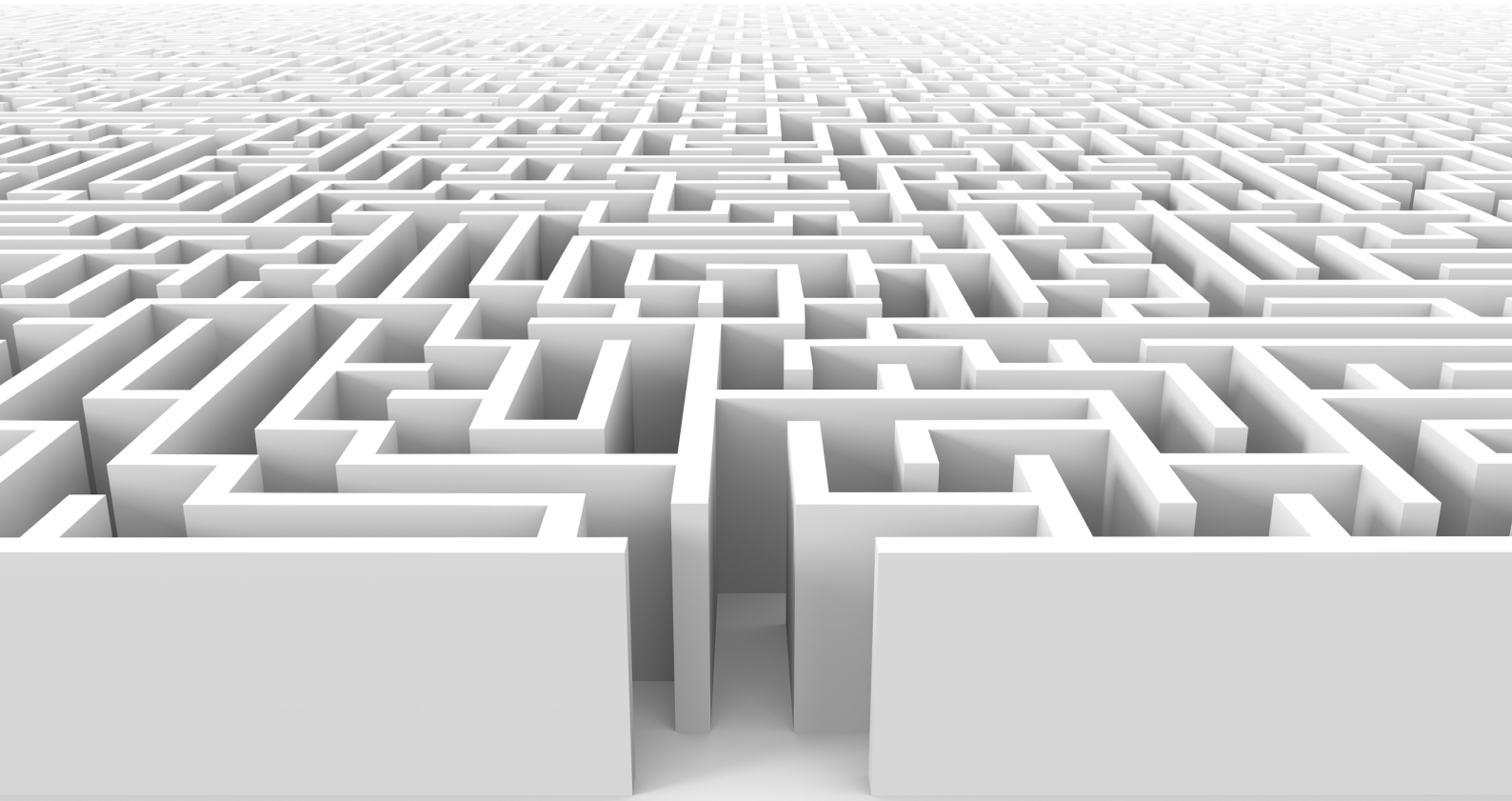
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AI in UK Contact Centres: The Reality

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AI in UK Contact Centres: The Reality

Published September 2026

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INTRODUCTION

Few technologies in customer contact have attracted as much commentary as artificial intelligence, and few have been measured as sparingly. This report sets out what UK contact centres have actually deployed, what it costs them, who decides on it, what it has delivered and what their customers make of the result.

The research behind it is built around a key distinction: a claim and a measurement are not the same thing. Where organisations reported using a capability, they were also asked what that capability can do unaided. Where they reported a benefit, they were asked whether it had been measured against an expectation set before deployment.

What emerges is neither the transformation that much of the market discussion assumes nor the failure that a sceptic might predict.

WHAT THIS REPORT COVERS

The chapters follow the order in which AI decisions get made and then judged:

- strategy, ownership and money: competitive self-assessment, board against operational control, budget-holders and accountability and what is being spent
- customer-facing automation: chatbots, voicebots, the wider estate, what the best bot can do unaided and how much it resolves alone
- the controls placed on what bots may do, how AI is quality assured and what happens when a customer needs a human
- AI alongside the agent and behind the operation, and what assistance and analytics have actually delivered
- outcomes against human agents and against the original business case, with what has been withdrawn and why
- what customers think and want, including when they would actively choose AI
- the effect on the workforce, on headcount and on public attitudes
- where AI is being sourced from, and what decides the choice
- expectations and barriers over the next two to three years.

Business findings are drawn from a survey of 202 UK contact centre and CX professionals carried out in Q3 2026, and consumer findings from a survey of 1,000 UK consumers.

Contact centre size bands may be used to emphasise important differences: small operations have fewer than 50 agent positions, medium 50 to 200 and large more than 200. Percentages may not sum to 100 as a result of rounding.

Founded in 2004, Click4Assistance is a leading UK provider of conversational AI and customer engagement solutions, helping organisations transform the way they communicate with customers through intelligent digital interactions. Designed, developed, hosted and supported entirely within the UK, the company's platform combines AI Agents, Live Web Chat, Chatbots, Video Chat, Meeting Rooms and omnichannel messaging across SMS, WhatsApp and Facebook Messenger within a single integrated solution.

As AI adoption continues to accelerate, organisations increasingly require technology they can trust. Click4Assistance's platform is hosted exclusively in UK data centres, ensuring customer data remains within the UK at all times. Combined with ISO 27001 certification and over two decades of experience, this provides customers with the security, governance and confidence required to deploy AI in business-critical environments.

Today, the platform is used by organisations across a wide range of sectors, including universities, charities, local authorities, housing associations, financial services and many of the UK's leading insurers. AI Agents can be trained using existing websites, documentation, knowledge bases and business systems, enabling organisations to automate enquiries, improve customer experiences and provide intelligent assistance 24 hours a day.

By combining trusted British technology with practical, enterprise-ready AI, Click4Assistance is helping organisations embrace the next generation of secure, conversational customer engagement while ensuring data sovereignty, compliance and exceptional customer service remain at the forefront.

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STRATEGY, OWNERSHIP AND MONEY

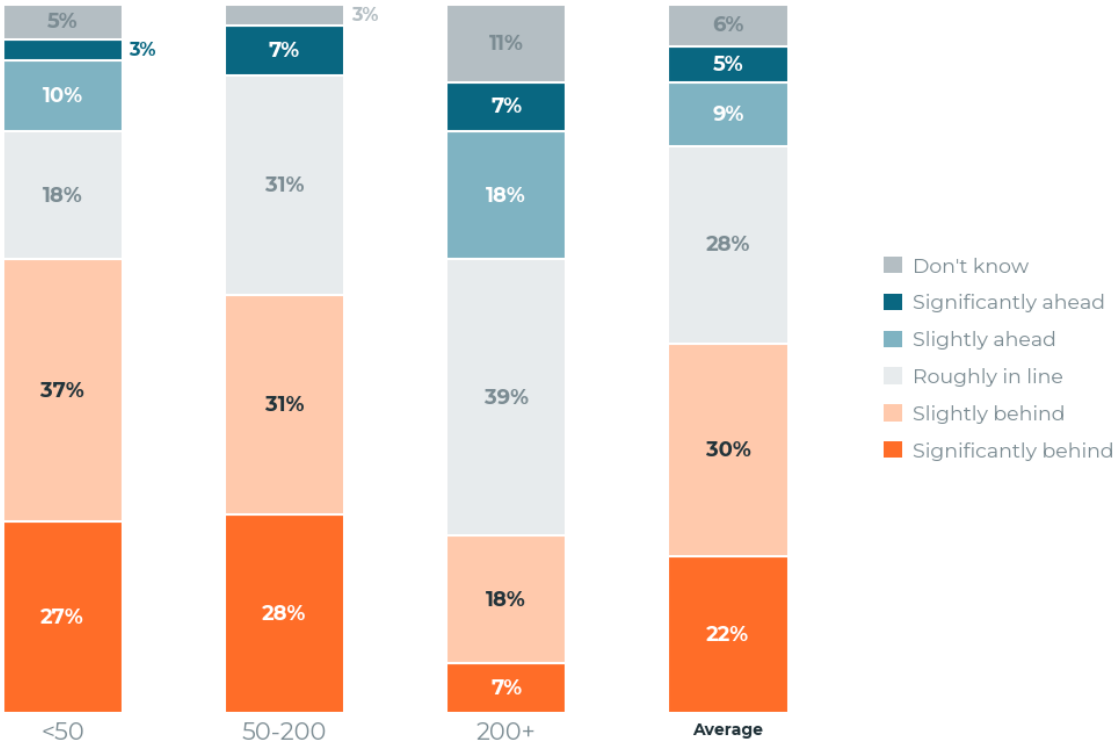
Before any question about what AI does in a contact centre, there are prior questions about who decided to buy it, who paid for it and who answers for it when it does not work.

This section covers how UK contact centres rate their own position against their competitors, whether AI investment is being driven from the board or from the operation, which function controls the money, which one carries the consequences and how much is actually being spent.

ONLY 1 IN 7 CONTACT CENTRES BELIEVE THEY'RE AHEAD

Survey respondents were asked to rate their organisation's current level of AI adoption in CX against their competitors.

Figure 1: Self-rated level of AI adoption in CX against competitors, by contact centre size



14% of UK contact centres consider themselves ahead of their competitors, of which 5% say significantly ahead. 28% place themselves roughly in line. 52% believe they are behind, and 22% say significantly behind.

Those figures cannot all be accurate. A market in which more than half the participants believe they are trailing the field is not describing a measured competitive position, because very few organisations have any reliable view of what a competitor's AI actually does in production.

What they have instead is vendor marketing, conference presentations, trade press coverage and a detailed internal knowledge of their own shortcomings. Comparing a full account of your own limitations against someone else's public account of their successes produces exactly the distribution shown above.

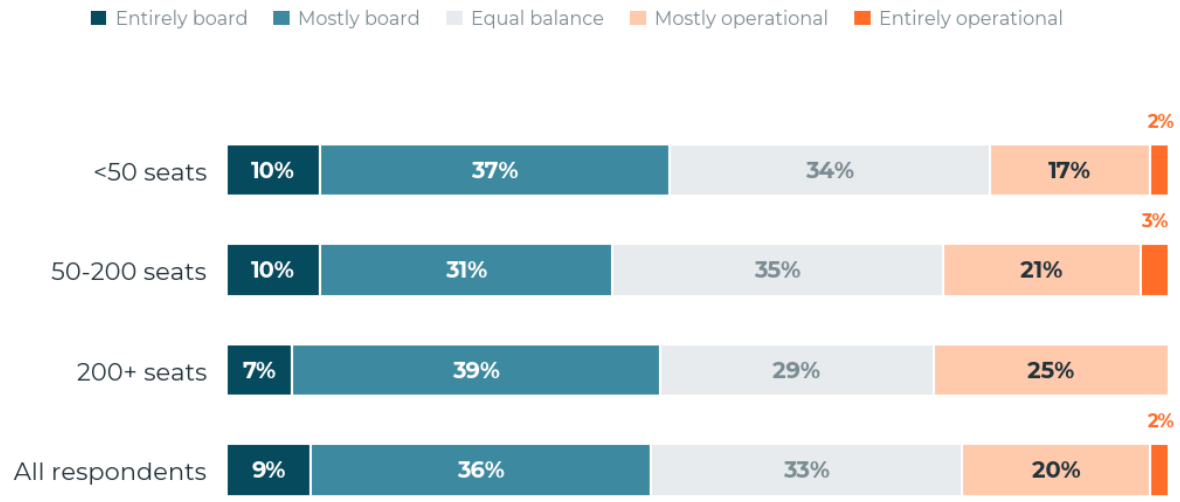
The pattern by size is consistent with that reading. 25% of operations with more than 200 agent positions rate themselves ahead, against 13% of the smallest and 7% of mid-sized operations. 64% of small contact centres place themselves behind.

The practical consequence is that a substantial part of this market is buying under perceived competitive pressure rather than from a settled strategy of its own. That matters for everything which follows, because purchases made to close a gap that has been inferred rather than measured are less likely to have measurable expectations attached to them, and later sections of the report support this view.

WHO'S DRIVING THE INVESTMENT?

Respondents were asked to what extent their AI investment decisions are driven by board-level strategic priorities as against operational or departmental needs.

Figure 2: Whether AI investment decisions are board-driven or operationally driven, by contact centre size



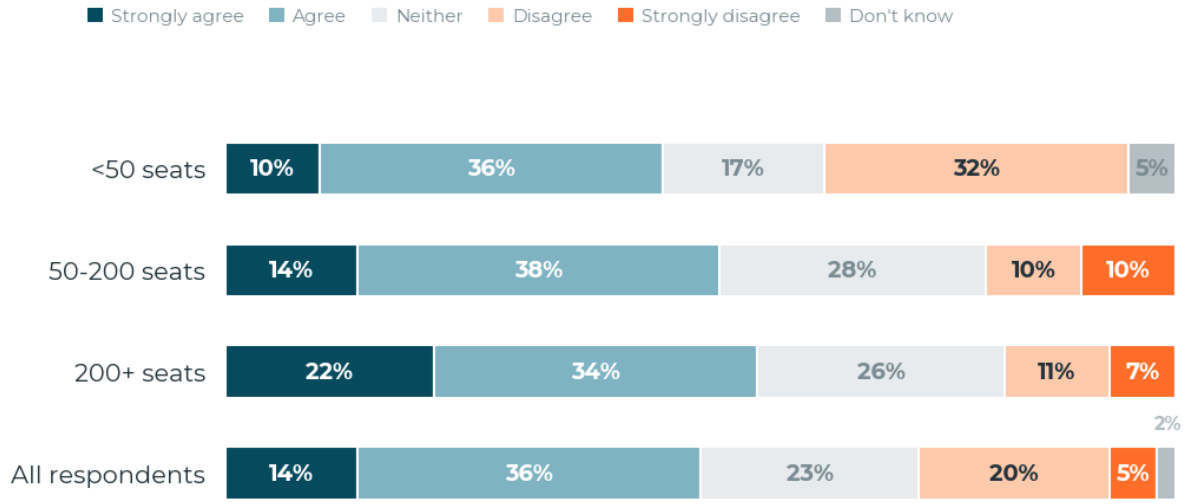
45% of AI investment decisions are mostly or entirely board-driven, against 22% mostly or entirely driven by operational or departmental needs. A further 33% report an equal balance of the two.

This is a material change from how contact centre technology has historically been bought: workforce management, quality assurance and even most cloud migrations have been operationally specified and operationally justified, with the board involved at the point of approving the spend. AI is arriving from the opposite direction in many organisations.

What is striking is how little this varies with size: board-led investment accounts for 47% of decisions in the smallest operations, 41% in mid-sized and 46% in the largest. Board interest in AI does not seem to be a function of how big the contact centre is.

The next question looks at whether what the board wants is what the operation actually needs.

Figure 3: Do the board's priorities for AI in customer contact align with what the contact centre needs? (by contact centre size)



Half of respondents agree that the board's priorities align with what their operation needs, with 14% agreeing strongly. 25% disagree and 23% neither agree nor disagree.

A quarter of UK contact centres are therefore being handed an AI direction from above which they do not believe fits the problem in front of them. Set against the finding that 45% of investment is board-driven, that is a significant amount of money being committed against objectives the operation does not believe are the priority.

The size breakdown sharpens the point: operations with more than 200 positions are the most positive, with 56% agreeing and 18% disagreeing. Contact centres with fewer than 50 positions are the least, with 46% agreeing and 32% disagreeing.

Proximity may be the most plausible explanation, with large operations having dedicated AI, data or transformation teams, direct representation at or near board level, and enough internal specialist knowledge to shape a strategy rather than receive one. Small operations generally have few or none of those, and are more likely to be told what the organisation is doing about AI.

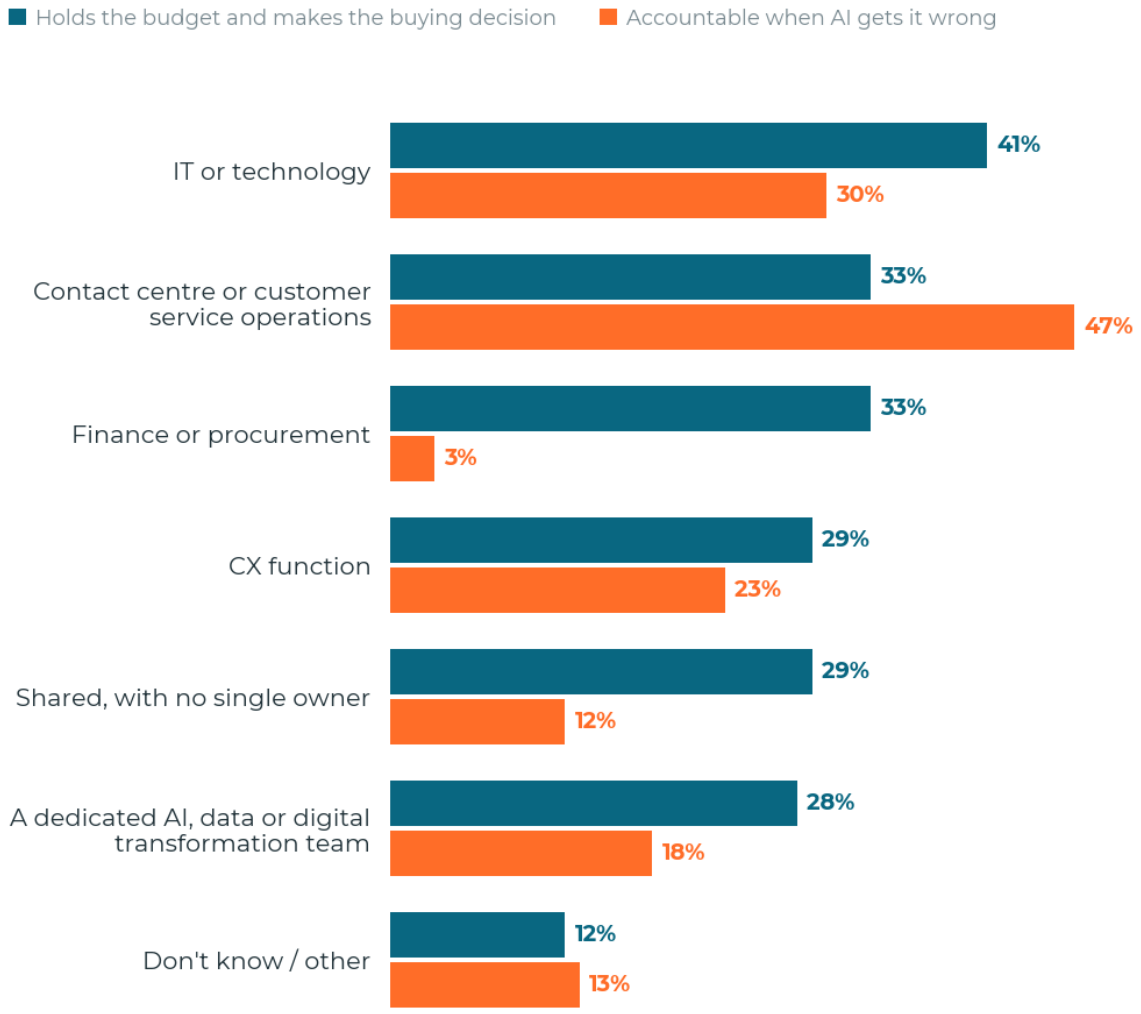
Taken together with the previous section, the smallest operations are simultaneously the most likely to believe they are behind and the least likely to think the direction they have been given is the right one. That is an uncomfortable combination: pressure to act, without confidence in what they are being asked to act on.

WHO HOLDS THE BUDGET, AND WHO CARRIES THE BLAME

Survey respondents were asked which function is ultimately responsible for holding the AI budget and making the buying decision, and separately which function is accountable when AI gets it wrong.

More than one function could be selected in each case, so the figures sum to more than 100%. On average around two functions have a hand in the buying decision and around one and a half share the accountability.

Figure 4: Which function holds the AI budget, and which is accountable when AI gets it wrong



IT or technology holds the budget in 41% of organisations, more than any other function. Contact centre or customer service operations holds it in 33%: the same proportion as finance or procurement.

The accountability data are where the interest lies. Contact centre operations are accountable in 47% of organisations, well ahead of anything else, and is the only function in the survey which is more often accountable than it is in control. It holds the budget in 33% of cases and carries the blame in 47%, a gap of 14 percentage points in the wrong direction.

Finance or procurement sits at the opposite extreme, and the disparity there is far larger. It is involved in the buying decision in 33% of organisations and accountable for the outcome in 3%, a difference of a factor of ten.

Shared ownership behaves in a revealing way. 29% report that the budget is shared with no single owner, but only 12% say accountability is shared in the same way. Ownership of the money can stay diffused, and evidently does. Ownership of a failure resolves quickly into a named function, and that function is often the contact centre.

Stated plainly, the operation is being judged on outcomes produced by decisions it did not make and cannot fund. That has two consequences:

- A function which does not hold the budget has limited ability to insist that measurable expectations are set before deployment, or to stop a deployment which has none. The measurement problems documented later in this report begin here.
- For anyone selling AI into UK contact centres, the buying decision and the renewal decision sit in different places. The purchase is signed off by IT and finance. The reference which determines whether it is renewed comes from the operation which often had less say in choosing it in the first place.

WHAT AI ACTUALLY COSTS TODAY

Respondents were asked to estimate the proportion of their contact centre and CX technology budget spent on AI, counting licences, modules, consumption charges and implementation cost, but excluding the cost of the underlying contact centre platform where AI capability is bundled into it.

The figure below is therefore incremental AI spend rather than the total cost of a platform that happens to include AI.

Figure 5: AI as a proportion of contact centre and CX technology budget, by contact centre size

Contact centre size	AI as % of CX technology budget
Fewer than 50 agent positions	15%
50 to 200 agent positions	15%
More than 200 agent positions	11%
All respondents	**13.4%**

AI accounts for a mean of 13.4% of contact centre and CX technology budget. For a technology which was a rounding error in most budgets three years ago, that is a substantial claim on available funds.

The size pattern runs the opposite way to what might be expected. The smallest and mid-sized operations both devote 15% of their technology budget to AI, against 11% in operations with more than 200 positions.

Of course, in absolute terms the position reverses completely, since a large operation's technology budget is many times that of a small one, but as a claim on the funds available, AI weighs more heavily on the operations least able to absorb it.

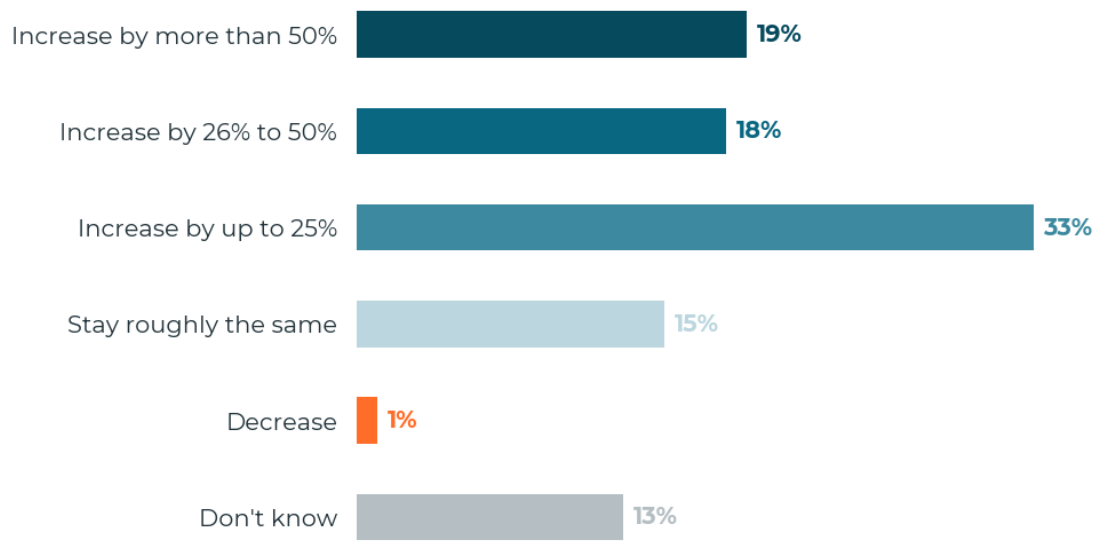
Two readings are worth putting alongside each other. The first is that smaller operations will usually carry less legacy estate to maintain, so a larger share of what they spend is available for something new. The second is a caution about the question itself: the exclusion of bundled platform AI will understate large operations more than small ones, because large operations are considerably more likely to run a major platform with AI capability folded into the licence.

What survives that caveat is the comparison with the opening section. The operations spending the largest share of their technology budget on AI are the same ones most convinced they are falling behind. Whatever is driving that perception, it is unlikely to be underspending.

WHERE THE MONEY GOES NEXT

Respondents were asked how they expect their contact centre AI budget to change over the next two years.

Figure 6: Expected change in contact centre AI budget over the next two years



70% expect their AI budget to rise. 19% expect an increase of more than half, 18% expect between a quarter and a half, and 33% expect an increase of up to a quarter. 15% expect no change.

Only 1% expect to spend less, which is worth remembering when reading the later sections of this report on rollbacks, disappointing outcomes and business cases that were never measured. Whatever has gone wrong, it is not translating into withdrawal.

13% do not know, which is high for a budget question and consistent with the ownership picture set out above. A function which does not hold the budget is not well placed to forecast it.

Applying the midpoints of those bands gives a modelled increase of 26% in AI spend over two years. On a flat overall technology budget, that would take AI from 13.4% of contact centre and CX technology spend, to around 17%.

The assumptions behind that model are as follows.

- Don't know responses are excluded and the remainder rebased, on the basis that they are no more likely to be planning increases than decreases.
- Banded answers are represented by their midpoints, so an increase of 26% to 50% is treated as 38% and an increase of up to 25% as 12.5%.
- The unbounded top band, an increase of more than 50%, is treated as 60%. This is deliberately conservative, and the true figure is likely to be higher.
- A decrease is treated as 15%, and no change as zero.
- The total contact centre and CX technology budget is held flat, so the projection shows the shift in AI's share rather than growth in absolute spend. Any real growth in overall technology budgets would raise the absolute figure without changing the share.

Readers who prefer different assumptions can substitute their own, but the direction is not in serious doubt. Within two years AI will account for something close to a sixth of what UK contact centres spend on technology, and that is before counting the AI capability bundled into platform licences which this question deliberately excluded.

The picture this chapter describes is of a market spending more every year, under board direction, against a competitive deficit most of its participants have inferred rather than measured, with the money controlled by IT and finance and the consequences landing on the contact centre.

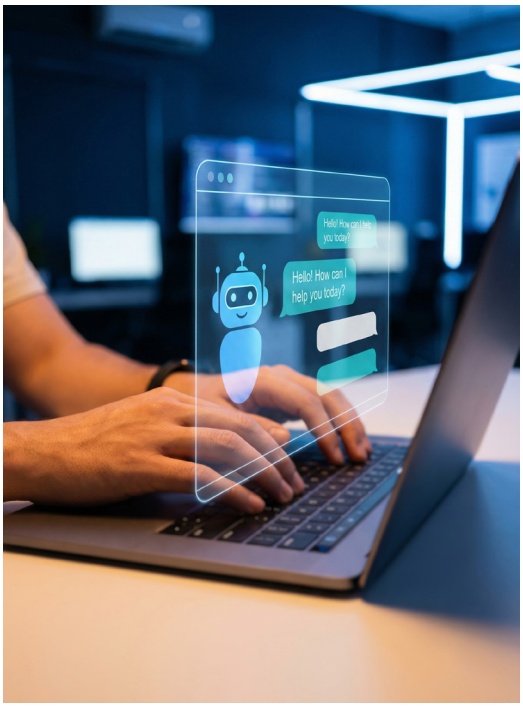
Whether that spending is producing results is the subject of later sections. The ownership structure set out here goes a long way towards explaining why so many organisations cannot answer that question.

Click4Assistance

In Association With STAMMA

CASE STUDY:

TAILORING CONTACT FOR PEOPLE WITH SPEECH DIFFICULTIES AND DIFFERENCES



Click4Assistance offers text-based software that brings together human agents, chatbots, AI agents and omnI channel integration with Facebook and WhatsApp. High quality text-based communication can help organisations deliver better customer experiences for customers across a range of channels. For some customers including those with speech difficulties and differences, this can mean the difference between success and failure.

At least 1% of the adult population stammer. Estimates suggest that 4% or more of the population are likely to experience other speech disabilities associated with a range of conditions such as stroke, Parkinsons, MS, MND and voice disorders at some point in their lives. Yet contact centres rarely consider the needs of this cohort.

> **"The amount of times I've heard 'Is anyone there?' while I've been struggling to speak... well, let's just say that if I got a penny each time, I'd be rich."**

Research conducted in 2025 by STAMMA, the national stammering charity, demonstrated the impact of that lack of thought. STAMMA's survey explored the experiences of hundreds of callers who stammer during their most recent call to a UK business or organisation.

Those who had made phonecalls to organisations had the following experiences:

- **14%** were hung up on when they stammered
- **24%** were trapped in IVR systems that didn't give them time to complete the required response or didn't understand them when they stammered
- **32%** found that a human agent kept guessing what they were trying to say rather them letting them speak
- **5%** were laughed at for stammering during the call

> **"While waiting, I gradually feel more anxious. When they answer, they ask for your name and date of birth. I always struggle when saying my name and this makes me panic because I can't say it quick enough."**

Unsurprisingly, given these negative experiences, 15% of respondents said they'd do anything to avoid making a call. Indeed, during the last 12 months, evidence suggests that approximately 60% of customers who stammer are likely to opt for written communication channels such as webchat over telephony.

These findings highlight the importance both of ensuring telephony flows are thoughtfully designed to accommodate the needs of those who want to be on the telephone, and providing high quality text-based communication channels for those who feel they can express themselves more easily or comfortably in writing.

CUSTOMER-FACING AUTOMATION: WHAT IS DEPLOYED

The previous section described a market spending steadily more on AI under board direction.

This section sets out what that money has actually bought in the customer-facing channels: which applications are running, what the best of them can do unaided, how much they resolve without a human and how far the language organisations use about their own automation has run ahead of what is installed.

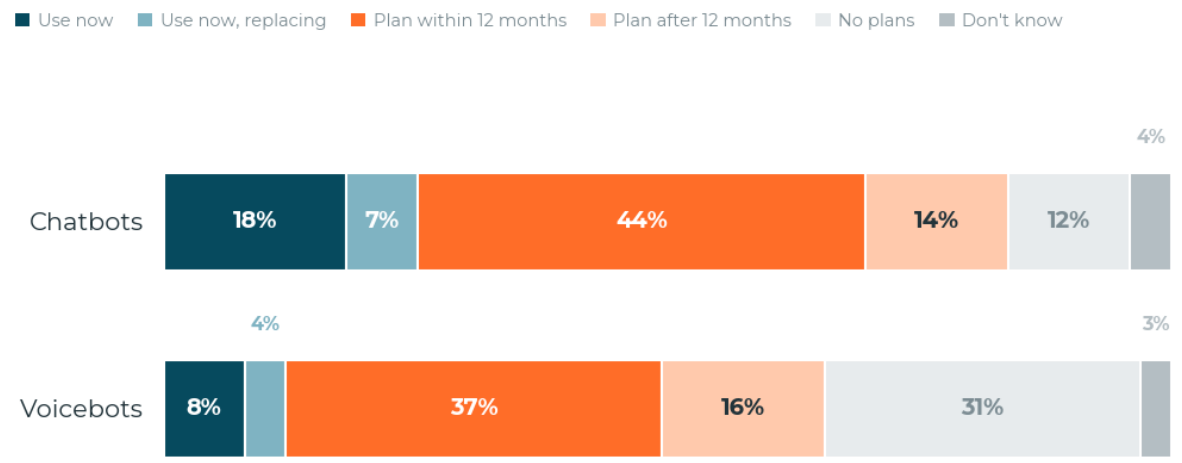
CHATBOTS AND VOICEBOTS

Respondents were asked about their use of and plans for AI chatbots handling digital self-service, and separately for voicebots holding a spoken conversation and handling the call.

Both questions specifically excluded the older generation of the same idea: menu-driven or scripted bots in the case of chat, and IVR, touchtone or keyword speech recognition alone in the case of voice.

The figures below therefore describe conversational AI rather than self-service in general, and they are correspondingly lower than headline self-service penetration figures that make no such distinction.

Figure 7: Current use of and plans for AI chatbots and voicebots



A quarter of UK contact centres run an AI chatbot, made up of 18% with no change planned and 7% looking to replace what they have. Voicebots are running in 12%, split 8% and 4%. Taken together, 32% of respondents run a chatbot, a voicebot or both.

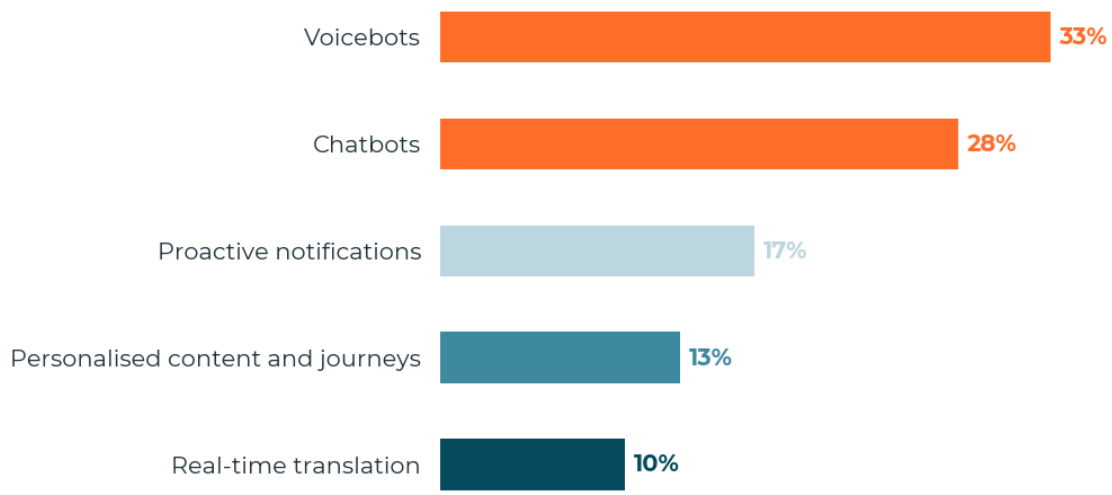
The planned figures are of a different order entirely. 44% of all respondents intend to implement a chatbot within twelve months and a further 14% after that. For voicebots the equivalent figures are 37% and 16%. Taken at face value, chatbot penetration would go from a quarter to around seven in ten within a year, and voicebots from one in eight to one in two.

Those plans will not all be realised, and it would be a mistake to model on them. 12-month implementation intentions have run consistently ahead of delivery in every technology ContactBabel has tracked, and the applications with the highest intent are often the ones with the longest integration tail. However, the figures do establish the direction of travel and the enthusiasm for these solutions.

Only 12% have no plans for a chatbot at all, so digital conversational automation now has near-universal acceptance in principle even where it has not been built. 31% have no plans for a voicebot, which is two and a half times higher.

The replace figures deserve separate treatment, because replacement intent is a better signal of how a deployed technology is performing than is penetration. Expressed as a proportion of organisations currently using each application rather than of all respondents, the position is as follows.

Figure 8: Proportion of current users looking to replace what they have, by selected application



A third of voicebot users and 28% of chatbot users want to replace what they have. Set against 10% for real-time translation and 13% for personalisation, that is a marked difference, and it points at the bots rather than at AI generally.

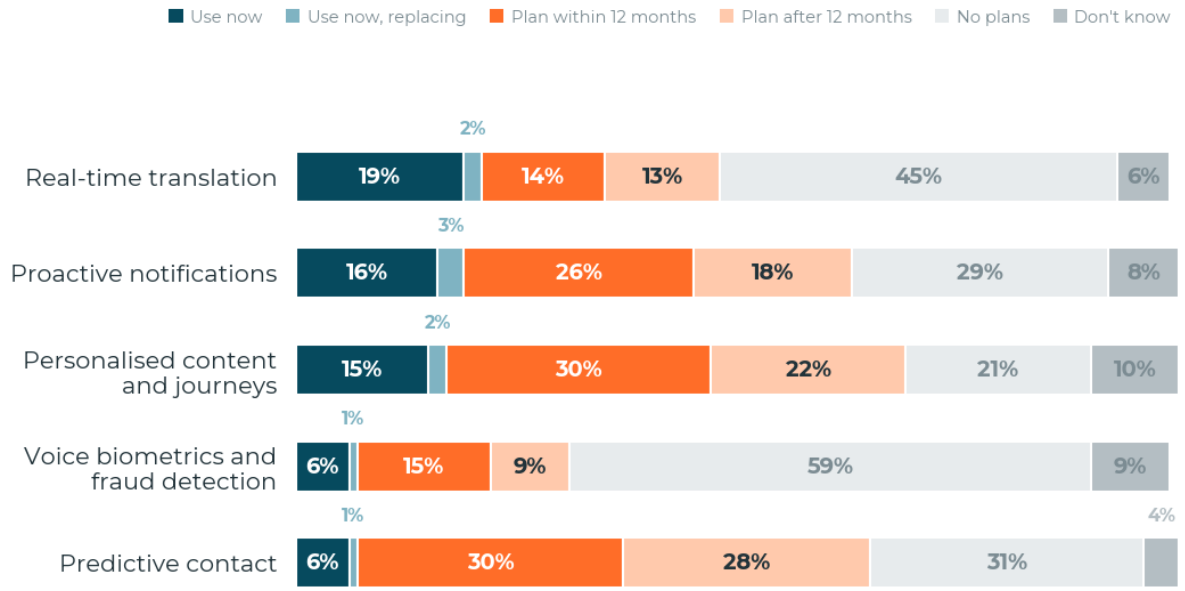
The applications with the highest replacement intent are those with the highest profile, the largest budgets and the strongest vendor claims attached to them. This is what would be expected in a category where a significant number of deployments were specified against expectations set in a demonstration rather than in a pilot. It is also a straightforward commercial fact for anyone selling into this market: a quarter or more of the installed base is in active play.

It should be noted that restricting the chart to current users produces small bases, so the relative ranking for some technologies is more reliable than the individual percentages.

THE REST OF THE CUSTOMER-FACING ESTATE

Bots attract most of the attention, but they are not the whole of what AI does in a customer-facing channel. Respondents were asked about five further applications.

Figure 9: Current use of and plans for other customer-facing AI applications



Real-time translation and multilingual support is the most deployed of the five at 21%, and simultaneously carries the second-highest no-plans figure at 45%. That combination describes a bifurcated market rather than an immature one: an organisation either serves customers in more than one language or it does not, and where it does not, no amount of capability improvement creates a requirement. Growth here is bounded by the size of the addressable population rather than by the technology.

It should be noted that this question covers translation and multilingual support together, so the figure includes organisations routing a caller to a language-capable agent as well as those translating during the interaction. Those are different capabilities with very different costs, and the survey does not separate them.

Voice biometrics and AI-based authentication is the joint least-deployed application at 7%, and carries a high “no-plans” figure, with nearly three in five UK contact centres having ruled it out or not yet considered it. For a technology that has been commercially available for well over a decade, with an obvious case on both fraud reduction and handling time, that is a striking rejection rather than a case of slow adoption. Enrolment friction, consent, cost and the rapid increase in AI deepfake voices are all holding back pure biometrics.

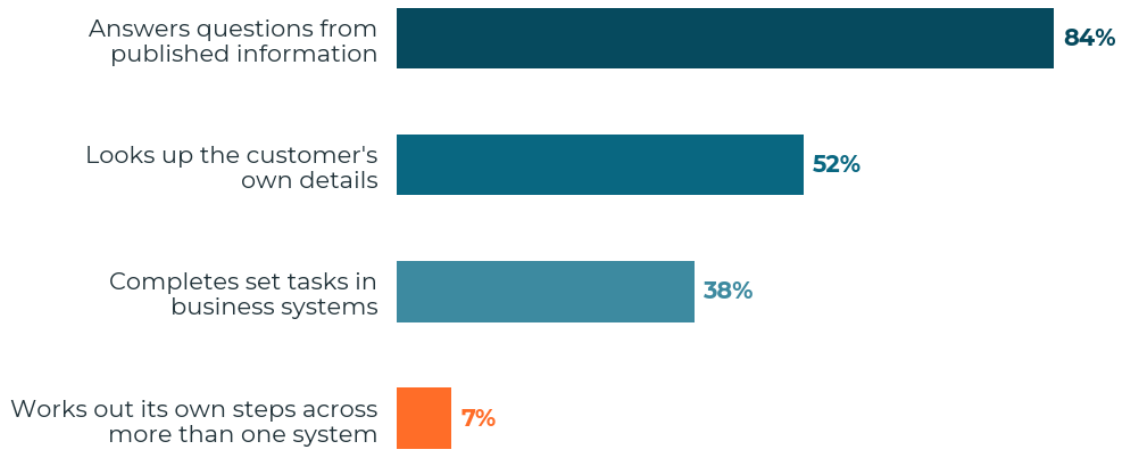
Predictive contact shows a wide gap between what is running and what is intended. 7% use it now and 58% plan to. Resolving an issue before the customer gets in touch is an attractive proposition, yet difficult to build, depending on data quality, systems integration and event triggers that most operations do not currently have. Personalised content, offers and self-service journeys have the lowest “no-plans” figure of the five at 21%, making it widely accepted as something that will happen eventually.

WHAT THE BEST BOT CAN ACTUALLY DO

Penetration figures describe how many organisations have bought something, but say nothing about what it does.

Organisations running a chatbot or voicebot were asked what the **most capable** of their bots can currently do on its own, without a human doing any extra work. More than one answer could be selected, and the base is bot users rather than all respondents.

Figure 10: What the most capable bot can do unaided (organisations running a chatbot or voicebot)



Answering questions from published information such as a knowledge base or set of FAQs is very common at 84%. The 16% whose best bot cannot reliably do even that are worth pausing on, since it is the simplest thing on the list and the one every product in the category claims.

52% can look up the customer's own details to give a personalised answer, so half of deployed bots can see the customer record. 38% can complete a set task in a business system, such as a password reset, an address change or an appointment booking.

7% can work out for themselves which steps are needed and complete a request spanning more than one system.

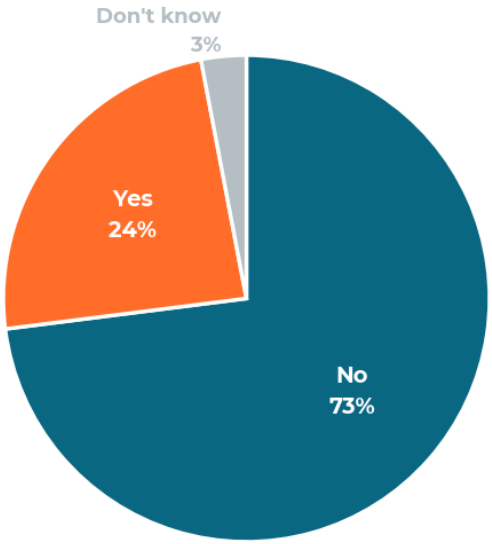
The drop from 38% to 7% is important, because those two rungs are not adjacent points on a scale. Completing a set task is a scripted integration: the bot is given a defined action and calls it, and the intelligence sits in recognising when to do so. Determining which steps are required and executing them across more than one system without a human specifying the sequence is a different class of thing, and it is what the entire agentic category is marketed on.

The base for that 7% is bot users rather than all respondents. Since 32% of respondents run a bot of either kind, 7% of that base works out at slightly over 2% of UK contact centres overall, or roughly one organisation in forty-five. The following section shows where those organisations sit.

THE AGENTIC QUESTION

Respondents were asked directly whether their organisation would say it uses agentic AI in customer contact.

Figure 11: Would your organisation say it uses agentic AI in customer contact?



Expressed against all survey respondents, 24% describe themselves as using agentic AI and – as calculated in the previous section – 2% both describe themselves that way and have a bot capable of the thing the term describes.

The most plausible explanation is not that respondents are deliberately overstating their position, but that "agentic" has become a label applied to whatever AI an organisation currently runs, rather than a description of what that AI actually does. The term has been used loosely enough by the industry as a whole for long enough that buyers have reasonably absorbed the wider meaning, and a buyer who was sold an agentic platform and deployed it is answering this question accurately when they say yes.

It should also be noted that this survey measures autonomy only for bots by asking what the system can do on its own without a human doing any extra work, and grades the answers accordingly. For agent assistance, routing, summarisation, knowledge and automated quality assurance, the survey records whether the application is in use but nothing about whether it decides anything for itself, so those answers cannot be tested the way the bot answers can. It is worth being specific about where the gap lies.

For example, agent assistance as currently sold is largely advisory, suggesting and retrieving while the agent decides and acts, and routing, summarisation and automated scoring each perform one defined job rather than working out a sequence of steps. While none of those is what the agentic label describes, assistance tools are already moving towards completing actions on the agent's behalf, and this survey contains no category for the autonomous handling of inbound email, web forms, cases or complaints, which is where end-to-end resolution across multiple systems would most plausibly sit. An organisation running that would answer the agentic question positively.

Being as objective as possible, the 2% figure should therefore be read as a floor on agentic capability in customer contact rather than as a true estimate of it, and the size of the remainder is not something this survey can establish.

However, looking at the capabilities reportedly deployed elsewhere in the survey, the use of agentic AI by 24% of contact centres is almost certainly over-rated.

Buyers should be aware that the "agentic" category label may carry little real information about what is on offer in a solution, since essentially everyone uses it. The question that really matters is whether the system determines its own sequence of steps or executes one that somebody configured, and it is worth asking in exactly those terms of both suppliers and internal teams.

HOW MUCH GETS RESOLVED WITHOUT A HUMAN

Organisations running bots were asked what proportion of the interactions their bots handle are resolved without any human intervention at all.

Figure 12: Proportion of bot-handled interactions resolved without any human intervention (organisations running each application)

	Chatbots	Voicebots
1st quartile	40%	28%
Median	23%	18%
3rd quartile	13%	5%
Mean	**27%**	**24%**

Among organisations running them, chatbots resolve a mean of 27% of the interactions they handle without a human, and voicebots 24%. Voice trails chat, but by less than the received view would suggest. The gap is three percentage points on the mean and five on the median. Voice is genuinely harder to contain than text, and these figures support that, but only modestly.

The distributions should be noted: for chatbots the median of 23% sits below the mean of 27%, which indicates a minority of very strong performers pulling the average upwards while the typical deployment achieves a little less.

Voicebots are spread somewhat differently. Only a quarter achieve 28% or better, with the median 18%, and a quarter achieving 5% or less: the bottom quarter of voicebot deployments are resolving roughly one interaction in twenty without human involvement at best, which is close to no containment at all and is difficult to justify against the cost of running the application.

It should be noted that a selection effect is at work, especially in the voicebot figures. Only 12% of respondents run one, and those that do are the organisations with the appetite, the budget and the use cases to make one work. As voicebots spread towards the 37% planning one within twelve months, the mean should be expected to fall rather than rise, because the new entrants will on average be less well suited to and experienced with the technology than the current ones.

Caution should be applied to every containment figure in this report and indeed elsewhere. “Resolved without any human intervention” is self-reported, and nothing in the measurement distinguishes a resolved interaction from an abandoned one. A customer who gives up on the bot, says nothing, and calls back the following morning has not been contained, but the bot's own logs will record the session as having ended without escalation. The consumer research covered later in this report gives an indication of how large that overstatement is likely to be.

Taken together, the estate this section describes is considerably narrower than the language the market uses about it. A quarter of UK contact centres report running an AI-enabled chatbot, one in eight an AI-enabled voicebot, and the typical current deployment of either resolves around one interaction in five without a human.

CONTROL, ASSURANCE AND ESCALATION

The previous section established what UK contact centres have deployed in their customer-facing channels and what it can do.

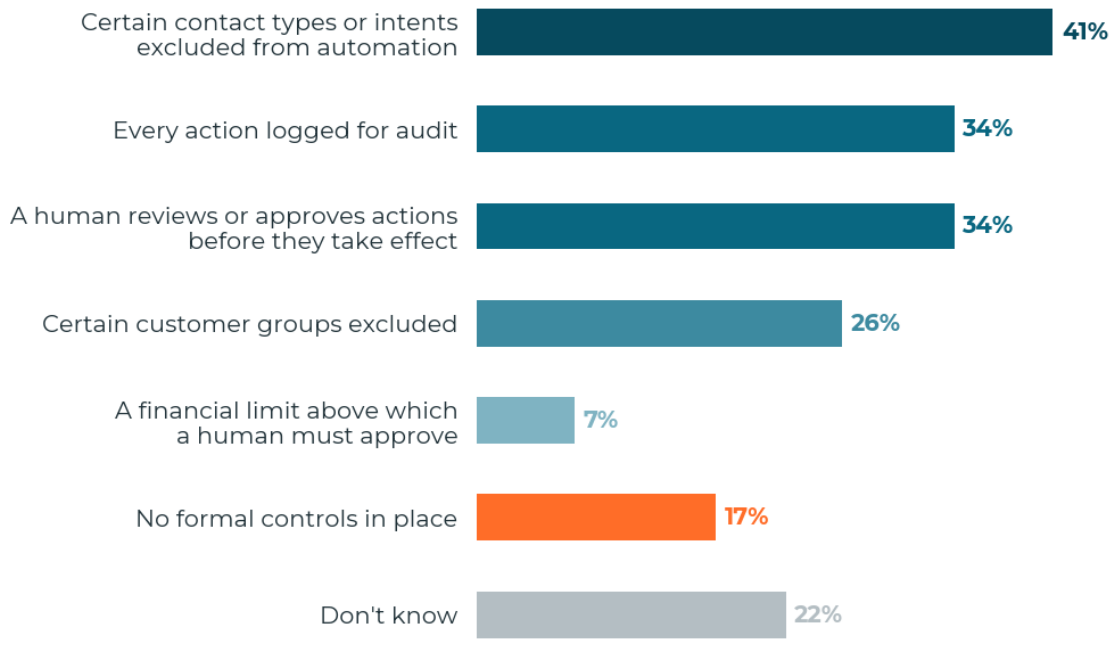
This section looks at what constrains it: the controls placed on the actions bots can take, how AI-handled interactions are quality assured, and what happens when a customer needs to stop dealing with a machine and start dealing with a person. It closes with the consumer evidence on that last point, which is where a wide gap between the business view and the customer view is found.

Please note that the three business questions in this chapter are asked only of organisations running bots, which is roughly a third of the sample, so the bases are necessarily small compared to many other questions: the ranking of the answers is perhaps more important than any individual percentage.

WHAT BOTS ARE ALLOWED TO DO

Organisations running bots were asked which controls apply to the actions those bots can take in their business systems. More than one answer could be selected.

Figure 13: Controls applied to the actions bots can take in business systems



Excluding certain contact types or intents from automation entirely is the most common control at 41%. It is also the crudest of those on the list, in the sense that it works by keeping the bot away from anything difficult rather than by governing what the bot does once it is there. While that is a legitimate way to manage risk – and is a great deal better than nothing – it is more a scoping decision than a control in the sense the word is used in any other automated system.

34% log every action the bot takes for audit and the same proportion require a human to review or approve actions before they take effect. 26% exclude certain customer groups, which in many organisations will mean customers flagged as vulnerable.

7% operate a financial limit above which a human must approve the action, which is a standard control in other forms of automated transaction processing, but the least used control here by a wide margin.

17% report no formal controls at all, and a further 22% do not know what controls are in place. Those are separate answers rather than a single group, but taken together they describe close to two in five organisations which either have no governance over what their bots do in live business systems or cannot say whether they have.

Read against the capability data in the previous chapter, that position is less alarming than it first appears. A bot which only answers questions from published information has very little to govern, and this is by far the greatest use case for bots. Controls that constrain action are not needed where nothing is being actioned.

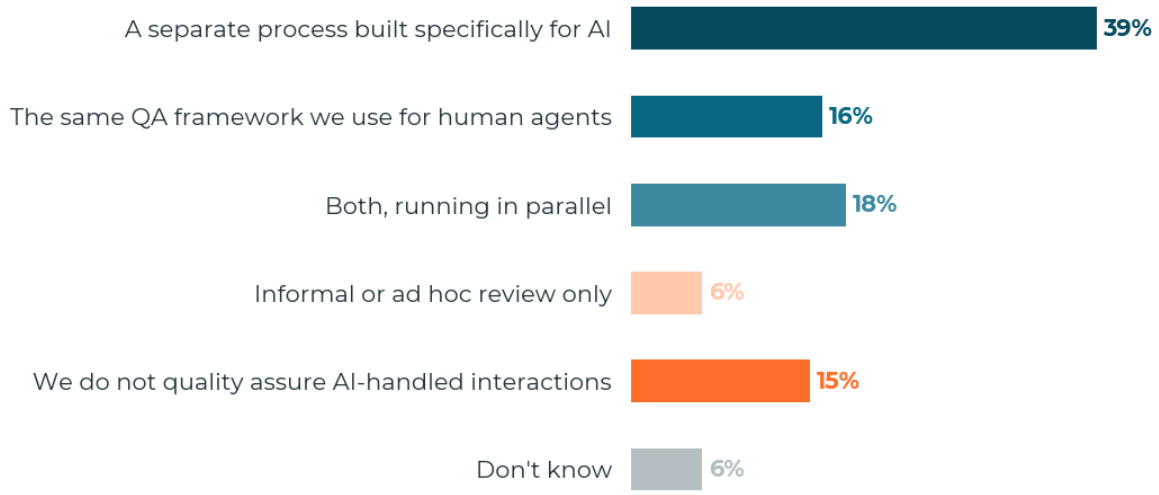
It becomes considerably more serious for the 38% whose bots complete tasks in business systems. At first glance, there is a mildly encouraging signal in the numbers on that front: the 34% logging every action for audit sits close to the 38% whose bots can act at all, which is what would be expected if governance were tracking capability. Yet – granted that this is a small sample – 36% of bot users that allow these bots to complete tasks in business systems do not log every action for audit.

The 7% financial limit remains difficult to explain: a bot which can issue a refund and has no ceiling on the value it can issue is an unusual thing to have built, and it is worth any reader of this report checking whether it describes their own operation. Of course, it may simply be the case that very few bots are permitted to issue any refund at all.

ASSURING WHAT THE AI DOES

Respondents were asked how their organisation quality assures the interactions handled by its AI agents and bots.

Figure 14: How organisations quality assure AI-handled interactions



57% have built something specifically for AI, made up of 39% running a separate dedicated process and 18% running a dedicated process alongside their human framework. A further 16% apply the same framework they use for human agents.

That is a more mature position than many areas of this survey produce, and it deserves saying, because building a separate assurance process for a new channel within two or three years of adopting it is not the usual pattern in this industry. Quality assurance is also the instrument every contact centre already owns, which is very likely why it has been reached for first.

The contrast with the previous section is sharp, with organisations being somewhat more willing to inspect what the AI did after the event than to constrain what it can do beforehand.

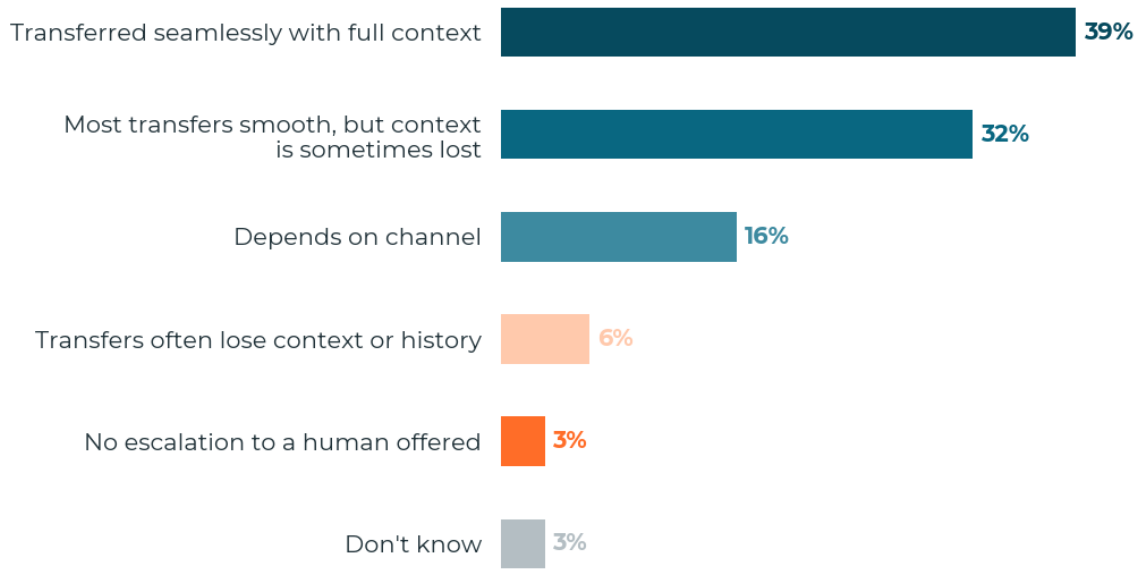
15% do not quality assure AI-handled interactions at all, compared to effectively every organisation in that group quality-assuring its human agents. So for a minority, there is a category of customer interaction being handled on the organisation's behalf which nobody reviews, in an operation which reviews the equivalent human interaction as a matter of routine.

A further 6% carry out informal or ad hoc review with no defined process, and 6% do not know. On the most generous reading, around a fifth of organisations running AI in customer contact have no defined view of how well it is performing on individual interactions.

GETTING TO A HUMAN

Respondents were asked what happens when a customer needs to move from a bot to a human agent.

Figure 15: What happens when a customer needs to move from a bot to a human agent



39% say customers are transferred seamlessly with full context. 32% say most transfers go smoothly but context is sometimes lost, 16% say it depends on the channel, and 6% say transfers often lose context or history.

3% do not offer escalation to a human agent from their bots at all, describing a route built with no exit, which is a deliberate design decision rather than an implementation shortfall.

This chart shows the organisation grading its own handover, which is the most favourable possible source, and even on that basis the majority report context being lost at least some of the time, depending on channel. Handover requires the conversation history and the customer identity to be passed with the transfer, which is a matter of integration rather than of AI capability. A majority reporting that it does not reliably happen says more about how these deployments were scoped than about the state of the technology.

The question does not measure how easy the exit is to find, or how hard the bot makes it to reach: a bot can transfer seamlessly with full context and still be very difficult to escape if the option is buried three turns deep or offered only after the customer has restated the problem twice. The consumer evidence later in the report considers this, while the next sections turn from what the AI is permitted to do to what it has actually achieved.

AI FOR AGENTS AND THE OPERATION

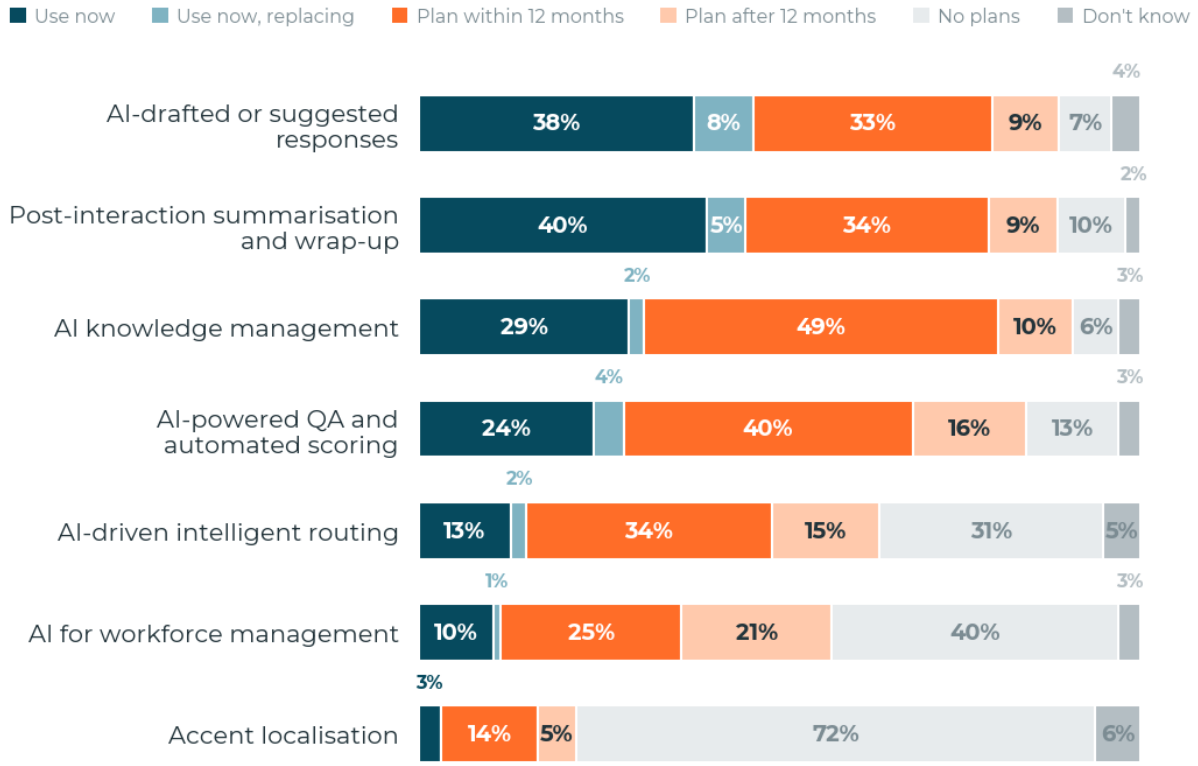
The previous sections dealt with the AI a customer meets, while this one looks at the AI a customer never sees, running alongside the agent and behind the operation.

The first thing to note is that there is considerably more of it: the most widely deployed AI applications in UK contact centres are not chatbots or voicebots but tools which sit on the agent's desktop and in the wrap-up that follows the conversation, and they are also amongst the applications producing the most positive outcomes.

THE WIDER AGENT AND OPERATIONAL ESTATE

Beyond assistance and analytics, respondents were asked about seven further applications supporting agents and managing the operation.

Figure 16: Current use of and plans for AI applications supporting agents and the operation



Two of the most often used AI applications are AI-drafted or suggested responses at 46% and post-interaction summarisation and wrap-up at 45%. Both are more widely deployed than AI-enabled interaction analytics, and are close to double the deployment of AI chatbots.

Relative adoption rates may track how much of the risk a human still absorbs. For example, summarisation writes a note after the conversation has ended, where a mistake produces a poor disposition code rather than a poor customer experience. A drafted response puts an agent between the model and the customer, with the opportunity to correct anything wrong before it is sent.

Neither application requires the organisation to trust AI with a customer directly, which is precisely what a chatbot does require, and the deployment figures seem to follow that distinction.

AI knowledge management shows a very strong intention to implement: 31% use it now, 49% intend to implement within twelve months, and only 6% have no plans, which is a very powerful signal. Knowledge is the dependency underneath several other applications on this list, since drafted responses, agent assistance and any bot answering from published content all draw on the same source material, which suggests organisations are working out that a poor knowledge base is the constraint holding them back from other ambitious and valuable use cases.

AI-powered QA and automated interaction scoring sits at 28% with a further 40% planning within twelve months, another strong expectation to help contact centres manage their agent quality at scale.

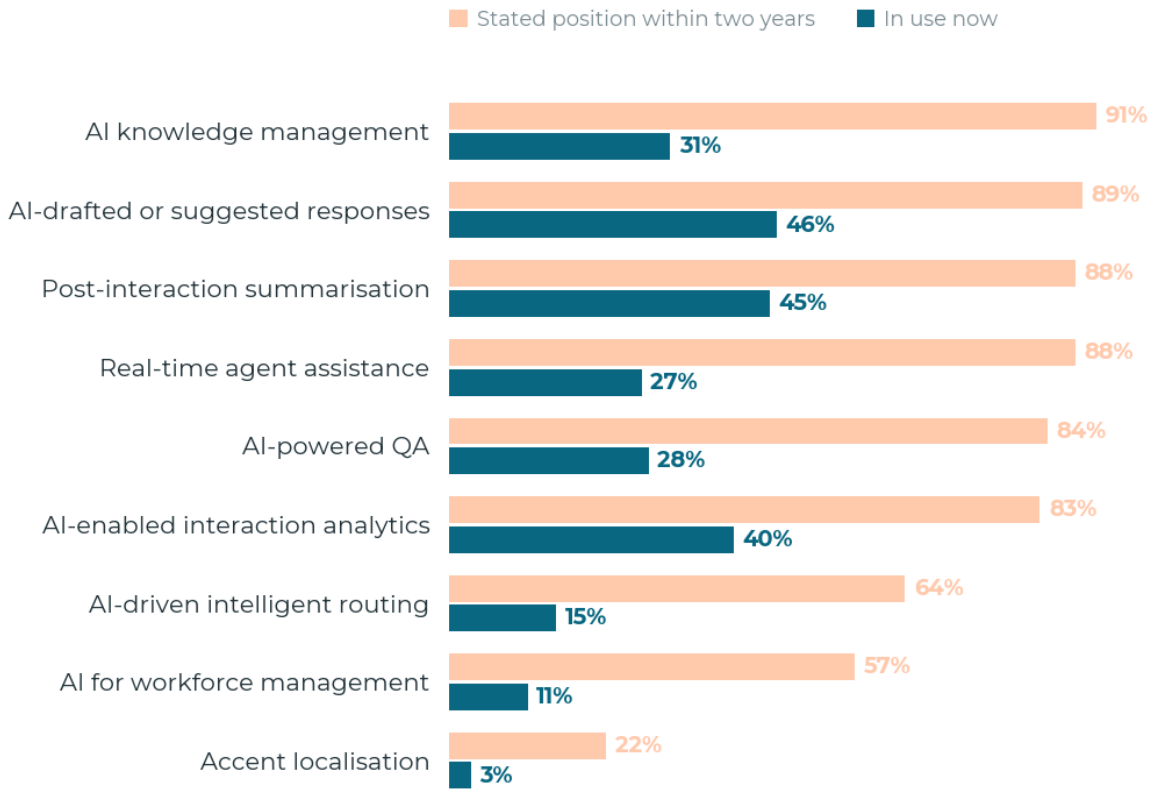
Intelligent routing and workforce management are the two operational applications where rejection is material, at 31% and 40% with no plans respectively. Both are areas where an adequate non-AI solution already exists and has done for years, in skills-based routing and in statistical forecasting, so the case has to be made on incremental gain rather than on capability the organisation currently lacks. That is a harder sale than knowledge management, where most operations know their existing position is poor and impacts on other AI use cases.

72% of respondents have no plans for accent localisation, which is unsurprising. The quantifiable downside to sub-optimal agent and customer experience, and the cost of repetition or misunderstanding is underestimated or even unknown to most operations. However, the 12-month intention of implementing this solution is considerable: if followed, usage would rise from 3% to 17%.

WHERE THE GROWTH IS GOING

Combining current use with stated implementation plans gives the position each application would reach within two years if intentions were realised in full.

Figure 17: Current use and stated two-year position, agent and operational AI applications



This should be read as a ranking rather than as a forecast: 12-month implementation intentions consistently run ahead of delivery, but the chart establishes the priority.

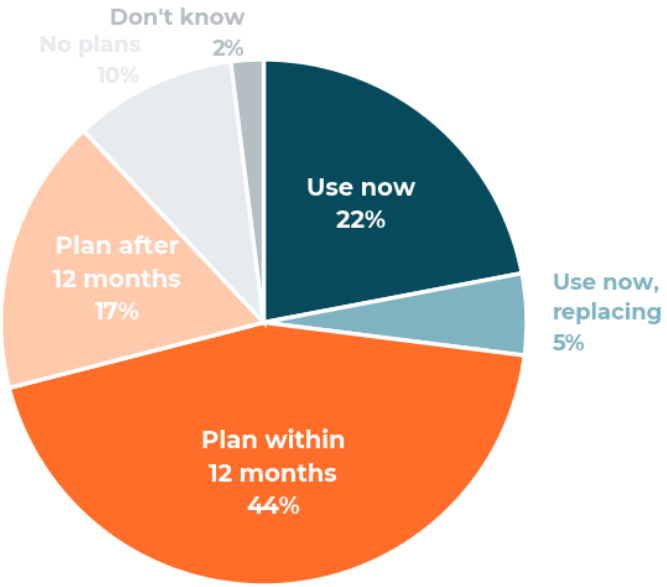
The ordering changes when plans are included, and knowledge management is the clearest example: fourth on current deployment and first on stated two-year position, at 91%. Drafted responses, summarisation and agent assistance all cluster immediately behind it between 88% and 89%, and AI-powered QA reaches 84%.

What that describes, if even this turns out to be somewhat optimistic, is an agent surrounded by AI at every stage of the interaction: knowledge retrieved for them while the customer is speaking, responses drafted for them to approve, the conversation summarised and coded afterwards, and the whole thing scored automatically. That is a significantly different job from the one most agents do now, and the next section looks at how much has been done to prepare them for it.

WHAT AGENT ASSISTANCE HAS ACTUALLY DELIVERED

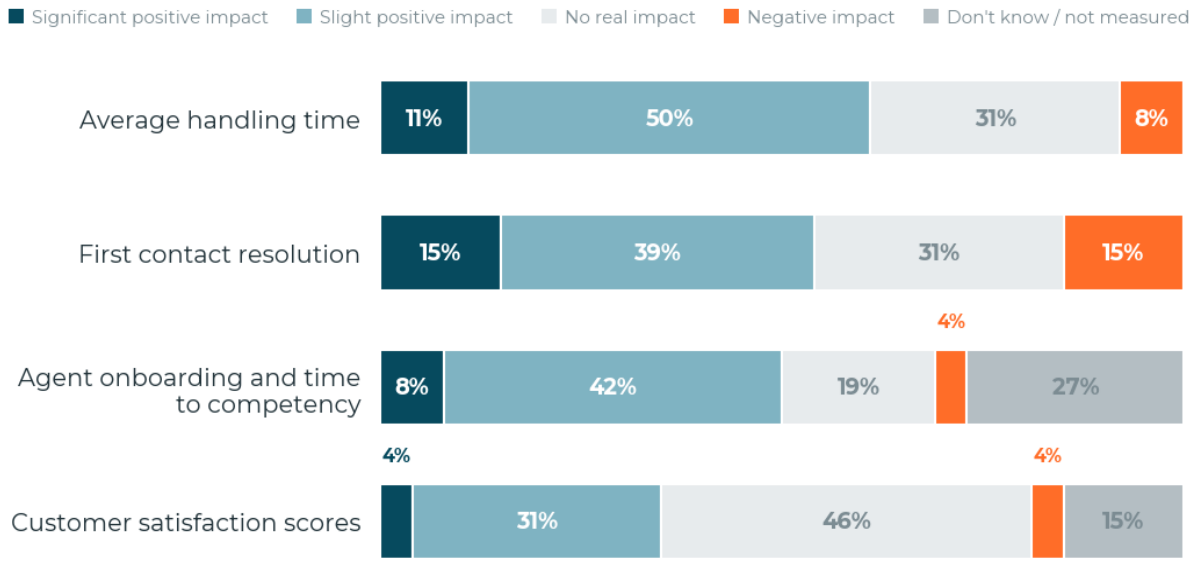
Real-time agent assistance within the call (sometimes called 'co-pilot') is a high profile and rapidly growing use case for AI. It shows much of the healthy growth expectations of other AI solutions, as well as a reasonable installed base.

Figure 18: Current use of and plans for real-time AI agent assistance



Organisations using real-time agent assistance were asked how significant its impact had been on four metrics. The base is small, at around one in four respondents, so this should be read as indicative of direction rather than as a precise measurement of magnitude.

Figure 19: Impact of real-time AI agent assistance on operational metrics (organisations using it)



The direction is positive on every metric measured: positive responses outnumber negative ones in all four cases, and on average handling time they do so by a factor of almost eight. Agent assistance is generally working for its users.

The magnitude is another matter: significant positive impact reaches 15% at its highest and 4% at its lowest, so the characteristic experience is a slight improvement rather than a radical transformative improvement. Average handling time is where the effect is strongest, at 61% reporting some positive impact, which is intuitive enough given that retrieving an answer faster shortens the call it appears in.

First contact resolution carries the highest negative figure in the chart at 15%, and it deserves attention despite the small base because there is an obvious mechanism behind it. A suggested answer which is plausible and nearly complete is more likely to be used than questioned, the customer accepts it, and the follow-up call arrives a few days later. Anyone deploying assistance to improve resolution rather than handling time should be measuring repeat contact specifically, rather than assuming a benefit which one user in seven reports moving the wrong way.

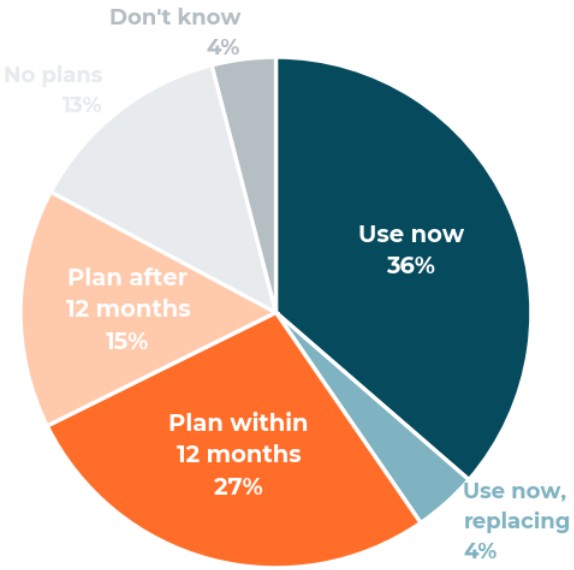
Customer satisfaction is the metric least affected, with 46% reporting no real impact at all: the applications which the operation likes best, and which produce measurable internal gains, are the ones the customer notices least.

On agent onboarding and time to competency, 27% of users say they do not know or have not measured it, which is the highest such figure in the chart and applies to one of the benefits most commonly claimed for this category of product. A further 15% cannot say what happened to customer satisfaction. Both figures sit against handling time and first contact resolution, where nobody answered “don't know”: the difference between them is not difficulty of measurement so much as whether the metric was already being tracked before the deployment began, or seen as less relevant to the use case.

INSIGHT, AND WHETHER ANYONE ACTS ON IT

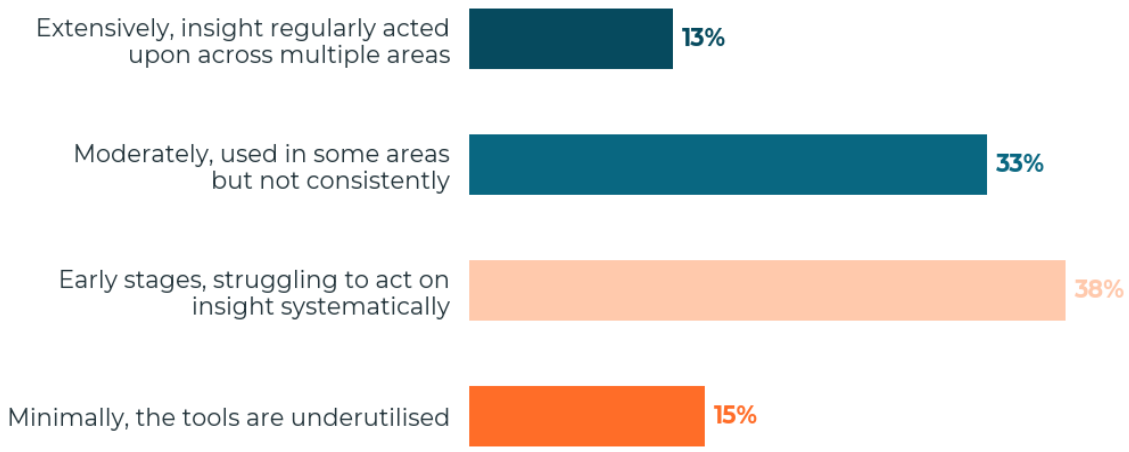
AI-enabled interaction analytics is one of the more popular solutions studied in the research, and its use is filtering down from the largest operations to those in the mid-size and even smaller sectors.

Figure 20: Current use of and plans for AI-enabled interaction analytics



Organisations using AI-driven analytics were asked to what extent it is currently generating actionable operational insight.

Figure 21: Extent to which AI-driven analytics generates actionable operational insight (organisations using it)



13% report that insight is regularly acted upon across multiple areas, and 33% that it is used in some areas but not consistently.

The remaining 53% sit in the bottom two categories: 38% generate insight but struggle to act on it systematically, and 15% have the tools but are not making any real use of them.

What separates the top of this scale from the bottom is not the technology, because every organisation answering has bought the same class of product. The difference is whether anybody owns the follow-up: whether there is a named person whose job is to take what the analytics found and change a process, a script, a training module or a routing rule as a result. That is an operating model question rather than a procurement one, and it is not solved by buying anything.

This is concerning over half of analytics users: interaction analytics is amongst the most widely deployed and understood solutions in this survey, with the longest opportunity to bed in, yet a majority of its users still cannot convert what it finds into anything that changes.

The newer applications now arriving at scale are being bought by the same organisations, with the same operating models and the same absence of anyone owning the follow-up, and there is no obvious reason to expect a different result unless that is addressed directly.

However, taken together, the analytics and agent assist segments of AI describe a relatively healthy part of the UK contact centre AI estate: more widely deployed than the customer-facing applications, and generally positively regarded by the organisations running it.

While gains are in general modest rather than transformational, they are present. The next section looks at how AI compares to humans, what customers think of AI and the outcomes achieved compared to what the business case said.

OUTCOMES: AGAINST HUMANS, AND AGAINST THE BUSINESS CASE

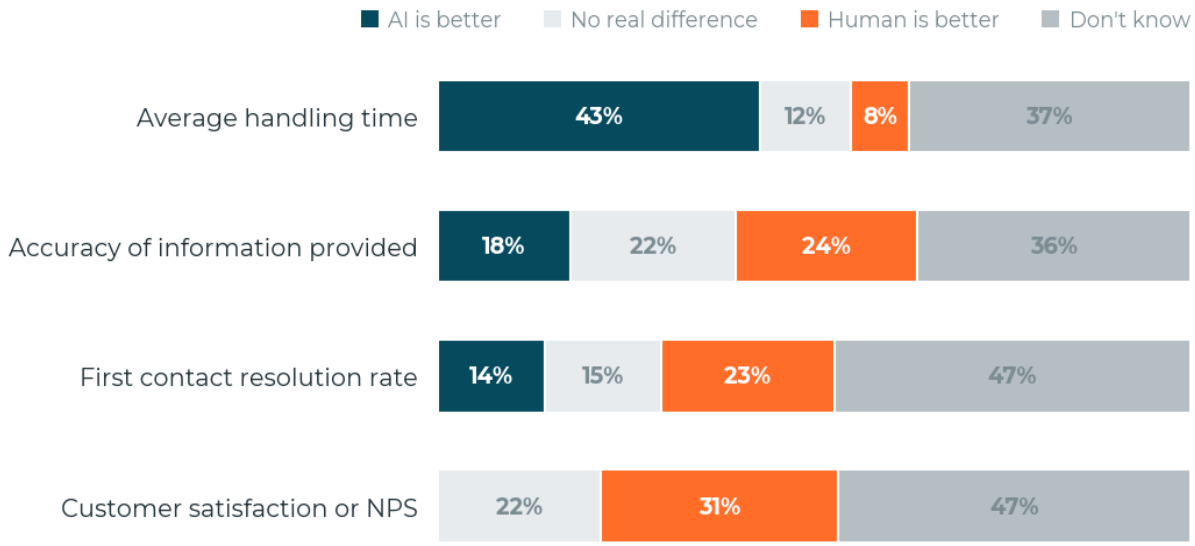
Previous sections describe what UK contact centres have bought, what it is permitted to do and how it is governed. This section asks the question: does it work?

It compares AI against human agents on the same kinds of contact, sets that comparison against what customers themselves report, tests deployments against the expectations set for them, and examines what has been stopped and why.

AI AGAINST HUMAN AGENTS

Respondents were asked whether, for comparable types of contact, there are differences in performance between AI-handled and human-handled interactions across four measures.

Figure 22: Differences in performance between AI-handled and human-handled interactions, comparable contact types

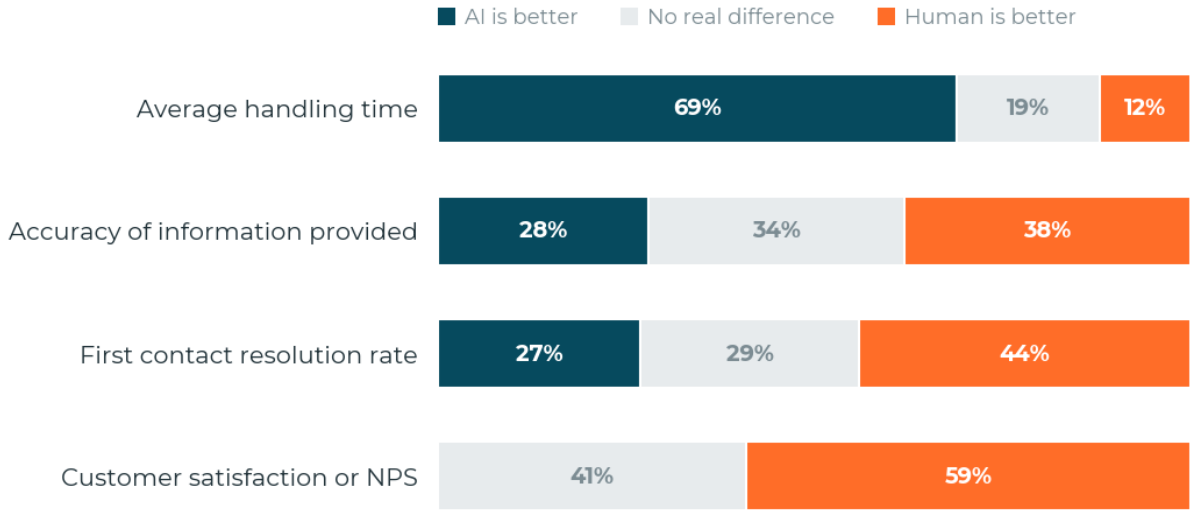


Before any comparison of AI against human, note the dark grey bars: depending on the measure, between 36% and 47% of organisations which have deployed AI in customer contact cannot say whether it performs better or worse than a person. On first contact resolution and on customer satisfaction, the two measures that determine whether the customer comes back, close to half have no view at all.

The next chart removes the “don’t know” responses, clarifying what the organisations which have made the comparison actually found.

The pattern, simply described, is that AI is usually faster than human agents, but not as good.

Figure 23: Differences in performance between AI-handled and human-handled interactions, excluding those unable to say



Among those with a view, 69% say AI beats a human on average handling time against 12% saying the reverse: the only measure on which AI wins.

On accuracy of information, 38% say the human is better against 28% for AI, and on first contact resolution the gap widens to 44% against 27%.

On customer satisfaction, not one respondent said that AI performs better than a human agent. 59% said the human is better and 41% saw no real difference, and in a survey of this size, a zero on any option is unusual enough to be worth stating plainly.

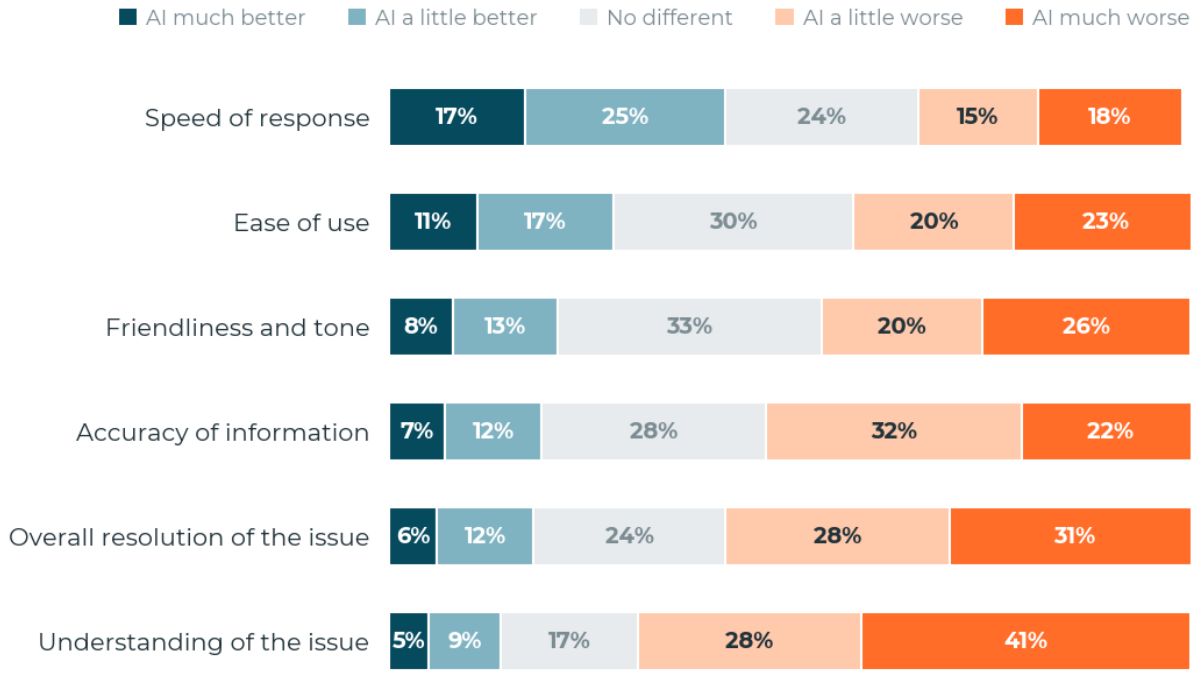
There is a nuance in the accuracy figure: at 28% against 38%, accuracy is the closest of the three quality measures, which suggests that the answers AI gives are not usually wrong. What falls away is everything downstream of the answer being correct: whether the customer's actual problem was resolved, and how the customer felt about the process. An interaction can be factually accurate throughout and still leave the customer needing to call back: what first contact resolution rate and customer satisfaction figures describe.

THE CUSTOMER'S VERDICT

ContactBabel's consumer research asked 1,000 UK consumers to compare their experience of AI customer service against that provided by live agents.

The 20% who said they had never knowingly experienced AI in customer service were removed, leaving the 80% who believe they have.

Figure 24: How UK consumers rate AI against human agents, by dimension



Customers rate AI worse than a human agent on five of the six dimensions put to them: 69% found its understanding of the issue worse, 59% found the overall resolution worse, 54% found the accuracy of information worse, 46% found the friendliness and tone worse and 43% found it harder to use.

Speed of response is the only dimension where AI comes out ahead, and it does so by a narrower margin than would be predicted: 42% of customers say AI is faster, 24% see no difference and 33% say it is slower. On the one attribute AI is universally assumed to win outright, a third of customers report that it loses.

That figure is worth holding against the business view in the previous section, where 69% of organisations with an opinion said AI beats a human on average handling time. The two are not measuring the same thing: average handling time counts the time an agent spends on one interaction, whereas the customer counts the whole journey.

A failed bot attempt, a queue, an escalation and a restatement of the problem all fall inside the customer's measurement and outside the organisation's. An automated interaction can genuinely reduce handling time and lengthen the customer's day at the same time, and both parties will report their own figure accurately.

On the substance of the service, business and customer agree: both report a speed-for-quality trade, both identify understanding and resolution as the weakest points, and neither claims AI produces a better experience.

That consensus makes the finding considerably harder to argue with than it would be if only one side held it. Where they differ is magnitude, with the customer consistently harsher. The intensity of the negative responses is easily lost in the totals. 41% of customers say AI's understanding of their issue is much worse than a human's rather than a little worse, and 31% say the same of resolution. These are not marginal preferences being expressed at the edge of a scale.

One methodological point qualifies the comparison rather than undermining it. Businesses were asked about comparable types of contact, which controls for the fact that AI is generally given the simpler work. Customers were not asked to control for anything: they compared whatever they last experienced, which may well have been AI failing at something difficult against a human resolving something ordinary.

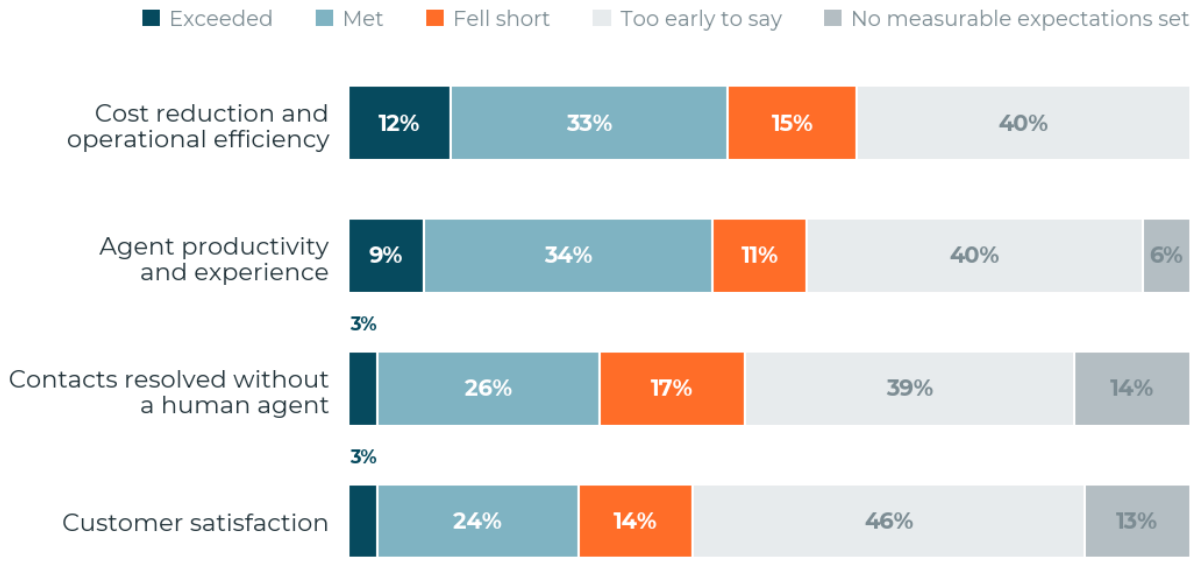
Part of the gap is therefore composition rather than performance. The customer, however, does not adjust for composition when deciding whether to trust the channel next time, so the unadjusted figure remains the operative one for anyone forecasting adoption.

A coherent picture starts to emerge: the applications that support an agent produce measurable internal gains and go almost unnoticed by the customer. The applications that replace an agent are noticed, and what the customer notices is that the service may have got faster, but is likely to have become worse.

HOW DOES AI PERFORM AGAINST THE BUSINESS CASE?

Respondents were asked how the AI they have already deployed has performed against the expectations set in the original business case, across four objectives.

Figure 25: Performance of deployed AI against the expectations set in the original business case



"Too early to say" accounts for between 39% and 46% of responses on every objective, which is difficult to accept at face value. These are not necessarily brand-new deployments: for example, a quarter of respondents have run chatbots long enough to be actively looking to replace them, and interaction analytics has been in place in many operations for years.

Ratings of "Exceeded expectations" are rare throughout, at 12% for cost reduction, 9% for agent productivity and 3% for both containment and customer satisfaction.

Rebasing the data **only** on the organisations able to make a judgement at all sharpens the differences between objectives: on that basis, three-quarters or more report cost reduction and agent productivity as met or exceeded, while containment fell short for 37% and customer satisfaction for 34%. The internal objectives are broadly being achieved and the customer-facing ones are not.

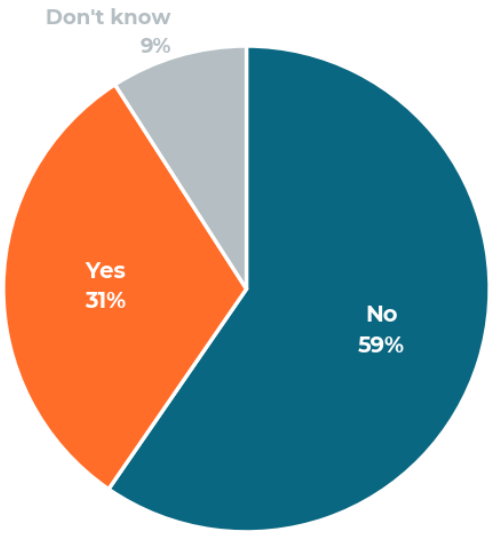
It should be noted that every organisation set a measurable expectation for cost reduction and operational efficiency, with nobody selecting the "no measurable expectations" option. For containment 14% set no measurable expectation, and for customer satisfaction 13% did not. Organisations set targets for the money and then, in roughly one case in seven, deployed AI against the customer without defining what success would look like.

That connects directly to the first section of this chapter, where the same failure is observed at different points in the process. 47% cannot say whether AI beats a human on customer satisfaction, and 13% never set an expectation for customer satisfaction to be measured against. An organisation which did not define the target at the outset is not in a position to report on it two years later, or even to make an educated guess.

WHAT HAS BEEN STOPPED, AND WHY

Respondents were asked whether they had ever stopped using, paused or rolled back an AI solution in customer contact after deploying it.

Figure 26: Have you ever stopped using, paused or rolled back an AI solution in customer contact after deploying it?



31% have, against 59% who have not and 9% who do not know. Close to one UK contact centre in three has withdrawn something it had already put into service, which should be set against the budget finding earlier that showed only 1% of respondents expect to spend less on AI over the next two years. Many organisations are failing (or at least underperforming) with their AI CX implementations, but are continuing to fund it at a greater level going forward.

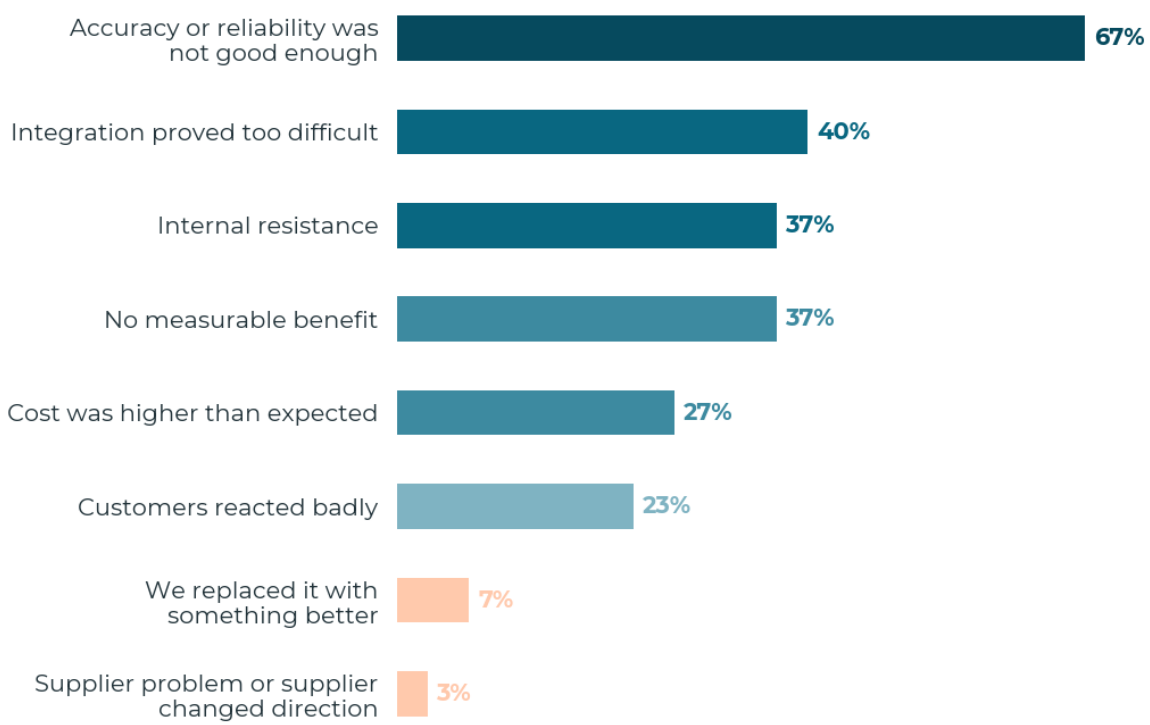
Of the organisations which stopped something, 63% stopped it at limited pilot and 23% at proof of concept or demo, which is the pipeline working as intended, since establishing that something does not work is one of the things a pilot is for.

The remaining 13% withdrew a solution from full production, which works out at around 4% of all respondents. While this is not a huge figure, it is an expensive category, with the overall cost not only the financial write-off: a customer-facing application pulled out of production has already been experienced negatively by customers and has needed explanation to the board.

When considering the reasons for rolling back an AI solution, one reason dominates everything else: 67% cite accuracy or reliability not being good enough.

Accuracy is not only the leading cause of AI implementation failure, but also a dimension on which 54% of customers rate AI worse than a human, and a concern held by 80% of UK consumers about AI in customer service generally. Business experience and customer perception rarely align this neatly on anything.

Figure 27: Main reasons for stopping, pausing or rolling back an AI solution (multiple selection allowed)



Integration difficulty follows at 40%, then internal resistance and no measurable benefit at 37% each.

Two observations follow from these findings: first, that internal resistance kills more deployments than customers reacting badly (23%) so these applications are more often stopped from inside the organisation than from outside it. The second is that no measurable benefit at 37% is the measurement problem appearing yet again in this section, and some proportion of those solutions will have been delivering a benefit that nobody had established the means to detect.

Two figures at the bottom of the chart are worth noting: only 7% stopped a solution because they had replaced it with something better, so 93% of these withdrawals were failures rather than upgrades. Supplier problems account for only 3%, which is the lowest figure on the list by some distance: whatever is going wrong in UK AI deployments, suppliers going out of business or changing direction is not it.

Taken as a whole, this section describes a technology that is doing what it was bought to do on cost, but very little of what customers care about.

Where organisations have made the comparison they report AI as faster and worse, with no organisation at all claiming better customer satisfaction, and customers report the same trade more harshly still. Around 40% cannot say how their deployments have performed against the business case, and where the objective concerned the customer rather than the cost, one in seven never set an expectation to measure against. Nearly a third have withdrawn something, the majority of those because it was not accurate enough. However, against all of that, 70% intend to increase their AI budget and only 1% plan to reduce it.

WHAT CUSTOMERS THINK AND WANT

The report to this point has mainly described AI in UK contact centres from the inside. This section describes the constraint that sits outside every one of those decisions, drawing on a survey of 1,000 UK consumers.

It covers when customers would choose AI over a person, what they are concerned about, what they actually experience when they get in touch, and which channels they reach for depending on the circumstances.

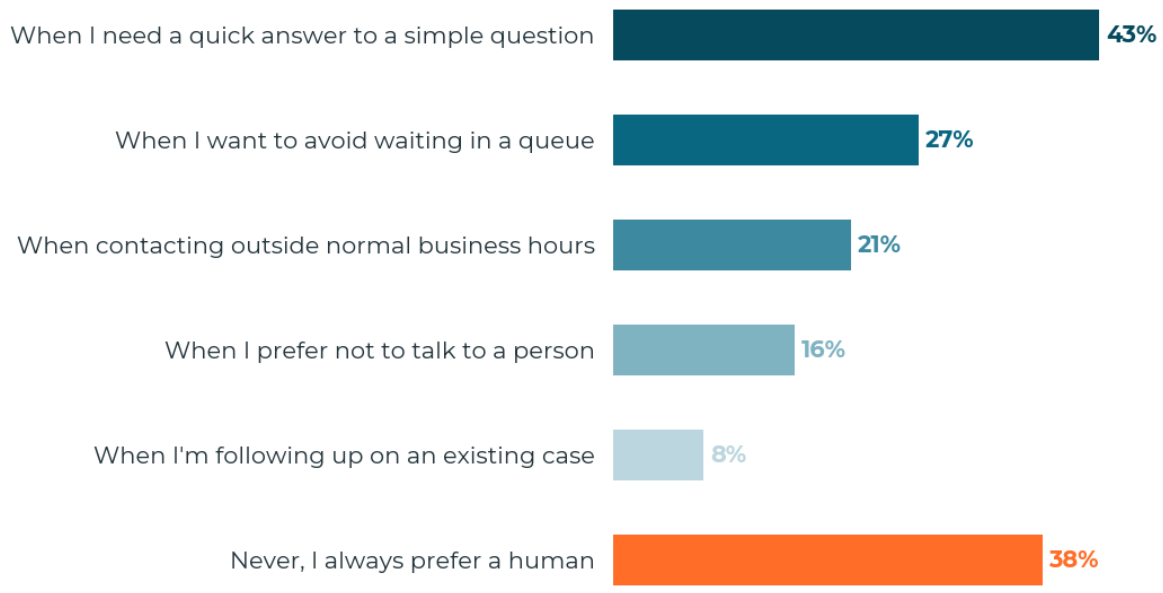
The consistent finding is that consumer demand for automation is real, specific and much narrower than most deployment plans assume or would like to believe.

WHEN CUSTOMERS CHOOSE AI

Consumers were asked in which situations, if any, they would prefer to deal with AI rather than a human.

It is important to note that the absence of a positive answer does not imply a preference for a person – it could be that the customer is neutral either way – which is why the option of never preferring AI was offered separately.

Figure 28: In which situations would you prefer to deal with AI rather than a human?



62% of UK consumers name at least one situation in which they would actively prefer AI, which is a considerably more positive starting position than the concerns data later in this section might suggest. This is not tolerance of automation: it is preference for it (in some circumstances).

The preference is specific, with 43% choosing AI when they need a quick answer to a simple question, which is by a wide margin the most popular situation, and 27% would choose it to avoid waiting in a queue. Contacting a business outside normal hours accounts for 21% and simply preferring not to talk to a person for 16%.

At the other end, only 8% would choose AI when following up on an existing case which is worth exploring: the most popular situation where AI wins involves a single, self-contained, low-stakes request. However, the moment an interaction carries history, when escalation and context become material, the preference collapses to one customer in twelve.

That maps onto the capability data shown earlier, where 84% of deployed bots answer questions from published information but only 7% can work across more than one system. What customers want automated at the simple end is precisely what the installed base can do, so supply and demand are aligned.

38% would never choose AI over a person in any of the situations offered, with that figure functioning as a practical ceiling on voluntary automation for this population.

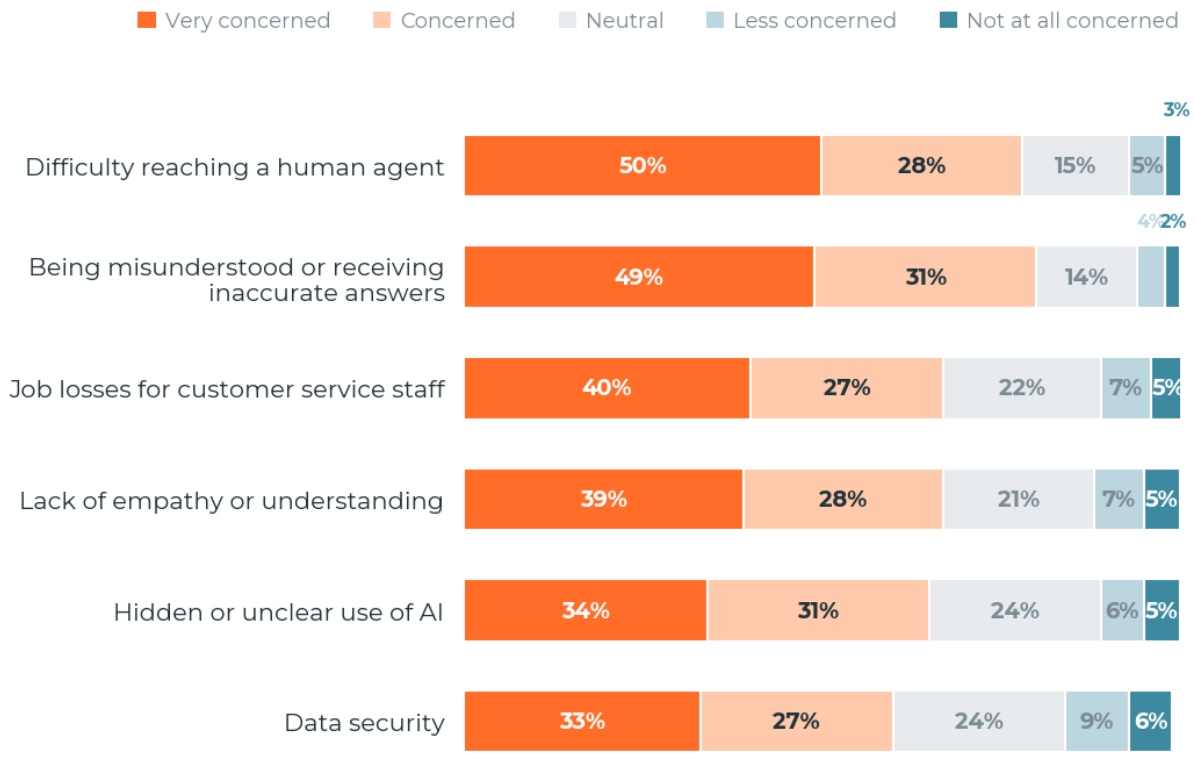
It is also strongly age-related: at least half of every age group under 55 would choose AI for a simple question, falling to 26% among the over-65s, with more than half of the 55 and over group say they would always prefer a live agent. Any organisation with an older customer base is working against a materially higher floor of resistance than the average figures here suggest.

The practical consequence for a business case is that automation should be justified on the simple-question use case, which is real, sizeable and well matched to current capability, rather than on a general premise that customers have become comfortable with AI: on this evidence, they have become comfortable with AI for one specific job.

WHAT CUSTOMERS ARE AFRAID OF

Consumers were asked how concerned they were about six potential issues with AI in customer service.

Figure 29: To what extent are you concerned about each of the following when dealing with AI in customer service?



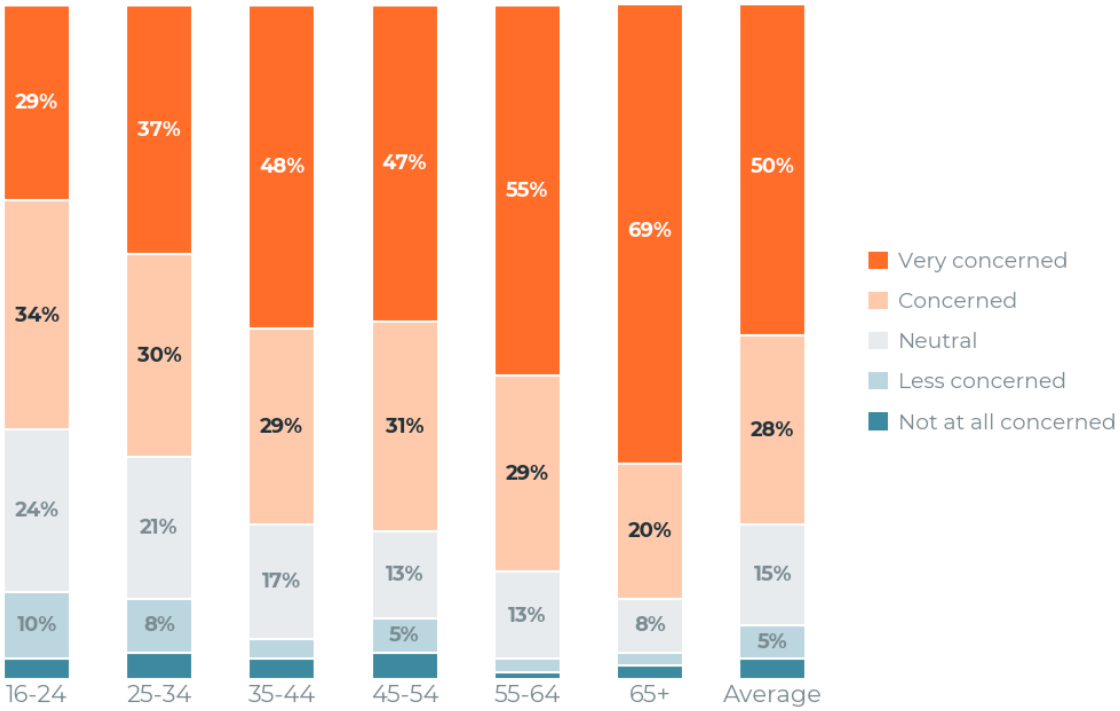
Every one of the six concerns is held to some extent by at least 60% of UK consumers, so the question is not which of these worry people, but which worry them most.

Two stand clearly above the rest: 80% are concerned about being misunderstood or receiving inaccurate answers and 78% about difficulty reaching a human agent, and the proportion who are very concerned about these issues approaches half the population, at 49% and 50% respectively.

What that ordering reveals is that the dominant anxieties are about competence and access rather than about ethics or privacy. Data security sits last at 60% and hidden use of AI second to last at 65%, both of which attract more commentary in the trade press than either of the two concerns customers actually rank highest. Customers are not, in the main, worried about what AI might do with their data. They are worried that it will not understand them and then that it will not let them talk to anybody who does.

The concern about reaching a human has the steepest age gradient in the consumer research.

Figure 30: Concerns about difficulty reaching a human agent when dealing with AI in customer service, by age range



Concern rises without interruption from 63% among 16 to 24 year-olds to 89% among the over-65s, and the intensity rises faster than the totals: 69% of the oldest group are very concerned, against 29% of the youngest. Well over two thirds of older customers are not mildly uneasy about this but strongly worried by it.

This concern has been earned rather than imagined, predating AI by decades. Customers have watched automation used repeatedly to keep them away from an agent, through touchtone menus, hidden telephone numbers and self-service designed to deflect rather than to resolve.

An organisation deploying a genuinely capable bot with a clear route to a person inherits that scepticism regardless of whether it has done anything to deserve it, which means the visible exit discussed earlier has to work harder than its designers generally expect.

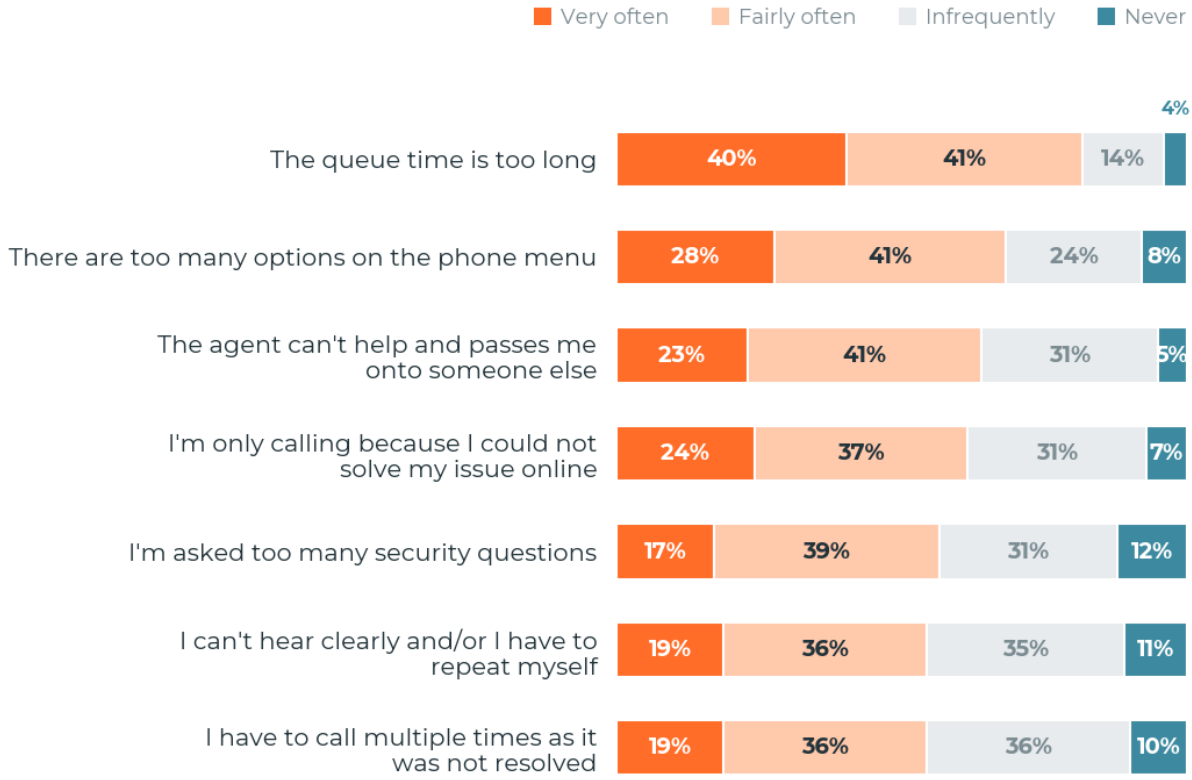
Reading the accuracy concern alongside the outcome data brings three independent measures into line: 80% of consumers are concerned about being misunderstood or given inaccurate answers, 54% of those who have used AI report its accuracy as worse than a human's, and 67% of the organisations that withdrew an AI solution did so because it was not reliably accurate enough.

Consumer fear, consumer experience and business failure all point at the same thing in this case.

WHAT CUSTOMERS ACTUALLY GET

Consumers were also asked how often they encounter a set of common problems when contacting an organisation. This is the environment into which AI is being deployed, and it is not an entirely healthy one.

Figure 31: How often do you encounter the following when contacting an organisation?



81% report that the queue time is too long very often or fairly often. 69% encounter too many options on the phone menu and 64% are passed between agents.

The most consequential figure in this chart for anyone modelling automation is the fourth: 61% of consumers say that very often or fairly often they are only calling because they could not solve the issue online. More than six customers in ten arriving at a contact centre by phone are there because a digital channel has already failed them.

This should be placed against the caution raised about containment figures earlier in the report: a containment rate is calculated on the digital side of the operation, and it counts a customer who gives up and telephones later as a success because the session ended without an escalation. The volume implied by this 61% has to land somewhere, and it lands in the telephony queue that 81% of consumers already report as too long.

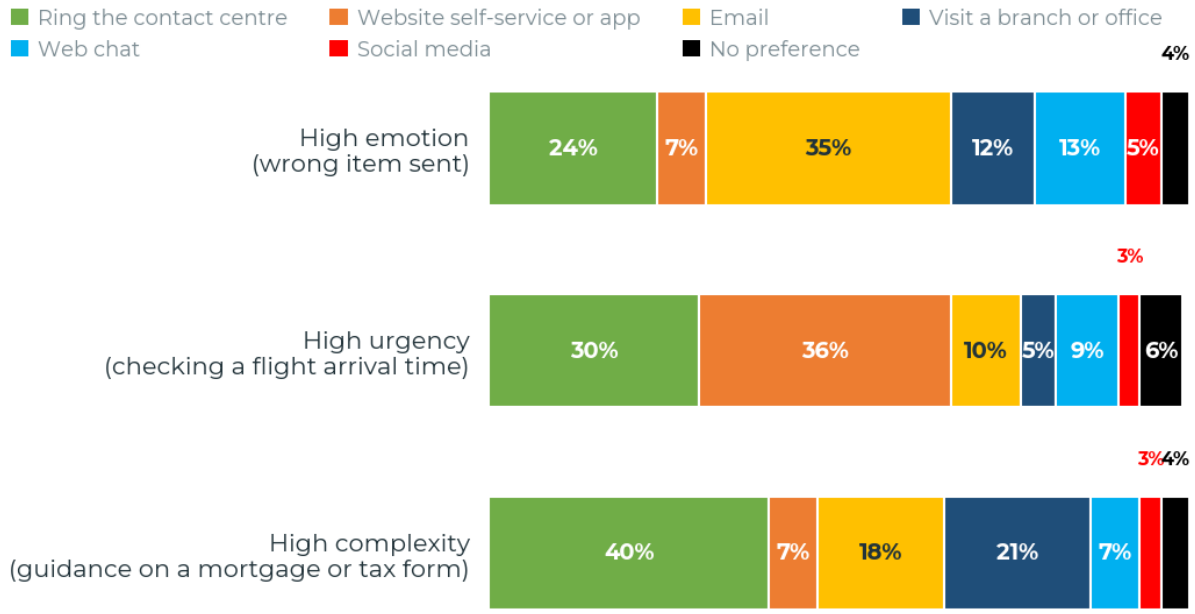
55% also report having to call multiple times because the issue was not resolved, which is first contact resolution failure seen from the customer's side of it. Previous findings show that AI performs worse than a human on both resolution and understanding, so the risk is plain: adding automation to a channel already generating this volume of failure demand may increase the total contact load borne by customers, rather than reducing it.

CHANNEL BY CIRCUMSTANCE

Customers usually do not have a single channel preference, but change with the nature of the interaction.

Consumers were presented with three scenarios chosen to isolate emotion, urgency and complexity and asked which their preferred channel of choice would be in each case.

Figure 32: Preferred method of contacting a company, by type of interaction



For a high emotion interaction (notifying a company that an important item was not sent correctly) email leads at 35% with the contact centre second at 24% and web chat at 13%. For a high urgency interaction, checking the arrival time of a flight, website self-service leads at 36% with the contact centre at 30%. For a high complexity interaction, obtaining guidance on a mortgage application or tax form, the contact centre leads at 40%, with a visit to a branch or office second at 21%.

Self-service wins one of the three scenarios: one in which the customer needs a single piece of information and needs it quickly. That is the same conclusion reached earlier from an entirely different question, and yet more evidence if it were needed that self-service, simplicity and speed go together perfectly.

Where the interaction carries emotional weight or genuine complexity, customers go to a person. For complexity the phone takes 40% and the two human channels together take 61%, against 7% for self-service. No plausible improvement in bot capability over two to three years changes a preference of that size, and organisations planning to automate complex enquiries are planning against their customers rather than with them.

The customer base has made a clear and consistent judgement: automate the simple and the urgent, leave the difficult and the emotional to a person, and never make it hard to reach one. Most customers will actively choose AI on those terms.

The effect of AI in the contact centre on agents is not only concerned with the effect on employment.

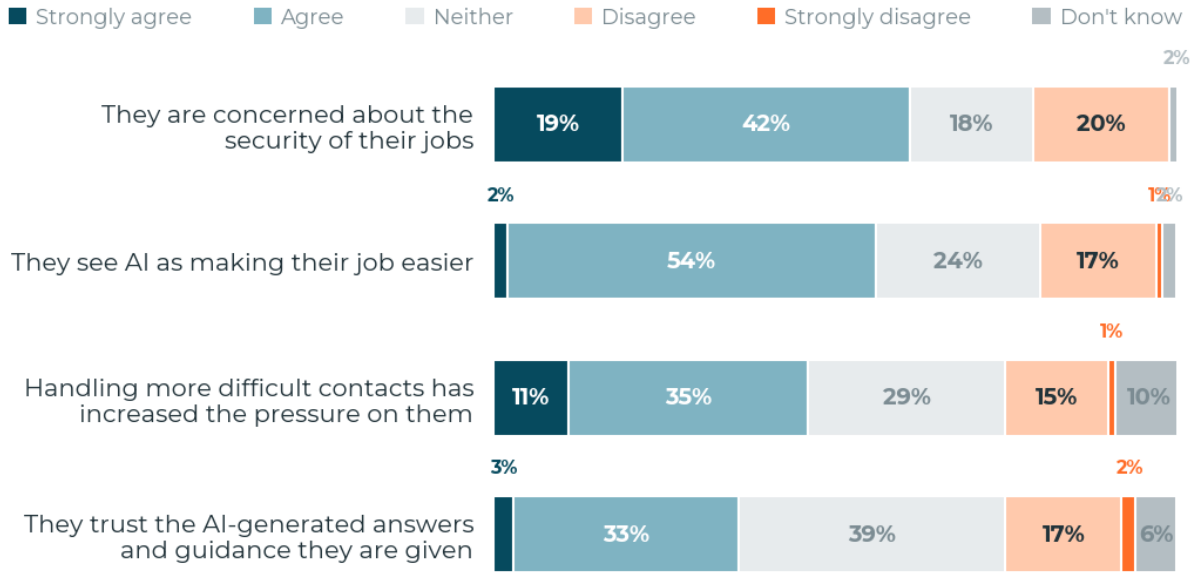
This section covers how AI is impacting headcount in UK contact centres, how management reads agent sentiment, what organisations did with their people when AI arrived and what the public makes of the whole question.

HOW AGENTS FEEL, AS MANAGEMENT READS IT

Respondents were asked, from their own reading of how their agents feel, how far they agreed with four statements.

One limitation should be stated at the outset: this is management reporting on agent sentiment rather than agents reporting on their own, and should be read accordingly.

Figure 33: From your own reading of how your agents feel, to what extent do you agree with the following?



61% of respondents agree that their agents are concerned about the effect of AI on job security, with 19% agreeing strongly. At the same time 56% agree that agents see AI as making their job easier: an agent can find a tool genuinely useful and still understand what its widespread adoption implies for the size of the team.

Only 36% agree that their agents trust the AI-generated answers and guidance they are given, with 39% neither agreeing nor disagreeing. Considering findings earlier in the report where agent assistance and AI knowledge management were the fastest-growing applications in the entire survey, this throws up some difficulties: an assistance tool the agent does not trust is an assistance tool the agent verifies independently or ignores, and either behaviour removes most of the benefit. It may be a reason why the impact figures earlier clustered heavily on “slightly positive” rather than “significantly positive”.

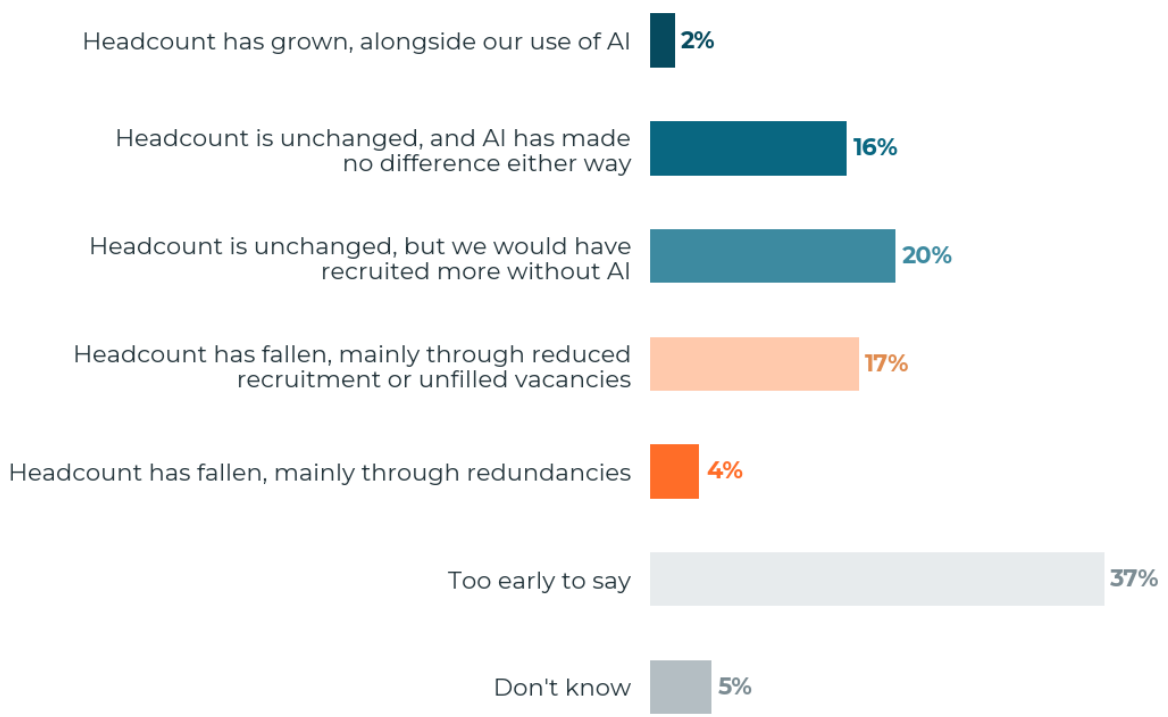
46% agree that handling more difficult contacts has increased the pressure on their agents. While this throws up its own problems (and we have written White Papers on the effect of AI on the workforce, including burnout, absence and attrition), this is the direct consequence of automation working as intended.

If the bot absorbs the straightforward contacts, what remains is uniformly harder, and the natural recovery periods that a mix of easy and difficult work used to provide disappear. That is a workload design problem rather than a technology problem, and one which does need to be acknowledged, measured and solved.

WHAT HAS ACTUALLY HAPPENED TO HEADCOUNT

Respondents were asked what effect AI has had on the number of people employed in their contact centre to date.

Figure 34: What effect has AI had on the number of people employed in your contact centre to date?



The largest single answer given is that it is “too early to say”, which is consistent with the pattern of unanswered questions running through this survey. Among those who can answer, the shape of the result is not what the public discussion assumes.

Only 4% report headcount falling mainly through redundancies and 17% report it falling mainly through reduced recruitment or unfilled vacancies. A further 20% report headcount unchanged but say they would have recruited more without AI.

Adding those together, 41% of UK contact centres have had their headcount reduced or held down by AI, but only around one-tenth of that total came from making anybody redundant.

The redundancy figure is the one that gets a lot of press time, but what is actually happening is a hiring adjustment: leavers are not replaced, vacancies are left open, and planned expansion does not happen. 16% report that AI has made no difference either way and 2% report headcount growing alongside it.

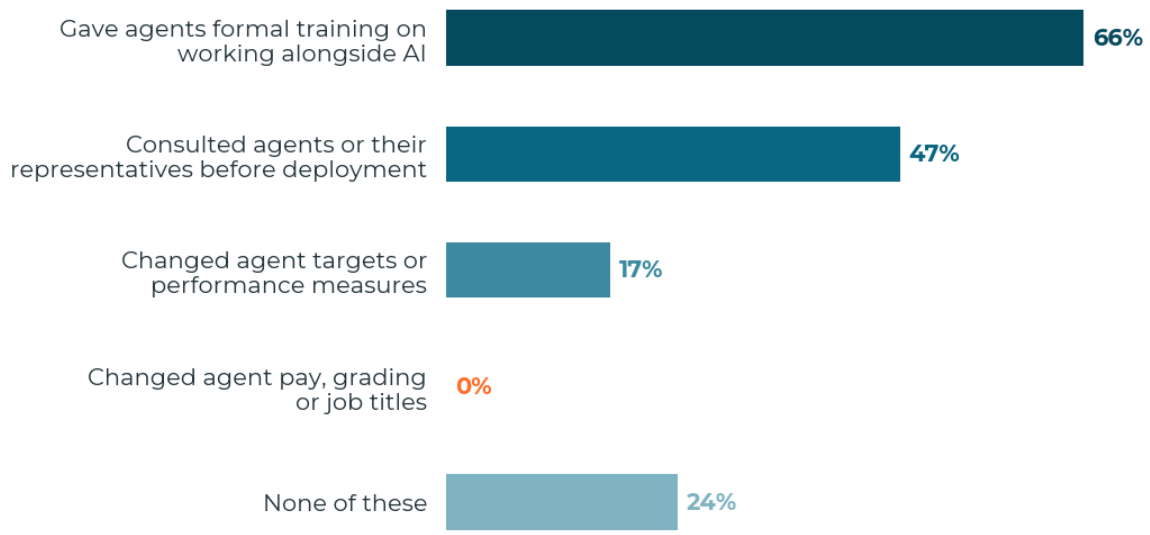
The manner of the reduction has consequences beyond the arithmetic. A workforce reduction delivered through attrition is invisible in a way that a redundancy programme is not: it triggers no consultation, involves no announcement, produces no severance terms and gives the remaining staff nothing concrete to respond to.

It is a great deal less disruptive than the alternative, and it also means that the 61% of agents whose managers believe they are concerned about their jobs are worried about something that no-one has formally told them is happening.

WHAT WAS DONE WHEN AI ARRIVED

Respondents were asked which of a set of actions their organisation took when deploying AI in the contact centre, with multiple choices allowed.

Figure 35: Which of the following did your organisation do when deploying AI in the contact centre?



66% gave agents formal training on working alongside AI, which is a respectable figure. 47% consulted agents or their representatives before deployment, 17% changed agent targets or performance measures to reflect AI's role, and 24% did none of these things.

Not a single organisation in this survey changed agent pay, grading or job titles in response to deploying AI. This should be set against what the survey projects for the same job within two years: knowledge retrieved automatically during the conversation, responses drafted for the agent to approve, the interaction summarised and coded without them, the whole thing scored by another model, and a contact mix stripped of its routine work so that what arrives is consistently complex.

That is not the job the current grade and job description were written for. However, unless there is a major change that is not being talked about, a different job is being done for similar money under the same title in the large majority of organisations.

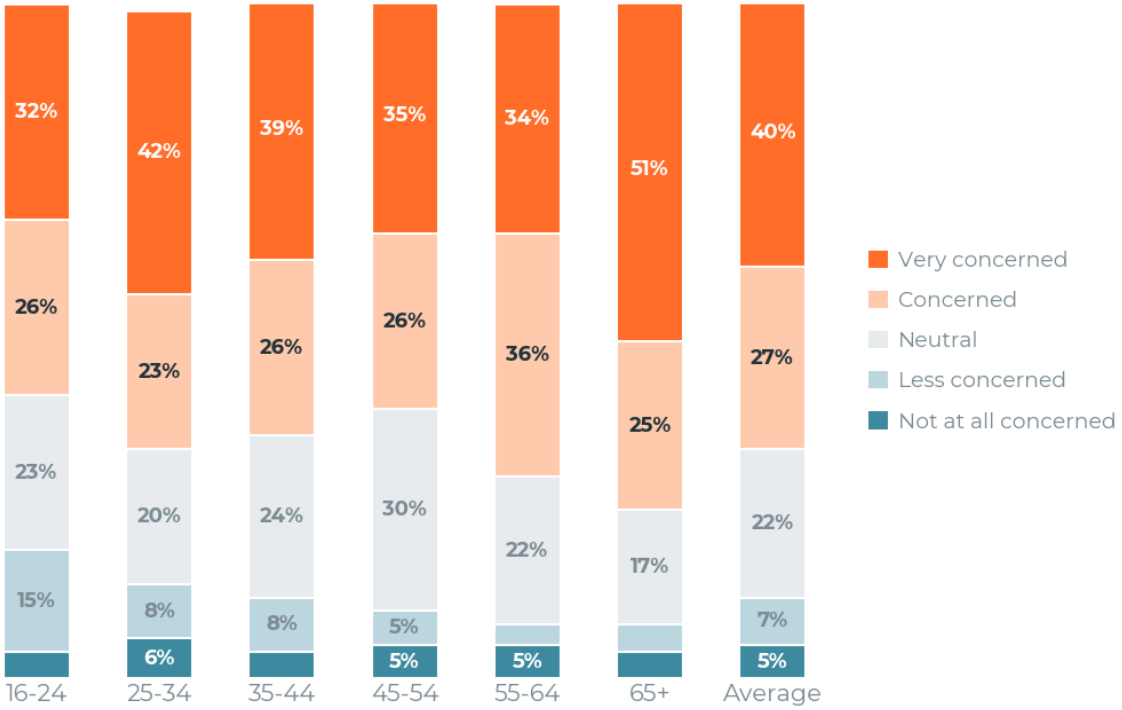
The 17% who changed targets or performance measures should also be considered, in that these agents are being measured against metrics designed for a workload that is changing hugely. Average handling time is the obvious casualty: once the simple contacts have gone to the bot, a rising handling time is evidence that automation is working rather than that the agent is underperforming. The data suggest that five organisations in six have not adjusted for that.

Consultation at 47% is weak and hard to defend: given that 61% of survey respondents believe their agents are worried about their jobs, having fewer than half of them having talked to those agents or their representatives before deploying the technology causing the worry is not particularly enlightened or supportive. Training somebody to use a tool is not the same as discussing what the tool is for and what impact it could have on their livelihood.

WHAT THE PUBLIC MAKES OF IT

The consumer survey asked the same question from the other side, and the result is more sympathetic than the industry might expect.

Figure 36: Concerns about job losses for customer service staff when dealing with AI in customer service, by age range



67% of UK consumers are concerned to some extent about job losses among customer service staff as a result of AI, rising to 76% among the over-65s and standing at 58% even in the least concerned group, the 16 to 24 year-olds. 40% of the population overall are very concerned.

For an industry that the press routinely characterises as unrewarding work, that is a surprisingly protective response, and the explanation is unlikely to be altruism.

Customers have worked out that a human agent is what gets their problem solved – particularly a difficult one – a conclusion the outcome data earlier supports comprehensively. Concern about agent job losses is at least partly driven by losing the thing that works for the customer. The age pattern is similar to that appearing in the concern about reaching a human agent, and may be the same underlying worry expressed two ways.

This section of the report describes a workforce transition being carried out with reasonable care on training, fairly thin engagement on consultation and no adjustment at all to the terms of the job.

Headcount is coming down undramatically, mainly through the vacancy list rather than the redundancy process. The agents who remain are handling a harder mix of work with tools that only a third of their managers believe they trust, measured against targets designed for the job they used to do. None of that is particularly expensive to address, but little of it has yet been.

SOURCING AND PROCUREMENT

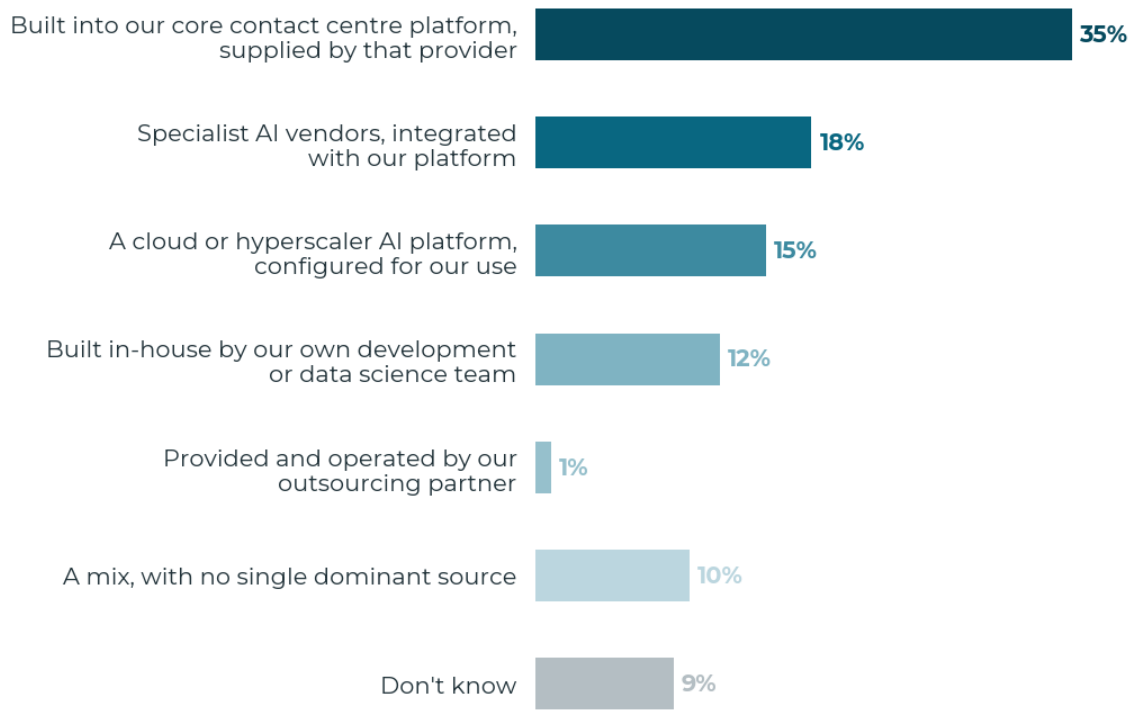
Where AI capability comes from determines a great deal about what an operation can do with it, how quickly it can change direction and who it depends on.

This section covers the current CX AI sourcing position in UK contact centres and the direction organisations expect to take over the next few years.

WHERE AI COMES FROM TODAY

Respondents were asked where the majority of the AI capability used in their contact centre currently comes from.

Figure 37: Where does the majority of the AI capability used in your contact centre come from?



The core contact centre platform is the single largest source at 35%, so while it is a plurality, it should be noted that 65% of UK contact centres get most of their AI from somewhere other than their contact centre platform provider.

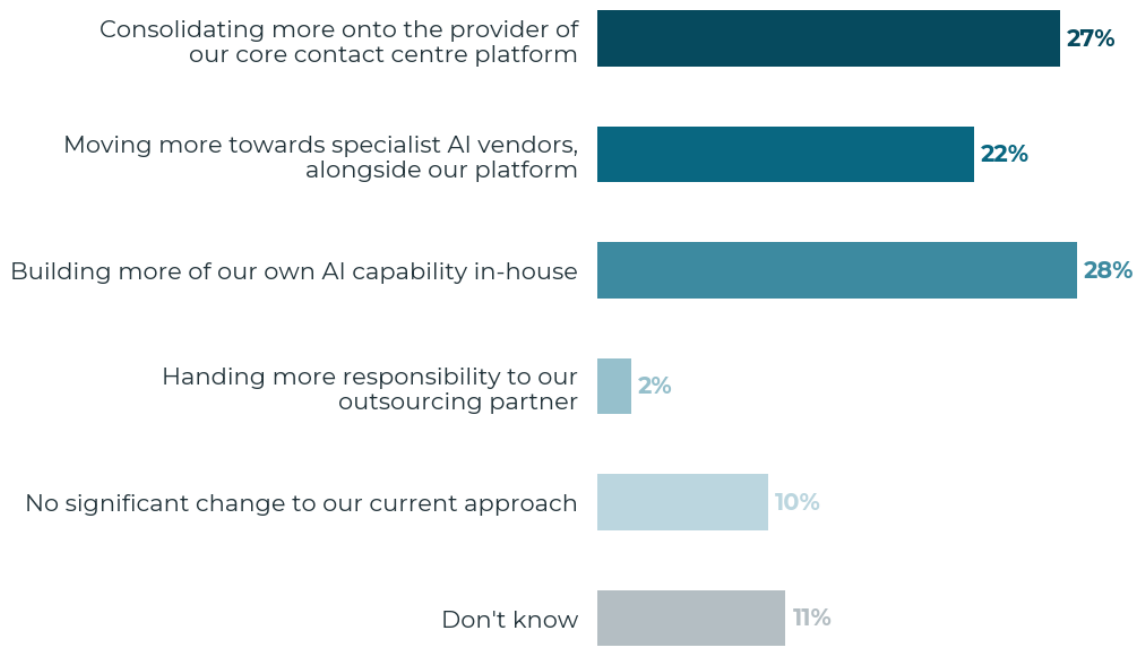
The alternatives divide three ways: 18% use specialist AI vendors selected separately and integrated with the platform, 15% use a cloud or hyperscaler AI platform configured for their own use, and 12% build in-house with their own development or data science team.

Those three together account for 45%, which is ten points ahead of the platform route. The widely held assumption that contact centre AI is bought from the contact centre platform vendor does not hold for this market.

WHERE ORGANISATIONS SAY THEY ARE HEADING

Respondents were then asked which direction they expect their organisation to take over the next two to three years.

Figure 38: Which of the following best describes the direction you expect your organisation to take over the next 2 to 3 years?



28% expect to build more of their own AI capability in-house, 27% expect to consolidate more onto their core contact centre platform provider and 22% expect to move further towards specialist AI vendors. 10% expect no significant change, 2% expect to hand more responsibility to an outsourcing partner and 11% do not know. This shows an industry in dynamic flux and without a clear direction.

Looking further at changes, in-house is perhaps the standout: while 12% source most of their AI that way today, 28% intend to move further towards it, which is a strong directional signal.

The platform route runs the other way, with 35% sourcing from it now and 27% intending to consolidate further onto it. Specialist vendors sit close to level at 18% and 22%.

What that describes is a fragmenting market rather than a consolidating one. Three roughly equal camps are forming, and the received wisdom that contact centre AI will settle onto the CCaaS platform is held by around a quarter of the market. For platform providers, this implication is a little uncomfortable: incumbency in the contact centre platform is not yet converting into incumbency in AI.

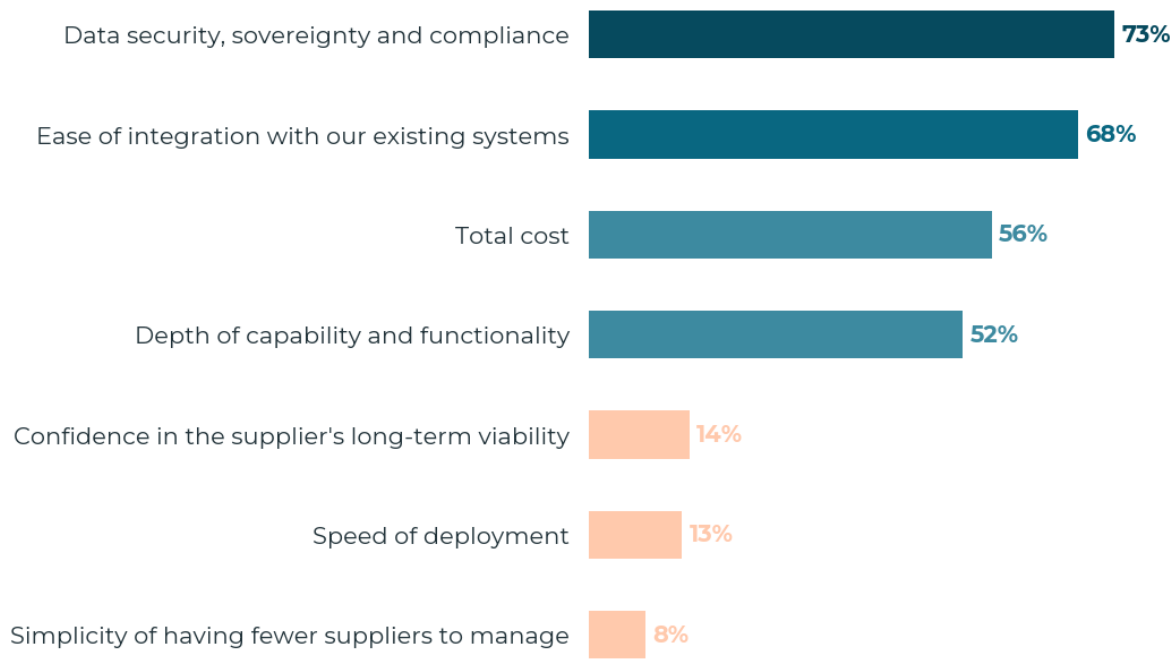
The in-house intention deserves some scepticism, for two reasons drawn from elsewhere in this report.

27% of respondents name a lack of internal AI skills or expertise as a barrier to further adoption, and perhaps more importantly, earlier data showed that the contact centre holds the budget in only 33% of organisations while IT holds it in 41%, so a good deal of this in-house intention will be an IT function's decision to build rather than an operational one. Intending to build and being able to build are different things, and the gap between them is where a lot of the specialist vendor opportunity over the next two years will sit.

WHAT DECIDES THE CHOICE

Respondents were asked what matters most when deciding where to source AI for their contact centre, choosing up to three.

Figure 39: What matters most when deciding where to source AI for your contact centre?



Data security, sovereignty and compliance leads at 73%, followed by ease of integration with existing systems at 68%, total cost at 56% and depth of capability and functionality at 52%.

Confidence in the supplier's long-term viability, speed of deployment and simplicity of managing fewer suppliers trail well behind at 14%, 13% and 8%.

The ordering of the top four should be read directly against previous findings: data security and integration are owned by IT, and cost is owned by finance or procurement. Those are the functions which hold the AI budget in 41% and 33% of organisations respectively.

Depth of capability, which is the criterion the contact centre itself has the most direct interest in, ranks fourth. Selection criteria are more often following budget authority rather than operational need, which is exactly what the ownership data would predict.

There is a structural point underneath this, which is that the criteria dominating this list share a common property: each can be assessed on paper before any money is spent. A security posture can be reviewed, an integration architecture can be examined and a price can be compared. Accuracy against an organisation's own contact mix cannot be established that way at all, because it only becomes visible once real customers are talking to the system.

That matters because of what was previously established: 67% of AI solutions withdrawn were done so because accuracy or reliability was not good enough, which is the single largest cause of failure by a considerable margin. The evaluation is weighted towards the attributes that can be checked in advance, while the attribute that actually kills deployments can only be checked once the decision has been made.

The questionnaire did not offer accuracy or reliability as a separate sourcing criterion, so its absence from this ranking should not be read as buyers disregarding it. However, the observation stands on its own and there may be a practical remedy: moving the accuracy assessment forward by making a paid pilot on real traffic part of the selection process rather than the first step after it. This is more a change to procurement sequencing rather than criteria, and it addresses a key cause of failure that no amount of documentation review will catch.

While confidence in the supplier's long-term viability at 14% is perhaps low for a category carrying this much venture funding and consolidation activity, it can be viewed against the earlier finding that supplier problems accounted for only 3% of rollbacks. Buyers are not worried about their suppliers and, on the evidence so far, they have been right not to be.

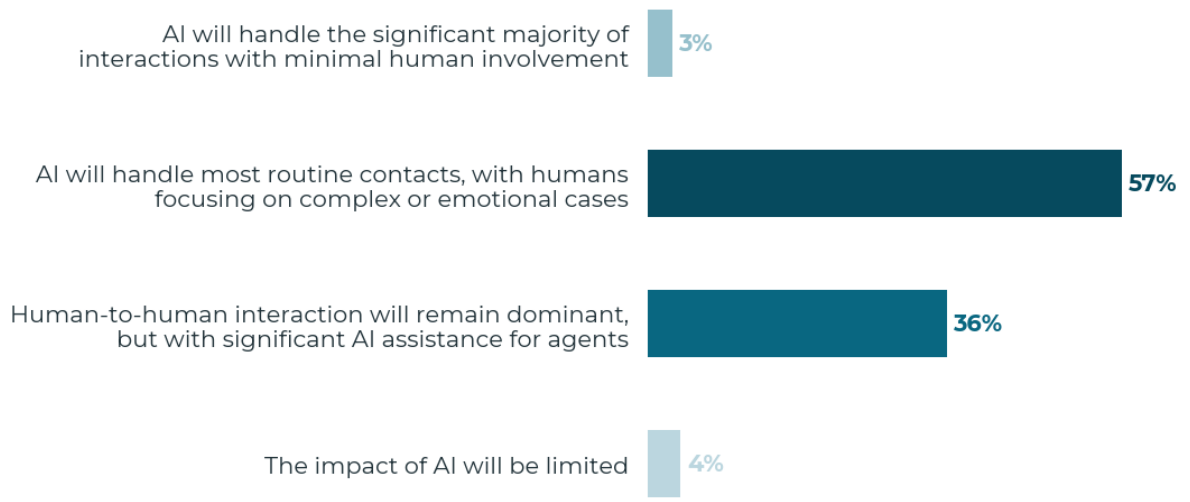
This section of the report considers what UK contact centres expect their operations to look like in two to three years, and what they believe stands between them and getting there.

Both questions produce answers considerably more moderate than the public discussion of AI in customer service would lead anyone to expect, but which are entirely believable.

WHAT ORGANISATIONS EXPECT

Respondents were asked which of four statements comes closest to what they think will happen in their contact centre over the next two to three years.

Figure 40: Which statement is closest to what you think will happen in your contact centre over the next 2 to 3 years?



57% expect AI to handle most routine contacts with humans concentrating on complex or emotional cases, and 36% expect human-to-human interaction to remain dominant with significant AI assistance for agents. Between them those two positions account for 93% of the market.

The two extremes are almost unoccupied. Only 3% expect AI to handle the significant majority of interactions with minimal human involvement and 4% expect the impact of AI to be limited, so the positions that dominate conference platforms and newspaper columns are held by very few actual expert practitioners. The people actually running these operations have converged on a hybrid, and the only real disagreement is about where the line between routine and complex will fall.

The 57% position requires AI to handle most routine contact within two to three years. The survey finds chatbots currently resolving a mean 27% of the interactions they handle without a human, voicebots 24%, and only 7% of bot users operating anything capable of working across more than one system.

Getting from there to being able to handle the majority of routine contact is not a gradual continuation of the current trend but a substantial step change in capability, and it has to happen inside the same two to three years in which the AI budget is expected to grow by around a quarter.

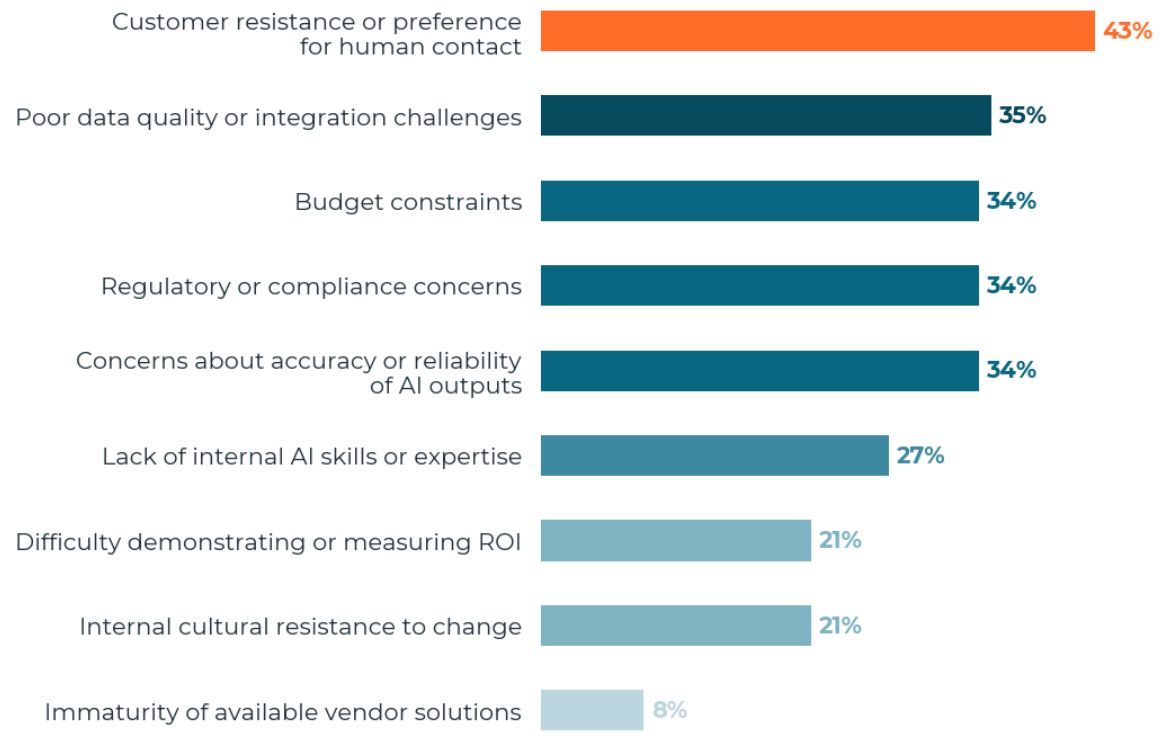
It also has to happen with the customer's agreement, and earlier data suggested the boundary: 43% of consumers will choose AI for a quick answer to a simple question, 27% to avoid a queue, and 8% when following up an existing case, while 38% would not choose it at all.

The 57% position is compatible with that if the “routine contacts” description is read strictly, meaning single-step requests with no history. It is not compatible with it if “routine” is read as anything the organisation would rather not staff.

WHAT STANDS IN THE WAY

Respondents were asked to name the most significant barriers to further AI adoption in their CX operation over the next two to three years, choosing up to three.

Figure 41: Most significant barriers to further AI adoption over the next 2 to 3 years



Customer resistance or preference for human contact is the leading barrier at 43%, ahead of poor data quality or integration challenges at 35% and a three-way tie at 34% between budget constraints, regulatory or compliance concerns and concerns about the accuracy or reliability of AI outputs.

The customer taking first place is unusual in this research, where technology and budget normally lead, but on the evidence of the customer experience and opinions section, it may well be correct. As we have seen, 38% of consumers would never choose AI over a person, 78% are concerned about being unable to reach a human and 80% about being misunderstood or given inaccurate answers. There is evidence to suggest that the industry has identified its principal constraint accurately.

Immaturity of available vendor solutions comes last at 8%, and the research has already shown that UK contact centres do not believe the technology or its suppliers are the obstacle. They believe the main issues are their own data, their own budgets, their own regulators and their own customers, and having removed the vendors from the list of excuses they are left with a set of problems they own themselves.

Two rankings in this chart are difficult to reconcile with earlier findings: concerns about accuracy or reliability sit fifth at 34%, tied with budget and regulation, but accuracy was the cause of 67% of every AI withdrawal recorded. The organisations that have already been burned know exactly how dangerous this is, but the market as a whole is still ranking it as one problem among several.

The second is more serious. Difficulty demonstrating or measuring ROI is named by 21%, putting it seventh of nine, yet roughly 40% of organisations were unable to say how their deployed AI had performed against the original business case, between 36% and 47% unable to say whether AI outperforms a human agent, and 13% who never set a measurable expectation for customer satisfaction at all.

A measurement problem of that size is not being experienced as a barrier by most of the organisations that have it, and that makes sense in that an organisation which cannot tell whether its AI is working also does not know that this is a problem.

This section of the research describes a market with realistic expectations, a correct reading of its principal external constraint and a substantial blind spot about its internal one.

Very few UK customer contact experts expect AI to take over and almost nobody expects it to fizzle out. What most of them expect is a hybrid operation, arrived at gradually, limited to a significant extent by what customers will accept, but evaluated by measures that roughly two fifths of them do not currently have in place.

CONCLUSIONS

The business and consumer research carried out for this report describes an industry spending heavily and confidently on a technology whose effects it has largely not measured, in an area where its customers have already reached a clear and reasonably generous verdict.

Four gaps run through the findings, each a gap between what is being said about AI in UK customer contact and what is demonstrably happening.

THE CLAIM GAP

24% of UK contact centres say they use agentic AI in customer contact, yet only 7% of those using a bot report that it can work out for itself which steps are needed and complete a request spanning more than one system. The term is more a marker of intent than true current capability, and any market sizing built on self-reported agentic adoption overstates the deployed position very considerably.

Similar distance shows up in other deployment and planning figures: a quarter of UK contact centres run a chatbot and 12% run a voicebot. 44% of the survey respondents intend to deploy a new AI chatbot within twelve months, and 37% a voicebot (quadrupling the installed base of the latter). While this shows enthusiasm, it would be very surprising if these targets were reached.

THE ACCOUNTABILITY GAP

45% of AI investment decisions in UK contact centres are mostly or entirely board-driven, and a quarter of respondents do not believe the board's priorities match what their operation needs.

IT holds the AI budget in 41% of organisations and finance or procurement in 33%, while the contact centre holds it in 33% and is accountable when AI goes wrong in 47%. It is the only function in the survey more often accountable than in control.

That structure has consequences which appear repeatedly throughout the report. Selection criteria follow budget authority, with data security at 73% and integration at 68% outranking depth of capability at 52%.

A function which does not hold the budget cannot insist that measurable expectations are set before deployment, or stop a deployment which has none, and this scenario is more common than it should be, and one in eight survey respondents could not forecast change in their own AI budget at all.

THE MEASUREMENT GAP

Depending on the measure, between 36% and 47% of organisations that have deployed AI cannot say whether it outperforms a human agent on handling time, accuracy, first contact resolution or customer satisfaction.

A similar proportion say it is too early to judge their deployments against the original business case, often several years into those deployments. 27% of agent assistance users cannot say what it did to onboarding time, and a majority of interaction analytics users do not systematically act on what their analytics produces.

It should be noted that every organisation surveyed set a measurable expectation for cost reduction and operational efficiency, but 14% set none for the proportion of contacts resolved without a human and 13% set none for customer satisfaction.

Current targets are set for the money and not for the customer, which is why the customer outcomes often cannot be reported on. However, only 21% name difficulty measuring ROI as a barrier to further adoption, which is what would be expected from a market that cannot fully see the problem it has.

THE REALITY GAP

Where organisations have made the comparison, they report AI as faster than human agents, but worse.

69% of those with a view say AI beats a human on average handling time, but it wins nothing else: the human is ahead on accuracy by 38% to 28% and on first contact resolution by 44% to 27%. On customer satisfaction, not one respondent in the survey said AI performs better than a person. Considering that CSAT is consistently reported to be the most important measure by which to judge the success of CX programmes, this highlights a problem.

Customers say the same thing, but more harshly: 69% report AI's understanding of their issue as worse than a human's, 59% the overall resolution, 54% the accuracy of information and 46% the friendliness and tone.

Even on speed, where AI is universally assumed to win outright, only 42% of customers say it is faster and 33% say it is slower, because the customer counts the failed attempt, the queue and the re-explanation that the organisation's handling time figure excludes.

Business experience, customer experience and failure data converge on one attribute. Accuracy and reliability, which caused 67% of every AI solution withdrawn in UK customer contact, is the dimension on which 54% of customers rate AI below a human, and is the subject of the concern held by 80% of UK consumers.

Three independent measurements pointing at the importance of accuracy and reliability suggest this should be considered even more important than it currently is.

WHAT THE CUSTOMER WILL ACTUALLY ACCEPT

The consumer research is more encouraging than the concerns data alone suggests.

62% of UK consumers name at least one situation in which they would actively **prefer** AI to a person, rather than just tolerate it. The preference is concentrated almost entirely at one point: 43% would choose AI for a quick answer to a simple question and 27% to avoid a queue, while only 8% would choose it when following up an existing case.

The channel data reaches the same conclusion by a different route. Web self-service leads as the channel of choice for urgent, simple requests, whereas for complex enquiries live agents are strongly preferred over any automation or even live digital channels.

Customers have made a coherent judgement: simple and/or urgent interactions are fine to automate, but the difficult and the emotional ones should be left to human agents: above all, never make it difficult to reach one if needed. 78% are concerned that AI will make reaching a person harder, rising to 89% among the over-65s, concern being earned by decades of self-service designed to deflect rather than resolve.

STRATEGIES

The findings of this report suggest a number of practical positions for organisations deploying AI in customer contact:

- Build the business case on the simple-question use case, which is real, sizeable and well matched to what deployed bots can currently do, rather than on a general premise that customers have become comfortable with AI. On this evidence, they have become comfortable with AI for one specific job.
- Set measurable expectations for the customer-facing objectives with the same discipline already applied to cost. An organisation which did not define what success looked like for customer satisfaction will not be able to report on it, and will not know whether to continue.
- Treat containment rates carefully, as there is a danger of counting abandonment as success. 61% of consumers report that they are only calling because they could not resolve the issue online. Customer outcome success (regardless of channel) is a metric which will become far more important and visible in the near future.
- Make the route to a human visible from the first turn, and measure it. Almost every operation can report a containment rate and very few can report how many customers wanted a person and how long it took them to reach one, which is a metric the consumer evidence says matters a great deal.
- Move the accuracy assessment forward in the procurement process. Accuracy against your own contact mix cannot be established from documentation, it caused two thirds of all withdrawals, and the remedy is a paid pilot on real traffic as part of selection rather than as the first step after it.

- Revisit agent targets, grading and job design. Not one organisation in this survey changed agent pay, grading or job titles in response to deploying AI, and only 17% changed targets or performance measures, while 46% report that handling a harder contact mix has increased the pressure on their people.
- Consult before deploying, not only train afterwards. 61% of respondents believe their agents are worried about their jobs but only 47% consulted them or their representatives beforehand. Any headcount reduction that is actually happening is usually through unfilled vacancies rather than the massive redundancy programmes the public conversation assumes.
- Address the analytics follow-up problem before buying more analytics. A majority of existing users cannot systematically act on what their tools produce, and the constraint is whether anybody owns the resulting change rather than anything a supplier can provide.

THE POSITION IN TWO TO THREE YEARS

93% of UK contact centres expect a hybrid AI-human operation, with 57% expecting AI to handle most routine contacts and 36% expecting human interaction to remain dominant with significant AI assistance. Only 3% expect near-total automation and only 4% expect AI to make little difference.

Chatbots today resolve a mean 27% of the interactions they handle without a human and voicebots 24%, and the capability needed to go materially beyond that does not exist in most current operations.

Budgets will support the attempt, with non-bundled AI spend moving from 13.4% of contact centre technology spend towards something closer to 17% within two years and only 1% of organisations planning to spend less. Whether the attempt succeeds depends on accuracy improving to a point customers will accept, and on organisations building the means to tell whether it has.

One of the most encouraging findings in this report is that customers are not the obstacle they are often assumed to be. They will choose automation in volume for the things it is currently good at, but will not for the things it is currently bad at, and they have been very clear about which is which.

An industry that takes that distinction seriously, measures its results against it and makes the exit to a human agent obvious will find the next two years considerably easier than one that sees AI as primarily a cost-cutting solution that can be applied indiscriminately.

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ContactBabel is the contact centre industry expert. If you have a question about how the industry works, or where it's heading, the chances are we have the answer.

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