

## Publication of Consumer Priorities for Open Banking report

EMBARGOED UNTIL 10.30AM TUESDAY 25<sup>TH</sup> JUNE 2019

**A new report is published today which shows Open Banking could realise £18bn value for people and small businesses in the UK over the course of a year. The report highlights the complex challenges ahead to realise this value and sets out a series of priorities for the industry, regulators and government.**

Today, the Independent Consumer and Small Business Representatives for the Open Banking Implementation Entity (OBIE) have written to the Implementation Trustee of OBIE, the Competition and Markets Authority (CMA), the Financial Conduct Authority (FCA), HM Treasury and the Department for Business, Enterprise, Industry and Skills (BEIS), FDATA and UK Finance to set out the need for action to ensure Open Banking delivers on its promise and potential to make consumers better off.

Our report published today ([View](#)) shows that together, people and small businesses could stand to gain £18bn from Open Banking over the course of a year (£12bn and £6bn respectively). Over-stretched people could save as much as £287 per year, 2.5% of their annual income.

Consumers need and deserve more from financial services than they currently get. They want more tailored services which reflect their lifestyles and simple, intuitive products that help them make sense of their lives.

Many of the most valuable Open Banking-enabled propositions are not yet available to consumers and there are a range of barriers which prevent these services coming to market today.

Even where services are available, the past scandals of PPI mis-selling combined with tech-giants' questionable use of data makes consumers wary about who they can trust. They want to know that firms are acting with their best interests at heart in a way that is ethical and responsible.

Open Banking could make a fundamental difference to the financial health of people and small businesses in the UK and has shown some encouraging early signs. But the industry needs help to realise the full potential of Open Banking. Our report sets out how the government, regulators and industry can work together to:

- deliver greater value for consumers;
- build a trustworthy ecosystem; and
- stimulate the market to action quicker.

For Open Banking to be a success, co-ordinated action by government and regulators is needed urgently to create a more holistic regulatory regime for data sharing in the UK. If not, it could have unintended and harmful consequences, limit competition further or exacerbate financial exclusion. The FCA's commitment to look at Open Finance, the promise of the Digital Markets Unit, BEIS Smart Data Review and HM Treasury's review of the payments landscape could set us on the right path to securing better financial health for all consumers in the UK.

**Commenting on the Consumer Priorities report, Faith Reynolds, Independent Consumer Representative said:**

"The time is ripe for action. Consumers are desperate for services which make their lives easier and happier. Managing money is at best a distraction and at worst stressful and anxiety-inducing. Open Banking offers a golden opportunity to reimagine consumers' relationship with financial services.

What's needed now is co-ordinated action and purpose to set the industry on the right trajectory to deliver a data-driven financial system which stops detriment occurring and instead improves UK citizens' financial health and the productivity of small businesses."

**Mark Chidley, Independent SME Representative, commented:**

"UK small businesses have suffered for too long from a lack of innovation, a lack of choice and a lack of tools to make them more effective. Open Banking can bring the impetus and new solutions which the sector has needed for so long. We want to see UK small business owners becoming more productive and successful. Open Banking-enabled products can take the drudgery and guesswork out of running a business. It can also help the UK's small businesses get better deals, make their money work harder and access the banking products they need more effectively. The effect on UK plc could be transformational."

**Notes for editors:**

1. The full report is available here: <https://www.openbanking.org.uk/wp-content/uploads/Consumer-Priorities-for-Open-Banking-report-June-2019.pdf> It is embargoed until 10.30am on Tuesday 25th June 2019.
2. The study, Consumer Priorities for Open Banking, was written by Faith Reynolds and Mark Chidley in May and June 2019 with supporting analysis from Andrea Finney, Daniel Jenkinson and Dominic Lindley.
3. The report contains two new pieces of analysis to help understand the nature and size of the Open Banking opportunity for consumers: a consumer segmentation based on the Financial Conduct Authority (FCA) Financial Lives survey data and a new Open Banking value model. The consumer segmentation is based on resilience to small financial shocks and whether consumers have unsecured borrowing or not. We created 8 profiles of these consumers plus 2 small business profiles to bring to life the needs of UK consumers. Our value calculation is based on a bottom-up model, drawing together data from over 25 separate studies and peer reviewed by Dominic Lindley of New City Agenda, to quantify the potential consumer benefits of Open Banking. The figures in this press release are taken from this model, full details of which are in the main report.
4. Faith is an independent consultant. She acts as the Independent Consumer Representative on the OBIE Steering Group and authored the widely-read report: Open Banking: A Consumer Perspective. She is a member of the FCA's Financial Services Consumer Panel, where she is the lead for technology and innovation and a non-executive director for the Current Account Switch Service at Pay.UK. Faith was named as one of the 2018 Standout 35 on Innovate Finance's Women In Fintech Powerlist.
5. Mark is an independent financial services consultant. He acts as the independent SME Customer Representative on the OBIE Steering Group. He is a member of the FCA Consumer Panel, in which role he has particular interest in small businesses as consumers of financial services. He is a former banking and financial services lawyer, having worked both in private practice and for one of the UK's largest financial services groups.
6. Faith is available for questions or comment on [faithreynolds1@gmail.com](mailto:faithreynolds1@gmail.com) or 07739 358756. Mark is available on [chidley05@btinternet.com](mailto:chidley05@btinternet.com) or 07968 558644.
7. The Open Banking programme in the UK was set up to enable innovation, transparency and competition to UK financial services. It is tasked with delivering the Application

Programming Interfaces (APIs), data structures and security architectures that will make it easy and safe for customers to share their financial data.