LUMO INSIGHTS

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Kyndryl highlights AI gains outpacing data readiness

Executive Summary

New evidence suggests that while organisations are seeing growing returns from AI, many remain unprepared due to shortcomings in data quality, governance and trust. A global survey points to a widening gap between rising AI benefits and confidence in data readiness to manage the risks. Meanwhile, a UK healthcare dispute over Palantir's data platform underscores how overstated data claims can erode trust, reinforcing the need for accurate, well-governed data as the foundation for successful AI.

AI returns up, readiness down

Kyndryl, a leading enterprise technology services firm, released its third annual AI Readiness Report on 10 November (www.kyndryl.com [1]). The global survey of 3,700 senior business leaders across 21 countries reveals what Kyndryl calls a widening divide between the benefits organisations are gaining from AI and their preparedness to manage the associated risks (www.prnewswire.com [2]). According to the findings, 64% of business leaders now report positive returns on their AI investments - an increase of 10 percentage points from 2025 - while their average readiness to handle external risks from AI has dropped to just 24% (www.prnewswire.com [3]).

Kyndryl's report notes that companies are moving beyond pilot projects and deploying AI in core workflows, but often without fully modernising underlying data infrastructure (www.prnewswire.com [4]). The steepest declines in readiness were for managing cyber threats and competitive disruption, as rapid AI adoption places new strains on technology foundations and operations (www.prnewswire.com [5]). This paradox - rising AI success amid falling risk preparedness - suggests many organisations are forging ahead with AI projects even though their data architectures and governance are not yet up to the task. It highlights the danger of reaping short-term AI gains while leaving fundamental data issues and compliance risks unaddressed.

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NHS Palantir platform claims under scrutiny

The UK's National Health Service (NHS) is facing a data transparency crisis over a high-profile AI initiative. On 13 November NHS England deleted its online claim that 137 hospital trusts were "live" with and benefiting from Palantir's £330 /million Federated Data Platform (FDP) (www.digitalhealth.net [1]). The retraction came after a Guardian investigation revealed that 29 of those trusts said the Palantir system was not live or not being used at their hospitals (www.digitalhealth.net [2]), casting doubt on earlier official claims of widespread adoption.

The UK's Office for Statistics Regulation (OSR) is now examining whether NHS England's promotion of the Palantir platform exaggerated its uptake and benefits (www.digitalhealth.net [3]). The watchdog had previously raised concerns over an unsubstantiated claim of "117,539" extra operations being attributed to the FDP, which led NHS England to add caveats noting no proven causal link (www.digitalhealth.net [4]). Lawmakers and patient groups argue that such unverified data claims damage public trust - as one Member of Parliament put it, when the NHS makes unchecked claims "it destroys trust - and it has happened before" (www.digitalhealth.net [5]). Despite these concerns, ministers are reportedly preparing to extend Palantir's NHS data platform contract by a further two years to 2029 (www.digitalhealth.net [6]), heightening pressure on officials to provide transparent, evidence-based assessments of the platform's actual value.

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Leaders overestimate data readiness

Another extensive study has exposed a similar gap between AI ambitions and underlying data capabilities. The 2026 State of Data Integrity and AI Readiness report - published by data management firm Precisely in partnership with Drexel University's LeBow College of Business - surveyed over 500 data and analytics leaders in late 2025 (www.lebow.drexel.edu [1]). While over 85% of respondents believed their organisations had adequate data infrastructure, skills and readiness for AI, 43% nonetheless admitted that data readiness was among their biggest obstacles in practice (www.lebow.drexel.edu [2]). The report warns that this kind of "data quality debt" raises substantial risk if left unaddressed, since "AI's indifference to bad data makes traditional 'fix-it-later' approaches untenable" (www.lebow.drexel.edu [3]).

Significantly, the Precisely-Drexel research found that companies which broadened their existing data governance to include AI governance outperformed those that did not (www.lebow.drexel.edu [4]). The authors caution that organisations which neglect core data management in their rush to embrace AI "may be shortchanging the very foundation that successful AI initiatives require" (www.lebow.drexel.edu [5]). This evidence, echoed by other industry surveys, suggests that true AI readiness hinges less on new algorithms and more on ensuring data accuracy, consistency and clear ownership. Forward-looking enterprises are responding by strengthening data quality controls, integration and oversight - steps that not only close the readiness gap but also position them

to realise greater business value from AI.

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Key Statistics

- 43% of data and analytics leaders call data readiness their top AI barrier (Precisely & Drexel University)
- 64% of finance and tax leaders say insufficient AI-ready data is their biggest AI hurdle (EY survey of 1,600 CFOs and finance leaders)
- 65% greater business outcomes achieved by companies with highest AI-ready data maturity (Gartner, April 2026)
- 16% of surveyed finance and tax leaders rate their data use as highly effective (EY 2026 survey)

KEY TAKEAWAY

Challenge optimistic assumptions about your organisation’s AI data readiness. Audit data quality and governance, verify that claimed AI benefits are supported by accurate, well-sourced data, and invest in closing any gaps before scaling AI projects.

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