

## Open Banking Data Sprint 2:

### Session Attendees and Discussion Summary

#### Attendees

Payments Expert Panel Members & Observers	Organisation
Adam Khalifa	Google
Adam Prince	Sage
Alice Mackay	PSR
Andrew Millar	HSBC
Archi Shrimpton	LBG
Bee Thakur	Truelayer
Brian Hanrahan	EML Payments
Chris Jones	Nationwide
Dan Scholey	Moneyhub
Danny Weaver	Smarter Contracts
Edgar Whitley	LSE
Gary Aydon	Santander
Gerald Chappell	Fintern
Glen Keller	CRIF
Harry Weber-Brown	TISA Digital
Helene Oger-Zaher	FCA
Jonathan Turner	Fair4All Finance
Kat Cloud	Plaid
Kelly Read-Parish	Apple
Lyndsey Rodger	NatWest
Louise Beaumont	Mastercard
Manish Garg	Banksly
Michael Forrest	Barclays
Michael Green	Xero
Paul Kerridge	Snoop
Rob Burlison	Intuit
Rob Haslingden	Experian
Serenna Cole	Yapily
Teresa Lam	FCA
Will Bolton	Account Technologies

Chair and Secretariat Attendees	Organisation
Bryan Zhang	SWG Chair
Alan Ainsworth	SWG Secretariat
Daniel Jenkinson	SWG Secretariat
Deborah Horton	SWG Secretariat
Matt Wallace	SWG Secretariat
Richard Koch	SWG Secretariat
Richard Mould	SWG Secretariat
Simon Marsh	SWG Secretariat

## Introduction

This note is a summary of the Data Expert Group Sprint 2 discussion session which took place over Microsoft Teams on 18 November 2022.

This is a summary created by the SWG Secretariat Team, including an overview of the key points of discussion, but without attributing comments to individual participants.

## Initial Discussion

The Chair welcomed the members and thanked them for their written submissions, totalling 28 to date, and set out the objectives and meeting ground rules for participants. The method of analysis was based on a combination of thematic prioritisation, consideration of sequencing, responsibilities for implementation and potential timescales of activities, identified from written evidence collected. Short term was defined as 12 – 18 months, with long term recognised as being more than 18-months, in line with the guidance issued by the Committee.

## Identified short-term priorities

Secretariat presented the prioritised themes identified derived from the evidence submissions. In total there were 89 priorities presented in evidence, which have been grouped into a small number of themes.

There were two comments highlighting surprising aspects of the prioritisation. A bank was surprised at the lack of prioritisation by TPPs for customer protection initiatives, such as TRIs, given the importance of controlling fraud in the open banking channel. A TPP was also surprised that error codes weren't higher up on the prioritisation scale, given the issues that TPPs have historically experienced in interpreting these messages.

Several participants queried how to interpret the data, suggesting the analysis was potentially misleading as it was not weighted, and cautioned against too much importance being placed on the prioritisation. The Chair clarified that the presented content was indicative and intended to guide discussion.

A TPP challenged the group to consider: "what will shift the needle?" and asked the group to consider ways to increase engagement with open banking and encourage consumers to share data. This TPP was concerned that there wasn't enough in the presented priorities to improve the position.

## Priority 1a: Access to new data sets

- Secretariat presented the data on this theme.

- A TPP suggested that the wording of the question, which was interpreted as having a focus towards the growth of financial accounts only, had somewhat skewed the responses. There was clarification that TPPs would welcome access to non-financial accounts as well.
- A bank highlighted that it was important to caveat that insurance and pension providers have not been included in the process.
- This was echoed by a Trade Association, who welcomed the data but cautioned that we aren't (yet) hearing from the broader sectors included in the sector prioritisation. Savings data, in the view of the association, was relatively easy to pass through an API. Pensions is already being addressed by MaPS, which has undertaken lots of research. The key point in research that they had undertaken was that consumers wanted to see their total financial position in one place.
- Reciprocity has also emerged in discussions as a key enabler to encourage providers to participate.
- A bank commented that the presented chart of sectors is almost perfectly ranked by complexity, with Cash ISAs and savings being very similar to current accounts and therefore representing an easier expansion opportunity for open banking, through to cloud accounting and energy data being at the more complex end of the scale.
- However, the same bank also cautioned that bringing in a new range of ASPSPs is challenging. It is not a huge job for an existing ASPSP to share savings data for example. But it would be a significant challenge for firms who are not yet ASPSPs, in both technical and regulatory terms. This may suggest that there could be a sequencing of expansion based on the degree of challenge, both by sector and status of provider (existing ASPSP, vs non-ASPSP).
- A platform highlighted the importance of identity data in sectors highlighted as important by banks. This may be more impactful in the long-term.
- Another platform cautioned about not just considering the degree of difficulty but considering the *value* of opening up new data sources. We should make sure we don't just prioritise easy opportunities, but also consider how much value there is for end users.
- A bank highlighted the costs to date of open banking and suggested that a decision to open up new data sharing sources shouldn't be taken without undertaking proper cost benefit analysis. We should also consider pragmatic decisions, and not simply recreate open banking approaches where they don't deliver value. For example, the "four unattended calls a day" performance requirement may not be necessary for a savings account and therefore should be assessed as to whether it would ultimately add value to the consumer.
- A TPP focused on the role of data reciprocity. They already have experience of this in the US, where they facilitate reciprocal data sharing between other fintechs and banks. This appears to be a promising initiative, where fintechs with deep data on consumers enter agreements to share data with banks. It was suggested that it could be a good use case to consider as a future enabler of open finance.

### Priority 1b: Access to new data sets – vulnerable consumers

- Secretariat presented the data on this theme, focusing on both new data sets and considering the role of regulators to promote such services.
- A TPP suggested that we should focus on financial vulnerability only and the important role of the Consumer Duty. Open banking data could play a very important role in understanding a financial product and how it impacts a customer across the whole life of a that product.
- A bank suggested a holistic vulnerability position should be adopted and focusing on just financial vulnerabilities is too restrictive. This was supported by an independent expert who highlighted that financial vulnerability is often as a result of other types of vulnerability, so a holistic approach is needed.
- On behalf of an end user expert, Secretariat highlighted the importance of understanding the lived experience of vulnerable consumers.

- An independent expert also highlighted the precarious commercial situation of many TPPs with a social aim, suggesting that if Premium APIs were introduced, it may become financially unviable for some of those TPPs to remain in business.
- A bank reinforced the importance of working closely with consumers in vulnerable situations to get to the root of the problem.
- This bank also highlighted the importance of APP fraud – an area which impacts vulnerable customers and is a focus for them to help make improvements for the benefit of their customers.

## Priority 2: Data sharing standards development and conformance

- Secretariat presented the evidence submitted in this area, focusing on reliability and conformance, and questioning whether error codes should be enhanced.
- A bank highlighted that they did support work being done on error codes, but that it was important any work was done with care considering risks of passing sensitive data to TPPs.
- A bank highlighted that education may be key in enhancing TPP visibility of error codes, suggesting that end points are available but are not used, potentially because of TPPs being unaware they exist. Knowledge-sharing clinics could be introduced to educate.
- The bank acknowledged that enhancing error codes is complex, technically challenging, potentially expensive and suggested that the industry should look at what the existing standard can already provide before leaping to further enhancements.
- A TPP commented on the issue of GDPR and tipping off concerns and suggested that parity with other channels such as cards should be considered.
- A TPP underlined the importance of conformity and standardisation, suggesting that one single ASPSP doing something high quality doesn't help if others don't do similar. To drive success, TPPs need consistent functionality across all ASPSPs.
- Several participants agreed that this was a technical area that would benefit from workshops and information sharing between TPPs and ASPSPs.
- A TPP highlighted reliability issues and how that impacts their service. Customers will typically blame the TPP rather than the bank when a feed is down. More insight on feed updates, via a status page, would be helpful.

## Priority 3: Transparency and control

- Secretariat shared evidence provided on onward sharing and dashboard enhancements
- A bank recognised the challenge that providing visibility requires a lot of work for TPPs (who for example may need to onboard 30 times if they are sharing data with 30 entities). The bank acknowledged that this issue should be resolved.
- The proposal of “dashboards of dashboards” was challenged by a bank, in that it may result in the inclusion of commercially sensitive data and questioned whether that would be a benefit to the consumer or to other parties, who would gain sight of what consumers are sharing and with whom. The bank noted it was a complex area and suggested there was lots to consider before it becomes a critical consideration.
- A TPP suggested the need to distinguish between raw data sharing and data that has been processed and potentially cojoined with other data. In their view, there was a need to protect against the friction that could be caused by requiring all firms including onward sharing parties to become regulated.

## Priority 4: Strengthening customer protection

- Secretariat presented the evidence submitted in this area.
- A bank highlighted that fraud has many different typologies, including the rise of fraud involving the consumer themselves. It is very important to clearly analyse the different types of fraud and economic crime, as they will require different solutions.
- A bank was unclear about what was holding back TPPs' completion of TRIs. Noting that given that there is such broad agreement that these are valuable, they questioned what the blockers are. The bank also highlighted that long-term, some form of liability shift would be required, but recognised that TRIs are a good thing to help the development of the ecosystem.
- A TPP suggested that the challenge was more of a question of implementation, and the approach on how to introduce and roll-out, rather than the question of whether it was valuable.
- A bank added more context on the role of regulation, suggesting that a regulatory mandate could be deemed a heavy-handed way of implementing TRIs. A scheme, with a set of rules, could be a much easier way to implement.
- A bank highlighted that to rely on this data as part of a fraud decisioning engine and the decision to invest in developing systems, they need reassurance that fields will be completed on a whole of market basis.

## Priority 5: Digital identity

- Secretariat provided an overview of the evidence received, noting that the sharing of identity attributes and the broader context of digital identity were referenced in several responses but that there was no emerging consensus on how to progress these opportunities
- A bank highlighted that this was an area already being well progressed, and that it should be allowed to continue to develop outside of this process.
- A platform encouraged the group to consider consumer needs and how the sharing of identity attributes could benefit them, particularly when considering the subject of fraud.
- A trade association underlined the importance of not just sharing identity attributes without additional meta-data on the reliability of these attributes. This association also cautioned against developing new competing initiatives in a crowded marketplace.

## Industry Structure

- Secretariat provided an overview of the evidence, segmented by evidence provided on the roles of the future entity, regulator(s) and the view of data Premium APIs.
- A bank queried which regulators should be involved in the oversight of open banking data sharing. This bank also highlighted that the unique role of the CMA in controlling open banking, a situation which does not happen anywhere else in the world. In their view the role of the different regulators was critical to considering the industry structure.
- Another bank also highlighted that the future structure needs to consider and resolve some of the differential in performance and functionality between CMA9 and other ASPSPs.
- A bank further highlighted the requirements on CMA9 banks in terms of reporting and measurement compared to other commensurate regulatory channels and payments schemes. The bank highlighted the need to level the playing field with other initiatives and focus on creating MI which is relevant and useful.

- A TPP highlighted the gap that there is nothing included in the discussion material about engaging with consumers about why it is beneficial to share their data. For example, nothing is included about what the ecosystem can do together to promote the value of open banking. The TPP suggested that the best way to address this challenge would be through collective action.
- A TPP highlighted the need for consistency and whole of market solutions. Suggesting that rolling out premium APIs which result in patchy and divergent implementations, would likely see limited use and up-take, and therefore increase the probability of failure. A collective approach would be beneficial.

## Other Input

- A bank highlighted that we need more input from consumers, without which there is a danger in pursuing initiatives which are less relevant for people and their lives.

## Closing Comments

The Chair closed the meeting and thanked the participants for their contributions and advised that the summary from the meeting would be made available in due course and that distribution of those materials would be via the [SWG website](#).