

Telephone: 020 7066 9346
Email: enquiries@fs-cp.org.uk

Tracy-Linn Peters
Strategy & Competition
Financial Conduct Authority
12 Endeavour Square
London
N20 1JN

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By email: openfinance-callforinput@fca.org.uk

Dear Tracy-Linn,

**Financial Services Consumer Panel supplementary response to Call for Input:
Open Finance**

As one of numerous measures to take account of Covid-19, the FCA extended the response date for the Open Finance call for input to 1 October 2020. Since the Consumer Panel's original [response dated 17 March 2020](#) there have been some notable developments which have led the Panel to produce a supplemental response. In doing so we stand wholeheartedly behind what we said previously, but have identified some important new points to bring to your attention.

Department for Business, Energy & Industrial Strategy (BEIS) – Smart Data

BEIS has earlier in September published its long-awaited "Next Steps for Smart Data", its response to last year's Smart Data consultation. The Panel broadly supports the direction of travel of the BEIS paper, but is concerned that there continue to be a number of government departments involved.

If consumers' data are to be used securely, ethically and in a way that benefits people, small businesses and the UK economy, it is essential that there is a joined-up regulatory framework. We strongly urge the FCA to do all it can as it continues to take the lead on Open Finance to ensure that this is the case. One approach would be for all Open Finance initiatives to be accountable to an overarching Smart Data Function, along the lines proposed by BEIS. This will ensure consistent standards, protection and access to redress for consumers across all sectors.

A key component of this joined-up approach will be to ensure that there is an overarching and consistent liability framework, which consumers can rely on to obtain free, timely and simple access to redress if things go wrong and their data are compromised. Trust is an essential component of the uptake of new technology-driven services and a consistent liability framework will be essential if that trust is to be gained.

Open Banking – pathfinder for Open Finance

BEIS acknowledges that Open Banking is the most advanced Smart Data initiative and that it has gained significant momentum since 2018. However, the implementation of Open Banking has also been delayed by Covid-19 and what is expected to be the final implementation "Roadmap" is not now expected to be completed until well into 2021.

The Open Banking Implementation Entity (OBIE) is the body established by the Competition & Markets Authority (CMA) to implement the Open Banking remedy contained

in the CMA Order. It is not however a suitable entity for the development of Open Banking into Open Finance.

During 2020, UK Finance and Accenture have produced a "Future State Report" for Open Banking. As things stand this appears to be the only proposal for the future of the OBIE, although we believe - and hope - that other proposals may be under active consideration. Since by common consent Open Banking gives the UK a head start in the move towards wider Open Finance, the Panel believes it to be of great importance that the assets and learnings of Open Banking are not lost in any transition beyond the implementation of the CMA Order. In particular, we believe that there must be effective consumer representation in any future governance model for Open Banking. The Panel would encourage the FCA to join the debate on an appropriate successor to OBIE so that consumer protection is given the prominence it requires.

We look forward to hearing feedback from the Call for Input in due course and to continuing to engage with the FCA in the development of Open Finance to ensure its potential is realised to deliver good consumer outcomes.

Yours faithfully,

Wanda Goldwag
Chair, Financial Services Consumer Panel