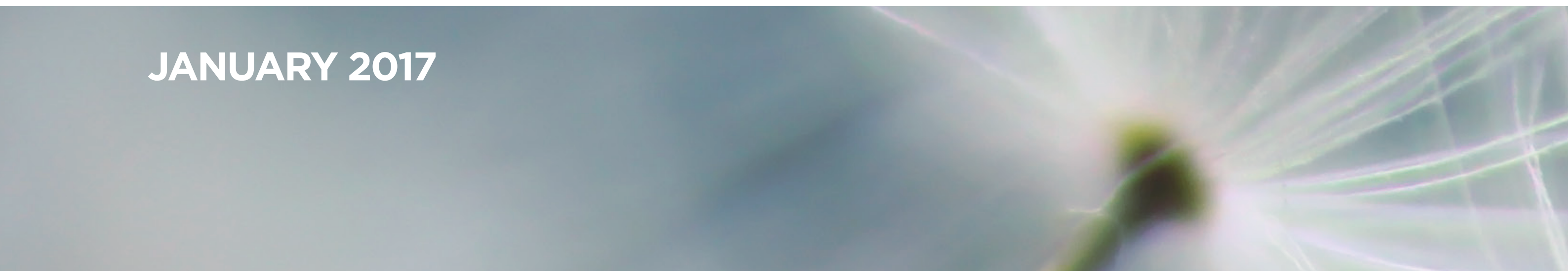
OPEN BANKING

A CONSUMER PERSPECTIVE

FAITH REYNOLDS



JANUARY 2017

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Note from the Author: Open Banking is like a dandelion whose seeds blow far and wide. It inspires a lot of creativity, debate and discussion on wide-ranging topics. I am thankful for all the friends and colleagues who have spent time with me, undertaking interviews or simply talking over coffee about Open Banking. Much of what is written here reflects their thoughts and ideas. A special thanks to Laura Tough at Barclays who instigated this work.

This report was commissioned by Barclays to engage consumer groups in the debate about Open Banking and explore their views on the topic. It is an independent report to bring new contributions to the public debate and does not represent the views of Barclays. Rather it presents and explores the perceptions of consumer experts, their optimism and their concerns about Open Banking.

METHODOLOGY

Initial interviews were undertaken with five subject matter experts. Case studies were provided by five fintech service providers. These were used as stimuli for formal interviews with nine consumer experts. During the research, contributions were taken from a further nine consumer and industry representatives. Contributors' names can be found in the appendix. Additional research about the value of Open Banking was kindly provided by Dominic Lindley, an independent consumer expert.

Concepts explored and resulting recommendations made are reflective of the views of consumer experts and the author and do not in any way represent the views of Barclays.

THE POWER OF OPEN BANKING

Open Banking has the power to revolutionise the way we manage our money, shop around and buy things. For SMEs, managing cashflow and receiving payments should be cheaper and easier.

Technologies like Application Programme Interfaces (APIs) have the potential to create new services delivered by existing players and new intermediaries, like Personal Finance Management platforms. They have the power to bring substantial benefits to consumers, aggregating their financial products in one place; providing new insight about spending patterns; making recommendations about saving money; automating parts of the decision-making process and even offering new ways to pay[1].

Open Banking could widen access to existing products, like credit, debt advice or financial advice. And bring new products to market from overseas or the UK, at the click of a button. Open Banking will make things simpler, quicker and more convenient.

The innovation that new technologies make possible is endless and over time could create new forms of value we can't envisage today.

But consumer experts believe there are several obstacles that could reduce the power of Open Banking and leave consumers worse off. It could create more conflicts of interest, exploit asymmetries of power or exacerbate digital and financial exclusion. Convenience, speed and simplicity may come at the expense of losing more control of our money and data, a reduction in privacy or security and a more complex marketplace.

Increasing digitalisation within all areas of life has already left many people feeling concerned about the impact technology might have on their social or family life but unqualified and too disempowered to challenge it[2], even when they proactively try to be 'responsible consumers'.

Open Banking gives us a platform through which to re-assess the way we share our data. It should help us manage our money better but it could have far wider ramifications, if it can also help us regain control over how we share all our data better.

To maximise the potential of Open Banking and to address the concerns of those interviewed for this paper it requires action: new approaches to regulation, strategies for protecting consumers in the new data-driven economy and transparency from Government about how it uses our data.

This paper drives forward the debate about Open Banking and open data, taking it further and wider. Explore case studies, hear from experts and consider how innovation could change our lives! In turn, you are invited to engage, read, write and debate this great change.

[1] New City Agenda (2014), Innovation in Banking: Personal Financial Management – Credit Sesame and Money Dashboard – Empowering consumers to monitor their finances and get the best deal

[2] Citizens Advice, Fairness and Flexibility, 2016

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CONTENTS

WHAT IS OPEN BANKING?

Open Banking, in this document at least, is used as a general term to describe two new pieces of regulation: the Competition and Market Authority's (CMA's) 'Open Banking remedy' and the European Payment Services Directive 2 (PSD2).

PSD2 covers all payments accounts, including easy access savings accounts and credit cards that are accessible online or over a mobile. The scope of the CMA's remedy is narrower and focuses on personal and business current accounts only. However, in time Open Banking may extend to other financial products.

Open Banking requires firms to:

1. Make it possible for people to share their financial transactional data far more easily with third parties online.
2. Allow third parties to initiate payments directly from a person's account as a bank transfer as an alternative to credit or debit card payments.
3. Make public and openly share their product information and importantly, their customer satisfaction scores and separately other 'service level indicators'[3].

One big aim is to increase competition in the market by driving innovation in the quality of products and services that customers receive. The CMA found the current account market has complex pricing, low customer switching, difficulties in comparing products and high charges on overdrafts. The outcome is that people are paying more for lower quality services than they need to[4].

PSD2 legitimises payment initiators and aggregators, bringing better consumer protection, improved security, clarity about liability for unauthorised transactions and some aspects of data protection.

POSSIBILITIES FOR NEW SERVICES CREATED BY OPEN BANKING ARE ENDLESS

HOW DOES IT WORK?

APIs – or Application Programme Interfaces – are technology that allow banks and other companies to conveniently and securely share data between their organisations. We use services built using APIs all the time. For instance, Uber uses APIs to 'glue together' Google maps, payments and telephony in one useful app to help people order and pay for taxis quickly[5].

[3] 'Service Level Indicators' will provide additional information about aspects of a bank's service that might be of interest to consumers. For instance, 'average call waiting times'. But the exact indicators have not been decided yet and this responsibility lies with the FCA.

[4] https://www.gov.uk/government/news/cma-paves-the-way-for-open-banking- revolution

[5] Payments Strategy Forum, Draft Strategy, July 2016

[6] Payments Strategy Forum Horizon Scanning Working Group Report, 9 June 2016 meeting papers

[7] Barclays/Ipsos Mori, Open API: Exploring the views of consumers and small businesses, 2015

[8] Inferred from Accenture Payments, Consumers' initial reactions to the new services enabled by PSD2, 2016

[9] BBC News, Contactless cards get a new fan base: the over-60s,19.05.2016

[10] PwC, Blurred Lines, How Fintech is shaping Financial Services, Global Fintech Report, March 2016

The ease of access facilitated by APIs creates opportunities for new, innovative services to develop and allows providers to disrupt the market: price comparison websites or 'digital comparison tools'; Account Information Service Providers' (aggregators) – or Personal Finance Management platforms; and Payment Initiation Services (payment initiators) delivered by Third Party Providers (TPPs) and others.

New communities of software developers are working together in new ways to develop services. For instance, established banks are incubating new fintech companies, encouraging cross-pollination of ideas and integrating their services to create new propositions. Elsewhere other communities of 'unknown' developers are gathering around different start-up propositions, improving and influencing their design without being employed by a single company.

DOES IT MATTER?

The requirements of Open Banking mean both companies and consumers will be able to more easily and quickly send and receive more data.

Transactional data is particularly powerful because it is a high-quality data-set that informs others about how we spend, and from this to infer our priorities, interests and needs. This information is exceptionally powerful and its reach significant. Commercially speaking, transactional data heightens the importance of my identity as it shows clearly what I could be worth to any kind of provider of goods and services.

Everything we do is increasingly leaving a digital trace – data -, which we, and others, can use and analyse: activity data (where you are, browsing history etc), conversation data (emails, social media and phone calls), photo and video data (including CCTV etc) and sensor data (via the Internet of Things and the devices we interact with)[6].

The business models of many significant e-businesses, like Google and Facebook, rely solely on sophisticated data capture and analysis.

The 'API' is not the only technology enabling change. Algorithms make it possible to analyse these new 'big data' sets; artificial intelligence means the rise of self-learning 'robots'; and cloud technology is revolutionising the way information is stored and accessed.

Technology is driving new forms of innovation that simply were not viable before. They are beginning to disrupt every part of life, challenging what is 'normal' and traditionally accepted.

WILL CONSUMERS USE IT?

Research by Ipsos Mori for Barclays in 2015 showed that, even before people were having products marketed to them, almost 40% would be happy to share their data to receive personal financial management services. Almost 30% were undecided and only 30% rejected the idea[7].

Later in 2016, Accenture conducted research with consumers which showed that 85% of 18-24 year olds would trust third parties to aggregate their financial data. In contrast, 48% of 55-64 year olds were neutral or positive[8].

What the Ipsos Mori research highlighted was that 'where a clear customer benefit was identified within a use case, the research participants demonstrated a strong propensity for adoption'. This concurs with the experience with contactless payments, where groups of people sometimes considered more resistant to digitalisation – for instance, some older groups – will in fact take up digital products where the proposition has enough appeal[9].

WHAT'S IT WORTH?

Further research by a variety of players seems to confirm that new propositions based on Open Banking will be very attractive to consumers. A survey by PwC suggests that consumer banking and payments are the sectors most likely to be disrupted and bankers estimate they could lose up to 24% of their business[10].

Accenture calculate that in the SME market there could be a staggering £8.5bn to gain in new revenue streams (fees and charges) by 2020 for offering improved digital bank-led services to SMEs that would help them run their businesses better[11]. Open Banking could be at the heart of that.

Dominic Lindley, one of the consumer representatives interviewed for this report, uses FCA and CMA data to identify total market revenue of as much as £6.7 billion a year that could be at stake across personal current accounts, business current accounts and personal savings accounts[12]. It's unknown how much of this revenue will flow back to consumers in savings, remain with established providers or bolster intermediaries and new entrants.

REVENUE BY PRODUCT	
Personal Current Accounts	£4.30 billion *
Business Current Accounts	£1.00 billion **
Savings Accounts	£1.22 billion ***
Interchange fees	£0.17 billion ****
Total	£6.69 billion

Figure 1: * Based on net credit interest gained from switching and charges on arranged and unarranged overdrafts; **Based on transaction charges and charges on arranged and unarranged overdrafts; ***Based on instant access savings, instant access ISA, fixed-term deposits and fixed rate Cash ISAs moving to better rate; ****Based on third of £500m interchange fees expected after implementation of Interchange Fee Regulation moving to payment initiators

WHO MIGHT THE WINNERS AND LOSERS BE?

Commentators speculate that the consequences for established providers could be quite dramatic, creating new winners and losers:

> **Attackers want to take over the customer relationship with its opportunities for origination and sales, be it through an aggregator website or an intuitive app… The substantial value that banks generate from distribution may be captured by others. Margins will come under pressure, and the customer relationship, a platform from which banks sell other, higher margin, fee-based products, will be weakened or might even disappear.[13]**
>
> **[McKinsey]**

But consumer representatives were less sure. They identified a range of potential new 'winners' but also expected established players to build on existing trusted relationships:

> **There's probably something around the relationship of trust consumers expect with the direct provider of their financial service which doesn't quite fit with the intermediary model…**
>
> **[Consumer expert]**

The advent of e-commerce at the end of the 20th century has significantly changed the way the retail market works over the last decade and a half, with some established retailers, like Argos, PC World and Oasis, successfully adapting their business model to compete with new market entrants with different approaches and models. Open banking could disrupt the financial services market in a similar way, creating opportunities for new entrants and challenging existing providers to raise their game.

Consumer representatives identified new services that could emerge.

Aggregators or 'Personal Financial Management' services help people manage their money, bringing together payment accounts and other products like mortgages, pensions and investments 'under one roof'. These services could be provided by an array of providers from established banks to charities. Similarly, accounting software companies will operate as aggregators helping businesses in the same way.

Digital comparison tools will enable much easier assessment of complex product pricing, especially as banks are required to provide their data in a more standardised way and provide new information about their quality of service[14].

Combined, digital comparison tools and personal financial management (PFM) tools will be able to alert customers to business models that require customers to actively switch to get the better rate. They can more effectively help people avoid charges or switch.

Payment Initiators will compete with card payments potentially offering cheaper alternatives for online SMEs to collect payments. In due course, they may even develop payment facilities face to face using direct bank transfer.

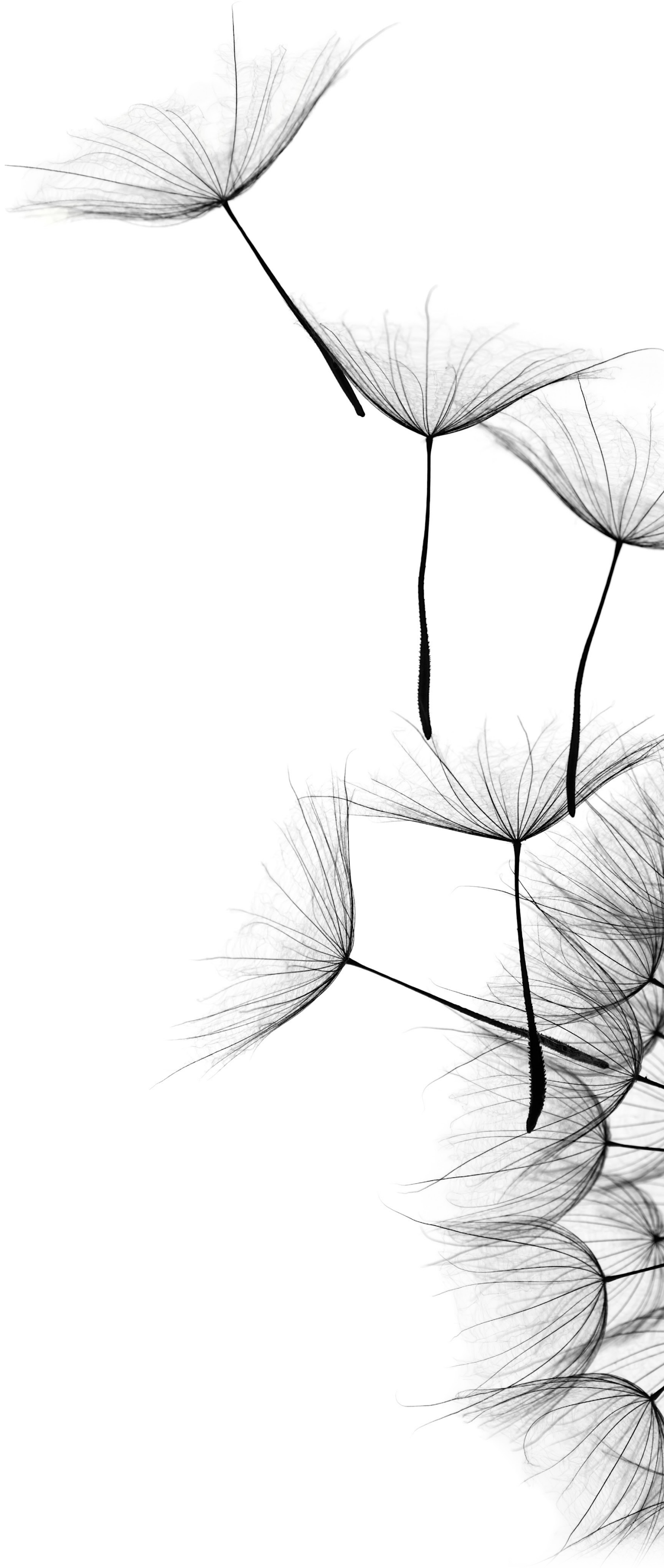
Taken together consumer experts recognised that these tools had the potential to disrupt the way consumers interact with their finances and financial providers. One outcome could be that banks could end up surrendering their relationship to new aggregators or payment initiators, like Bud or Moneyhub featured later.

[11] Accenture, SME Banking 2020: Changing the conversation (and capturing the rewards)
[12] To be published. Figures based on data from regulatory reports: CMA, Retail Banking Market Investigation, Final Report, 2016; FCA, Cash Savings Market Study Report, 2015; HM Treasury, Interchange Fee Regulation: consultationresponse (2015) and UK Cards Association, UK Card Payments 2016
[13] McKinsey, The Fight for the Global Customer, McKinsey Global Banking Annual Review 2015
[14] As part of the CMA's Open Banking remedy the FCA will require banks to publish new 'service level indicators'

> **I just wonder when the banks learn... because the insurance companies surrendered the customer relationship [to price comparison websites]...get a group of 20 year olds in a room to talk about insurance and they can just name opera singers, meerkats and dancing builders... they don't know who Aviva is.**
>
> **[Consumer expert]**

They also saw the potential for Open Banking to disrupt other markets:

> **Who knows better than your bank whether you're overpaying for your energy bill for example...so we see potential for the banking sector to be disruptive in ways that might help solve some of those other consumer problems, so switching in the energy market for example...generally the point being that we'd see banking as part of that whole ecosystem of ....using this data to disrupt consumer markets.**
>
> **[Consumer expert]**



THE BENEFITS OF OPEN BANKING FOR CONSUMERS AND SMEs

> Instead of me going to a price comparison website and having to put in all my data and waiting to see what they give me and deciding whether I want to buy something, it will be an app on my phone which will automatically be looking at everything I am doing... I might give permission for that... offering me a price or offering me a deal, and in the future if I give it permission maybe for making decisions for me as well. You know, maybe I can set some rules or I could say, if you find a credit card which has 2% lower than the one I have, apply for it and switch my balance over to it, and it does it all automatically for me.
>
> **[Industry expert]**

The possibilities created by mixing up APIs, financial data and other tech are endless. Open Banking could benefit consumers with new insights that help people and businesses manage their money, access to products they may not have had before and new products that were not previously available. Services could be more personalised or tailored to the individual's behaviours and lifestyle. A range of 'tools' will make dealing with money more convenient, simpler and quicker[15].

AGGREGATION

ANALYSIS

MONITORING

RECOMMENDATION

AUTOMATION

PAYMENT REQUESTS

These 'tools' deliver key benefits to consumers by way of greater convenience, simplicity and speed.

NEW INSIGHTS THAT HELP PEOPLE MANAGE THEIR MONEY

Personal Finance Management platforms aggregate accounts conveniently in one place, providing consumers and SMEs with new insight into their income and expenditure. These tools are much simpler and quicker than trying to do the same on an excel sheet at home and they can be automatically updated daily.

CASE STUDY

Moneyhub is a personal financial management tool which brings together in one place a customer's bank accounts, credit cards, investments, savings and borrowing, including property and pension. It gives users insight into their spending and helps them plan for the future.

Users can access professional help via a direct connection to the Unbiased IFA directory. Customers can securely share their data with an adviser (if they have joined the Moneyhub network). Moneyhub allows customers to control which layers of data they wish to share or keep private through a simple consent platform.

In turn, Moneyhub supports SMEs like IFAs and accountants who can use it with customers not familiar with it.

Research for Barclays by Ipsos Mori in 2015 found that aggregation of all a user's financial information in one place was the 'most appealing use case' for consumers. From all the interviews with consumer representatives conducted for this paper, what was evident was that aggregation and analysis could be used by banks and other providers to really help people manage their money and that this was one of the most powerful, immediate benefits for consumers.

[15] New City Agenda, Innovation in Banking: Personal Financial Management – Credit Sesame and Money Dashboard – Empowering consumers to monitor their finances and get the best deal, 2014

> **That kind of stuff will greatly empower people to make decisions that could improve their resilience… and could improve their decision making if they do start to get into difficulty.**
> **[Consumer expert]**

Combining the services of an aggregator with a price comparison website will provide even more convenient and bespoke ways to shop around for products. Especially as new information about the quality of products and services becomes available via the CMA's 'service level indicators'. It could *help* people with new insight and build trust.

> **The interesting thing about this which is new, is it takes effectively a map of the industry, very data rich, it's got lots of products and so forth, and it also allows you to merge that with a map of the individual's either needs or actual products…and then effectively find pathways for the individual… The platforms may become the new form of adviser in a sense or at least the person you go to.**
> **[Consumer expert]**

Open Banking focuses on transactional data but HM Treasury and the ABI[16] are creating a pensions dashboard, using APIs, so people can see all their pension pots in one place.

Open Banking could give impetus to the rise of 'robo-advice', automated advice services that rely on analytics and algorithms to provide guidance and personal recommendations on investment products.

Industry experts point out that personal finance management platforms emphasise the difficulty people have in understanding what is just 'guidance' versus what is regulated 'advice':

> **…it breaks the whole advice, guidance and education paradigm…**
> **[Industry expert]**

ACCESS TO PRODUCTS PEOPLE MAY NOT HAVE HAD BEFORE

Consumer experts noted that better decision making and more transparent credit scoring could result in improved access to suitable credit products:

> **[Traditional] credit scoring is very narrow because of the data it uses. It doesn't give a true picture of people's ability or financial capability or anything else …so if we could have a much broader view of people's spending patterns the scoring would be more effective.**
> **[Consumer expert]**

CASE STUDY

Credit Kudos is a new type of credit reference agency. When someone with a limited credit history applies for a loan, they may find themselves rejected or offered a more expensive product. Credit Kudos allows consumers to securely share relevant information with a lender in order to get a fairer decision. Their platform instantly ascertains an individual's suitability by allowing an applicant to connect and share data directly from their online bank. It means that people who were previously excluded unnecessarily may be able to access credit. Credit Kudos aims to be quick and easy, allowing the user to choose what data to share in a secure environment without leaving a footprint.

[16] https://www.abi.org.uk/News/News-releases/2016/09/ABI-to-lead-project-to-deliver-Pension-Dashboard-prototype

Access to a person's transactional data also allows companies to continuously monitor someone's account. This can be useful for assessing creditworthiness, affordability checks, automating payments or making recommendations. For instance, in the US, Credit Sesame, monitors credit scores and alerts users when their credit score changes and they're able to access better priced products that suit their needs.

CASE STUDY

SafetyNet Credit is an online lending product with credit limits of up to £500 which competes with unauthorised overdrafts by offering a cheaper alternative. It uses a customer's current account data to carry out its affordability assessments both at the point of application and every seven days on all customers.

If approved, a customer can switch on the automatic SafetyNet feature whereby in the event their bank balance breaches a level pre-set by the customer, money will be automatically deposited into their account, saving them incurring charges on an unauthorised overdraft.

SafetyNet Credit automatically collects repayment from the account as soon as sufficient funds are paid into it helping the customer to reduce the charges paid in interest. It also provides its customers with a dashboard of their spending so that they can see how they are spending their money and make adjustments.

Consumer representatives saw the potential of Open Banking and data sharing to facilitate enhanced budgeting support for people or other financial capability services. For instance, it could help people experiencing financial difficulty.

The idea that data sharing between providers could give creditors a more rounded picture of people's finances so could be used to detect early warning signs… that seems important.

[Consumer expert]

They could see the benefit of the regulator requiring banks and any debt collecting agency – whether lender or local government - to make their data available to debt advice agencies via an API. It would allow debt advisers to connect directly with creditors to more quickly and securely access creditor documentation (e.g. credit agreement, payments outstanding etc.) and share a client's overall financial situation.

This aspect of it is of cosmic interest to my colleagues in our IT systems department…

[Consumer expert – advice agency]

They envisage personal financial management platforms that could prompt people to connect directly with debt advisers, as MoneyHub does with IFAs. Furthermore, aggregators and lenders categorise spending. For advice agencies, enabling these categorisations to map easily across to a Common Financial Statement would be helpful. The impact of it would be magnified if government debt collectors joined in:

If you can then get the Insolvency Service, the Accountants in Bankruptcy, HMRC, DWP, these hard nuts to crack, if you can get them all…to use that same standard model as a signal of affordability, then you're really doing some good in the world.

[Consumer expert – advice agency]

Payment initiators and access to transactional data could disrupt the way creditors access repayments by automating collections. It may be that in due course Government could step in - where consumers agree - to require repayments to be automatically stacked in a way which prioritises primary payments, like tax and rent, over credit payments. Automated payments to secondary creditors would only be able to leave a person's account subject to payments to primary creditors having been paid first. This could cut costs on government debt collection and address irresponsible lending.

It potentially creates opportunities for people to put combinations of products and services together which suit them without the inconvenience of having to deal with multiple different companies, so I'm quite interested in that...
[Consumer expert]

POTENTIAL FOR APIs TO ENABLE DATA SHARING IN DEBT ADVICE PROCESS

NEW TYPES OF PRODUCTS

The rise of 'marketplace' services offered by banks or digital comparison tools mean that new products can come to market more easily further disrupting financial services and even other markets.

CASE STUDY

Bud is an online and mobile platform which aggregates financial services, from traditional bank accounts to innovative fintech services. It provides a budgeting service and over time will use customer data to help them optimise their spending and use of products.

Customers will be able to browse and select products and services through its app-store-style marketplace. Users can then connect these services to their Bud account creating their own bespoke 'bank' experience in one convenient platform. Bud gives exposure to new types of products, like Habito, a digital mortgage broker who have digitised the whole mortgage process.

To help people connect seamlessly with other providers and buy products, Bud will offer a digital ID or 'Know your Customer' service.

With the rise of pan-European models, it means that new marketplace offerings will allow people and SMEs to access products in other parts of Europe too. Likewise, consumer experts noted that SMEs and retailers in the UK will be able to access new markets efficiently through new payment initiators.

New banking solutions like Trustly can make exporting attractive again to the benefit of the UK economy as we enter a period of uncertainty and that has to be a good thing.
[Consumer expert]

CASE STUDY

Trustly is an electronic payment solution that enables consumers to pay for goods and services online directly from their bank accounts, without the need for middlemen such as a credit or debit card providers, with bank level security to and from anywhere in Europe. The product is free for consumers, and has the added safety feature of not storing any of your valuable details, and for SMEs, such as e-merchants, it eliminates risk and fraud issues. The Trustly user interface can be integrated into the merchant's web page and visiting consumers can pay from their local bank using their traditional login details, on any device.

Trustly's technology allows SMEs to expand from one country throughout Europe at no extra cost, effectively making them pan-European (at the click of a button). It is all managed through one agreement for all markets, thereby reducing administrative costs. Because Trustly manages the entire payment process, it enables instant and painless refunds for merchants. It affords SMEs other functions too, such as enabling payments to be delayed until certain criteria have been met or splitting payments between different providers in the value chain.

Companies like Xero offer sophisticated accounting software for SMEs. Xero combines multiple services in one place. It connects to the SME's bank account data and helps marry up payments with invoices/receipts. It also allows SMEs to insert payment requests into invoices, making it easier for an SME customer to pay online. Accountants can access the software and it can be accessed on any device via the Cloud. Xero also acts as a 'marketplace' for further business services.

In time, with new developments in the payments system envisaged by the Payments Strategy Forum[17], new 'enhanced data' sent with the actual payment itself will enable SMEs to instantly reconcile their invoices and payments without the need for any manual intervention. This should also make tax payments and returns much quicker and easier.

'Request to Pay' supported by payments APIs will enable companies to make and receive 'part payments' for invoices. This should help in instances where one item on an invoice is queried and payment for other items is held up until the query is addressed.

All the benefits of Open Banking rely on consumers and SMEs knowing how to make best use of the services. With the right take up benefits could accrue to people that we are not able to envisage. As one interviewee remarked:

I've got to say I am not too worried about the risks; I am more worried about the missed opportunities...
[Consumer expert]

[17] Payments Strategy Forum, A Payments Strategy for the 21st Century: Putting the needs of users first, paragraph 5.47

THE RISKS OF OPEN BANKING FOR CONSUMERS AND SMEs

The possibilities created by mixing up APIs, financial data and other tech are endless but if they create benefits, they also create potential for harm. Consumer representatives and the Treasury Select Committee have expressed reservations.

The power of Open Banking depends on its ability to disrupt the market. The question is whether it will do this and solve problems or simply exacerbate them.

The 'tools' mentioned earlier: aggregation, analysis, monitoring, recommendation, automation and payment requests, can be used in ways which create conflicts of interest, exploit asymmetries of power or exacerbate digital and financial exclusion. Convenience, speed and simplicity may come at the expense of losing more control of our money, a reduction in privacy or security and a more complex marketplace.

AGGREGATION

ANALYSIS

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RECOMMENDATION

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PAYMENT REQUESTS

We were sold this thing was going to be a fantastic, competitive market place... then we found a lot of bad practices, people trying to take advantage of consumers who weren't so well informed...there's no reason why we should expect everything to run just fine... There will be people who try to mis-sell, who try to game the system.

[Industry representative]

CONFLICTS OF INTEREST

Increasing competition in the market relies on consumers taking up new services that are on offer. Customer acquisition is difficult and people are used to receiving a variety of services for 'free', which leads to concern among consumer experts:

The way to monetise it is either getting kickbacks from providers of financial services or find ways of using technology to cross-sell more products to consumers by exploiting behavioural biases.

[Consumer expert]

Commission based business models can help new entrants enter the market[18]. Providers pay distributors when they secure sales. The 'commission' paid by a provider is then recouped through the cost of the product. For the consumer, it might be worth it if it decreases search costs and they get access to products which otherwise they may not have been able to get; and potentially get a better deal than if they had gone direct, which is the alternative to using a comparison tool.

But commission can lead to conflicts of interest and consumer detriment because of a lack of transparency. What constitutes an acceptable level of commission is debatable. Commission can create problems: product and/or provider bias[19], 'sale bias'[20], churn, hollowing out and ancillary charging[21].

To be successful, the CMA suggests the commission-based business model needs to operate in a competitive market where platforms compete[22]. The CMA analysed price comparison website profitability in the market for motor insurance and found that they were highly profitable, with aggregate operating margins around 25% and low capital costs. This "indicated that the full benefits of inter-brand competition might not be passed on to consumers." [23]

For consumer experts, the concern is that as digital comparison tools and 'market-place' services develop – whether that's over a PFM platform, a bank or via accounting software – it may increase costs for consumers, rather than decrease them. And the types of issues the CMA identified in the current account market will simply shift to the market for digital comparison tools.

As part of this research, intermediaries engaged in discussing the difficulties associated with commission. Many were actively trying to avoid the biases of commission by fixing the commission fee by product type; refusing to show preference to one provider over another; focussing on their core offering of helping people to manage their money better (not increasing their costs); or by charging fees directly. One solution suggested was to offer people the choice between paying for the service directly or indirectly, so they could see the difference and choose.

EXPLOITING ASYMMETRIES OF POWER

Asymmetries of power exist where one party – like a product or service provider – has more information and resource at their disposal than another – like a consumer or SME.

Research suggests that in banking the asymmetry of power has traditionally been in favour of firms and that individual consumers and SMEs do not feel they have the resource to compete[24]. Firms design the products, set the pricing and terms and conditions. The products can be complex with terms and conditions which are impossibly long and difficult to understand.

Five connected areas of concern were highlighted by consumer representatives during interviews: data sharing; privacy and control; 'sharp practices' in other markets; market complexity and trust; and data security.

Data sharing

The intent of the new General Data Protection Regulation to be introduced in 2018 is to give people more control over their data and improve their legal rights.

But people already struggle to understand what data they are creating as part of daily life, let alone who owns it or how it's being used by digital companies, like Amazon or Google.

I think maybe we need to get to a situation where we help people really understand what data is first, what sort of data they own and are generating and then control is of course about data utility… I think people are a long way from being able to control their data…
[Consumer expert]

[18] CMA (2014), Private Motor Insurance Investigation – Final Report, Para 8.59
[19] More money is paid to the product or provider which offers most commission
[20] Selling a product or bigger loan/more insurance than a customer would benefit from
[21] Intense price competition and the need to pay commission causes providers to reduce the quality of the product or sell services as more profitable 'add-ons'
[22] CMA (2014), Private Motor Insurance Investigation – Final Report, Para 8.7-8.8
[23] CMA (2014)), Private Motor Insurance Investigation – Final Report, Para 8.8
[24] Jackie Wells, Consumer Responsibility, Identify and Closing the Gap, A report prepared for the FCA Practitioner Panel, 2013
[25] Consumers International, Connection and protection in the Digital Age: The Internet of Things and challenges for consumer protection, 2016
[26] http://www.visualcapitalist.com/much-personal-data-worth/

Open Banking will allow financial data to be merged and analysed with other datasets. Firms could see what connections exist between my transactional data and my Facebook data for instance. They could even combine this with data collected from sensors on my fridge made possible by the Internet of Things.

Algorithms and predictive analytics can work out when my fridge is wearing out, offer me a replacement of the type I might like, based on my spending profile, and provide me with a credit option that already suits my credit score. The same analytics might also predict how much I am willing to pay and how likely I am to use credit, thus pushing up the price of the fridge.

In scenarios like this, blanket terms and conditions in lengthy legalese could maximise what the service provider can do with a person's data (all the way through to offering credit for a new fridge) whilst minimising their responsibility. Consumers may only have the option to accept it all or else decline the entire service[25]. Consumer and industry experts alike were concerned that 'consent' to sharing data may be easily given without understanding the consequences.

Data protection legislation is just inadequate…terms and conditions of some of the apps…you'll be utterly shocked what they give themselves the right to do but nobody reads them and nobody can… nobody can do much about it… that's the problem that's going to get bigger and bigger…and eventually it will cause real difficulties, real problems in real life.
[Industry expert]

Sharing data may allow new convenient and personalised services, but it comes at a cost to data privacy and control over how that data is used. It may give rise to new feelings of disempowerment as complex chains of providers sharing data and offering various parts of a service reduce transparency and clarity about liability.

Privacy and control

Seemingly 'free' business models could increase the onward sale of transactional data because it is a way for firms to monetise what they do without requesting a fee upfront. This could be exacerbated by models that pay the consumer for unlimited access to data – a model practised in the US[26].

The big issue…is that people too often have no idea what they have given consent for…we've been campaigning for years about nuisance calls for high cost credit, with people's contact details passed from lender to lender, to lead generator to introducer, to broker and back again.
[Consumer expert]

The regulation of third parties, like lead generators, will need to be worked though. PSD2 requires new payment initiators and aggregators to be regulated by the FCA. However, it is not clear how other third parties, like data brokers, will be classified or thus regulated or what protections might exist for consumers.

To help people stay in control of their data, there is a growing privacy sector providing interfaces between services and individuals helping them to protect their data. They have the potential to act like 'custodians…taking the sweat out of being worried about data' [Consumer expert]. This could also be a role provided by banks as they raise awareness of the kinds of third parties seeking access to transactional data and play a protective role in helping people avoid exploitation.

CASE STUDY

Meeco is the 'API-of-Me': a digital platform for storing, sharing and synching personal data securely which can be accessed through any device. The aim of Meeco is to ensure that the user is in control of their data and how it is used and accessed by others. It allows people to share their data securely and also set permissions for the use of that data - for instance, how long that data is available for – in a consistent and easy-to-use format.

When Open APIs become available, Meeco will offer banks services that give their customers their data in a standardised and usable format. Meeco can support permissioned exchange of that data between the customer, their bank, and third parties and banks.

Underpinning all the changes in data utilisation, Citizens Advice highlight more deep-seated concerns which raise questions for policy makers about data and how it is used generally.

...consumers have worries about lack of control, privacy and the impact of high use of technology on the next generation and on social or family life... In addition, the immediate gratification and convenience of so many services can override these deeper concerns.[27]

Consumer representatives called for more friction in services to help people regain control of spending:

You actually need to build some bumps in the road, you need to build some friction in because sometimes people need just that pause to make a decision...all of us could do with some friction, if it's positive friction, rather than negative friction...it's friction that gives you more control over your spending.

[Consumer expert]

But the same could be said of our data, more generally. The concerns the research by Citizens Advice highlighted about sharing data generally will become more prevalent in future as we move further into a 'data-driven' economy. Open Banking gives us a platform through which to re-assess the way we share our data in all aspects of our lives.

So where I think Open Banking has potential... is to become the grit that gets in your shoe so that you can't keep walking along...I know that's not how we describe Open Banking and APIs....but actually my hope for this is that we use data in a way that allows the customer to wake up rather than them being lulled into a false sense of security.

[Consumer expert]

[27] Citizens Advice, Fairness and Flexibility, 2016

Risk of sharp practices

Debt collection is essential to the business model of credit companies who take on risk when they lend. It's also essential to other types of private and public providers, like local government, when people fall behind in their payments. Efficient business and fair tax collection demands debts are chased.

Having access to bank account data may make it easier for lenders to undertake affordability assessments, but it also makes collections much easier too.

> **...it's information you can use to lend responsibly but you can also use to collect easier, and easier collections mean more irresponsible lending. As long as you can make sure you're up front in the queue to get money back then you can afford to lend irresponsibly.**
> **[Consumer expert]**

Open Banking enables lenders to continually monitor accounts and take repayment as soon as income is detected. Consumer experts are concerned that for payday lenders in particular, this gets around the limit imposed on the use of Continuous Payment Authorities by the FCA.

But Open Banking is likely to have an impact on all sorts of lending, not just payday lending, including the sale of goods on credit:

> **So if you're about to buy a car and your car dealer says "let me have a look at your financial data, just ping me over your banking identifier... and I will use that to judge what finance you should be getting and make you an offer based on that.**
> **[Consumer expert]**

Having access to bank account data gives the car dealer more power to negotiate a higher price for the car and/or a more expensive loan because the customer 'can afford it'. Customers could be 'sold' the idea of sharing their transactional data because the dealer claims to be a responsible lender, wants to help you avoid form filling and agree the lending agreement more quickly and conveniently.

Consumer experts observed that ongoing access to a person's or SME's financial data puts more power in the hands of the lender, especially during financial difficulty. Access to more detailed information about a person's financial situation may put a stronger onus on lenders to demonstrate they are both lending and collecting repayments responsibly:

> **...what is happening with the access to the data and the access to the financial data is that it is giving back to lenders the responsibility and I suppose the big challenge for them, is how do they exercise that.**
> **[Consumer expert]**

Market complexity and trust

New aggregators or payment initiators could help simplify the market by recommending products and bring better ways to pay. New personalised services could enable automated switching. But in such a busy and complex marketplace, how will consumers know what they are and whether they are safe?

It is not clear how consumers or SMEs will know how to choose new services or weigh up one provider against another. Some will offer account aggregation for free, others will charge, some will sell on data, some will pay the customer for their data, some will act as brokers to other services.

These things are supposed to enable the kind of consumer behaviour that promotes good markets …but there must come a point where it starts to self-defeat because there are so many things the consumer has to investigate and think about before they do that convenient thing, that you're back to the information overload problem…

[Consumer expert]

Personalised, automated services may narrow these choices down or only offer certain types of products but then rely on customers to trust that these are the best options for them.

The responsibilities of managing and controlling consent could also be a turn-off to consumers and may be exacerbated by concerns about security, especially when layers of security are not visible.

Data security

Security is a major concern, especially as new payment requests from third parties will provide a new opportunity for cybercriminals to steal money. APIs and their associated products will only bring benefits where they are well designed, high quality and secure. Likewise the organisations either side of the data transfer also need to be secure. Recent high-profile hacking and data loss cases across a range of sectors bring this into sharp focus.

Creating the appropriate safeguards and redress mechanisms is critical, as is ensuring consumers know who to turn to if something does go wrong.

As Which?'s supercomplaint[28] points out, liability rests with the customer for Faster Payments made to accounts that are part of a scam. The European Banking Authority places a lot of emphasis on 'strong customer authentication' but consumer experts believe more protection may be needed to inspire confidence:

…you could have a section 75 type thing which is going to cover you so you're never worried because you know someone's always going to compensate you if it goes wrong…

[Consumer expert]

Consumer research by Ipsos Mori[29] suggests that people look to their banks to protect them from loss. In a survey with over 2,000 respondents, 55% said that a third party would be to blame if they were hacked and the consumer lost money. But only 22% said they would contact the third party for help first. In fact, the majority (56%) said they would contact their bank first.

[28] http://www.staticwhich.co.uk/documents/pdf/which-super-complaint---consumer-safeguards-in-the-market-for-push-payments-453230.pdf
[29] Barclays/Ipsos Mori, Open API: Exploring the views of consumers and small businesses, 2015
[30] Treasury Select Committee: Committee Disappointed by Banking Market Investigation, 01 November 2016, 12:13:59 (audio visual)
[31] Lloyds Bank, Consumer Digital Index, 2016

As things stand, it is unclear to consumers which regulator is responsible for which parts of the value chain, especially as boundaries between industries merge. Open Banking already involves several different regulators, including the CMA, the FCA, the PSR (Payment Systems Regulator) and the ICO (Information Commissioner's Office).

It is also unclear how consumers are protected by different regulations. PSD2 requires payment initiators and aggregators to be regulated but only insofar as they relate to payment services. The regulations do not cover the transfer of data between third parties and other types of products like mortgages or investments. The benefits of an aggregator are in having all products in one place but the complexity of the legislative and regulatory framework may create barriers to consistent consumer protection.

Once an aggregator site pulls information from a pension or mortgage, it is unclear what protections would exist for consumers. For instance, if details of the mortgage were misrepresented by an aggregator and the consumer had cause for complaint, would they be able to take this to the Financial Ombudsman? Regulation will vary depending on the type of product (or indeed industry) and the use the data is put to.

Added to this is the problem of unregulated third parties using data in unexpected ways which could undermine Open Banking.

A new approach to regulation and a simpler consumer/SME interface for complaints and redress may be needed in future.

Consumer experts acknowledge that as people confront those complexities, it's possible that they will stick with what they know and trust. Complexity may undermine the ability of Open Banking to really disrupt the market:

The more people get confused, the more they will fall back on established relationships.
[Consumer expert]

Public awareness raising and financial education could play a part in helping people take up new services, but it's important to be realistic about what consumers can cope with.

ACCESS AND INCLUSION

A key risk for consumers and SMEs arising from Open Banking is exclusion: both digital exclusion and financial exclusion. The use of big data sets also raises ethical and public policy issues.

Digital exclusion

As the Treasury Select Committee points out:

25% of people don't have smartphones, broadband hasn't been fully rolled out, we had another report over the weekend about the weak mobile phone signals and...there is financial exclusion and all of these things... are correlated with people who are elderly, on low incomes, live in rural areas and have disabilities[30].

Where people do have access to the internet, they may not have the confidence to use it for banking purposes. It is estimated that 9.6m have low digital capabilities, meaning they are less able to benefit from comparison tools or online discounts. People on low incomes could be missing out on a saving of £516 per year[31].

Consumer experts fear that the nature of these types of exclusion will be exacerbated by the increasing benefits that more savvy consumers will be able to access. The people who were felt to potentially gain the most from having access to personal finance management platforms were also those who were the least likely to be able to access them:

That usual old chestnut... is that's great for middle class families on middle incomes, what about people whose financial capability isn't so developed or who are digitally excluded?
[Consumer expert]

There was also a question about the extent to which giving someone the 'tools' for managing their money was not necessarily the same as 'giving them the behaviours they will need to be financially capable' [Consumer expert]. The benefits of Open Banking are only likely to materialise if people have the capacity to make full use of the new services and capabilities available.

Financial exclusion

Consumer experts flag that identity and address verification have, for a long time, been a key barrier to people accessing services. Some platforms are developing 'digital IDs' or 'digital wallets' to help people switch to new products more easily without the hassle of drawn-out application processes. Digital IDs will enable more 'automated' switching – one of the aims of Open Banking. Whilst many build off existing credentials, some, like MONI, are working with governments to help refugees and asylum seekers create new credentials, by linking ID to a biometric police record, enabling them to open a bank account[32].

This promotes inclusion but also provides impetus to digitally, biometrically connected identity credentials and raises concerns about privacy and security, especially in a country that rejected national identity cards.

Enthusiasm was expressed for services which consider how to help include different groups of people – whether a young person learning to budget, a microenterprise on a tight budget or an older person going 'online':

> **What I quite like about [ipagoo] was the ability to make transactions conditional so your rent goes out as long as your salary has come in...which is, when you're on a tight budget, sequencing those things and having control over that sequence is potentially very powerful.**
>
> **[Consumer expert]**

CASE STUDY

ipagoo is a pan-European bank offering a paid-for payments account with a range of unusual, consumer-friendly uses. For instance, users can have multiple independent accounts at the same time and grant another person access to those accounts with certain levels of permission. Parents can help teenage children learning to budget. And older people can have an 'account assistant' to help them manage their account remotely online, still giving the account owner control over final decisions. Telephone assistance is available if they prefer.

For people on low or unstable incomes, ipagoo allows them to prioritise bills so that they only make payments when they have sufficient funds in their account. It helps customers to create a dashboard of continuous payment authorities (CPAs) and seeks authorisation from the customer before allowing payments to be made. It provides more opportunity for controlling payments, such as in the case of direct debits, which ipagoo presents in advance to the client for approval if required.

But, there was overall scepticism expressed by consumer representatives about whether Open Banking would really benefit people on lower incomes. In fact, the ability to segment the market further meant that firms could 'cherry pick' the most commercially viable consumers and exclude others:

> **There's no real commercial imperative for financial providers to go after people who are not commercially viable regardless of how the information and the type of information that's used changes.**
>
> **[Consumer expert]**

Data integrity and ethics

A lot of confidence is placed in predictive analytics. But sometimes that data might be wrong. The European Financial Services User Group reports that 'far from delivering on its promises of enabling underserved consumers access to credit, expanding data points increases inaccuracies which in turn had consequences on credit[33]:

> **What I do worry about is data becoming a false god… when everything is done by just data and there's no empowerment for… the customer and the service provider human to have a sensible conversation and say, 'actually this looks like it's slightly outside of our parameters but there is no risk here'.**
>
> **[Consumer expert]**

The move to smart contracts and the ability to build enforcement into the contract means that in future, people may find themselves unwittingly excluded from using a product without recourse to human help. Imagine, a car that's on lease. There's a problem with your payment account (perhaps the provider's server has gone down!) and the monthly hire purchase payment does not reach the creditor – a smart contract could disable the car and make it unusable until the payment issue is addressed.

Despite the General Data Protection Regulation, it is expected that as the Open Banking market matures, people may feel detriment because they are not willing or able to share their data:

> **What are the unintended consequences for people who are not in a position to share data or who don't want to share their data, and will they be at a disadvantage to others so in fact it becomes a de facto thing that we have to do?**
>
> **[Consumer expert]**

People and businesses may be required to give government access to their accounts directly to identify tax evasion or benefits fraud. Government already has access to the information but not in a way where it can continuously monitor it. Digital access of this kind and the ability to create new data sets for analysis may raise public policy issues.

[32] http://www.thememo.com/2016/10/03/moni-offers-financial-inclusion-and-dignity-for-6000-european-migrants/
[33] http://www.nclc.org/issues/big-data.html

WHERE NEXT?

> **...what people are giving away in terms of their data and how that data might be used is much more powerful than any of us can understand...**
>
> **[Consumer expert]**

The seeds of Open Banking blow beyond the field of financial services, causing people to think more widely about the data-driven economy of which we are part.

Barclays' aim in supporting this piece has been to highlight the voices of consumer representatives as they see Open Banking in their contexts. The conclusions here reflect the views of the author and the consumer and industry experts interviewed.

For interviewees, the potential power of Open Banking to disrupt the financial services market – and indeed, other markets – is evident. It will bring new products that make it easier to manage money and shop around. It could widen access to existing products, like credit, debt advice or financial advice. And bring new products to market from overseas or the UK, at the click of a button. The 'tools' of Open Banking will make things simpler, quicker and more convenient.

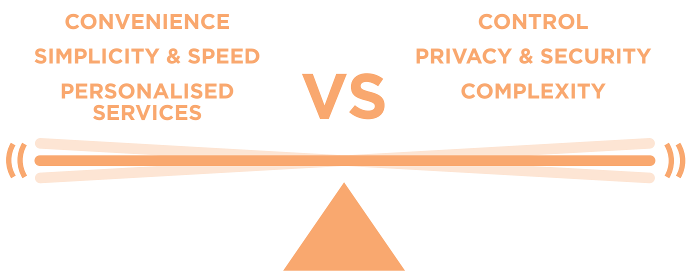
But consumer experts have concerns that those same tools could create obstacles that undermine its potential. New third parties will further complicate the landscape for consumers. It's unclear if they will be trustworthy or who will protect people if they're not. And there's lots of innovation but it could by-pass those who would stand to gain most from it as people who are less 'commercially viable' get left behind.

Simultaneously, research shows that digitalisation leaves people feeling concerned about the impact technology might have on their social or family life but feel unqualified and too disempowered to challenge it[34], even when they proactively try to be 'responsible consumers'. They have lost control.

Open Banking – and all it brings – requires a response. It requires action. From everyone, because the issues are significant and they are not easy to address.

Open Banking highlights conundrums that exist and trade-offs that can be difficult to make, between convenience versus control; speed and simplicity versus privacy and security; personalised services and complexity.

The author and interviewees identified areas for action that can be grouped under a number of headings: leadership and co-ordination, competition and disruption, consumer protection and data and society.



LEADERSHIP AND CO-ORDINATION

Open Banking is blurring the lines between industries and with it, the clarity over which regulator has responsibility for what. Regulators can co-ordinate themselves but ultimately it would benefit from Government stepping in.

- Government should write its own strategy for its role and that of counterparts like regulators, ensuring the digital economy gets beyond the glamour of 'innovation' and addresses the needs of its citizens.
- The FCA should publicly discuss its understanding of the potential conduct risks associated with Open Banking and how such risks could be mitigated to inspire confidence, working with other regulators where appropriate.
- The UK Regulators Network should outline liabilities clearly and ensure that there are no gaps 'between' markets. Consumers should be able to access redress freely, simply and without difficulty regardless to whom they complain.
- Consumer groups must engage now and advocate on behalf of consumers for the kind of markets and policies they think will provide the best consumer outcomes.

COMPETITION AND DISRUPTION

You can definitely imagine Open Banking working in a way to cement the place of incumbents.
[Consumer expert]

Open Banking has the power to disrupt the market, but it is not clear what success looks like. Those with most to gain could lose out. Others may re-trench when faced with a more complex landscape, concerns about security or bad experiences.

- The CMA, in partnership with the FCA and HM Treasury should define what success looks like for Open Banking and monitor it, paying special attention to more vulnerable groups like those on low incomes or young people.
- The CMA and the FCA should ensure that the systems and rules for access to Open Banking do not discriminate against new entrants.

CONSUMER PROTECTION

Exploiting behavioural biases, price gauging, cross-selling, cross-selling of information never mind cross-selling commercial products, there's a whole wealth of conduct of business issues there and again our current system of regulation hasn't kept up with it.
[Consumer expert]

Given the potential concerns about Open Banking, steps need to be taken to ensure adequate consumer protection is built in from the start.

- All providers of financial products and services should use the opportunities presented by Open Banking to build trust, demonstrating that they can help people manage their money better, give them access to better products, and provide them with meaningful tools to help them understand their choices.
- All interested parties should build Open Banking education and capacity building into their digital inclusion initiatives.
- Regulators, industries and consumer representatives should work to help consumers understand what they are consenting to when they share their data, using new technology to do this where appropriate.
- The whole industry should also take steps to understand what 'positive friction' might look like for consumers and how it can protect them when things go wrong, with a view to paving the way for better data sharing in other sectors beyond financial services.
- The FCA should work with the UK Regulators Network to assess regulatory requirements for Third Party Providers in the new Open Banking environment.

Action is also needed to ensure the access to data enabled by Open Banking is used ethically.

- The FCA should look holistically at the interplay between the business models used by established players versus new entrants, level the playing field and get rid of conflicts of interest which harm consumers. It should review the impact of commission-based business models on competition in the market and the impact on consumer outcomes.
- The FCA should monitor the use of transactional data by lenders in their collections activity to ensure it is used responsibly and should ensure that consumers withdrawing access to their data are not penalised.

- The FCA and the Money Advice Service should consider the role APIs and other technologies could play in improving awareness of and access to debt advice as well as how the debt advice process itself could be improved. They should consider how technology could be used to improve the effectiveness of financial capability and money guidance interventions.
- The UK Regulators Network should work with the ICO to develop a clear cross-cutting strategy for how its members will regulate in a new data driven economy, paying attention to data sharing, new value chains and consumer manipulation. It should outline the public policy issues, make recommendations to government about ethical issues that arise and hold it to account for addressing them.

DATA AND SOCIETY

> **...who do they [Government] share that data with, are they sharing it with outsourced providers and what do those outsourced providers do with it...?**
>
> **[Consumer expert]**

Government already has access to a lot of people's data and can request financial statements directly from a bank without recourse to the individual concerned if it suspects fraudulent activity. Open Banking could allow government easier and readier access to individual and aggregated data sets.

- The Government should be clear and open about its own use of our data and protect it with the highest levels of security.
- The Government should outline how it will undertake big data projects that could help society by identifying patterns of behaviour and tools that could help, as suggested by the Money and Mental Health Institute[35].
- The Government should work with the debt advice sector to use new technology to improve its own debt collection practices.

The Chinese government recently announced a policy initiative to give its citizens a score based on their 'political, commercial, social and legal "credit"'[36]. Good and bad behaviour will have an impact on the score and scores could be used in any setting to determine a person's rights.

While a similar step may seem unlikely in the UK, the use of data sits on a spectrum and individual, small steps, taken in isolation can move the UK along that spectrum with little public debate or explicit acceptance.

- The Government should carefully monitor the horizon and report publicly on steps it is taking to ensure its use of data is proportionate and in keeping with citizens' expectations.
- The Council of Data Science Ethics recommended by the Science and Technology Commons Select Committee should also now be established in a timely manner to:

  "Address... the growing legal and ethical challenges associated with balancing privacy, anonymisation, security and public benefit[37]."
- Members of Parliament must hold Government to account for the shape of the data-driven economy we accept in the UK and Government's own data storage, analysis and usage.

[34] Citizens Advice, Fairness and Flexibility, 2016
[35] Money and Mental Health Policy Institute, Busting the Banks Open, 2016
[36] http://www.independent.co.uk/news/world/asia/china-surveillance-big-data-score-censorship-a7375221.html
[37] http://www.publications.parliament.uk/pa/cm201516/cmselect/cmsctech/468/46809.htm#_idTextAnchor037

CONCLUDING REMARKS

Open Banking offers exciting and powerful ways to re-shape people's and businesses' experience of financial services. But it's not the only thing on the horizon. Open Banking and the sharing of transactional data gives impetus to other markets, the Internet of Things and artificial intelligence. The world about us is changing and it requires action from everyone:

> **There are some fantastic opportunities there and there are some key risks and the success of it will be whether collectively we can take advantage of the opportunities while minimising the risk.**
>
> **[Consumer expert]**

APPENDIX

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