

# Open Banking in the UK

David Beardmore  
Commercial Director

The Open Data Institute

# 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**



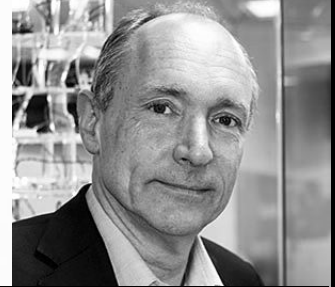
Sir Nigel Shadbolt, Chairman



Neelie Kroes, ODI Board



Martha Lane-Fox, ODI Board



Sir Tim Berners-Lee, President

“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.”

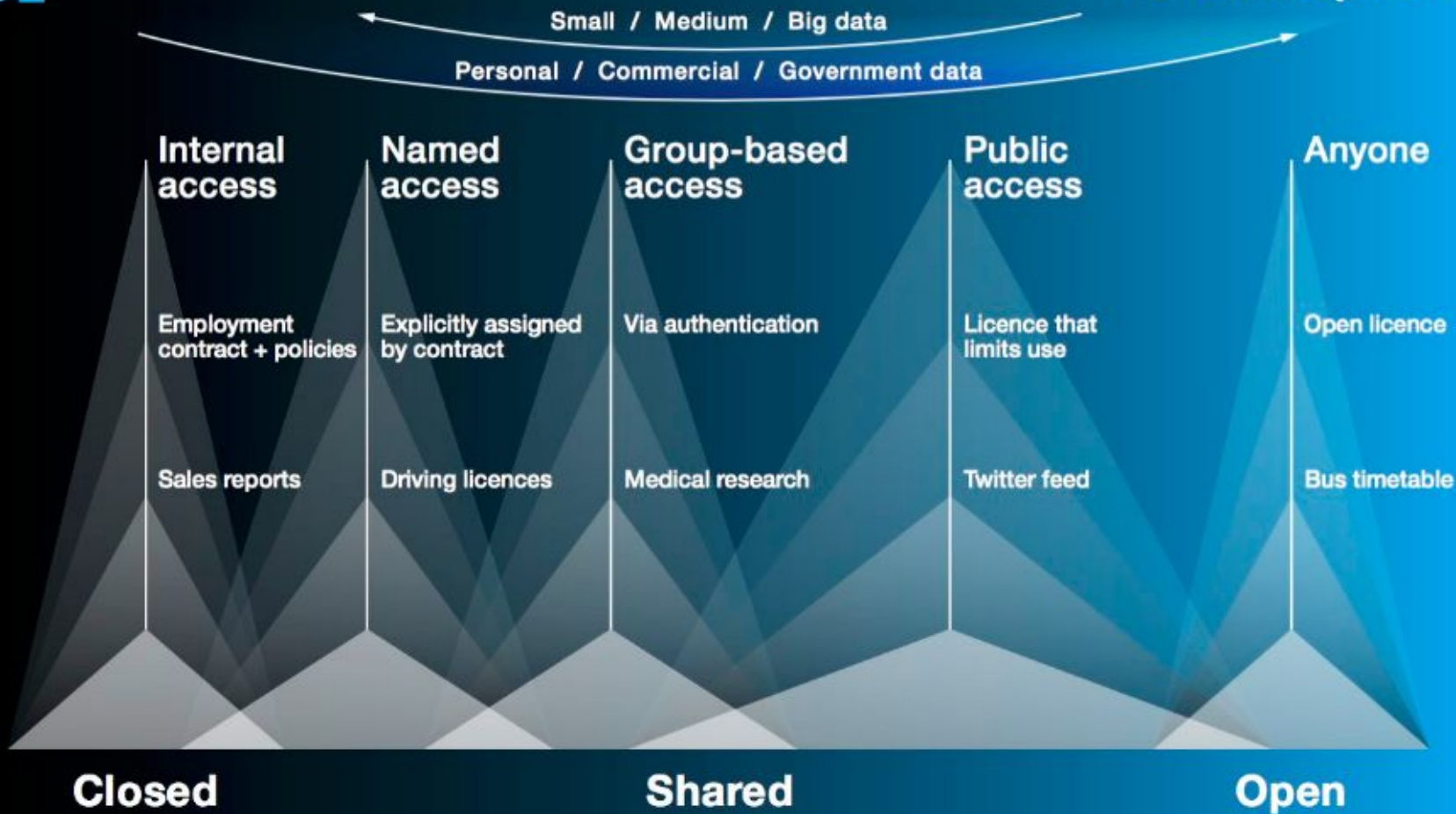
Matt Hancock  
Minister for the Cabinet Office



Cabinet Office



2015 ODI Summit

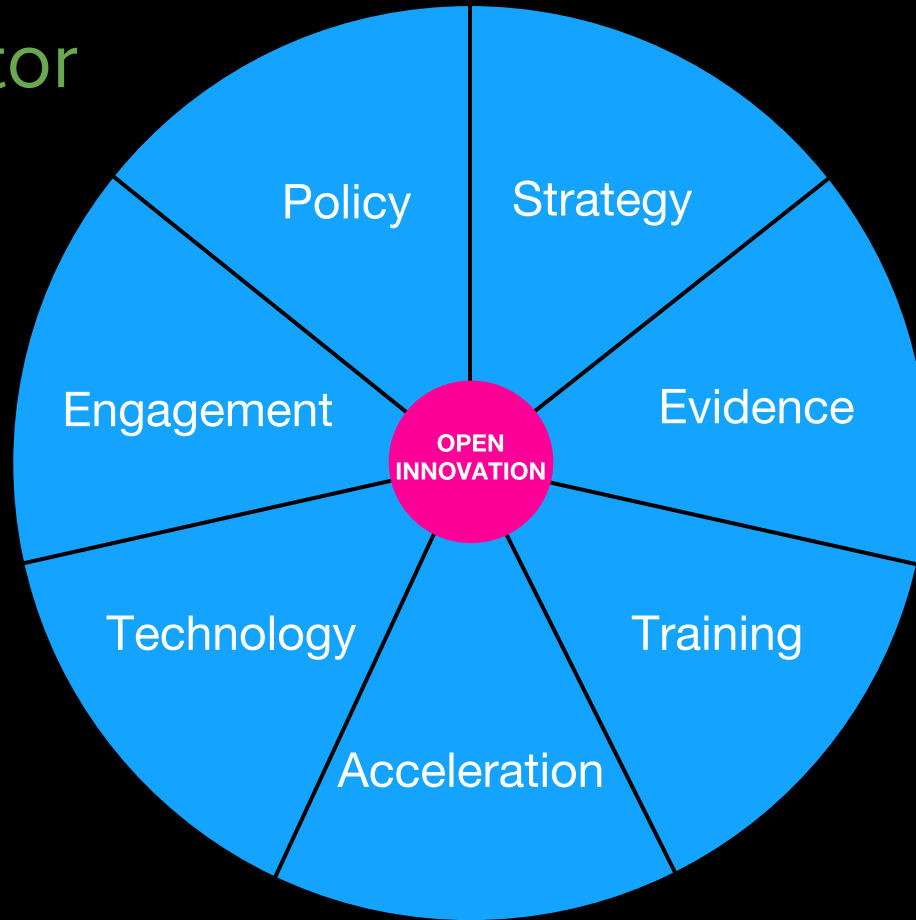


# convening a sector

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



consumer      consumer      lack of  
apathy      illiteracy      innovation



Perceived lack of choice & competition



market inertia



# 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. Ontime 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
on time, 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