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CASE STUDY · MARLUC SYNOPSIS

Babylon Health

IMPLEMENTED 2013–2023 · HEALTH AND LIFE SCIENCES · UK · BAND F · REVERSED

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A UK digital health company that promoted an AI symptom checker and an NHS online GP practice, was valued at $4.2 billion on a New York listing, and was placed into insolvency in 2023.

ABOUT THIS SYNOPSIS

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Facts and figures are as reported by the sources listed below, which may be incomplete, self-reported or out of date. Check the original source before relying on any figure.

The impact band, proof marker and SEAM view are MarLuc's opinion. The organisation is not a MarLuc client and has not reviewed or endorsed this synopsis. Names and trademarks belong to their owners.

NOTICE WORDING LAST UPDATED 16 NOVEMBER 2026

AT A GLANCE

What went wrong: Business or programme failure.

AI-native company: built around AI from the start to bring about transformational change. It has folded, so the case is graded F.

AI and automation used: AI symptom checker and AI-supported virtual GP service; how the AI worked is not reported in the sources used.

Implemented: 2013–2023. Grade: band F, Failure, Reversed.

Headline result, as reported: From a $4.2 billion New York listing to administration in the UK and Chapter 7 filings in the US, August 2023

1 · The case

The facts, as reported by the 5 sources listed at the end. Where a source is silent, the field says "Not reported".

Organisation

Babylon Health. UK-founded digital health company, founded in 2013 by Ali Parsa. It ran the NHS online GP practice GP at Hand and an AI symptom checker, and floated in New York through a special purpose acquisition company. Headcount: Not reported. Canvas block: 3. Customers and proposition. Also 8. Governance and risk, 6. Data and technology.

Business challenge

The challenge. Dr Powell of the London School of Economics reports that Babylon's founder said it would "do for healthcare what Google did with information". LSE adds that its digital health services were promoted as "powered by AI", including what journalists called a "robot doctor".

How it was addressed. Babylon offered an app with an AI symptom checker and video consultations with doctors. From 2015 it contracted with the NHS, and its GP at Hand practice served around 100,000 NHS patients by 2023. In June 2018 it said its AI scored 81% on MRCGP-based questions against an average of 72% for physicians, and described its advice as "on par with practicing clinicians". Its medical director said AI decisions at Babylon are supported by real-life GPs. [1] [2] [3] [4] [5]

Who implemented it

In-house (In-house): Babylon built and operated its own app and GP at Hand service. Technology suppliers: Not reported.

Technology (SEAM pillar E)

SEAM types: not established; the sources do not say how the system works. Deployment: Not reported. Vendors and products: Babylon symptom checker, GP at Hand.

Where it was built in: An app combining a symptom checker with video consultations; GP at Hand was registered as an NHS GP practice.

What changed

Before: Not reported. After: patients could register with GP at Hand, an NHS practice offering video consultations, with an AI symptom checker alongside. In 2023 the UK units were placed into administration and the clinical services business was sold, and the US business closed. [1] [2] [3] [4] [5]

Cost of failure

As reported: valued at $4.2 billion on its New York listing, per The National. Two US subsidiaries filed for Chapter 7 with liabilities between $100 million and $500 million and unsecured creditors expecting no payouts, per Business Insurance. 94 staff laid off in Austin, per AIAAIC. Total funding raised, sale price and NHS contract values: Not reported in the sources used.

What it saved

Not reported. Babylon's own claim for 2021 was "approximately 5.2 million consultations and AI interactions", about one every six seconds, per The National. [1] [2] [3] [4] [5]

Governance and control

A Lancet review in 2018 found no convincing evidence for Babylon's performance claims. The Advertising Standards Authority banned GP at Hand advertisements in October 2018, and by late 2020 the MHRA was reclassifying its products and investigating its governance, per LSE. Accountable owner and monitoring of the AI in use: Not reported.

S2 · Accountable owner · Not reported

Not reported.

A1 · Safe use · Claimed
Babylon's medical director said the service is built so that AI decisions are supported by real-life GPs. [3]

A2 · Human in the loop · Claimed
Babylon described a service where real-life GPs support AI decisions; how the checker's output was reviewed is not reported. [3]

A3 · Monitoring and assurance · Missing (independent source shows it was absent)
A Lancet review in 2018 found no convincing evidence for Babylon's comparison with doctors, and NHS consultants said it had no peer-reviewed randomised studies before launch, per AIAAIC. [5]

A4 · Vendor AI · Not reported
Not reported.

A5 · Agent controls · Not reported
Not reported.

A6 · Standards and regulation · Outside scrutiny (a regulator, court, auditor or similar body acted)
The Advertising Standards Authority banned GP at Hand advertisements in October 2018, and by late 2020 the MHRA was reclassifying Babylon's products and investigating its governance, per LSE. [4]

What worked, what did not, what is unproven

WORKED

– Large user numbers: administrators said over 700,000 patients had had access to its UK platforms.

– The GP at Hand practice continued after the sale to eMed Healthcare, per The National.

DID NOT

– The Royal College of GPs called Babylon's exam comparison "dubious" in 2018, saying the revision materials it used were not necessarily representative of the real exam.

– A Lancet review in November 2018 concluded that the study "does not offer convincing evidence that its Babylon Diagnostic and Triage System can perform better than doctors in any realistic situation", per AIAAIC.

– Forbes reported in 2018, per AIAAIC, concerns from current and former staff and outside doctors that the company had rushed to deploy software that had not been carefully vetted and then exaggerated its effectiveness. Babylon's response to that report: Not reported in the sources used.

– The Royal Wolverhampton NHS Trust contract ended eight years early in 2022 with only 5,000 people registered, per LSE.

– The business could not secure a rescue: a proposed deal with Albacore Capital and MindMaze Group did not go ahead, per The National.

UNPROVEN

– Whether the AI symptom checker was as accurate as doctors in real use: no peer-reviewed randomised study is reported in the sources used.

– How far the AI, as against the NHS funding model and the US business, contributed to the collapse: the sources do not say.

Timeline

2013 Ali Parsa founds Babylon [1]

2015 Babylon contracts with the NHS [4]

Jun 2018 Babylon says its AI scored 81% on MRCGP-based questions against a 72% average for

Oct 2018 The Advertising Standards Authority bans GP at Hand advertisements as misleading [4]

Nov 2018 A Lancet review finds no convincing evidence that Babylon's system performs better than doctors [5]

Feb 2020 BBC Newsnight investigation raises concerns about the chatbot's safety [5]

Dec 2020 Babylon announces its products are being reclassified by the MHRA, which is also investigating its governance [4]

2022 Royal Wolverhampton NHS Trust contract ends eight years early with 5,000 people registered [4]

Aug 2023 US subsidiaries file for Chapter 7; UK holding and AI research companies enter administration and the clinical services business, including GP at Hand, is sold to eMed Healthcare [2]

2 · Grade and SEAM assessment

MarLuc's opinion, made on the evidence above. How cases are graded: marluc.co.uk/case-studies/how-we-rate

Level of change and impact

Claimed: A. Grade: F, Failure. Proof: Reversed. Route: Model-led.

No level assessed: band F, a company that entered insolvency. It claimed a transformation of healthcare delivery (band A); the sources do not show results that proved it.

Graded F, claimed A. Babylon was built around digital and AI-supported care and described its aim in transformational terms. The UK business went into administration and the US business closed in 2023. The sources do not show that the AI caused the collapse, and published critiques say its AI claims were not backed by convincing evidence.

The SEAM view and lessons learnt

The claim and the evidence sat far apart. Babylon announced AI performance results through a press release and a livestream, and independent clinicians and a Lancet review disputed them. The collapse followed a business model and a US expansion, and the sources do not isolate the AI as the cause. For a larger organisation, the transferable point is that a headline performance claim needs independent, peer-reviewed testing before it carries a business case.

1. Test AI claims independently before announcing them.
2. Keep clinical evidence and funding story in separate hands.
3. Check that public service funding terms fit the service model before scaling.

Evidence

Score 3 of 4. Independent: press reports of the administration and bankruptcy filings, an academic account from the London School of Economics (2026) and a compilation of regulator and journal criticism; no court or regulator finding on the AI itself.

Evaluation method. Press reporting and academic account: administrators' statement and bankruptcy filings as reported by The National and Business Insurance; LSE research summary; Lancet review as quoted by AIAAIC; no audit or regulator finding on the AI.

3 · Original sources

Read these in full. To challenge a fact or a grade, use the contact form at marluc.co.uk or the link on https://marluc.co.uk/case-studies/babylon-health

[1] The National: Online healthcare company Babylon places two units into administration
https://www.thenationalnews.com/world/uk-news/2023/08/31/online-healthcare-company-babylon-places-two-units-into-administration/

[2] Business Insurance: Digital health firm Babylon files for Chapter 7 amid rising liabilities
https://www.businessinsurance.com/digital-health-firm-babylon-files-for-chapter-7-amid-rising-liabilities/

[3] MedCity News: Babylon Health says its AI's advice is "on par with practicing clinicians," but one medical organization is skeptical
https://medcitynews.com/2018/07/babylon-health/

[4] LSE Research for the World: Can the NHS crisis be solved by partnering with tech start-ups? The cautionary tale of Babylon Health
https://www.lse.ac.uk/research/research-for-the-world/health/future-of-nhs-health-research

[5] AIAAIC: Babylon Diagnostic and Triage System
https://www.aiaaic.org/aiaaic-repository/ai-algorithmic-and-automation-incidents/babylon-diagnostic-and-triage-system

Babylon Health website: https://www.babylonhealth.com

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VERSION HISTORY

v1.1 15 November 2026 Method update: standards and regulation (A6) relabelled "outside scrutiny" because the evidence is a regulator, court, auditor or similar body acting, not the organisation's own compliance. technology type set to "not established" where the sources do not say how the system worked.
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