

Approach to FE Design Facilitation

January 2026

Presentation to: **Open Banking Ecosystem Participants**

Executive Summary

- **Open Banking is at a pivotal transition moment** - moving from a CMA remedy to an FCA-led, statute-backed standards body ('Future Entity') built for the whole ecosystem.
- On 19 December, the **FCA asked industry to decide on the approach to designing and** establishing this **Future Entity** (FE).
- Open Banking Limited (OBL) **are best placed to deliver this - independently facilitating a design process across the whole ecosystem, ensuring genuine independence and industry leadership** to shape and agree a detailed, majority support-based plan for FE design.
- **OBL is uniquely positioned to facilitate engagement with the ecosystem**, bringing **credibility, expertise** and a **strong track record** of successfully delivering complex, multi-stakeholder programs.
- **By providing a complete, independently assured FE design process** - covering governance, standards, funding, legal viability and economic modelling - OBL offers industry **a low-cost, high-certainty route to a regulatory-aligned blueprint** – only external specialists need to be funded.
- **All design choices sit entirely with industry** - OBL's role would be purely to facilitate a transparent, neutral process, with firms free to shape the Future Entity's governance, scope and funding model without being steered toward any predetermined outcome.
- We are pleased to confirm that we **already have the support of over 30 firms for this approach, with a mix and large and small ASPSPs and TPPs**.
- Firms have two options to support OBL:
 1. **Funder** – active participant, including membership of the FE Design Working Group (tiered funding starts from £750 for small TPPs).
 2. **Supporter** – provide support for OBL's approach and receive programme updates without funding and participating in the Working Group.

We're seeking industry support for an OBL facilitated and industry led proposal. If supportive, we request that firms share their support for OBL's proposal with us, their Trade Association and the FCA – with an email to openbanking@fca.org.uk.

Background



Open Banking Timeline

Aug 2016	Jan 2023	Apr 2024	Aug 2025	Dec 2025	2026	~2027
Retail Banking Market Investigation (CMA Order)	CMA Determines Roadmap Substantially Complete.	JROC Report on Proposals for the Future Entity (here)	FCA publishes Design of the Future Entity for UK open banking (here)	UK Payments Initiative (UKPI) incorporated to operate cVRP	HMT secondary legislation (under DUAA) to unlock powers for the LTRF	LTRF in place, CMA revoke CMA Order.
Sep 2016	Dec 2023	Jun 2025	Dec 2025	2026	2026	
OBL (formerly OBIE) established to implement the CMA Order	Future Entity Working Group reports to JROC (here)	Data (Use and Access) Act 2025 (DUAA) receives Royal Assent	FCA writes to Trade Associations asking for support and views on the Design Process (here)	Ecosystem collaboration on FE Design – develop FE Blueprint	FCA consultation on LTRF	

The August FCA Statement sets out their vision for the Future Entity (FE)

Organisation and Governance	Scope of functions	Interaction with commercial schemes
<p>The FE will:</p> <ul style="list-style-type: none">• Be a new, not-for-profit company limited by guarantee.• Have an independent board and be supported by appropriate advisory groups.• Have a hybrid funding model with cost allocation across all participant groups, and the ability to have additional services funded by users and developers.• Need to transition relevant capabilities, assets and expertise from OBL.• Be regulated by the FCA as an interface body under the DUAA. <p>The FE will not have regulatory enforcement powers or be a public body.</p>	<p>The FE will:</p> <ul style="list-style-type: none">• Be the primary standard setting body for Open Banking APIs in the UK.• Monitor API performance and adherence to relevant standards.• Provide directory and certification services.• Ensure a minimum level of service and consistency across Open Banking services. <p>The FE may expand its role to Open Finance.</p>	<p>The FE will:</p> <ul style="list-style-type: none">• Monitor adherence to its standards by commercial schemes.• Support commercial schemes to innovate in the best interests of the UK and consumers.• Work closely with MLA owner/operators to provide standards necessary to enable commercial schemes. <p>The FE may:</p> <ul style="list-style-type: none">• Operate schemes where there is a market failure, and provide the technical infrastructure for such schemes.• Incubate innovation by developing new schemes for market operation or assisting in their development.

The FCA Statement details that they will '**work with industry** to decide the best way to **establish the Future Entity**, taking into account the need to **effectively transition** existing expertise and CMA Order activities **from OBL to the Future Entity**'.

OBL Proposal on FE Design Facilitation

Principles for the FE Design Phase

Target Output from the FE Design facilitation process:

A clear industry and stakeholder backed blueprint for the Future Entity to ensure Open Banking continues to evolve in a way that supports competition, innovation and positive outcomes for consumers and businesses.

Guiding Principles:

Transparent Governance and Design Process

Clear mechanism and process for engagement from participants to work through design considerations and gather support from the majority (**FE Design Phase**). Facilitating party must visibly operate under **guardrails that demonstrate neutrality, transparency** and regulatory alignment.

Industry-led Design

Through effective governance, **enable industry to lead** on FE design to establish clear, broad support on the blueprint for the FE that meets regulatory expectations and industry needs.

Equitable Ecosystem Input

All stakeholder groups must have **fair, meaningful and proportionate representation** in and influence over the FE Design Phase.

Clear and Accurate Representation

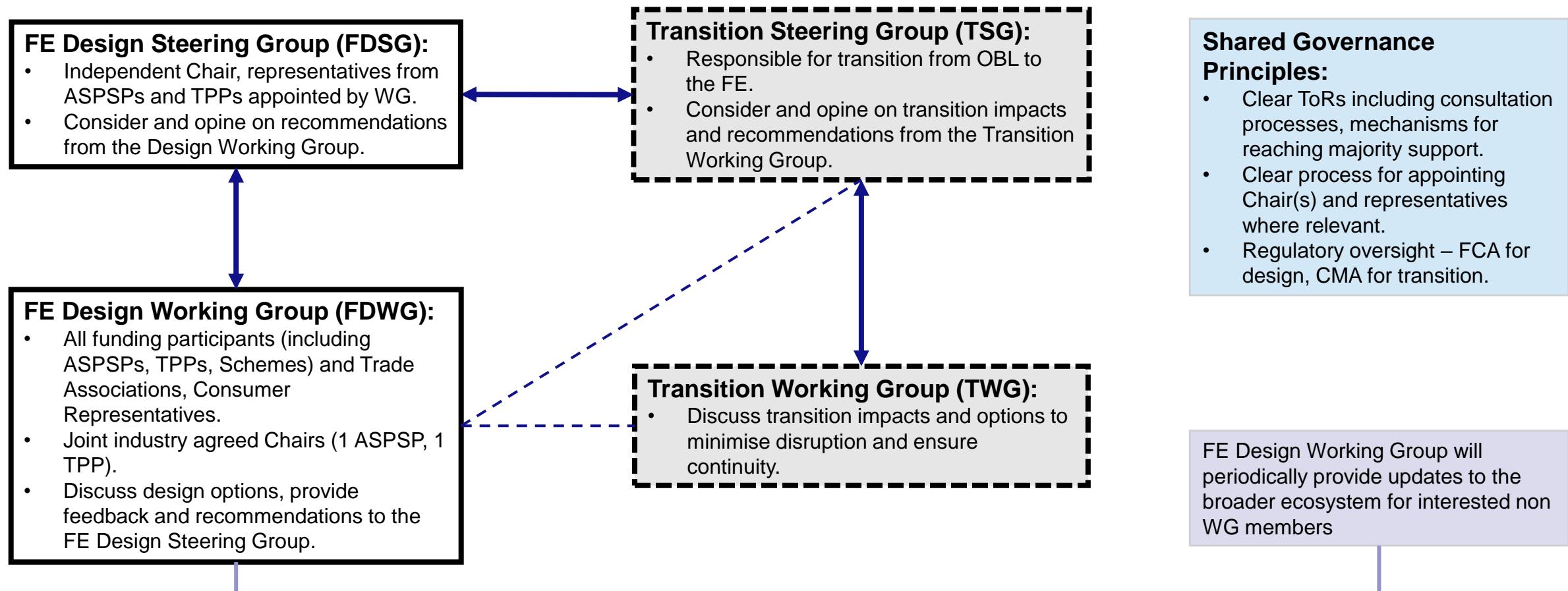
Facilitating party is responsible for **clearly and accurately representing the views of participants** and seeking clarity when appropriate.

Alignment with Regulatory Expectations

Detailed design should be **guided by** the information set out in the **FCA Statement**. Must align with the expectations of the FCA, HMT and CMA where relevant, with continued engagement with each group.

FE Design Phase – Proposed Governance Model

OBL proposes to facilitate the FE Design Phase through a structured, transparent and inclusive engagement process. Our proposed approach is designed to secure broad industry support and ensure the FE's design is robust, industry-led and fit for purpose.



Exemplar: Key Topics for FE Design

The first phase of work will be to agree key topics to cover for FE design. These topics may include:

Group Terms of Reference

Clarity on the purpose of the group, design principles, objectives, and the process for presenting proposals, receiving feedback, and obtaining majority support for each item.

Nature of FE

Who will set it up, how will it be set up, and what form will it take – pre and post LTRF (subject to regulation). Guided by the FCA vision to be a **new, not-for-profit company limited by guarantee**, with an **independent board** supported by appropriate advisory groups.

FE Funding

How will funding work for set-up, transition and BAU.

Guided by the FCA vision to have a **hybrid funding model with cost allocation across all participant groups**, and the ability to have additional services funded by users and developers. The funding model and cost of the Future Entity will ultimately be an output of the design choices made by industry – including decisions about scope, services, governance, assurance needs, and the ambition for future use cases.

Governance

How the FE Board is constituted and recruited, and relationship with the FCA.

Guided by the FCA vision to need to **transition relevant capabilities, assets and expertise** from OBL, and be **regulated by the FCA** as an interface body under the DUAA.

Exemplar: Key Topics for FE Design

FE Core Capabilities

The role the FE plays as a standards setting body through the ecosystem; and the role in relation to mandatory versus contractual requirements.

Guided by the FCA vision for the FE to:

- Be the **primary standard setting body** for Open Banking APIs in the UK.
- **Monitor** API performance and adherence to relevant standards.
- Provide **directory and certification services**.
- Ensure a minimum level of service and consistency across Open Banking services.
- *Potentially expand its role to Open Finance.*

Relationship to Other OB Schemes

Relationship to other OB schemes e.g. commercial or market-led schemes that use the Open Banking Standard (subject to regulation).

Guided by the FCA vision for the FE to:

- **Monitor adherence** to its standards by commercial schemes.
- **Support** commercial schemes to **innovate** in the best interests of the UK and consumers.
- Work closely with MLA owner/operators to provide **standards necessary to enable commercial schemes**.
- *Potentially operate schemes where there is a market failure and provide the technical infrastructure for such schemes.*
- *Potentially incubate innovation by developing new schemes for market operation or assisting in their development.*

OBL Experience and Capabilities

- **Expertise and a strong track record** of delivering complex, multi-stakeholder programs – exemplified by OBL's role facilitating the cVRP programme, resulting in an industry owned operator incorporated in December 2025.
- **Strong approach to governance**, to ensure that the process is **industry led**, effectively manages conflicts and bias, and **impartially facilitated**.
- **Extensive experience operating within complex regulatory frameworks**. Supported by robust internal processes, governance structures, accountability to regulators and adherence to industry standards.
- **Cost control and efficiency**. Current OBL leadership have reduced net run costs by close to 60% from historic highs.
 - Recent projects - such as cVRP - have demonstrated tight cost control, high transparency, and prudent management of external inputs within strict budgets. This discipline will continue through any transition to the FE.
- The FCA expect the Future Entity to play a different and expanded role in open banking. We believe the **significant learnings gained** via our experience with the existing regime will be extremely valuable for the FE design process.
- The FCA's August Statement recognises the '*need to effectively transition existing expertise and CMA Order activities from OBL to the Future Entity*'.
 - While the process is separate, there is a clear dependency on FE Design for transition activities. **OBL is uniquely positioned** to be involved in both FE Design and transition, **helping ensure continuity of service** and the efficient transition.

Programme Funding



Programme Funding for FE Design Facilitation Phase

Drawing on experience facilitating industry collaboration for the cVRP programme, OBL has undertaken a project budgeting exercise to determine funding required.

➤ **Funding is necessary to cover:**

- Independent Chair & Secretariat for the Steering Group: ~£60K (ex VAT)
 - ✓ An independent Chair appointed by Working Group members and funded equitably across the ecosystem will **ensure true independence and impartiality**.
- External, independent legal counsel: ~ £150K (ex VAT)
 - ✓ **Legal scoping, advice**, recommendations regarding FE **contractual participation** and **framework**.
 - ✓ **Competition pricing** guidance regarding the **FE long-term funding model**.
- Economic modelling for the long-term funding model and pricing framework: ~ £90K (ex VAT)
 - ✓ **Independent, impartial economic modelling expertise** is vital to ensure optimal outcomes regarding the long-term funding model.
- Program Contingency: ~ £30K (ex VAT)

Based on our experience with cVRP, an independent and industry appointed Chair, impartial legal expertise, and specialist economic modelling will be pivotal to the success of the FE design programme.

Programme Funding for FE Design Facilitation Phase

We are taking an **equitable, tiered approach** to funding, with contributions scaled based on objective criteria:

- Annual revenue for TPPs.
- Numbers of personal and business current accounts for ASPSPs.

Based on **commitments from 32 firms**, we have met the provisional funding required. Any additional funders will reduce individual firm contributions.

- We have initial commitment from **13 ASPSPs** and **19 TPPs** (with a broad range across funding tiers and covering both data and payments focused firms).
- Funding for additional participants starts from £750 for small TPPs and £1,500 for small ASPSPs.

The funding request relates specifically to the FE design component – funding for the related but separate exercise of transition (from OBL to the FE) will be covered separately by existing CMA Order budget.

Summary & Next Steps



Summary

- OBL is well placed to **facilitate the next phase**, bringing expertise and a strong track record of delivering complex, multi-stakeholder programs successfully.
- Our proposed approach ensures a **transparent, industry-led**, and impartial process, with robust and appropriate **governance** to ensure equitable representation.
- OBL has **received support from over 30 organisations**, which would meet the required funding.
- Firms have two options to support OBL in this process:
 1. **Funder** – active participant, including membership of the FE Design Working Group.
 2. **Supporter** – provide support for OBL's approach and receive programme updates without funding and participating in the Working Group.

The Ask:

We are **seeking industry support for a joint OBL facilitated and industry led proposal**.

If supportive, we request that firms **share their support for OBL's proposal with us, their Trade Association and directly to the FCA by 30 January** – with an email to openbanking@fca.org.uk.