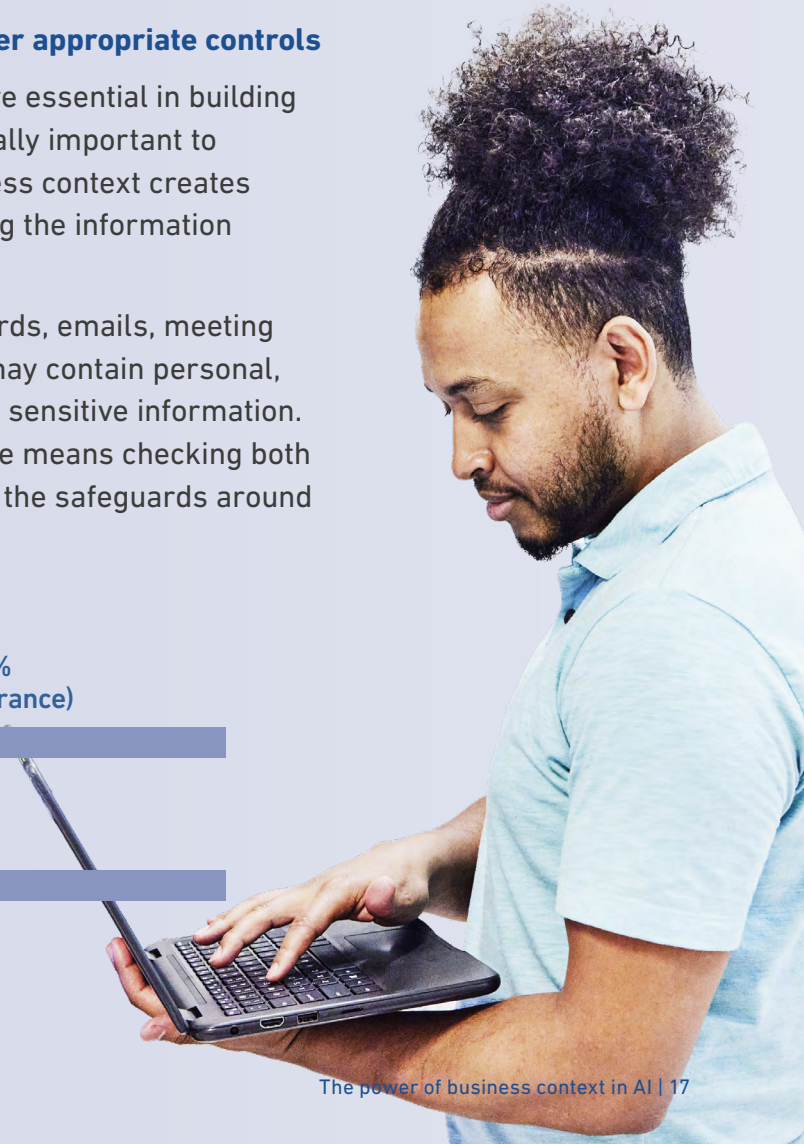
For example, customer records, emails, meeting notes and internal policies may contain personal, confidential or commercially sensitive information. Building confidence therefore means checking both the basis of AI's outputs and the safeguards around its access to information.

Misleading information or misinformation being generated or shared: 43%

Legal, regulatory or compliance issues: 32% (rising to 45% in financial services and insurance)

Inaccurate or fabricated AI outputs or hallucinations: 36%

Inappropriate outcomes: 28%



How to build confidence in practice

1. Check the basis for the output.

Establish whether AI has access to current, reliable information and sufficient context for the task. Make gaps and limitations visible to those using its recommendations.

2. Require explanations appropriate to the decision.

People reviewing or acting on an output should understand its basis and limitations. More consequential decisions require greater scrutiny, with clear routes for challenge and human review.

3. Control access to business information.

Define what information AI tools can use and for which purposes. Apply access permissions, security safeguards and retention policies, and check how providers handle sensitive information.

4. Keep accountability and assurance active.

Assign responsibility for reviewing outcomes, monitoring controls and responding when something goes wrong. Revisit these arrangements as tools, information and usage change.

Trust is therefore not just about controlling AI. It's about helping people understand why AI reached a conclusion, and whether it had enough context to make the right judgement.

Conclusion: Unlocking the context advantage.

The five principles in this report are deeply intertwined. Trusted data gives AI reliable information. Context helps AI interpret that information for the business. Effective decision processes turn insights into action, while teams and appropriate controls make that action informed and accountable.

The context advantage comes from bringing these capabilities together.

And organisations are increasingly aware of the benefits. Our survey revealed that 90% of respondents believe organisations that combine high-quality data with strong business context will gain a competitive advantage from AI.



David Gallihawk, Chief Product Officer, Business Information, Verticals and Platforms, Experian UK&I

"Innovation is where the value of AI really starts to become tangible. Our research shows that organisations that combine strong data foundations with the right business context are more likely to see positive impact from AI.

However, the opportunity is not to rush AI into production, but to focus on real-world use cases that solve genuine business and customer challenges. By testing, learning and scaling what works, organisations can turn AI insights into meaningful innovation.

For example, AI could help a software company develop a new product for small businesses. Usage records and support requests (data), combined with information about customer sentiment and the organisation's technical capabilities (context), might lead AI to suggest a simpler, lower-cost reporting tool. Product teams could then use that concept to design and test a prototype with customers."

The future of AI context

In the future, the need for high-quality context is likely to expand, as AI becomes ever-more integrated into business operations. The majority of our respondents (83%) expect AI to require greater business context as it becomes more autonomous and involved in more complex decisions.

Indeed, the widespread deployment of AI agents is already underway. Experian's recent **Connected Intelligence** report found that 68% of financial-institution respondents were already deploying agentic AI to assist underwriters with recommendations or decision support. Also, 60% agreed their organisation was moving to more deeply integrate AI agents across systems and data sources.

With AI agents assuming greater responsibility within organisations, the risk of supplying insufficient business context is also on the rise. For leaders, the next step is therefore to identify the gaps in data, context, decision processes, skills and trust, and address them together. Building these capabilities gives organisations a stronger basis for improving today's operations and for developing tomorrow's innovative products and services.

How to unlock the context advantage: five key actions for leaders

01 Identify the knowledge, rules and expertise AI needs, and make that context accessible, current and controlled.

02 Set shared standards, address quality gaps and continuously improve the data supporting AI.

03 Define decision authority and accountability, and build recommendations into operational workflows.

04 Provide role-based learning, accessible tools and opportunities to combine business expertise with new AI skills.

05 Check the basis of recommendations, require appropriate explanations and protect the information AI uses.

Want to know more?

Contact us >

About Research

The research conducted by Insight Avenue surveyed 500 technology, AI and data decision-makers in organisations with 500 or more employees across the UK and Ireland. The online survey took place in September 2026, with 83% of respondents based in the UK and 17% in Ireland.

Respondents worked across data, analytics, AI and data science; IT, technology and digital; risk, compliance and governance; enterprise architecture and technology transformation; and product and innovation.

The sample included C-level executives (29%), VP/SVP-level respondents (29%), directors and heads of departments or functions (27%), and senior managers (15%). Financial services and insurance accounted for 34% of respondents, with other sectors including technology, manufacturing and professional services.

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