



Financial Data and
Technology Association

Credential-Based Authentication: A Necessary Tool to Enable Consumer and Small Business Data Access for the Foreseeable Future

FDATA North America Study Determines Up To 1.8 Billion End Users Could Lose Access To Vital Financial Tools If Credential-Based Authentication Were Prohibited

The Financial Data and Technology Association (FDATA) of North America is the trade association of financial and technology firms whose technology-based products and services allow consumers and small businesses in Canada, the United States, and Mexico to improve their financial wellbeing. We are a regional chapter of FDATA Global, which was the driving force for Open Banking in the United Kingdom, and which continues to provide technical expertise to regulators, policymakers, and regulatory bodies internationally contemplating, designing, and implementing open banking frameworks.

FDATA North America members collectively provide tens of millions of consumers in the United States, Canada, and Mexico with aggregation-based tools to better manage their finances.

FDATA North America is working to advance open finance in the United States, Canada, and Mexico. We ultimately envision a marketplace in which consumers and small businesses are fully empowered to enable and disable access to their financial data with providers of their choosing seamlessly and through direct feeds supplied by financial institutions.

Entities across the ecosystem including financial institutions, data aggregators, and fintech companies are in alignment around the need for direct feeds and are dedicating substantial resources toward moving in this direction. Until such a future state is achieved, however, the reality is that end users would be significantly harmed if screen scraping were to be limited or eliminated in the near-term future.

Last year, FDATA North America assisted the Consumer Financial Protection Bureau (CFPB) to better understand how missing data fields in the largest financial institutions' APIs could impact end users' ability to utilize different types of third-party use cases. We sought to show the agency what would happen if screen scraping were to be turned off today and consumers were only to rely on the APIs currently available in the marketplace. To illustrate the impact, FDATA North America assembled a list of the data fields consumer and small business utilize today to power their financial tools from each of its aggregator members. The data demonstrated a significant gap exists between the data available through APIs and the data required to fuel use cases on which consumers and small businesses rely to budget, receive payments, pay employees, save for the future, or grow their business, in addition to a multitude of other financial wellness applications.



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The comparison exercise demonstrates how screen scraping is critical to ensuring continued access to technology-based, third-party tools that help consumers and small businesses manage their finances. The data shows that if screen scraping was prohibited and only the largest financial institutions' APIs were available, as many as **1.8 billion consumer accounts in the United States would lose functionality** due to the loss of at least one required data field.¹ And, of course, this number would grow significantly if this analysis were extended to the thousands of smaller financial institutions across North America, the vast majority of which have no external-facing APIs available.

The impacted data fields were broken out by category and include more detail on the types of use cases impacted by the data field gap. All told, FDATA North America determined that impacted consumer and small business use cases would include:

- More than **530 million** loan accounts that enable retirement planning, enhance financial wellness, and help Americans reduce their debt;
- More than **310 million** accounts that help Americans manage their account balances, provide overdraft protection, and make payments on time;
- More than **330 million** investment accounts; and
- More than **210 million** accounts that help Americans move and save their money;
- Nearly **200 million** transactions accounts;
- Nearly **140 million** accounts that help shield Americans from fraud and provide identity verification and authentication; and,
- More than **100 million** credit accounts.

While eliminating credentials from the ecosystem is a worthy goal that all stakeholders in the market are working towards, the data is clear: prohibiting screen scraping until more robust APIs are widely available will have dire consequences for consumers' and small businesses' financial wellness.

¹ This number does not represent the total number of consumers impacted, since individuals often hold multiple accounts and use multiple tools that depend on multiple aggregators. While aggregators are unable to identify individual consumers and therefore cannot pinpoint the precise number of impacted consumers, we can safely say 1.8 billion total impacted accounts represents tens of millions of U.S. consumers.