

Targeted consultation on open finance framework and data sharing in the financial sector

Fields marked with * are mandatory.

Introduction

In finance and beyond, there is a broad technology-driven trend towards greater use of data and data sharing. The Commission highlighted the need for better access to public and private data and its reuse in the [data strategy for Europe](#), which includes several cross-cutting policy initiatives

- i. common European data spaces in various sectors of the economy
- ii. data sharing between businesses and governments
- iii. sharing of industrial data across sectors

In order to promote the ambitious data strategy across the economy, in 2020 the Commission proposed a [Data Governance Act \(DGA\)](#), a [Digital Services Act \(DSA\)](#) and a [Digital Markets Act \(DMA\)](#). These initiatives, among other things, provide a coherent governance framework for the common European data spaces, establish rules for data intermediaries and other online intermediaries, as well as establish obligations for online gatekeeper platforms. Furthermore, in 2022 the Commission proposed a [Data Act](#), containing further policy measures as regards access to the “Internet of things” (IoT) data as well as general modalities for data access and reuse across the economy.

In 2020, the Commission also identified promotion of data-driven finance as one of the priorities in its [digital finance strategy](#). In 2021, the Commission established an expert group on European financial data space to continue its engagement with stakeholders in this priority area, which created a dedicated subgroup on open finance in 2022. Open finance should form an integral part of the European financial data space, along with data contained in public disclosures of firms as well as supervisory data. On 25 November 2021, the Commission adopted legislative proposals on the European Single Access Point (ESAP) to public disclosures as part of the [capital markets union \(CMU\) package](#). The objective is to consolidate online access to the financial and sustainability-related data of companies and financial institutions in a single interface. The legislation also provides for a machine-readable format. On 15 December 2021, the Commission adopted its [strategy on supervisory data in EU financial services](#). Next, subject to an impact assessment, a new open finance framework has been announced in the [capital markets union communication](#) of 25 November 2021, building on and in full alignment with broader policy initiatives on data access and governance. The communication pointed out that an open finance framework should be based on the principle of a level playing field for existing and new entrants, and subject to data protection rules and clear security safeguards.

Open finance refers to third-party service providers' access to (business and consumer) customer data held by financial sector intermediaries and other data holders for the purposes of providing a wide range of financial and information services. Currently, third party service providers have to rely on limited sources of customer data access rights in the financial sector: the revised [Payment Services Directive \(PSD2\)](#) with respect to payment accounts data of both retail and business customers, as well as the [General Data Protection Regulation \(GDPR\)](#) with respect to personal data held by any financial service provider. However, GDPR enables third party service providers to have direct access only when it is technically feasible, which therefore does not guarantee such access. The recent Data Act proposal does not introduce any new data access rights in the financial sector either.

Based on the Commission's mandate and as announced in the [Retail payments strategy](#) of 24 September 2020, a PSD2 review has been launched to report on the application and impact of EU rules on payment services. The lessons learned from PSD2 as regards third-party service providers' access rights to payment accounts upon customer request will be taken into account when designing the open finance framework. Since the entry into force of PSD2, a number of stakeholder initiatives in this area have also developed, including application programming interface (API) standardisation and access schemes.

The present targeted consultation on open finance complements the "Have your say" consultation on open finance (included in the "Have your say" consultation on the PSD2 review). The objective of this targeted consultation is to gather evidence and stakeholder views on various aspects related to the state of play and further development of open finance in the EU and effective customer protection. It also takes into account and complements the ongoing work of the Expert group on the European financial data space (parts I and II). In addition, the targeted consultation seeks stakeholder views on the use of aggregated supervisory data for research and innovation and on broader questions of data sharing among financial firms for risk monitoring or compliance purposes (part III).

This targeted consultation is targeted at different stakeholder groups: customers of financial services firms (consumers and corporate customers), financial institutions and other firms which are either holding data or intending to use it.

Sections I and II of this targeted consultation covers the following data types

- the use of confidential customer data collected for the purpose of providing financial services (for example, this excludes the data contained in public disclosures and the use of data for supervisory and law enforcement or similar purposes)
- data held by both financial institutions and other firms, provided that it is used for the purposes of providing financial services
- access to and reuse of raw data only, as opposed to enriched data

By way of illustration, the consultation covers: data on accounts held by corporate and retail customers with financial service providers (e.g. payments, savings, securities), as well as on their insurance and pension products, and data relevant to the risk and sustainability profile of such products.

As the nature and scope of practical use cases for open finance is constantly under development, this targeted consultation does not attempt to establish a full taxonomy of such cases. However, every respondent is expected to provide responses in particular for their area of activity. In addition, the consultation seeks feedback on two specific areas of use cases to illustrate which are of particular relevance to the Commission objectives of promoting safe retail investment, and SME access to finance.

Section III of this targeted consultation covers certain additional data sharing issues, beyond open finance. They seek views on the need to enhance legal certainty about the possibility to make supervisory data available more extensively for research and innovation, and the possibility for financial institutions to exchange among themselves information and data to improve risk monitoring or compliance, while protecting data confidentiality.

Please note: In order to ensure a fair and transparent consultation process **only responses received through our online questionnaire will be taken into account** and included in the report summarising the responses. Should you have a problem completing this questionnaire or if you require particular assistance, please contact fisma-psd2-review@ec.europa.eu.

More information on

- [this consultation](#)
- [the consultation document](#)
- [the use cases annex to the consultation document](#)
- [the related call for evidence on the open finance framework](#)
- [the related public consultation on the review of PSD2 and on open finance](#)
- [the related targeted consultation on the review of PSD2](#)
- [the related call for evidence on the review of PSD2](#)
- [digital finance](#)
- [payments services](#)
- [the protection of personal data regime for this consultation](#)

About you

* Language of my contribution

- Bulgarian
- Croatian
- Czech
- Danish
- Dutch
- English
- Estonian
- Finnish
- French
- German
- Greek
- Hungarian
- Irish

- Italian
- Latvian
- Lithuanian
- Maltese
- Polish
- Portuguese
- Romanian
- Slovak
- Slovenian
- Spanish
- Swedish

* I am giving my contribution as

- Academic/research institution
- Business association
- Company/business organisation
- Consumer organisation
- EU citizen
- Environmental organisation
- Non-EU citizen
- Non-governmental organisation (NGO)
- Public authority
- Trade union
- Other

* First name

Peter

* Surname

Norwood

* Email (this won't be published)

peter.norwood@finance-watch.org

* Organisation name

255 character(s) maximum

Finance Watch

* Organisation size

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- Medium (50 to 249 employees)
- Large (250 or more)

Transparency register number

255 character(s) maximum

Check if your organisation is on the [transparency register](#). It's a voluntary database for organisations seeking to influence EU decision-making.

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* Country of origin

Please add your country of origin, or that of your organisation.

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| <input type="radio"/> Åland Islands | <input type="radio"/> Dominica | <input type="radio"/> Liechtenstein | <input type="radio"/> Saint Pierre and Miquelon |
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- Austria
- Azerbaijan
- Bahamas
- Bahrain
- Bangladesh
- Barbados
- Belarus
- Belgium
- Belize
- Benin
- Bermuda
- Bhutan
- Bolivia
- Bonaire Saint Eustatius and Saba
- Bosnia and Herzegovina
- Botswana
- Bouvet Island
- Brazil
- British Indian Ocean Territory
- British Virgin Islands
- Brunei
- Bulgaria
- Burkina Faso
- Burundi
- Finland
- France
- French Guiana
- French Polynesia
- French Southern and Antarctic Lands
- Gabon
- Georgia
- Germany
- Ghana
- Gibraltar
- Greece
- Greenland
- Grenada
- Guadeloupe
- Guam
- Guatemala
- Guernsey
- Guinea
- Guinea-Bissau
- Guyana
- Haiti
- Heard Island and McDonald Islands
- Honduras
- Hong Kong
- Mauritius
- Mayotte
- Mexico
- Micronesia
- Moldova
- Monaco
- Mongolia
- Montenegro
- Montserrat
- Morocco
- Mozambique
- Myanmar/Burma
- Namibia
- Nauru
- Nepal
- Netherlands
- New Caledonia
- New Zealand
- Nicaragua
- Niger
- Nigeria
- Niue
- Norfolk Island
- Northern Mariana Islands
- Slovenia
- Solomon Islands
- Somalia
- South Africa
- South Georgia and the South Sandwich Islands
- South Korea
- South Sudan
- Spain
- Sri Lanka
- Sudan
- Suriname
- Svalbard and Jan Mayen
- Sweden
- Switzerland
- Syria
- Taiwan
- Tajikistan
- Tanzania
- Thailand
- The Gambia
- Timor-Leste
- Togo
- Tokelau
- Tonga

- Cambodia
- Cameroon
- Canada
- Cape Verde
- Cayman Islands
- Central African Republic
- Chad
- Chile
- China
- Christmas Island
- Clipperton
- Cocos (Keeling) Islands
- Colombia
- Comoros
- Congo
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- Costa Rica
- Côte d'Ivoire
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- Curaçao
- Cyprus
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- India
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- Iran
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- Israel
- Italy
- Jamaica
- Japan
- Jersey
- Jordan
- Kazakhstan
- Kenya
- Kiribati
- Kosovo
- Kuwait
- Kyrgyzstan
- Laos
- Latvia
- Lebanon
- Lesotho
- North Korea
- North Macedonia
- Norway
- Oman
- Pakistan
- Palau
- Palestine
- Panama
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- Puerto Rico
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- Romania
- Russia
- Rwanda
- Saint Barthélemy
- Saint Helena
- Ascension and Tristan da Cunha
- Saint Kitts and Nevis
- Trinidad and Tobago
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- Turkey
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- Venezuela
- Vietnam
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- Western Sahara
- Yemen
- Zambia
- Zimbabwe

- Denmark Liberia Saint Lucia

* Field of activity or sector (if applicable)

- Accounting
- Auditing
- Banking
- Credit rating agencies
- Insurance
- Pension provision
- Investment management (e.g. hedge funds, private equity funds, venture capital funds, money market funds, securities)
- Market infrastructure operation (e.g. CCPs, CSDs, Stock exchanges)
- Social entrepreneurship
- Other
- Not applicable

The Commission will publish all contributions to this targeted consultation. You can choose whether you would prefer to have your details published or to remain anonymous when your contribution is published. **For the purpose of transparency, the type of respondent (for example, 'business association, 'consumer association', 'EU citizen') is always published. Your e-mail address will never be published.** Opt in to select the privacy option that best suits you. Privacy options default based on the type of respondent selected

* **Contribution publication privacy settings**

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

Anonymous

Only the organisation type is published: The type of respondent that you responded to this consultation as, your field of activity and your contribution will be published as received. The name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your name will not be published. Please do not include any personal data in the contribution itself if you want to remain anonymous.

Public

Organisation details and respondent details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published. Your name will also be published.

I agree with the [personal data protection provisions](#)

PART I

Part I of the consultation contains the following sections

- I. The relevance of data sharing in the financial sector
- II. Customer protection
- III. Modalities of data access and reuse in the financial sector
- IV. Technical infrastructure

I. The relevance of data sharing in the financial sector

Question 1. What type of actor in the data value chain are you?

Please select as many answers as you like

- Individual customer of a financial service provider
- Business customer of a financial service provider
- Holder of customer data
- User of customer data
- Data intermediary between data holders and users
- Other

Please specify to what other type of actor you refer in your answer to question 1:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

NGO representing the public interest

Question 2. In what part of the financial sector are you active?

Please select as many answers as you like

- Banking
- Payments
- Insurance
- Asset management
- Securities trading
- Brokerage
- Pensions
- Data and information services
- Not active in the financial sector
- Other

Question 3. In your opinion, is there an adequate framework for data access rights in place in the financial sector beyond payment accounts?

- Yes
- No
- Don't know / no opinion / not applicable

Question 4. As a customer of a financial service provider, would you be willing to grant other businesses ("third parties") access to the data you generate with this provider for one of the following purposes?

Please select as many answers as you like

- Receive a comprehensive overview of your financial situation based on data from all your existing financial service providers (e.g. consolidation of data from several investment portfolios)
- Receive additional financial services from another financial services provider

- Switch to another financial services provider in an easy and simple way
- Other
- None of the above

Please specify to what other purpose(s) you refer in your answer to question 4:

5000 character(s) maximum

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Finance Watch would like to reiterate its reservations regarding the commercial use of European citizens' personal data by "third-party" businesses.

In the digital sphere, which includes financial services delivered online, the customer takes on a three-dimensional role: (1) owner and provider/supplier of personal data (a 'data subject' in the terminology of GDPR); (2) consumer of (free or paid-for) digital content and/or services ('user'); and (3) producer of ('user-generated', free or paid-for) digital content and/or services in their own right. EU citizens' rights to privacy and data protection are enshrined in Articles 7 and 8 of the EU Charter of Fundamental Rights (the 'Charter'). They establish a protected sphere that must be respected, a priori, in every field of activity. In other words: if the three roles above were visualised as a pyramid, the citizen's role as a 'data subject' would be at its apex (Stiefmueller, 2019). With GDPR, the EU has created a legal framework for putting Article 8 of the Charter into practice. Its Article 5 sets out seven general principles that define the legal boundaries for the permitted use of EU citizens' personal data. They include, in particular, the obligation for commercial data users to limit the processing of citizens' personal data to what is necessary in relation to the purposes for which they are processed ('data minimisation'). Recital 71 and Art. 22 GDPR set out specific requirements for the use of profiling. The large-scale collection of data to create personal profiles that may be re-purposed and traded as a commodity in its own right is, in our view, incompatible with the Charter and GDPR and the ECJ is expected to provide further guidance on this matter (Schrems vs. Facebook Ireland III, Case C-446/21).

We note that the notion of "data as the new oil" that fuels 21st century economies, coined by the Economist newspaper already in 2017, has been largely discredited since as a viable concept for policy-making on the back substantive academic research and numerous high-profile cases of large-scale misuse (e.g. United States v. Facebook, Case No. 19-cv-2184, in re Cambridge Analytica). The EU has taken a leading role in proposing legal frameworks to rein in the uncontrolled appropriation and commercialisation of citizens' data by digital platform operators. In particular, the proposed Digital Markets Act provides for the "silo-ing" of data (Art. 5(2c)) to prevent its cross-utilisation without the user's specific consent. This approach should also hold true in the realm of financial services. To the extent that financial services providers collect data from their customers for the purposes of performing a contract (Article 6 GDPR) such data may only be processed lawfully for the specified purpose. In line with the "silo-ing" approach, providers should be required to keep customer dataset separated for each regulated financial service.

Financial services are essential for citizens to participate in the economy and go about their everyday lives. The mismatch in bargaining power between the supply- and demand sides in the financial services industry is, in many ways, not dissimilar to that which exists in the digital platform economy. "Levelling the playing field" between incumbent financial services firms and new entrants, which include digital platform providers, must not result in a situation where the standards of data and privacy protection, which have been comparatively high in financial services historically – for good reason – are "levelled down" to enable financial services firms to compete with digital service providers on their terms.

Finance Watch would, however, support the creation of not-for-profit services, provided by the public sector, that help citizens manage their personal finances and access relevant information in a transparent and unbiased way. It would benefit consumers if public authorities set up dashboards providing investors the ability to have a comprehensive overview of their existing products when investing in a new product. These dashboards could include updated cost projections, indicate overlaps in any associated insurance cover, compare holding periods with existing products, as well as other key information found in pre-contractual information documents. This tool would help citizens to better manage the different products and costs of these products.

This dashboard, however, should not be maintained by financial services providers and providers should not have access to it, other than potentially anonymised aggregated data as part of the suitability and demands and needs assessments. Any data used for this assessment should not then be retained or used for any other purpose.

Another benefit of data sharing via open finance could be to refine product offers (tailoring of products and prices). However, only aggregated, anonymised and relevant retail user data should be used for these purposes.

Question 5. What open finance-based products would stand to benefit retail customers the most?

Please select as many answers as you like

- Comparison tools that facilitate provider switching
- Online brokerages that provide financial products with the best value
- Personalised advice and tailored financial products
- Personal finance management tools (e.g. overdraft alerts and recommendations for choosing lower interest rates products, lower overdraft charges)
- Personal wealth management tools to monitor and manage assets and liabilities (e.g. financial goal management, analytics of investments and their returns, monitoring of wealth factors such as savings, spending and budgets)
- Alternative credit scoring methods for financial inclusion (e.g. gig economy workers)
- Quicker customer onboarding with financial service providers
- Pension tracking tools that provide a comprehensive overview of entitlements
- Digital tools to assess the ESG profile of financial products (e.g. the environmental impact of investment portfolios or carbon footprint estimation of specific products)
- All of the above
- Other

Please specify to what other product(s) you refer in your answer to question 5:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We support the creation of open finance-based tools such as comparison tools, personal finance management tools, etc. However, in order to ensure that these tools benefit consumers, the information they provide need to be unbiased and free from any conflicts of interest. This can only be guaranteed if these tools are operated by public authorities or the European Supervisory Authorities (ESAs) and not by financial services providers. For example, the European Banking Authority (EBA) could develop standards for a neutral financial education 'app', unconnected to commercial providers, that could provide personalised feedback and education to consumers about their own credit situation and creditworthiness at the point of contract for a consumer credit.

We very much support the idea to promote the creation of digital tools to assess the ESG profile of financial products. There is a growing interest of investors in the impacts of their investments on both the environment and society while sustainability risks are increasingly recognised as financially material risk for companies and thus potentially returns on investments (See for instance a recent report by the OECD: <https://oecdonthellevel.com/2022/06/20/climate-change-what-role-for-good-corporate-governance/>). For example, due to the need to move to a carbon-neutral economy, transition risks could have a financial impact on investments (as certain investments will become stranded). Companies and investments in them are also exposed to very tangible physical risks stemming from climate change which are already materializing in some regions of the world. ESG considerations are increasingly embedded across the regulatory financial services framework, incl. SFDR, MiFID II, IDD. The recent changes to MiFID II and IDD are integrating sustainability considerations in suitability test and investment advice with an intention to ensure clients are asked for their sustainability preferences and that these preferences are duly considered while selecting financial products presented to the client. Promoting the creation of digital tools to assess the ESG profile of financial products seems appropriate in view of those developments.

With regards to 'alternative credit scoring methods', it is important to point out that what would benefit consumers is the creation of an algorithm to analyse payment account data in an aggregated way in line with the GDPR via open banking. This would enable an easy and cheap way to perform proper and sound creditworthiness assessments (CWAs). A sound creditworthiness assessment is based on a household's income, expenditures as well as outstanding credits and debts. All of this information can be found in someone's payment account statements. According to the Dutch Buy-Now-Pay-Later (BNPL) provider Tinka, a creditworthiness assessment analysing someone's payment account data via open banking can be done within 60 seconds, with costs for the creditor ranging only between 50 cents and €1 (<https://www.finance-watch.org/wp-content/uploads/2022/04/Factsheet-creditworthiness-assessment-for-small-loans.pdf>). It avoids the tendency of traditional credit scoring methods to favour borrowers who fit the original sample while penalising those outside the sample because they are financially excluded or because they have new and emerging profiles, such as part-time workers, the self-employed, mixed activity workers, single parents, co-users, new types of partnership, and so on.

Question 6. What would be your quantitative and/or qualitative estimate of such retail customer benefits for these products?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The benefits of such products would be high for consumers. For example, currently, the amount of consumers switching financial services products is quite low. Therefore, the introduction of comparison tools operated by public authorities would certainly be a useful tool to facilitate provider switching.

Likewise, the other tools enumerated above would benefit consumers as they would enable them to make more informed decisions as these tools would enable them to understand their own financial/financial services product situation better before making any purchasing decisions.

Question 7. What open finance-based products would stand to benefit corporate customers (notably SMEs) the most?

Please select as many answers as you like

- Comparison tools that facilitate provider switching
- Online brokerages that provide financial products with the best value
- Personalised advice and tailored financial products
- Personal finance management tools (e.g. overdraft alerts and recommendations for choosing lower interest rates products, lower overdraft charges)
- Personal wealth management tools to monitor and manage assets and liabilities (e.g. financial goal management, analytics of investments and their returns, monitoring of wealth factors such as savings, spending and budgets)
- Alternative credit scoring methods for financial inclusion (e.g. gig economy workers)
- Quicker customer onboarding with financial service providers
- Pension tracking tools that provide a comprehensive overview of entitlements
- Digital tools to assess the ESG profile of financial products (e.g. the environmental impact of investment portfolios or carbon footprint estimation of specific products)
- All of the above
- Other

Question 8. What would be your quantitative and/or qualitative estimate of such corporate customer benefits for these products?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 9. In your opinion, should financial firms holding customer data be allowed to share their customer data with customer's permission?

- With regulated financial institutions only
- With any financial and information service providers active in the financial sector
- With any third-party firm, including in other sectors of the economy
- Firms should not be allowed to share customer data
- Don't know / no opinion / not applicable

Please explain your answer to question 9:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In general, financial firms should be able to share this information only with public authorities. Regulated financial firms could also be provided access to customer data with consumers' permission, however, only to anonymised and aggregated data. The role of third-party aggregators, e.g. so-called account information service providers (AISPs) under PSD 2, should be re-thought: instead of promoting a "data-trading" business model that legitimizes the commercialization of customer data, with limited, and questionable, value for customers themselves, the EU legislators should concentrate on returning control of their credit-related information to citizens. We refer to our response to Q.21. below.

Question 10. Should financial firms holding customer data be entitled to compensation by third parties for making the data available in appropriate quality, frequency and format?

- Yes
- No
- Don't know / no opinion / not applicable

Please specify why you think financial firms holding customer data should not be entitled to compensation by third parties for making the data available in appropriate quality, frequency and format:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We refer to our response to Q.4. Financial services providers enjoy privileged access to sensitive personal data due to the nature of the services they provide. Customer data is not the property of the entity that collects it for the purposes of performing a commercial contract. According to the Charter and GDPR the entity is entitled only to process personal data, not to trade it for commercial gain. It is therefore not within the regulator's gift to effectively transfer ownership of customer data.

Question 11. What other conditions are required to ensure the potential of open finance is maximised while minimising its risks?

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A key principle to adhere to when data is shared with financial services providers is that they should have access to anonymised retail user data only and should be prohibited from any further processing of user data outside of clearly defined purposes that have a value to the user.

Moreover, the European Data Protection Board (EDPB) may wish to clarify how the principles of necessity, purpose limitation and data minimisation in its draft "Guidelines on Data Protection by Design and by Default" would apply to financial services in light of the introduction of Open Finance. Additionally, the European Supervisory Authorities (ESAs) should be mandated to provide standardised workflow templates for financial services providers to guide the scope and manner of personal data collection, e.g. during the customer on-boarding process. This would ensure that only necessary, permitted data is collected and retail customers are provided with the relevant information, including regulatory disclosures and warnings, if appropriate, in a simple, uniform, transparent and predictable way that minimises the risk of customer error and/or manipulation.

Question 12. What policy measures would be important to ensure a level playing field in terms of access to customer data?

- Ensuring access by financial institutions to the non-financial data of customers
- Subjecting all third-party service providers that access customer data held by financial service providers to financial supervision and regulation
- Other
- A level playing field already exists, so no measures necessary
- Don't know / no opinion / not applicable

Please specify to what other policy measure(s) you refer in your answer to question 12:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We refer also to our response to Q.19 where the question is whether an AISP licence under PSD2 should become a de-facto passport to start accumulating data across different segments of the financial sector. We believe that this 'passport' approach would support the kind of business models focused on collecting and trading customer data that EU legislators should actually discourage. To enable the purported benefits of 'open finance' for other verticals would not require a new regulation, in our view, but could be done by amending the relevant frameworks, e.g. MiFID. If customer data-related services were regulated as 'investment services' or 'ancillary services' under its Annex I these services would be covered a priori by MiFID's general investor protection obligations, which would be appropriate and desirable. These frameworks could then be amended to include additional safeguards, as mentioned in our responses to Q.4., Q.11 and Q.45, i.e. the specification by the legislators of permitted data and standardised workflows for data acquisition.

Question 13. Does open finance framework bear any possible risk of accumulation of data, leading to the creation of monopolies?

- Yes
- No
- Don't know / no opinion / not applicable

Questions for financial firms holding customer data

Question 14. As a financial firm holding customer data, do you make any data available to third parties beyond the data that you are required to share under PSD2, GDPR or other laws?

- Yes
- No
- Don't know / no opinion / not applicable

Questions for firms using customer data held by financial firms

Question 15. As a firm using customer data held by financial firms, what is the purpose of accessing these data?

Please select as many answers as you like

- Provision of services competing with the services offered by the data holder
- Provision of additional services
- Provision of analytical insights based on aggregated, including anonymised, data

Other

Question 16. As a firm using customer data held by financial firms, have you experienced any difficulties in accessing these data?

- Yes
 - No
 - Don't know / no opinion / not applicable
-

Question 17. As a firm using customer data held by financial firms, with how many data holders in the EU would you have to interact on average to develop and offer a financial product or service to customers?

- Less than 10
- 10 to 99
- 100 to 999
- 1000 to 9999
- More than 10000
- Don't know / no opinion / not applicable

Question 17.1 In how many Member States would these be located?

- 1 Member State
 - 2 to 5 Member States
 - More than 5 Member States
 - Don't know / no opinion / not applicable
-

Questions for financial data intermediaries

Question 18. As a financial data intermediary, have you experienced difficulties in organising data sharing between data holders and data users?

- Yes
 - No
 - Don't know / no opinion / not applicable
-

Regulation and supervision of open finance information services

Under PSD2, a dedicated licensing framework for account information service providers is in place to ensure proper regulation and supervision of these activities.

Question 19. In your opinion, should the scope of account information service provider licenses put in place under PSD2^[1] be extended to cover all financial services where new data access rights for third-party service providers would be introduced?

¹ Limited scope licenses which allow account information services providers to provide consolidated information on one or more payment accounts held by the payment service user with either another payment service provider or with more than one payment service provider

- Yes
- No
- Don't know / no opinion / not applicable

Questions for firms using customer data held by financial firms

Question 20. Do you hold any financial services license (authorisation)?

- Yes
- No
- Don't know / no opinion / not applicable

II. Customer protection

Control over the use of personal data is a key pillar in protecting the digital self-determination of a user and building a trust framework. Ensuring that customers have meaningful control over the use of their personal data is essential to guarantee the lawfulness of data processing. Open finance framework should aim to establish trust by ensuring that customers are informed about the processing of their personal data, and that the information provided is accurate.

Question 21. In your opinion, what digital tools can strengthen a customer's ability to grant, track and withdraw consent?

Please select as many answers as you like

- Consent management dashboards to enable customers to track which third parties have been granted consent
- Digital identity solutions, such as European digital identity wallets^[2], which could help identify a customer online and authenticate consent

Other

² The European digital identity wallet is a product and service that will allow natural and legal persons in the Union to store credentials linked to their identity, and provide them to relying parties upon request, for the purpose of authentication and access to public and private services. It was proposed in June 2021 as part of the [European digital identity framework \(eIDAS review\)](#). [See proposal for a Regulation of the European Parliament and the Council amending Regulation \(EU\) No 910/2014 as regards establishing a framework for a European digital identity, COM/2021/281 final](#)

Question 22. In your opinion, who should provide such tools?

Please select as many answers as you like

- Data holders
- Third parties
- Other

Please specify who else should provide such tools:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

EU citizens should be able to rely on the public authorities, who are the original issuers of most of the documentation that underpins formal identification, authentication and authorisation processes, to offer and operate the relevant data repositories and infrastructure. These are essential services that rely on and, in turn, create the foundation of public trust and should not be operated for commercial gain.

Question 23. Do you believe that licensed firms in open finance should be required to provide operational tools to enable customers to manage their right of consent with respect to the various financial services they are using?

- Yes
 - No
 - Don't know / no opinion / not applicable
-

Question 24. Should “strong customer authentication” (i.e. authentication based on the use of at least two security elements) under open finance framework be only used when customers first decide to connect/disconnect their account to a third party service provider or periodically?

- Connect/disconnect
- Periodically

- Never
 - Don't know / no opinion / not applicable
-

Question 25. Should the authorisation to access customer data under open finance automatically expire after a certain period of time?

- Yes
 - No
 - Don't know / no opinion / not applicable
-

Data sharing can potentially result in market segmentation where consumers with a high-risk profile could be excluded from the market because of certain characteristics or where those who choose not to agree to share additional data, which extends beyond data deemed strictly necessary for the provision of the relevant product, may end up paying higher prices for services ('price for not sharing data'). At the same time, more granular risk pricing may lead to lower prices. The use of alternative data may even open access to financial services to hitherto excluded individuals and businesses. The risk of data misuse, financial crime and fraud need to be appropriately managed in a data sharing framework.

Question 26. What are the key risks related to customer data sharing?

- Financial exclusion
 - Privacy breaches
 - Misuse of data (incl. fraud and financial crime)
 - Other
 - Don't know / no opinion / not applicable
-

Question 27. What should be done to mitigate the risks of financial exclusion and data abuse?

Please select as many answers as you like

- Establish best practice guidelines on customer profiling
 - Define in legislation specific data fields that may be used for customer profiling in the provision of various financial services
 - Introduce a mandatory requirement for the provision of basic services as part of the licensing regime (akin to the basic bank account concept) and cap prices
 - Other
-

Clear rules on liability are important to ensure appropriate redress between actors in the data value chain in cases where data shared is misused, incorrect, or out-of-date.

Question 28. Is there a need for additional rules in the financial sector to clarify the attribution of liability for the quality of customer data that is shared?

- Yes, horizontal liability principles across the financial sector are required
 - Yes, but liability principles must be tailored sector-by-sector
 - No
 - Don't know / no opinion / not applicable
-

Question 29. In your opinion, should an open finance framework need a dispute settlement mechanism to mediate and resolve liability disputes and other customer complaints?

- Yes
- No
- Don't know / no opinion / not applicable

III. Modalities of data access and reuse in the financial sector

Data-driven finance necessitates the use of varied datasets, including public and private data, as well as personal and non-personal data. This not only calls for a combination of differentiated policy approaches when building the European financial data space, but also requires consistency with cross-sectoral legislative frameworks. Relevant personal data includes financial data, e.g. as regards savings, mortgages, consumer credit, investments, pensions and insurance. Non-financial data may also be useful, including data from online platforms (e.g. social media, e-commerce and streaming), public entities (e.g. tax and social security), utilities (e.g. water and energy), telecommunications, retail purchases, mobility (e.g. ticket purchases), environmental data, and Internet of things (IoT) data. Relevant non-personal data includes business registry data and high value datasets to be shared under the [Open Data Directive](#). 'Read' access allows for simple access to data, e.g. to populate aggregators and comparative tools. 'Write' access includes 'read' access and enables third parties to perform actions on customer's behalf, e.g. to open/close accounts in case of switching financial service providers or initiate other types of transactions. This sections covers questions on the type of data and type of access required for the development of specific products and services in the financial sector.

Question 30. Are you aware of any financial services or products based on data sharing that already exist or are under development beyond those enabled under PSD2?

- Yes
 - No
 - Don't know / no opinion / not applicable
-

Question 31. Please explain briefly the potential that these services or products involving financial data sharing hold for consumers and/or businesses:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Questions for firms using customer data held by financial firms

Users of customer data held by financial service providers may access them based on an ad hoc contract concluded with the data holder.

Question 32. Have you had any practical experience with ad hoc contracts to ensure data access?

- Yes
- No
- Don't know / no opinion / not applicable

Question 33. In your experience, are data holders willing to conclude such contracts in practice?

- Yes
- No
- Don't know / no opinion / not applicable

Question 34. At how much would you estimate the average cost of concluding an ad hoc contract for data access?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Questions for all respondents

Contractual schemes

Contractual schemes are voluntary data-sharing mechanisms that are based on a contract. The [Euro Retail Payments Board \(ERPB\)](#) is currently developing a contractual scheme between data holders and data users for access to data, with participation from business and consumer organisations. The Commission would like to better understand the potential of such contractual schemes for open finance.

Question 35. Are you a member of any contractual scheme or expecting to become one in the next few years?

- Yes
- No
- Not sure
- Don't know / no opinion / not applicable

Question 36. Do you think that contractual schemes offer more benefits than just data & API standardisation?

- Yes
- No
- Don't know / no opinion / not applicable

Please explain your answer to question 36.1:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We refer to our responses to Q.9. and Q.10. above. We object to the concept of intermediaries entering into commercial agreements to trade citizens' personal data, either bilaterally or through sectoral schemes. Data holders are not legal owners of this data and should therefore not be permitted to use them for commercial gain without the knowledge and explicit consent of the citizen, as the data's actual owner.

Question 37. At how much would you estimate the cost of membership in such a scheme (including costs of joining the scheme, compliance /adjustment costs to meet scheme's requirements, costs of providing the required data access under the scheme)?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 38. Would you agree with the following statement: without any regulatory intervention, I would expect that any contractual challenges linked to open finance would be resolved within the next 3-5 years by stakeholders themselves?

- Agree
- Disagree
- Don't know / no opinion / not applicable

Question 39. What further measures to promote market adoption of contractual schemes should the EU take?

- non-binding calls on stakeholders
- make adherence to specific contractual schemes mandatory
- other measures
- none of the above
- Don't know / no opinion / not applicable

Legislative access rights

The [Data Act proposal](#) establishes a new data access right for the so-called Internet of things (IoT) data. However, it does not introduce any new data access rights in the financial sector, which would have to be set out in sectoral legislation in line with the general rules for business-to-business data sharing in all economic sectors, including finance, as set out in Chapter III.

Question 40. In your opinion, should the Commission consider to propose new data access rights in the area of open finance?

- Yes, without compensation
- Yes but only if the data holder receives compensation for making data available
- No
- Don't know / no opinion / not applicable

Question 41. Should any such new data access rights cover the following categories of data related to?

	Yes	No	Don't know - No opinion - Not applicable
Savings accounts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mortgage products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lending products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Securities accounts and financial instruments holdings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Insurance and pension products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Risk assessment (eg credit and insurance risk)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sustainability profile of financial services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question 42. In your opinion if such new data access rights are introduced, should financial institutions that are SMEs^[3] holding customer data be excluded from any such obligation (see e.g. Art 7 of the Data Act)

³ Small and medium-sized enterprises include enterprises with staff number between 10 and 250 and turnover between 2 and 50 million euros or a balance sheet total between 2 and 43 million euros

- Yes
 - No
 - Don't know / no opinion / not applicable
-

Question 43. In your opinion should large gatekeeper platforms^[4] requesting data access be excluded from being able to benefit from such data access rights (see Art 6(d) of the Data Act)

⁴ Gatekeepers are understood as providers of core platform services (such as online intermediation services, online search engines, online social networking services, video-sharing platform services, number-independent interpersonal communication services, operating systems, cloud computing services) which have a significant impact on the internal market, serves as an important gateway for business users to reach end users and have an entrenched and durable position in its operations or will have such a position in the near future

- Yes
- No
- Don't know / no opinion / not applicable

It is important to ensure full compliance with [GDPR](#) and [e-Privacy Directive](#) requirements, including when data is shared in real-time (e.g. standardised APIs). The GDPR provides several lawful grounds for the processing of personal data. If personal data is processed, the controller(s) must ensure that processing is based on lawful grounds in line with GDPR. Article 20 of Regulation (EU) 2016/679 provides for a right of data subjects to receive personal data concerning them, in a structured, commonly used and machine-readable format, and to port those data to other controllers, where those data are processed on the basis of Article 6(1)(a) or Article 9(2)(a) or on a contract pursuant to Article 6(1)(b). Data subjects also have the right to have the personal data transmitted directly from one controller to another, but only where technically feasible.

Question 44. Have you made use of Article 20 GDPR to access financial data or been requested such data access under Article 20 GDPR in the financial sector, and if so how frequently?

- Never
- Rarely
- Regularly
- Every week
- Don't know / no opinion / not applicable

Question 45. Are there any specific challenges related to the data processing principles of GDPR as regards

Please select as many answers as you like

- data lawfulness, fairness and transparency
- purpose limitation
-

data minimisation (limiting data collection to what is directly relevant and necessary for a specified purpose)

- data accuracy
- data storage limitation
- data integrity and confidentiality
- Other

Please specify to what other challenge(s) you refer in your answer to question 45:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We refer to our general response to Q.4. The principles of the GDPR should always be interpreted in full cognizance of Articles 7 and 8 of the Charter. The EU co-legislators and regulators should not leave the application of the GDPR to the ECJ acting as a last resort but incorporate them into relevant sectoral frameworks. This would imply, for instance, the specification, by way of legislation or delegated act, of a maximum set of personal data that is considered necessary for the performance of specific regulated financial services for retail customers, and a standardised workflow for their collection.

Question 46. In your opinion, what lawful grounds for the processing of personal data would be most useful for the purpose of open finance?

	1 (least useful)	2 (not so useful)	3 (neutral)	4 (quite useful)	5 (most useful)	Don't know - No opinion - Not applicable
Processing based on consent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Processing based on a contract	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Processing necessary for compliance with a legal obligation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Processing necessary to						

protect vital interests of the data subject	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Processing necessary for the public interest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Processing necessary for legitimate interests pursued by the controller or a third party	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question 47. Of the ones listed, which are the most important reasons preventing the portability right under Article 20 GDPR to be fully effective in the financial sector?

Please select as many answers as you like

- The absence of an obligation to provide the data on a continuous/real time basis
- The absence of standardised APIs
- The absence of standards ensuring data interoperability
- The absence of clear rules on liability in case of data misuse
- The absence of clarity as to which types of data are within scope
- The absence of incentives for data holders to provide high quality data, as there is no remuneration for making data available
- Other

Please specify to what other reason(s) you refer in your answer to question 47:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

As mentioned previously, personal customer data related to the financial sector are particularly sensitive and deserve the highest level of protection. Data portability is not a substitute for robust data protection. The general principles of Article 5 GDPR, in particular ‘purpose limitation’ and ‘data minimisation’, should have strict precedence over data portability.

IV. Technical infrastructure

Data sharing in the digital economy would require a dedicated infrastructure that enables machine-readable access and machine-to-machine communication, so that the various firms in the data value chain can interact and cooperate efficiently. The task of putting in place such an infrastructure might be costly and involve many steps, including the standardisation of data and the access technology itself. Prior to engaging in such activities though, it is indispensable to determine what type of data format would be required. This section covers questions on the standardisation of data and application programming interfaces (APIs).

Question 48. Do commonly agreed standards on data formats exist in your area of activity in the financial sector?

- Yes
 - No
 - They are currently being developed
 - Don't know / no opinion / not applicable
-

Question 49. Should the EU take further measures to promote market adoption of standardised data formats?

- Non-binding calls on stakeholders
 - Make use mandatory
 - Other measures
 - None of this
 - Don't know / no opinion / not applicable
-

Question 50. Should the EU take further measures to promote market adoption of standardised APIs?

- Non-binding calls on stakeholders
 - Make use mandatory
 - Other measures
 - None of this
 - Don't know / no opinion / not applicable
-

Question 51. Who is best placed to develop common standards for APIs?

- Industry stakeholders
-

- European supervisory authorities
 - International or European standardisation organisations (e.g. CEN)
 - Other
 - Don't know / no opinion / not applicable
-

Question 52. Would you agree with the following statement: even without any regulatory intervention, within the next 3-5 years I would expect most if not all larger financial institutions in the EU to provide consent-based access to key customer data via standardised APIs.

- Agree
 - Disagree
 - Don't know / no opinion / not applicable
-

Questions for firms using customer data held by financial firms

Question 53. Absent standardisation of data, would you be able to offer your services?

- Yes
 - To customers of a limited number of financial firms only
 - In a limited number of Member States only
 - No
 - Don't know / no opinion / not applicable
-

Question 54. What is your estimate of cost savings from using data based on commonly agreed standards?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 55. Would you expect new products to be developed if more data were available based on commonly agreed standards?

- Yes
 - No
 - Don't know / no opinion / not applicable
-

Question 56. To the best of your knowledge, what is the proportion of holders of customer data in your sector of activity that make these data available based on APIs?

- Less than 10%
 - 10-50%
 - The majority
 - Don't know / no opinion / not applicable
-

Question 57. Do you expect this proportion to increase significantly in the next 3-5 years?

- Yes
 - No
 - Don't know / no opinion / not applicable
-

Question 58. Are currently available APIs based on generally accepted standards?

- Yes
 - No
 - Don't know / no opinion / not applicable
-

Question 59. Are you making use of APIs or are you planning to do so in the future?

- Yes
 - No
 - Don't know / no opinion / not applicable
-

Question 60. Would you expect new products to be developed if more data were available through APIs?

- Yes

- No
 - Don't know / no opinion / not applicable
-

Question 61. What is your estimate of cost savings from accessing data through an API as opposed to specific case-by-case requests?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Questions for financial firms holding customer data

Question 62. Have you already developed an API for data access by customers and third parties on behalf of customers?

- Yes, under PSD2
 - Yes, outside the scope of PSD2
 - No
 - Don't know / no opinion / not applicable
-

Question 63. Would you see any cost savings in your operations associated with the use of such APIs?

- Yes
 - No
 - Don't know / no opinion / not applicable
-

Question 64. What is your estimate of the cost of setting up an API for access to your customer data and the ongoing costs for running it?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 65. Would you agree with the following statements?

	Yes	No	Don't know - No opinion - Not applicable
The cost of developing an API is subject to economies of scope – i.e. once an API is developed using it for additional types of data increases the development costs only marginally	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The cost of developing and running an API is lower if it is based on generally accepted and widely used data standards	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question 66. Do you apply or intend to apply any generally recognised standards for your APIs beyond PSD2?

- Yes, currently applied
- Yes, envisaged
- No, because no standards are available
- No, because not interested
- Don't know / no opinion / not applicable

Question 66.1 Please specify for which generally recognised standards you apply or intend to apply:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

PART II

Part II of the consultation contains the following section

- V. Specific questions on selected use cases involving data sharing in the financial sector

V. Specific questions on selected use cases involving data sharing in the financial sector

One potential use case would involve enabling access to customer information gathered in the context of the suitability and appropriateness assessment, as well as access to customer's investment data (e.g. securities accounts, pensions, etc.). In the context of its work on a retail investment strategy as envisaged by the [capital markets union action plan](#), the Commission is considering ways to improve the suitability and appropriateness assessment in order to help retail investors better achieve their investment goals. The present consultation includes questions on the access to and re-use of customer-profile data, as well as access to data on customer's current investments. In addition, this consultation contains questions on a use case relating to access to SME data to enhance SME financing options. Annex I provides an overview of other use cases that were discussed by the open finance subgroup.

Transferability of customer-profile data (Personal Investment Plan (PIP), suitability assessment) and access to customer data on current investments

The Commission is currently exploring different ways to improve the suitability and appropriateness regimes under the retail investor protection framework. One of the approaches being assessed is the above-mentioned PIP. The PIP would be a possible portfolio-centric approach to investing that the Commission is consulting on in a separate consultation ([Targeted consultation on options to enhance the suitability and appropriateness assessments](#)). In short, the PIP onboarding process would entail gathering customer-specific data akin to the information currently collected by investment intermediaries under the suitability and appropriateness regimes. The 'output' of that assessment would be an asset allocation strategy that lays out the appropriate risk-return for the customer having regard to his or her investment objectives and constraints.

This targeted consultation explores how open finance might enable access to and reuse of customer-profile data and customer's current investment data in order to improve the suitability and appropriateness regimes under the retail investor protection framework and/or -should the Commission propose it - the possible development of a PIP. Customer profile data should be understood as comprising data that form the basis of the suitability and appropriateness assessments performed by financial intermediaries.

It should also be understood as covering both data which is required as input to the suitability and appropriateness assessments (or a possible future PIP) and the 'output' data. The former would comprise all the information that the financial intermediary is asked to collect in the process of suitability assessment. The latter is to be understood as the asset allocation strategy drawn up by the financial intermediary.

Enabling data to be shared between financial intermediaries with the customer's permission could prove to be an important element of the customer-centric and portfolio-focused approach to investing. This would have two aspects:

- First, the rules around portability of customer-profile would ensure that information can be seamlessly transferred by the customer to another financial intermediary. Such an approach might facilitate the uptake of new tailored and customer-centric approaches to help customers better manage their investments or to facilitate customer switching between intermediaries, or using multiple financial intermediaries. This might be achieved either by enabling the customer to receive the data in a standardised and structured form and transfer it onwards (portability) or by ensuring that brokers set up IT infrastructures such as APIs for the secure sharing of information.
- Secondly, enabling further innovation and supporting adequate product offer for the benefit of retail investors would require that financial intermediaries could access data on investment products already held by their customers (including securities accounts as well as life insurance and pension products). If financial intermediaries or other service providers gain or maintain an up-to-date overview of the customer's investments, they could develop new tools and services to offer more tailored products to retail investors, analogous to analytics services offered to retail customers based on PSD2 data. Such an approach could bring about

additional data-driven portfolio analytics services, ultimately giving more tools to the investor to make informed investment decisions. Specifically related to the PIP, access to such data would allow financial intermediaries to assess whether customers' investments are in line with their respective asset allocation strategy or whether they may need to make adjustments.

Transferability of customer-profile data

Customer-profile data could, for example, include information on the customer's risk and sustainability preferences, knowledge and experience, transaction track record, ability to bear losses, wealth, income and the customer's investment horizon. It could also include relevant documents and information required under anti-money laundering and terrorist financing legislation.

Question 67. Do you think that customer-profile data should be accessible to other financial intermediaries or third-party service providers through an API-based infrastructure (subject to customer permission)?

- Yes
- No
- Don't know / no opinion / not applicable

Please explain your answer to question 67:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Yes, but to ensure privacy and data protection, only aggregated and anonymised data should be accessible to financial intermediaries.

Question 68. The portability of which specific customer-profile data would be essential in order to enable creation of new products and services as well as bring broader benefits for retail investors as described above?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

This depends on the purpose for which the data is collected. In any case, there is a need for legislation to specify what types of data are appropriate and can be used for the different types of use cases. For example, sensitive payment transactions should not be used under any circumstances and only data relevant to the purpose of the use case can be used. For example, if a mortgage broker accesses customer data to assess their creditworthiness, only financially relevant data needed to perform a creditworthiness assessment (i.e. data on income, essential expenditures as well as outstanding credits and debts) should be allowed to be used. Otherwise, if the wrong type of data is used for a specific use case, there is a risk that it can lead to mis-selling and/or unfair discrimination. Similarly, data that impacts the personal data protection rights of third parties (the "silent party data" issue) should be excluded completely.

Moreover, as already mentioned in other responses throughout this consultation, to ensure privacy and data protection, only aggregated and anonymised data should be accessible.

Question 69. In your opinion, are there any risks and constraints associated with sharing the customer-profile data between financial intermediaries?

- Yes
- No
- Don't know / no opinion / not applicable

Question 69.1 If you think there are such risks and constraints, please describe them and explain what measures could be taken to reduce such risks:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The sharing of this data can lead to unfair discrimination/financial exclusion and privacy concerns.

Firstly, there is a risk that this could lead to the mis-use of personal online data which can ultimately lead to financial exclusion. For example, data could be used that is irrelevant to or could provide false conclusions regarding a consumer's real risk profile or ability to bear losses. Therefore, the introduction of an open finance framework must be accompanied by clear rules in legislation clearly spelling out which specific data can be used for different use cases in the provision of various financial services.

While the GDPR regulates the use of personal data, it is often unclear to financial services providers and regulators how and to what extent it applies to the financial services sector. Many financial services providers, in recent years, have asked for more clarity with regards to how horizontal non-financial services-specific legislation (e.g. the GDPR) applies to financial services specifically. As a result, the European Commission has deemed it necessary, for example, to clarify how the GDPR rules are to be applied to consumer credits in its recent proposal on revising the Consumer Credit Directive (CCD). Therefore, any increase and ease of access of personal data of consumers needs to be complemented by clear rules defining what data is allowed to be collected for profiling to avoid financial exclusion and discrimination such as unfair pricing practices.

Introducing a mandatory requirement for the provision of basic services (akin to the basic bank account concept under the Payment Accounts Directive (PAD)) as part of the licensing regime would also be very helpful in overcoming any risks of financial exclusion. Imposing a price cap to ensure that vulnerable consumers can afford these financial services with basic features should also be introduced.

Moreover, in order to address privacy/data protection concerns, only aggregated, anonymised and relevant retail user data should be accessible to financial intermediaries and no further processing of user data outside of clearly defined purposes that have a value to the user should be allowed. Moreover, financial intermediaries should not be allowed to retain the data for any other purpose than the specific use case (e.g. for the suitability assessment) and the data should not be used for any other purpose.

Question 70. Please explain if these risks and constraints apply to the sharing of all or only specific data fields and how this could potentially be addressed:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The risks apply to the sharing of all data fields.

Question 71. Please provide us with an estimate of costs that would be incurred by an investment firm in setting up data access points, e.g. in the form of APIs, to allow the customer to share his or her customer-profile data:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Access to customer data on current investments

Question 72. Subject to customer's agreement, should financial intermediaries or other third party service providers be able to access data on customer's current investments with other financial service providers:

a) to develop new tools for the benefit of customer?

- Yes
- No
- Don't know / no opinion / not applicable

Please explain your answer to question 72 a):

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The creation of new tools thanks to access to customers' investments could be of benefit to consumers. For example, data on current investments could be used to develop digital tools offering real-time, personalised information and advice such as projections for the investor of how any new product they are considering would interact with their other products.

However, these tools should not be developed by financial services providers and intermediaries but by public authorities to ensure these tools are independent and unbiased from commercial interests.

b) to ensure smooth implementation of the suitability and appropriateness assessments (or a possible compilation of a personal investment plan and to make implementation of the associated asset allocation strategy more efficient)?

- Yes
- No
- Don't know / no opinion / not applicable

Please explain your answer to question 72 b):

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

However, to ensure consumer privacy concerns, the data used for these purposes should be anonymised and aggregated data only. Moreover, any data used for these assessments should not then be retained or used for any other purpose.

Question 73. Should the access be granted to:

- All data on all investments
- All data on some investments
- Some data on all investments
- Don't know / no opinion / not applicable

Please explain your answer to question 73, notably which data and which investments in the case of partial access:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 74. Subject to customer's agreement, should financial intermediaries and other third-party service providers be able to access data on customers' current investments with other financial service providers to provide investment analytics services, such as a consolidated overview of the client's investments and an assessment of the risk-return metrics of the client's portfolio?

- Yes
- No
- Don't know / no opinion / not applicable

Please explain your answer to question 74:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Data should only be used for a suitability and demands and needs assessment. Any data used for this assessment should not then be retained or used for any other purpose.

Question 75. Subject to customer's agreement and if third party access to customers' current investment data were to be enabled, should it also be made possible to access data on their past investments? In the affirmative, what would be the main use cases for sharing such data?

- Yes
- No
- Don't know / no opinion / not applicable

Please explain your answer to question 75:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Only data should be collected that is relevant for the use case. There isn't any use case where this kind of information could provide conclusive and useful information to the benefit of a customer.

For example, financial providers/intermediaries are not able to make any conclusions about a consumer's current sustainability preferences with regards to investments based on the client's past investments. It could be, for example, that the consumer's sustainability preferences have changed and therefore it is necessary to check the current preferences. The same goes for a consumer's risk preferences which may have changed due to, for example, changes in the consumer's financial situation/ability to bear losses over time.

Question 76. Do you think that enabling customers to share their data on their current investments across financial intermediaries could encourage greater competition and innovation in the provision of investment services?

- Yes
- No
- Don't know / no opinion / not applicable

Please explain your answer to question 76:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

As has been observed in other sectors, the aggregation and cross-utilisation of data triggers significant network effects and economies of scale, which tend to encourage supply-side concentration. The proposed opening up of citizens' personal data for commercial use is very unlikely to improve competition but may well exacerbate the existing concentration of supplier power in the digital sphere.

Question 77. Please provide us with an estimate of costs that would be incurred by an investment firm in setting up data access points, e.g. in the form of APIs, to allow the customer to share data on his or her current investments:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

SME financing

Similarly to the investment use case, the SME financing one consists of two aspects. First, SMEs frequently face challenges accessing credit and are exposed to higher transaction costs and risk premiums than larger enterprises. Lenders often lack sufficient information to assess adequately SME creditworthiness, price credit risk and tailor financial products. Primary data collection from SMEs during a loan application process is costly and may not deliver all the relevant data. To make sure that the funding provided is appropriate to the economic and financial circumstances of SMEs, credit institutions and other lenders might benefit from the additional access to data, including ecommerce data. Online commercial activity and other cross-sectoral data generally improves the quality of SME creditworthiness assessment and may lead to enhanced financing, with a positive impact on the overall financial health of SMEs.

Second, open finance principles could also be applied to the sharing of data relevant to SME funding applications among funding providers, which is one of the actions under the [capital markets union action plan](#). Credit institutions and alternative providers could allow authorised funding providers to access the relevant SME data via APIs in a

standardised and machine-readable format, subject to the SME's consent. Another possibility would be to ensure portability of data in a structured and machine-readable format that SMEs could transfer to other financial intermediaries themselves. In both cases, the data shared would be retrieved from the SME's funding application. By facilitating the sharing of standardised data on SMEs with funding providers, such a scheme would have the potential to help SMEs secure funding while helping funding providers source new clients / investments.

Assessing SME creditworthiness

Question 78. Is SME data accessible today via regulatory requirements or are there practical examples of contractual access to data required for SME creditworthiness assessment?

- Yes, SME data is accessible today via regulatory requirements
 - No, there are practical examples of contractual access to data required for SME creditworthiness assessment
 - Don't know / no opinion / not applicable
-

Question 79. Is the required data already standardised (e.g. either by market operators or via regulation)?

- Yes
 - No
 - Don't know / no opinion / not applicable
-

Question 80. Is the data required for SME creditworthiness assessment readily accessible from a technical perspective (e.g. via standardised APIs)?

- Yes
 - No
 - Don't know / no opinion / not applicable
-

Sharing of SME data across financial institutions

Question 81. Do you think that a referral scheme for SMEs through an API-based infrastructure based on standardised data, giving a financial intermediary access to data held by another financial intermediary, could be effective in helping them secure alternative funding?

- Yes
- No
-

Don't know / no opinion / not applicable

Question 82. Please provide us with quantitative estimates of costs that would be incurred by a funding provider due to setting up data access points, e.g. in the form of APIs, to allow the SME to share its funding application data with alternative funding providers:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 83. Are you aware of existing practical examples of contractual access to SME funding application data?

- Yes
 - No
 - Don't know / no opinion / not applicable
-

Question 84. Are there any significant legal obstacles for accessing SME funding application data held by another funding provider?

- Yes
 - No
 - Don't know / no opinion / not applicable
-

Question 85. What steps would be necessary to harmonise data formats and access conditions to ensure adequate quality of SME data (accurate, reliable, complete, etc.)?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

PART III

Part III of the consultation contains the following section

VI. Other aspects of data sharing in the financial sector and related obstacles

VI. Other aspects of data sharing in the financial sector and related obstacles

Use of aggregated supervisory data for research and innovation

The [supervisory data strategy of December 2021](#) states that the Commission will look into ways to make data available more extensively for research and innovation, while protecting data confidentiality. In its 2023 progress report, the Commission will assess whether any regulatory adjustments can be made to enable the sharing and reuse of reported data for innovation purposes.

Question 86. Are there any legal obstacles today to obtain and use fully anonymised and aggregated supervisory data for research and innovation purposes?

- Yes
- No
- Don't know / no opinion / not applicable

Please explain your answer to question 86:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 87. In your opinion, what areas hold research and innovation potential based on the use of anonymised and aggregated supervisory data?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Legal certainty for voluntary data sharing among financial institutions to improve risk monitoring or compliance and further develop related tools

The [Commission proposals for a Digital Operational Resilience Act in the financial sector](#) include explicit provisions clarifying that financial institutions may exchange amongst themselves cyber threat information and intelligence in order to enhance their digital operational resilience, in full respect of business confidentiality, protection of personal data and guidelines on competition policy (Article 40). These proposals were aimed to ensure legal certainty about the possibility of such exchange of information and data.

Question 88. Would you consider it useful to provide for similar “enabling clauses” for other types of information exchange among financial institutions?

- Yes
- No
- Don't know / no opinion / not applicable

Question 88.1 If you consider it useful to provide for similar “enabling clauses” for other types of information exchange among financial institutions, please indicate in which areas and please explain:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Additional information

Should you wish to provide additional information (e.g. a position paper, report) or raise specific points not covered by the questionnaire, you can upload your additional document(s) below. **Please make sure you do not include any personal data in the file you upload if you want to remain anonymous.**

The maximum file size is 1 MB.

You can upload several files.

Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

Useful links

[More on this consultation \(https://ec.europa.eu/info/publications/finance-consultations-2022-open-finance_en\)](https://ec.europa.eu/info/publications/finance-consultations-2022-open-finance_en)

[Consultation document \(https://ec.europa.eu/info/files/2022-open-finance-consultation-document_en\)](https://ec.europa.eu/info/files/2022-open-finance-consultation-document_en)

[Use cases annex to the consultation document \(https://ec.europa.eu/info/files/2022-open-finance-consultation-document-annex_en\)](https://ec.europa.eu/info/files/2022-open-finance-consultation-document-annex_en)

[Related call for evidence on the open finance framework \(https://ec.europa.eu/info/law/better-regulation/initiatives/plan-2021-11368_en\)](https://ec.europa.eu/info/law/better-regulation/initiatives/plan-2021-11368_en)

[Related public consultation on the review of PSD2 and on open finance \(https://ec.europa.eu/info/publications/finance-consultations-2022-psd2-review_en\)](https://ec.europa.eu/info/publications/finance-consultations-2022-psd2-review_en)

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[Related call for evidence on the review of PSD2 \(https://ec.europa.eu/info/law/better-regulation/initiatives/plan-2012-12798_en\)](https://ec.europa.eu/info/law/better-regulation/initiatives/plan-2012-12798_en)

[More on digital finance \(https://ec.europa.eu/info/business-economy-euro/banking-and-finance/digital-finance_en\)](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/digital-finance_en)

[More on payments services \(https://ec.europa.eu/info/business-economy-euro/banking-and-finance/consumer-finance-and-payments/payment-services/payment-services_en\)](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/consumer-finance-and-payments/payment-services/payment-services_en)

[Specific privacy statement \(https://ec.europa.eu/info/files/2022-open-finance-specific-privacy-statement_en\)](https://ec.europa.eu/info/files/2022-open-finance-specific-privacy-statement_en)

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