



## Firms must build ChatGPT guardrails or 'risk damage'

Under half of a sample of employees have received guidance on how to use AI chatbot

By Chloe Leung | 6 June 2023

A lack of guidance on the use of generative artificial intelligence by fund professionals could expose firms to reputational damage and other problems, experts warn.

A majority of respondents to an *Ignites Europe* poll who say they can use ChatGPT at work have not received guidance from their employer on how to use the AI chatbot.

Only 44 per cent of the 63 people allowed to use ChatGPT for work purposes have received company guidance on how to approach the tool.

The fact a majority of ChatGPT users in the industry are not currently asked to follow a company policy should be a source of concern, experts say.

Helen Farr, employment partner at law firm Taylor Wessing, says employees should be warned to be careful about their AI prompts as they could "inadvertently" create an answer that is "potentially discriminatory", which could result in an employer incurring "reputational damage and legal liability".

Any policy should give "clear instructions" to employees about how they use ChatGPT, including a requirement not to share any information that may "identify an employer, any client or supplier, or something that they are working on", says Ms Farr.

Alwin Magimay, global head of AI at PA Consulting, says "clear policies" on the use of generative AI tools are an "absolute necessity" and need to be established, as well as data security measures, and guidelines for communication through ChatGPT.

Mr Magimay points out the importance for companies to carry out regular audits, and monitor and stay updated on ChatGPT technology in order to adjust their guidelines accordingly.

Allowing employees "to voice their concerns, suggestions and experiences related to ChatGPT usage is [also] vital to inform policy improvements", adds Mr Magimay.

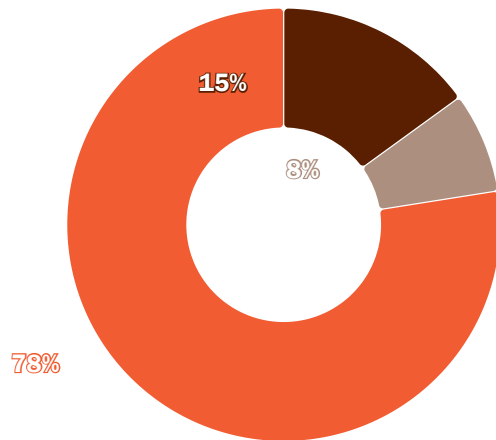
Natalie McIntyre, director and head of technology services North America at Alpha FMC, an asset management consultancy, says: "Guidelines are important for managers to articulate their business objectives and define the target operating model to enable those goals."

Caroline Walker, managing director at Cavendish Law, a specialist employment law firm, says employees should be careful that the usage of generative AI could amount to a breach of copyright, trade restriction or intellectual property.

Ms Farr says many companies are currently developing "usage policies", which will become the "new normal" and "part of IT usage policies" for employees.

## What do you use ChatGPT for?

Analysing data or writing code  
Writing text or summarising reports  
All of the above



Source: Ignites Europe poll carried out on May 11. 40 respondents.  
All respondents are using ChatGPT for work



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of businesses incurring a legal liability or suffering from reputational damage, she adds.

A significant number of companies have banned the use of public generative AI chatbots. Half of 126 respondents to the *Ignites Europe* poll say they are not allowed to use ChatGPT at work.

However, Ms Farr says companies that have not issued any guidance on the use of generative AI might struggle to keep up with the trend as the technology is "developing so fast".

"Only larger employers with the resources are able to properly implement policies," Ms Farr says.

More companies, however, will "follow suit" when the industry has some reported cases

Harry Taylor, associate director at Alpha FMC, says individuals who do not receive any guidance should at least "make themselves aware of this technology" and "be conscious" that ChatGPT is a third party.

They should still "exercise their own due diligence and judgement", says Ms Walker.

Individuals should be "cautious and controlled" in any usage that involves clients, adds Chris Woodman, chief executive officer of Leadenhall Consulting.

"They should make sure that they are not misusing ChatGPT, AI or data in a way that is unethical, unwise, otherwise this could lead to issues including reputational damage," he says.

Mr Taylor says employees should "avoid over-reliance" on generative AI and always check the output after using tools such as ChatGPT.

According to another *Ignites Europe's* poll, a majority of respondents say they use ChatGPT to write text or summarise reports.

Mr Woodman says: "People asked to prepare summaries on topics will use ChatGPT as a shortcut to save them time and effort.

"[However,] the smarter people will check the factual accuracy and invest time to improve the core output with their own input."

Mr Magimay says "comprehensive training programmes" designed to educate employees on the optimal usage of AI tools are important alongside guidance.

"Companies need to provide employees with an understanding of the boundaries of acceptable usage, how to avoid misinterpretation of ChatGPT's responses and deal with any issue of ethics or bias," he says.

However, experts say they have not heard of any asset managers providing training programmes for ChatGPT or AI tools at this stage.

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