



Standing Committee on Human Resources,
Skills and Social Development and
the Status of Persons with Disabilities

Via electronic submission on Nov. 20, 2023

On behalf of First West Credit Union, I appreciate the opportunity to provide a submission on the *Implications of Artificial Intelligence Technologies for the Canadian Labour Force* for the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities.

First West is British Columbia's third largest, and Canada's fifth largest, credit union with \$17.4 billion in total assets and assets under administration, more than 250,000 members and approximately 1,250 team members. First West operates 45 branches throughout the province of British Columbia, under the Envision Financial, Valley First, Island Savings and Enderby & District Financial brands.

We are a provincially regulated credit union that is in the final stages of the process to become a federally regulated credit union under the Bank Act.

There have been several technological innovations that have transformed our lives and the way our business operates—smart phones and the internet come to mind, among many others. artificial intelligence (AI), and in particular, Generative AI (GenAI) is the next big leap that will fundamentally change how we relate to and benefit from technology.

While First West is a leader amongst credit unions in the use of innovative technology to benefit our members and communities, we have taken a more conservative and risk-based approach to the use of GenAI technologies to ensure the privacy and security of our data. In this brief, we will describe our adoption and concerns to date and share our perspective on the need for government to regulate generative AI.

Initial reaction to generative Artificial Intelligence (AI)

Our first response to AI was to put controls in place to protect our data and systems and notify team members that the tools, widely available on the internet, could not be used at First West. We used this pause to better understand the risks and potential implications of AI before moving forward.

Taking the next step with controlled tests

More than six years ago, First West forged a strategic partnership with Microsoft. At the time, we were focused on a digital transformation of our business. As technology continues to advance and we discover more ways to better serve our members, we have maintained this relationship, which has enabled us to further our technology strategy in a way we could not on our own.

This past summer we engaged Microsoft in an GenAI proof of concept using two different data sets—one of which was our policies and procedures. Our goal was to see if we could use generative AI to write a process. We equipped the technology with information by asking it building questions, things like ‘How do I open a membership?’ and ‘How many membership shares should members have to be in good standing?’ which enabled it to provide us with the steps, in context, to complete a process, rather than searching through a range of documents to pull out the relevant detail. The results, in this controlled setting, were positive.

The digital transformation we began years ago has served us well in this new leap in technology. Because of this foundational work, our data can easily be utilized with AI tools—which meant that Microsoft was able to deliver this proof of concept in just four weeks. While we are moving cautiously now, when the time comes, we are ready to take a leap forward with AI.

Moving forward by adopting AI tools

We are continuing to build out use cases for AI, and we know that it will shift how we work, and the skills needed to utilize generative AI effectively. It is not our intention to replace anyone in the organization or any function because of AI, rather it is to be more efficient and to give us more accurate answers to questions so that we can serve our members faster and better.

As we move forward, we are continuing to leverage our Microsoft partnership and systems; to date, we have enabled two AI tools at First West, Copilot and Bing Chat. These powerful tools are designed to help team members work faster and be more creative in their jobs.

However, these exciting tools come with careful considerations around work ethics, risks, and data privacy. For this reason, we have cautioned team members to:

- **Protect sensitive information:** It is imperative that we do not share or enter any First West data when using the new Bing Enterprise or Bing Chat feature. This data can include things like financial records, intellectual property, member information, employee data, or any confidential information when using Bing enterprise.

- Check for accuracy: Generative AI works by searching the information sources it is pointed to and compiles the information contained within, and as such, AI tools may not always get it right. Team members should not rely exclusively on the generated results and instead treat generated results as a guide or framework that needs to be validated.
- Continue to be wary of third-party generative AI: Team members should only use the AI tools provided within First West's work ecosystem to help protect against questionable data use and keep First West secure.

Regulating AI

While First West has taken a risk-based and cautious approach to generative AI, some organizations are moving quickly and without appropriate risk processes in place. Sometimes these organizations gain a significant competitive advantage from being an early adopter, and other times they face devastating data breaches that set them back and harm consumers.

Responsible financial institutions like First West must consider cyber and data security when adopting AI. However, this prudent approach can have negative competitive consequences as others move more quickly to gain the benefits of AI.

Regulating AI can level the playing field and ensure that all organizations managing sensitive personal information have appropriate risk mitigation measures in place. This is especially important in the financial services sector where consumer protection stakes are high and there is a limited competitive field, making it easy to get left behind.

First West appreciates the steps the government has taken thus far to put guidelines in place for generative AI. First West sees alignment in several principles in Canada's Voluntary Code of Conduct on the Responsible Development and Management of Advanced Generative AI Systems and will continue to evaluate the code. First West is also watching the development of the proposed Artificial Intelligence and Data Act (AIDA), introduced in June 2022.

Opportunities to consult with government on the code and legislation will continue to be important as AI develops, and the legislation is put into practice.

Conclusion

First West will continue to work with Microsoft and other trusted partners to adopt AI tools in a cautious, measured, thoughtful way with member confidentiality and privacy being top of mind. We look forward to the government's discussion on AI and consultations with industry. While we

continue to be careful, we are looking forward to leveraging AI tools to help us be more efficient and enhance our member service.

Sincerely,

A handwritten signature in black ink, appearing to read "Darrell Jagers". The signature is written in a cursive style with a long, sweeping horizontal stroke extending to the right.

Darrell Jagers

Chief Transformation Officer