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19<sup>th</sup> June 2018

Dear Tony,

Thank you for your open letter from the EPA community to the Open Banking Implementation Entity (OBIE) and our stakeholders.

I read the letter with great interest and I appreciate the commitment you and your members have shown to building a better ecosystem for the benefit of consumers and businesses.

I recognise many of the issues raised in your letter are areas in which the Open Banking initiative could and should improve upon. The OBIE, together with its ASPSP and TPP stakeholders, is working hard to address these issues and will deliver continuous and demonstrable progress. I also recognise that some of the issues raised in your letter are areas in which the Open Banking initiative has already made a great deal of progress. I would therefore encourage greater engagement between Open Banking and your members to keep you apprised [of](#) the latest developments.

In particular, it should be of interest to your members to know that, following the completion of the 'managed roll-out' stage, no ASPSP API is brought to the market without significant testing and live proving. The managed roll-out period was itself an important innovation the OBIE created to address the inevitable variations in implementation of the Open Banking Standards by the CMA9 and to improve the documentation available to all parties. Whilst some participants' early implementations were below the standard expected by the OBIE I believe that all of the banks are now focussed on resolving these issues for the benefit of end-users. It is very much a priority of mine to ensure the CMA9 align to the spirit of the program as well as the letter and I am therefore pleased that your members feel able to add their voices to those pushing for more thoughtful and customer-orientated implementations.

There remains, as I said, much work to do and I do recognise your members' concern about the quality of customer experience offered by some of the ASPSP authentication journeys. This is an area we are working hard on, alongside the CMA, FCA and the European regulators, and we will seek to offer additional authentication journeys that minimise unnecessary friction. Two examples of this are app to app redirection, which will provide customers with a much more familiar and secure app based authentication experience likely using biometrics and other innovative technologies, as well as decoupled authentication

which will allow customers to authenticate on out-of-band devices which will also enable more innovative use cases in e-commerce and POS based payments.

The OBIE is also working on the issues of unexplained end-point downtime and ASPSP changes that are not advertised to the market with enough time to allow TPPs to prepare and respond. These are entirely valid concerns and I welcome the EPA's support in addressing them. The OBIE recently announced that it will be creating an ongoing monitoring capability to assess the implementation of the CMA9 open banking propositions from both a technical conformance perspective as well as a customer experience perspective. I would welcome your members input into the kinds of qualitative and quantitative information the monitoring function should collect and benchmark against.

Also valid are your members' concerns about the extent and nature of transaction data made available through the APIs. As you know, this is, to a significant extent, determined by regulation but I agree that this needs to be an area of focus once the rules are fully complied with. There are active discussions in this area and I would welcome the further involvement of the EPA in them.

You identify a lack of transparency in the "framework" behind the OB system. I would appreciate a better understanding of the information your members feel they do not have access to. The OBIE runs an open programme and the standards and specifications (along with guides and other supporting documentation) are published on the OBIE website ([openbanking.org.uk](https://openbanking.org.uk)). The only elements I can think of that are not freely available relate to security matters and have not proved to be an impediment for our enrolled TPPs.

I believe that the issue of scope raised by your members has also been addressed. The OBIE's remit was extended to cover all PSD2 products in November of last year through an agreement reached between the CMA9 and the Treasury. The OBIE also reached an agreement to incorporate several elements into the standards that are not required by PSD2 regulation but will help to create a vibrant ecosystem. These include confirmation of payee, status of payment and many other items that I know are critical for your members, including variable recurring payments (which is an important functionality required under the original CMA Order). The CMA's Order was officially amended at the time this was agreed and the roadmap to which the OBIE is working is available on the Open Banking website (and the amendments to the CMA Order can be found on the CMA website).

Finally, the question of public awareness and education is one that has been periodically debated throughout my time as Trustee. Media coverage has on the whole been balanced and whilst there have certainly been some unsupportive articles, the majority of articles in the mainstream press have been positive. Concerns about security, and data security in particular, are unavoidable given the current environment and the innovative nature of Open Banking.

The OBIE's media objective is to provide accurate, accessible information to consumers and businesses. Rather than carry a mass market campaign direct to consumers, which remains challenging until there are mass market third party propositions, the OBIEs approach is to enable participants to carry the message to their customers. To that end the OBIE is working to standardise messaging, in order to minimise consumer confusion, and engaging directly with journalists to guide their understanding as well as connecting participants and journalists directly. The OBIE has also created a body designed to bring the entire

ecosystem together (including those who are not enrolled with OB and are currently 'screen scraping') to standardise messaging and collaborate on promotion. I will ask the OBIE to extend an invite to that forum to you.

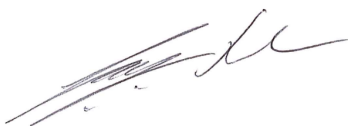
I would like to thank you again for the work you and your members have done to bring these concerns to my attention. I absolutely agree that there is a significant amount of work to be done to ensure that the implementation of the standards matches the quality we envisaged and creates the customer-focused market we all want to see.

Open Banking is in its infancy and I am keen to ensure that we benefit from the perspectives and experience of all stakeholders. I, and the OBIE, would welcome your support in guiding participants, both ASPSPs and TPPs, to ensure that all participants stay focused on the ultimate goal of a vibrant and sustainable ecosystem for the benefit of consumers.

I look forward to working more closely with you and your members in the future. I understand that you have already had discussions with the OBIE's Programme Director, Ed Colley. I am also pleased to learn that the EPA and OBIE are co-hosting an event on Open Banking on 3 July.

I hope that we can build on this activity to improve collaboration between your members and the OBIE. In particular, I would appreciate any examples of ASPSP or TPP behaviour that your members' think is unhelpful (or behaviour that they would wish to see more of) so that we can build their needs into the evolution of Open Banking as effectively as possible.

Yours,



Imran Gulamhuseinwala OBE

Trustee, Open Banking Implementation Entity