



Financial Data and  
Technology Association

Financial Data and Technology Association  
c/o The University of Edinburgh  
13-15 South College Street  
Edinburgh  
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15th September 2021

To Adam Land, Senior Director, Remedies, Business and Financial Analysis

Sent by email:

Dear Adam,

**Opportunity to align Open Banking with new emerging UK Policy**

FDATA Europe is delighted with the CMA's decision to support Variable Recurring Payments (VRPs) for the Sweeping deliverable as required in the Retail Banking Market Investigation Order 2017. Standardising this capability through an API will consequently enable new innovation developed through Open Banking, leading to better customer outcomes.

There is also an equally positive opportunity to benefit in an unexpected way from this decision: more time to settle on the most appropriate shape of the future of the OBIE.

Most of the CMA9 have been contesting the requirement to build VRPs, and are only now commencing work on their development. Based on their clearly communicated expectations of delivery dates, and our experience of delivery capacity acquired since 2016, VRPs will not likely be market ready for most of the CMA9 until Q3 2022. Our experience also clearly shows that significant delivery items on the OBIE roadmap have required implementation coordination and orchestration. It is vital that OBIE remains intact until VRPs are fully released and market tested.

Over the last year, the CMA has received many views on the future arrangements for Open Banking and OBIE. We had been hoping that government policy thinking in respect of Open Banking, Open Finance and the Smart Data agenda would have matured sufficiently to guide the future arrangements, particularly in respect of governance, compulsion to participate, and compulsion to fund.

Based on discussions with BEIS on the legislation plans for Smart Data, clarity on that front is expected in a year's time.

It would be detrimental to the development of the ecosystem for the CMA to make binding new arrangements for OBIE ahead of that wider policy being confirmed. Moreover, any fixed arrangement for the OBIE runs the risk of being misaligned with future legislative policy. That

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misalignment would need to be unpicked, compounding the complexity and increasing the amount of time required to deliver meaningful competition in open finance. The new OBIE roadmap extension to accommodate VRP delivery provides the opportunity to avail ourselves of the extra time to gain clarity on the new policies.

We hope the CMA will therefore consider a two stage process:

- Stage one: improve the Open Banking Limited governance by supporting the Trustee in the appointment of Non-Executive Directors to oversee the business, including the audit requested by the CMA9;
- Stage two: set the future arrangements for role, governance, and funding in light of the clearly articulated wider legislative policy objectives.

This two-stage approach would satisfy the demand for immediate changes, whilst still allowing the space to assure alignment with emerging policy.

Yours Sincerely,

Gavin Littlejohn (Chair, FDATA Global and Fintech Stakeholder Representative, UK Open Banking)

Ghela Boskovich (Regional Director, FDATA Europe)

Ian Major (Director, FDATA Global and Third Party Provider Representative, UK Open Banking)