

7 June 2021

Dr. Andrea Coscelli CBE, Chief Executive
Competition and Market Authority
The Cabot
25 Cabot Square
London, E14 4QZ

To: Dr. Andrea Coscelli

Cc: Adam Land
Dr. Bill Roberts
Colin Garlad

Dear Dr. Coscelli and fellow CMA Board Members,

We, as leading financial technology companies and their representatives, are writing to you in advance of the CMA Board's consideration of the future of the Open Banking Implementation Entity (OBIE).

We welcome the CMA's recent review of the Open Banking Future Entity, however we have concerns about the process of reviewing UK Finance's (UKF) proposal, and the future direction of the stewardship of open banking in the UK market. Our concerns are mirrored by the [considerable number of stakeholders](#), TPPs, ecosystem players, and trade bodies that responded to the consultation expressing similar concerns:

- Decision making in the hands of the large banks, the ability for those banks to exit the Future Entity, and lack of independent oversight for the entity creates undue risk to the future of open banking
- The consultation is limited to only the UKF proposal, and has not given due consideration to approaches proposed by other stakeholders
- There has been little transparency in the disclosure of alternative proposals submitted, and in the decision to consult on only one proposal.

The CMA boldly introduced open banking in 2016, at a time when trust in financial services was at an all time low. We believe it was a wise and forward-thinking move to set up the OBIE, led by an independent Trustee, with a mandate to implement open banking in the UK to bring more competition to the market. In the following years, the road to realise a competitive, innovative, and dynamic market has been fraught with competing priorities between this nascent ecosystem and the incumbent big banks.

The CMA's order and its delivery by an independent implementation entity has nurtured a

vibrant ecosystem, now recognised as THE global leader in innovation, technology development, and investment. The UK's delivery of open banking is the global standard to which others aspire, and the world looks to us for example as we move into Open Finance and Smart Data: the UK's national reputation and ambitions for fintech are at stake. Open banking is at an inflection point: either this success is sustained and built on, or the future of this vibrant yet fledgling ecosystem, which is growing fast and has well over three million users already, is put at risk by handing stewardship of the ecosystem to one side of the market.

Open banking's future can only be guaranteed if its governance is robustly separated from the banking participants the CMA Order targeted. Positive consumer outcomes are at risk if competition is stifled: it has not been the banks that have introduced innovative offerings to the market.

The UKF proposal is short on independence, oversight, and long-term sustainability, and turns open banking into little more than a service delivery mechanism. It neglects any development roadmap or long-term strategic direction to pave the way for Open Finance or Smart Data. It also risks that the UK will lose its leading global position in open data and fintech.

The CMA's consultation does not offer stakeholders the opportunity to compare, contrast, or consider alternative proposals. The proposal's intention is clear: to slow down the development of open banking, to reduce the level of competition in the market, and ward off the threat of future enhancements, such as Open Finance or Smart Data.

We ask that the CMA

- Provide public disclosure of the evidence and assessment the CMA used before deciding to consult only on the UKF proposal
- Recognise that the CMA Order has not yet been completed, and ensure that the role of Trustee with supervisory powers over the large banks is retained
- Delay a final decision on the future of Open Banking until the FCA and BEIS have set out their legislative frameworks for Open Finance and Smart Data, respectively, and a sustainable funding model is in place
- If a delay is not possible, ensure that the new temporary arrangements for open banking can be easily amended when the Open Finance and Smart Data frameworks are finalised
- Ensure that all governance arrangements, including any decisions regarding appointments, are independent

Any other approach risks the future of Smart Data and the potential for Open Finance, leaving the incumbents in charge of the legacy of the whole ecosystem and subject to misaligned incentives.

John Glen MP, was surely right when he said in the introduction to the Kalifa Review that "We pioneered Open Banking, which has now taken the world by storm." The OBIE was

instrumental in that pioneering effort; its continued independence will be instrumental in preserving the future of UK fintech.

Yours sincerely,

The Undersigned

<p>AgeWage: Henry Tapper, CEO</p>	 <p>Armadillo Financial Technologies Ltd: Richard McCall, CEO</p>
 <p>Blackarrow: Gopal Hariharan, CEO</p>	<p>Bud Financial: Ed Maslaveckas, CEO</p>
 <p>Lynn, Co-Founder</p>	 <p>Currensea: James Ecospend: James Hickman, CCO</p>
 <p>Electronic Money Association: Thaer Sabri, CEO</p>	<p>European Third Party Providers Association: Ralf Ohlhausen, Chairman</p>
  <p>FDATA: Ghela Boskovich, Head of FDATA Europe</p>	<p>MoneyHub: Dave Tonge, CIO</p>
 <p>OneBanks: Duncan Cockburn, CEO</p>	<p>Ordo: Fliss Berridge, Co-Founder</p>



Tink: Raphael Plantier, Head of UK &

Ireland

Token: Todd Clyde, CEO



Trustly: Ciaran, O'Malley, VP of
Partnerships

Vyne Technologies: Nick Daniel, EVP

Banking & Co-Founder

Independent Financial Services

Consultant: Mark Chidley