

Open Banking in the UK

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agenda

about the ODI

open banking in the UK: background

open banking in the UK: current situation

what can NZ banking learn from UK progress?

what next?

we **connect**, **equip** and **inspire**
people around the world
to **innovate** with **data**



Sir Nigel Shadbolt, Chairman

Neelie Kroes, ODI Board



Martha Lane-Fox, ODI Board

Sir Tim Berners-Lee, President



open
data
institute

/ Knowledge
for everyone

“As a data-driven government, we want to engage with the UK’s data economy.

“I’ve asked the Open Data Institute to help us **connect with the businesses, start-ups and innovators** progressing this field. Those who are at the leading edge, not just in open data but across the whole data spectrum.”

Matt Hancock
Minister for the Cabinet Office



Cabinet Office



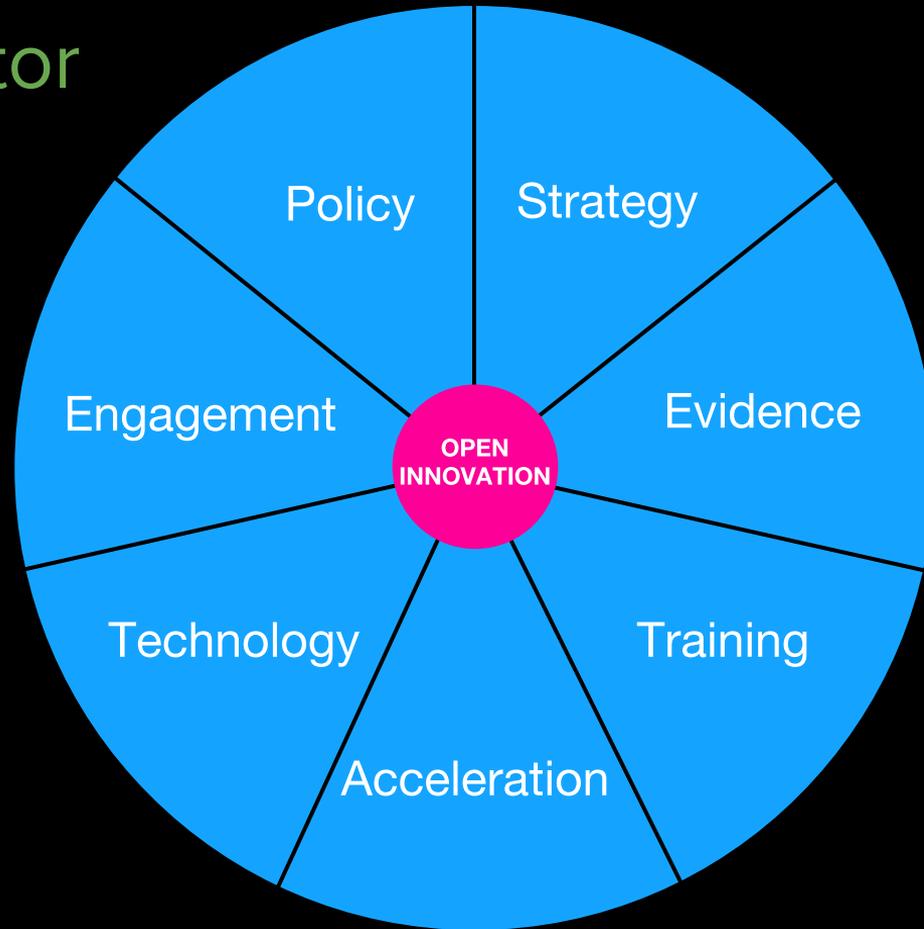
2015 ODI Summit

convening a sector

convene actors
around sector-wide
challenges.

recognise the range
of activities needed to
support change.

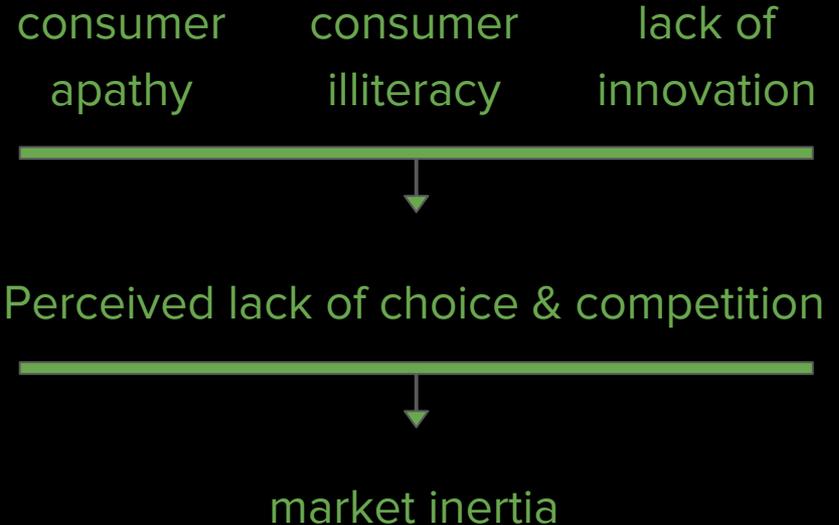
start with a focus on
impact and user
needs.



open banking timetable

CMA investigation	Spring 2014
HM Treasury report published (API's & Open Banking)	Autumn 2014
HM Treasury consultation on Open Data & Data Sharing (API's)	February 2015
CMA report published	August 2016
Steering group / trustee / advisory group	October 2016
1st deliverable: location and product data	March 2017

open banking in the UK: background



making banks work harder for customers

(CMA report: August 2016)

..we have found that many problems remain. Essentially, the older and larger banks, which still account for the large majority of the retail banking market, do not have to work hard enough to win and retain customers and it is difficult for new and smaller providers to attract customers. This means that the sector is still not as competitive as it needs to be.

open banking in the UK: background

package of remedies

*“Of all the measures we have considered as part of this investigation, the timely development and implementation of an **open API banking standard** has the greatest potential to transform competition in retail banking markets. We believe that it will **significantly increase competition** between banks, by making it much easier for both personal customers and SMEs to **compare** what is offered by different banks and by paving the way to the development of **new business models** offering innovative services to customers”*

[Retail banking market investigation Summary of final report, 9 August 2016, para 166, CMA]

how the CMA remedy package will help consumers



You want to check that you're getting the best deal.
Or...



Your bank sends you a prompt. Your branch is closing.

Look for
a better deal

Banks must
publish service
quality ratings



Open Banking:
you agree for
banks to share
your transaction
data with trusted
intermediaries

You switch and get the best deal

**Easier switching: improvements
to the Current Account
Switching Service (CASS)**



Access to transaction history

open banking in the UK: background

package of remedies

open API standard

service quality indicators

product renewal prompts

transaction history post a/c closure

unarranged overdraft alerts

SME comparison service challenge

HM Treasury guidance

1. On-time delivery is fundamental
2. Diversity of industry representation is required
3. Security and consumer trust is paramount

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open banking in the UK: situation

steering group appointed

trustee appointed

advisory group

delivery of remedies

open banking in the UK: situation

11

steering group appointed

1

trustee appointed

1 - thematic

advisory group

ontime, customer-centric

delivery of remedies

open banking in the UK: situation

11

steering group appointed

20

1

trustee appointed

1

1 - thematic

advisory group

5 - constituency

ontime, customer-centric

delivery of remedies

compliant, tech-centric

challenges

letter or spirit of the ruling

vested interests of the CMA9

consumer education / literacy

consumer trust & confidence

new entrants with radical operating model

what can we learn?

consensus is better than regulatory imposition

rushing implementation can be harmful

focus on consumer choice first, tech second

“the inevitability of open”

what next for NZ?

ODI visit to NZ early in 2017

update on UK progress

individual organisation workshops

open-readiness assessments & training

help in developing an effective NZ Open Banking framework

thank you