THE SWITCHOVER · NO. 02 · COMMENT

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5,000

roles going at Barclays, about 5% of its workforce; 1,000 already gone, the rest by end-2026

Barclays calls AI “the icing on the cake”. The cake is the models.

One of the clearest signals yet that the switchover has moved from pilots to headcount.

60%

of the cuts fall in support functions, including developers: the people who service the business

Source: BBC News, “Barclays cutting 5,000 jobs as it increases reliance on AI”, 22 October 2026; Barclays Q3 2026 results. Comment published 22 October 2026.

BlackPoint Economics

Two things are worth separating. The headline is about people. **What fills the gap they leave is about models**: the forecasting, scoring, pricing and reconciliation that support staff used to do by hand, and that software will now do, much of it bought in and described as AI.

Barclays can do this with some confidence because it has to. A bank of its size runs a model-risk function, answers to the PRA under SS1/23, and has **every material model independently validated** before it goes near a decision.

A £100m retailer, a regional wholesaler, a specialist lender: each is making the same switch, from people who checked the numbers to software that produces them, and **almost none has anyone independent asking whether the software is right.**

The risk is not that the models are bad. It is that they learned from 2020 to 2024, a period that may not repeat; that their stated ranges are narrower than their record; and that **when the person who used to notice has gone, nobody notices.**

> The firms that follow Barclays mostly have no such check. Their models do not fail loudly: they drift, and the first sign is a margin nobody can explain.

Three questions a review answers

Is it right?
Scored against what actually happened, not the vendor’s back-test.

Worth the fee?
Better than the free alternative, by a margin worth the fee.

Is it drifting?
Stable through change, with someone watching.

We are that check.

We test the models that now do the work: **the forecasts or scores they actually issued, against what actually happened**, and give you a signed one-page opinion on where the model is reliable, what it is costing, and what to do about it. Independent: we do not build or sell models.

Start with a one-week fixed-fee review · granthixon@blkpoint.co.uk · blkpoint.co.uk