

Strategic Working Group (SWG)

As set out in its Terms of Reference, the Strategic Working Group is expected to produce a report reflecting views on how Open Banking could be developed beyond its current requirements, why certain priorities should be considered, and what the suggested costs and benefits are of the proposals put forward for the Joint Regulatory Oversight Committee's consideration. The questions listed below, are intended to provide the Strategic Working Group and associated data and payments Expert Panels with guidance on what the Joint Regulatory Oversight Committee is expecting to form part of the report under each of the three priorities. We expect any differences of opinion between Strategic Working Group members to be set out clearly in the report.

Key Priority 1: Establishing a sustainable open banking ecosystem beyond regulatory requirements

1.1 Rules and standards

- **Refine and evolve OBIE standards:** to identify and address possible gaps in current guidance and standards
- **Multilateral agreements:** ability for new agreements to be formed between parties, underpinned by updated infrastructure (incl. API standards) that would extend beyond the scope of the CMA Order and existing legislative requirements
- **API availability and performance:** Sufficient customer journeys and end-to-end capacity to support a wider range of use cases
- **Dispute resolution and redress:** clear dispute, redress, and crisis management processes, including in the event of fraud or data breach

1.2 Trusted ecosystem with visibility and clarity of roles

- **End users' trust** in the ecosystem - consider possible solutions for strengthening trust
- **Consumer understanding and awareness** and effective consent management
- **Visibility and clarity** over respective roles in the ecosystem (including new roles, e.g., for retailer) and access, including for onward sharing

Questions for SWG under Priority 1

1.1 Rules and standards

- Are there any gaps in current guidance and standards to ensure efficient and safe customer journeys and support broader use cases? If so, what is missing and what needs to be changed?
- Is there a need to improve API availability and performance? What is the evidence and how could it be addressed?

- What areas would multilateral agreements and updated standards covering services beyond the Order and existing regulations need to cover in order to facilitate continued development of open banking in a safe and efficient manner? Why?
- Are there blockers in developing multilateral agreements? Please provide rationale and evidence. Who should be responsible for administering, ensuring compliance with, and taking forward future changes to such agreements?
- Identify current gaps and identify what may be needed to put in place effective dispute management, redress and resolution mechanisms and processes across ecosystem participants, e.g., between ASPSPs and TPPs, between end-users and ASPSPs and TPPs
- Discuss and consider the development of a crisis management strategy and plan

1.2 Trusted ecosystem with visibility and clarity of roles

- Is something needed to further strengthen consumers and other end users' trust in open banking? Should tools such as trust marks be considered or not? Please provide rationale and evidence.
- Are further tools or guidance needed (or not) to increase consumer understanding and awareness, including in considering consent management? Please provide rationale and evidence.
- How can we improve the visibility over onward sharing? What is needed? (while taking into account the implication of GDPR and development of smart data legislation)
- What needs to be done to define and clarify the roles and inter-relationships of key players in the ecosystem, including firms the information is onward shared with, as well as Pay.UK and retailers?
- What capabilities/functionalities are needed for the ongoing successful operation of open banking? What may need to be provided centrally by the future entity (or another entity) versus distributed? Please provide rationale and evidence.

Key Priority 2: Unlocking the potential of open banking payments

- **Functionality(ies)** available to further develop open banking payments and support new use cases (this should include consideration of balancing effective management and mitigation of fraud risk with facilitating and/or supporting different types of payments such as retail transactions and high value payments)
- Alignment of **commercial incentives** and conditions for open banking payments to develop sustainably in a way that benefits end users

Four key outcome areas:

1. **Functional capability:** operational and technical standards that meet the functional requirements for a wider set of open banking payment types, e.g., retail transactions
2. **Dispute process:** balanced approach to dispute, risk management and redress so that all parties involved in an open banking payment act together to minimise associated risk and put in place the right processes to ensure that people feel safe when making open banking payments [[Link to Priority 1](#)]
3. **Sufficient access & reliability:** sufficient availability across the end-to-end payment journey and reliable infrastructure (including APIs) which work together to increase the success rate of open banking payments [[Link to Priority 1](#)]
4. **Competitive pricing:** enabling competitive services to develop and, where appropriate, a sustainable pricing model for open banking payments that ensures firms can continue to invest in new products and further innovation that benefits people and businesses

Questions for SWG under Priority 2

- What should the approach be to resolve issues and possible barriers around open banking payments, for example better supporting high value payments? Should a risk-based approach to open banking payments be considered or not? Please provide rationale and evidence. How can account providers and TPPs work together to manage the associated risks (if any)? Are there particular use-cases and/or scenarios in which additional or different models are required or not? Please provide rationale and evidence.
- What is needed to promote the adoption of open banking account-to-account transactions, including recommendations and requirements from end-users and merchants? Please provide rationale and evidence.
- What areas would multilateral agreements covering services beyond the Order and existing regulations need to cover in order to facilitate continued development of open banking payments in a safe and efficient manner? Please provide rationale and evidence. [[Link to Priority 1](#)]

- **Functional capability:** what are the most appropriate use cases to consider, and what additional functional capabilities and considerations (e.g., risk management) would be needed to support them? Please provide rationale and evidence.
- **Dispute process:** how should payment disputes be managed, and what does this imply for consumer protection and redress? Please provide rationale and evidence. [[Link to Priority 1](#)]
- **Access & reliability:** are greater levels of access and reliability needed to ensure success or not? Please provide rationale and evidence. What needs to be done in order to give customers and retailers sufficient confidence that payment journeys are efficient, and payments are certain? [[Link to Priority 1](#)]
- **Competitive pricing:** in terms of commercial models for the use cases, what are the challenges with current charging models, and how can competitive pricing be achieved in a fair manner that incentivise actors to take part?

Key Priority 3: Promoting further data sharing propositions

- **Information sharing** to enable early detection and better targeted intervention of fraud cases
- **Open banking x digital identity** (i.e., use cases for identity and attributes verification, removing friction at onboarding)
- Open banking for **consumers in vulnerable circumstances and ESG**
- **Interoperability with open finance** – extension to savings account under open banking plus?

Questions for SWG under Priority 3

- What additional data could be shared between entities to better protect customers from fraud, in particular APP fraud, for account-to-account payments (beyond the realm of open banking payments)? Please provide rationale and evidence.
- Should the ecosystem consider the use of risk indicators and software statement or not? Please provide rationale and evidence. How would that affect any friction in customer journey?
- Can sharing identity detail through open banking help and support the payments / financial services ecosystem? Please provide rationale and evidence. What are the use cases and models that could thrive? Are there barriers to adoption and if so, how do we address those?
- What are the new use cases that could be developed to benefit consumers in vulnerable circumstances (e.g., in situation of bereavement, limited access to credit, aggravated by cost-of-living crisis etc.)? Please provide rationale and evidence.
- What is the role open banking can play in widening access to financial services products and financial inclusion? Please provide rationale and evidence. More generally, considering ESG, what are the possible use cases and what is needed to support those?
- Consider the critical capabilities and functions the ecosystem and/or the future entity would need to support further data sharing propositions beyond open banking (e.g., considering future open finance framework)
- What additional standards or guidance would be needed to support use cases discussed above? Please provide rationale and evidence.
- What areas would multilateral agreements covering services beyond the Order and existing regulations need to cover in order to facilitate continued development of data sharing under open banking in a safe and efficient manner? Please provide rationale and evidence. [\[Link to Priority 1\]](#)