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CASE STUDY · MARLUC SYNOPSIS

DERM: AI skin cancer triage in NHS teledermatology

IMPLEMENTED 2020 ONWARDS · HEALTH AND LIFE SCIENCES · UK · BAND C · PARTLY PROVED

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DERM is an AI device that assesses photographs of lesions referred on the urgent suspected skin cancer pathway and can discharge those it judges benign without a dermatologist. NICE recommended it for NHS use in May 2025 for a three-year evidence generation period, with safeguards, and 25 NHS trusts used it by October 2026. An independent review found promising accuracy; its effect on capacity and patient care is not yet established.

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Facts and figures are as reported by the sources listed below, which may be incomplete, self-reported or out of date.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.

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NOTICE WORDING LAST UPDATED 16 NOVEMBER 2026

AT A GLANCE

Frontier case: AI used for a scientific, medical or engineering breakthrough. The transformation is potential and unproven; MarLuc grades what has changed in practice so far.

AI used: AI image analysis with a fixed algorithm: DERM (Deep Ensemble for Recognition of Malignancy) assesses dermoscopic smartphone photographs of skin lesions, gives a suspected diagnosis and can discharge lesions it labels benign without a clinician.

Implemented: 2020 onwards. Grade: band C, Process change, Partly proved.

Headline result, as reported: NICE conditionally recommended DERM for three years of NHS use in May 2025; an independent review found 96.1% sensitivity for skin cancer and an uncertain effect on the care pathway

1 · The case

The facts, as reported by the 6 sources listed at the end. Where a source is silent, the field says "Not reported".

Organisation

NHS teledermatology services in England, with Skin Analytics. NHS teledermatology services in England, which receive urgent referrals from GPs for suspected skin cancer, working with Skin Analytics, a London-based maker of AI medical devices. Twenty-five NHS trusts in England used DERM in October 2026, per TNW. Canvas block: 4. Operations and process. Also 5. People and skills.

Business challenge

The challenge. In 2023/24 over 650,000 people were referred on the urgent suspected skin cancer pathway and 120,000 did not have cancer diagnosed or ruled out within the 28-day standard, per NHS England. Per NICE, only 6% of urgent referrals for suspected skin cancer are confirmed as skin cancer, and there is a national shortage of consultant dermatologists.

How it was addressed. Staff take dermoscopic photographs of a lesion with a smartphone and upload them to the DERM platform. If DERM labels a lesion benign, the person can be discharged with advice to keep monitoring it; pre-cancer or cancer goes to an NHS dermatologist. NICE recommended DERM in May 2025 for three years, paid for from core NHS funding, while more evidence is generated. In October 2026 Skin Analytics announced a three-year rollout to all 18 trusts in NHS England's South East region. [1] [2] [3] [4] [5] [6]

Who implemented it

Skin Analytics (Software vendor): Makes DERM and is responsible for organising funding for the evidence generation NICE requires..
University of York (Centre for Reviews and Dissemination) (University or research lab): Carried out the independent NIHR-funded early value assessment review..
DERM is deployed by individual NHS trusts within their teledermatology services; contract values are not reported.

Technology (SEAM pillar E)

SEAM types: T8 Predictive / ML models. Deployment: Vendor SaaS. Vendors and products: Skin Analytics, DERM (Deep Ensemble for Recognition of Malignancy).

Where it was built in: Used in secondary care teledermatology after a GP referral on the urgent suspected skin cancer pathway: staff photograph the lesion with a smartphone and dermoscopic lens, upload the images to the DERM online platform, and lesions labelled benign can be discharged while suspected cancers go to an NHS dermatologist.

What changed

Before: a dermatologist reviewed every urgent skin lesion referral, by teledermatology or face to face. After: at sites using DERM autonomously, lesions DERM labels benign leave the urgent pathway without a dermatologist, and dermatologists review suspected cancers. Sites are advised to start with a second clinical read before moving to autonomous use. [1] [2] [3] [4] [5] [6]

What it cost

Not reported. TNW reports that neither the company nor the NHS has given the value of the South East contract; NICE notes set-up costs for teledermatology photography services.

What it saved

Not proved. NHS England estimates DERM could discharge around 30% of cases from the pathway; NICE's assessment group estimated automated DERM could approximately halve referrals to a dermatologist among eligible lesions; the independent review estimated around half of patients might be discharged without a dermatologist. By the company's account, regional modelling suggests up to a third of urgent referrals could be discharged early in the South East. [1] [2] [3] [4] [5] [6]

Governance and control

NICE made its recommendation conditional on evidence generation, regulatory approval, a professional review for people with black or brown skin and regular monitoring. NHS England added consent, a second read when sites start and an independent data oversight group. NICE will reassess after three years.

S2 · Accountable owner · Outside scrutiny (a regulator, court, auditor or similar body acted)
NICE requires the company to confirm that evidence generation agreements are in place, will check annually and may withdraw the guidance; NHS England says it will set up an independent data oversight group. [1] [3]

A1 · Safe use · Outside scrutiny (a regulator, court, auditor or similar body acted)
NICE allows use only while evidence is generated and with regulatory and Digital Technology Assessment Criteria approval; NHS England recommends patient information and informed consent before DERM analyses images. [1] [3]

A2 · Human in the loop · Outside scrutiny (a regulator, court, auditor or similar body acted)
Suspected cancers go to an NHS dermatologist; NHS England advises a second clinical read when a site starts and throughout the evidence period for people with black or brown skin. In one study, second readers overturned 40% to 50% of DERM's discharge decisions. [2] [3]

A3 · Monitoring and assurance · Outside scrutiny (a regulator, court, auditor or similar body acted)
NICE requires regular monitoring of DERM's performance and a three-year evidence generation plan; trusts are to collect accuracy data with the company. [1] [3]

A4 · Vendor AI · Evidenced
An independent NIHR-funded review by the University of York assessed the vendor's evidence and its unpublished cost model, and identified several issues with the modelling approach. [4]

A5 · Agent controls · Not reported
No agents described.

A6 · Standards and regulation · Outside scrutiny (a regulator, court, auditor or similar body acted)
NICE early value assessment HTE24, now HealthTech guidance HTG746, gives a conditional recommendation; NHS England describes DERM as a Class III CE marked device authorised for automated use or with a second read. [1] [3]

What worked, what did not, what is unproven

WORKED

– Accuracy: the independent review found sensitivity of 96.1% (95% CI 95.4 to 96.8) for any malignant lesion.

– NICE concluded DERM may identify cancer with similar accuracy to teledermatology or face-to-face assessment.

DID NOT

– In one study at two NHS trusts, second-read reviewers overturned 40% to 50% of cases DERM had marked for discharge, per NICE.

– About 25% of lesions on the urgent pathway were not eligible for DERM assessment in the company's data, and DERM classifies only 6 types of benign and 2 types of pre-cancer lesion.

– The review found substantial patient and clinician resistance to AI use without any dermatologist assessment, and that a small number of malignant lesions would be missed.

UNPROVEN

– Whether DERM frees dermatology capacity overall: NICE says this is unclear and the review calls the effect on the pathway and patient care uncertain.

– Accuracy in people with black or brown skin (Fitzpatrick types 5 and 6), where evidence is limited.

– Cost effectiveness against a well-established teledermatology service alone, which NICE calls uncertain.

Timeline

Apr 2020 Company begins collecting real-world NHS performance data on DERM, used later in the NICE appraisal [2]

Feb 2025 DERM receives a Class III CE mark under the EU Medical Device Regulation, by the company's account [5]

May 2025 NICE conditionally recommends DERM for NHS teledermatology for a three-year evidence generation period [1]

Feb 2026 NIHR Health Technology Assessment review finds promising accuracy and an uncertain effect on the pathway [4]

Oct 2026 Skin Analytics announces a three-year rollout across all 18 NHS trusts in the South East region [6]

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: C, Process change. Proof: Partly proved. Level of change: Process change.

Process change (Level 2, band C). The urgent skin cancer triage step is redesigned so AI can discharge benign lesions, under NICE conditions. The company claims a transformation (A); that is potential and unproven.

A redesigned triage step in NHS teledermatology: AI can discharge benign lesions from the urgent pathway without a dermatologist, under NICE conditions. The company describes a transformation ("a real watershed moment in the history of medicine"); that is potential and

The SEAM view and lessons learnt

The change is driven by a certified device, a teledermatology photography service it depends on, and NICE's 'use and learn' route that lets the NHS pay for it while evidence is collected. Accuracy is independently reviewed; the capacity and patient benefit claims rest on modelling and the company's data. Before copying the approach, a leadership team should ask how it will check AI decisions that no clinician sees, and what the economics are once the evidence period ends.

1. Start with a human second read and move to autonomy only on local evidence.
2. Measure capacity freed against the existing teledermatology service.
3. Check performance separately for groups the training data under-represents.

Evidence

Score 3 of 4. Independent appraisal: NICE early value assessment (2025) and an NIHR-funded systematic review with meta-analysis (University of York, 2026). Limits: no randomised trial; most accuracy studies involve the company; operational and capacity figures are the company's own or modelled.

Evaluation method. Diagnostic accuracy studies (prospective and real-world) synthesised in a rapid systematic review and meta-analysis, plus NICE committee appraisal and company real-world data; no comparative study of capacity effect.

Sources disagree. Estimates of discharges differ: around 30% of cases (NHS England), approximately half of referrals among eligible lesions (NICE's assessment group), around half of patients (independent review), and up to a third or up to 40% of urgent referrals (company, per TNW). The company reports a 99.8% accuracy rate in ruling out cancer; the independent review reports 96.1% sensitivity and says a small number of malignant lesions would be missed. The measures differ, so the figures are not directly comparable.

Status. Ongoing: in use under NICE's three-year evidence generation period from May 2025; South East rollout began in autumn 2026, by the company's account.

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/skin-analytics-derm-nhs-skin-cancer-triage

[1] NICE HTG746 (formerly HTE24): AI technologies for assessing and triaging skin lesions referred to the urgent suspected skin cancer pathway, recommendations
https://www.nice.org.uk/guidance/htg746/chapter/1-Recommendations

[2] NICE HTG746: Committee discussion
https://www.nice.org.uk/guidance/htg746/chapter/3-Committee-discussion

[3] NHS England: AI based skin lesion analysis technology, response to the early value assessment
https://www.england.nhs.uk/elective-care/best-practice-solutions/ai-based-skin-lesion-analysis-technology/

[4] Health Technology Assessment (2026) via White Rose Research Online: AI technologies for assessing skin lesions on the urgent suspected cancer pathway, early value assessment
https://eprints.whiterose.ac.uk/id/eprint/237646

[5] Skin Analytics: DERM approved for clinical decisions in Europe with a Class III CE mark (February 2025)
https://skin-analytics.com/news/regulatory-certification/derm-class-iii-ce-mark/

[6] TNW: NHS South East rolls out skin cancer AI that can discharge patients alone (October 2026)
https://thenextweb.com/news/skin-cancer-ai-nhs-south-east-skin-analytics-derm

NHS teledermatology services in England, with Skin Analytics website: https://skin-analytics.com

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