

FDATA Recommendations to Mitigate Intra-Canadian Barriers to Trade in the Financial Services Marketplace

1. The Government should ensure maximum coverage of data providers and covered accounts under its forthcoming Consumer-Driven Banking framework. The current regime limits access to modern credit, affordability, and verification tools, especially in regions where consumers and small businesses rely on provincially regulated institutions.
 - a. The existing Act mandates only that federally regulated financial institutions and fintechs that provide covered accounts must make data available for consumers and SMEs.
 - b. Expansion of the Act and alignment with the principle of data access parity to provincially regulated financial institutions would meaningfully expand access to Consumer-Driven Banking products, services and tools for all Canadians, and alignment with the principle of data access parity, and would facilitate a meaningfully more innovative and competitive Canadian financial services industry.

Why it matters:

In provinces like Saskatchewan or the Maritimes, where many borrowers rely on local credit unions and trust companies, consumers are excluded from the forthcoming consumer-driven banking framework because these local institutions won't be part of a Consumer-Driven Banking framework. So, financial tools that could accelerate responsible credit access simply won't be available, creating a two-speed financial system across Canada.

2. The Government should address unnecessary and burdensome regulatory overlaps by designating the Bank of Canada as the governance entity for Consumer-Driven Banking and creating a tiered accreditation framework for participation under its forthcoming framework.
 - a. The Bank of Canada houses existing institutional expertise with regard to third-party financial services and marketplace framework oversight practices.
 - b. The Government's Consumer Driven Banking Act last year named the Financial Consumer Agency of Canada (FCAC) as the governance entity for Consumer-Driven Banking. The FCAC will, under forthcoming legislation, be granted the authority to create and enforce accreditation requirements for third parties. These will in many cases be duplicative of RPAA registration requirements.

- c. In the absence of a tiered, harmonized accreditation framework with existing federal and provincial requirements, small, innovative Canadian financial technology firms will be unable to enter the Canadian financial services marketplace, undercutting the competition imperative of consumer driven finance.
- d. If a tiered model remains unlikely to materialize, it is important that larger, more established aggregators or third-party providers are able to use their accreditation as a ‘regulatory umbrella’ through which other, smaller players can participate in the consumer-driven banking ecosystem, after passing robust CDD processes.
- e. For many technology-driven providers, the lack of harmonized accreditation will create real operational friction—duplicated onboarding processes, extended time to market, and unnecessary regulatory lift, even when already compliant with other Acts. Without a tiered, unified model that builds on Bank of Canada oversight, smaller firms face/will face significant barriers to entry. That runs directly counter to the goals of consumer-driven finance: more competition, broader participation, and better outcomes for Canadians.

Why it matters:

A fintech that has already completed RPAA registration with the Bank of Canada is forced to undergo a second, separate accreditation process to qualify for Consumer-Driven Banking participation under FCAC oversight, even after meeting equivalent compliance requirements. For small and mid-sized firms, duplicating legal reviews, audits, and vendor assessments creates a cost burden they can’t absorb. Many will be/are forced to delay or forgo market participation, which narrows competition and limits innovation uptake.

3. The absence of harmonized consumer protection and securities frameworks across jurisdictions leads to fragmented product availability by province. This weakens national competition and makes it harder for Canadians—depending on where they live—to access consistent, modern financial services. It also complicates efforts for firms trying to scale responsibly across Canada.
 - a. The forthcoming accreditation requirements for Consumer-Driven Banking providers, expected in the government’s forthcoming CDB Act amendments, will be layered atop existing federal and provincial consumer protection requirements.
 - b. Harmonization of these requirements, while still allowing for provincial enforcement, would lower the barrier to entry for third-party financial providers by streamlining consumer protection requirements.

- c. Similar harmonization efforts could be applied to other regulatory frameworks in financial services, including securities regulations. FDATA is happy to provide concrete examples on this score.
- d. Failing full harmonization, it is important that the Canadian Federal and Provincial governments align on a ‘passporting regime’ where provincial compliance can satisfy federal requirements, and vice versa, provided that core consumer protection and security standards are met.

Why it matters:

A platform offering technology-powered credit insights launches successfully in Ontario and Alberta, but finds itself unable to offer the same product in Quebec and Manitoba due to provincial legal differences around disclosure rules and licensing. As a result, it’s forced to disable certain functionality in some provinces, creating a patchwork experience and driving up compliance costs. Customers in one part of Canada will receive a fundamentally different product than those in another, even though their needs are the same.

4. Enactment of amendments to PIPEDA to convey a legally binding consumer and SME data access and sharing right.
 - a. This approach would harmonize other sectors with the framework put forward for Consumer-Driven Banking by the Department of Finance.
 - b. Any federal data privacy amendments should provide for a universal set of data privacy requirements, harmonized with existing provincial requirements.
 - c. Addressing these structural barriers isn’t just about enabling innovation—it’s about unlocking a more productive, efficient, and inclusive financial system that supports consumer outcomes and contributes to Canada’s broader digital economy objectives.

Why it matters:

An analytics company looking to provide cross-sector credit and affordability insights is/will be held back by the lack of a clearly defined, legally binding consumer data right across all financial sectors. Without consistent data access permissions and privacy standards across provinces, providers would face legal uncertainty when trying to enable permissioned data sharing.