

Open Finance Coalition

First Coalition Partner meeting minutes

Friday, 21 July 2023

Agenda

1. Item 1 – Guiding Principles on Competition
2. Introductions
3. The Story so Far (Why we're here)
4. Coalition Purpose (Our statement of intent)
5. Coalition objectives (What we're going to do)
6. Governance and operating model (How we're going to do it)
7. Next steps and AOB (What next)

Minutes	
Item 1 – Guiding principles on competition	
Purpose: For information	
Speaker: EB	<ul style="list-style-type: none"> ▪ The Chair (EB) set out the obligations of all Coalition Partners and meeting attendees relating to competition law. This included a reminder to avoid discussing commercially sensitive information in Centre for Finance, Innovation and Technology (CFIT) meetings and that, if any Coalition Partner should consider a topic of discussion not in line with the guiding principles outlined, they should raise their concerns with the Chair, who would suspend all discussions until a decision was made.
Comments:	None
Decision:	N/A – for information only
Actions:	None
Item 2 – Introductions	
Purpose: For information	

Speaker: EB	<ul style="list-style-type: none"> ▪ The Chair welcomed the meeting participants and outlined the aims of the meeting: to provide an update on progress to date, convey the Coalition’s opportunity and purpose, gain approval of the Coalition’s objectives and obtain inputs on the use cases for the SME and Consumer working groups to work on, as well as to explain how Coalition Partner resources will be allocated to working groups before sharing an overview of next steps/ timeline of future activity. ▪ The Chair then summarised the contributions committed to by Coalition Partners to date, thanking Coalition Partners and noting that this was not a complete list and was likely to change with the signing of Contribution Agreements and Terms of Reference documents w/c 24th July 2023.
Comments:	None
Decision:	N/A – for information only
Actions:	None
Item 3 – The story so far Purpose: For information	
Speaker: EB	<ul style="list-style-type: none"> ▪ The Chair then outlined the journey to defining the Coalition’s objective and statement of intent. ▪ After selecting and announcing that Open Finance would be the Coalition’s theme in April 2023 CFIT, working with EY identified detailed use cases within Open Finance and asked the ecosystem for feedback on which use cases they felt presented the most pressing opportunities. ▪ CFIT then conducted a series of virtual regional workshops to gain feedback on the three prioritised use cases (Access to SME Finance, Consumer Financial Awareness and Consumer Credit

	<p>Files) and saw an overwhelming preference across all regions for Consumer Financial Awareness and Access to SME Finance.</p> <ul style="list-style-type: none"> When CFIT explored the likely goals and outputs of each use case, they found that they centred on very similar things: unlocking financial data, making it more portable and accessible and giving customers more control whilst allowing FIs to use different data sources to improve customers' experience of financial services. CFIT therefore decided to create one overarching statement of intent: <i>To demonstrate the power of leveraging financial data to deliver better financial outcomes to consumers and SMEs.</i> This was then split into opportunities for both SMEs and consumers. Within these there was also the need to focus specifically on 'infrastructure' (the enabling technology, standards and policy changes needed to unlock specific datasets) and 'Design' (scoping the end consumer facing use cases that are enabled by the changes suggested, data standards created) by the infrastructure group.
Comments:	None
Decision:	N/A – for information only
Actions:	None
<p>Item 4 – Coalition purpose Purpose: for information</p>	
Speaker: EB	<ul style="list-style-type: none"> The Chair then explained what was meant by 'Financial Awareness' and the challenges the Coalition would be aiming to solve. These include: responding to the pressures faced by consumers as a result of the Cost-of-Living crisis, helping those with currently limited retirement savings begin to save and assisting SMEs facing cashflow challenges, supply chain issues, cost increases and economic uncertainty.

	<ul style="list-style-type: none"> ▪ The Chair explained that, along with these structural challenges, more responsibility is being put on Consumers and Small Business Owners to control their own financial outcomes and make decisions in this complex environment. ▪ However, it is increasingly difficult for Consumers and SMEs to understand their options and, crucially, take action to manage their finances and make the best choices for them. The Coalition would aim to address these issues and make it easier for Consumers and SMEs to access, view and utilise their financial data.
Comments:	None
Decision:	N/A – for information only
Actions:	None
<p>Item 5 – Coalition objectives Purpose: To select and approve one use case for Consumer working groups and one use case for SME working groups.</p>	
Speaker: LI	<p><u>Item 5a: Consumer Use Cases</u></p> <ul style="list-style-type: none"> ▪ The Chair then handed over to Leon Ifayemi (LI) to discuss the objectives and use cases for Consumers and SME working groups. ▪ LI outlined the three draft use cases for consumer working groups, which were to be prioritised down to one based on the attendees’ feedback: <ol style="list-style-type: none"> 1. Use Case 1: A tool enabling consumers to gain a holistic view of their financials situation and make better decisions accordingly, with consideration to education, advice and guidance. 2. Use Case 2: A repository of standardised data which financial services institutions can utilise to make lending and onboarding decisions, recommend products, and provide advice to consumers.

	<p>3. Use Case 3: An industry approach to using new or under-utilised datasets (e.g. council tax, HMRC income/ employment data, electoral roll API, rent and utility payments) to make financial products more accessible and secure for consumers.</p> <ul style="list-style-type: none"> LI then opened the floor to comments from attendees on which of these would be their preferred use case and why.
Comments: ¹	<ul style="list-style-type: none"> During the open discussion several attendees expressed a preference for use case three, highlighting potential challenges in achieving use cases one and two. These included: There have already been various tools for consumers that deliver aggregation, most of which have failed. Use case number one would need to be very cognisant of the tools that have gone before it and failed. A consumer trust issue: Attendees highlighted that often consumers like that the point of aggregation is themselves, and they are less likely to trust aggregation and insights from a third party they do not trust. Additionally, it was highlighted that successfully achieving use case three would potentially enable the other use cases.
Decision:	<p>Consumer use case working groups will focus on use case three.</p> <p>Consumer – voting results:</p> <ul style="list-style-type: none"> Use case 1: 3% (1 vote) Use case 2: 18% (7 votes) Use case 3: 79% (31 votes)
Actions:	None
Speaker: LI	<p><u>Item 5b: SME Use Cases</u></p> <ul style="list-style-type: none"> LI then outlined the three draft use cases for SME working groups, which were to be prioritised down to one based on the attendees' feedback:

¹ Please note, names of attendees have been redacted

	<ol style="list-style-type: none"> 1. Use Case 1: A platform that gives SMEs visibility of their complete financial situation in one place and enables them to share it with trusted third parties. 2. Use Case 2: An industry methodology for data sharing and standardisation of small business data to improve processes, privacy and systems connectivity. 3. Use Case 3: A standardised approach to accessing and using new or currently inaccessible data (e.g. government data) to enable financial services providers to aggregate information for lending, KYC, etc. <ul style="list-style-type: none"> ▪ LI then opened the floor to comments from attendees on which of these would be their preferred use case and why.
<p>Comments:²</p>	<ul style="list-style-type: none"> ▪ During the open discussion several attendees expressed a preference for use case three, highlighting potential issues with the use cases one and two. These included: ▪ Use case one is potentially not viable in a single platform. SMEs tend to think of themselves in the uniqueness of their own situation and therefore are less likely to use this solution/ the solution may not work for them. ▪ Some datasets for SMEs are already available and standardised, meaning the work would likely be less impactful on use case two. ▪ Use case three was highlighted as fitting well into CFIT’s role and giving CFIT the opportunity to act as a linchpin between industry, government and regulators. ▪ Broader support was also highlighted for use case three. Attendees highlighted conversations with government ministers who had shown their support for such an idea, whilst other attendees highlighted that use case three may decrease the number of new SMEs which fail, something the government is highly likely to be supportive of.

² Please note, names of attendees have been redacted

Decision:	<p>SME use case working groups will focus on use case three.</p> <p>SME – voting results:</p> <ul style="list-style-type: none"> ▪ Use case 1: 3% (1 vote) ▪ Use case 2: 10% (4 votes) ▪ Use case 3: 88% (35 votes)
Actions:	None
<p>Item 6 – Governance and Operating model</p> <p>Purpose: For information</p>	
Speaker: EB	<ul style="list-style-type: none"> ▪ The Chair then outlined the Coalition’s governance model, which is comprised of two layers of governance (Mission Control and Mission Leadership) plus Mission Delivery, which is comprised of Use Case Partners (a.k.a. working group members). ▪ The model is one of shared accountability: Mission Control has ultimate accountability for providing use case working groups with the purpose, goals and objectives of the Coalition whilst Mission Leadership is accountable for ensuring consistency of standards, quality and alignment across groups, as well as being accountable for enabling those delivering the work. Mission Delivery is ultimately accountable for the production of Coalition deliverables. ▪ The Chair then outlined that all of the Coalition’s decision-making shall be made by consensus but, where consensus cannot be reached, CFIT will make the final decision. ▪ The Chair then handed over to LI to discuss the allocation of Partner resources to the working groups. ▪ LI explained that resource triage and allocation sits at Mission Leadership level. All requests are made through the CFIT Coalition Lead (Leon Ifayemi) who will triage, consider and direct resource requests to the most appropriate Coalition Partner based on working group needs and resource availability.
Comments:	None

Decision:	N/A
Actions	None
Item 7 – Next steps and AOB Purpose: For information and discussion	
Speaker: LI	<ul style="list-style-type: none"> ▪ LI outlined that the first phase of the Coalition would be a Discovery period, which would involve convening working groups, scoping deliverables and aligning on roles and responsibilities within these groups. ▪ As a result, CFIT partners should expect any requests for resources during this time period (lasting from late July – mid-September) to focus on existing customer research, insights on personas and Open Banking/Finance and requests for consumer and SME datasets. ▪ LI handed back to the Chair, who reiterated that the focus over the coming weeks will be on convening the working groups. The Chair also reminded attendees of key dates and tasks over the coming weeks, namely the signing and execution of the Terms of Reference by 27th July 2023.
Comments: ³	<p>1. <u>Attendee:</u> <i>With regards to the Coalition’s overall Objective, in order to be able to deliver on better financial objectives the commercial world has to be able to make money from delivering these services. This activity is also hugely attractive to the Treasury. Can we find some way of capturing the fact that we are not just making life better for consumers and SMEs, but also that the work of the Coalition will help industry to monetise innovation, grow the innovator sector.</i></p>

³ Please note, names of attendees have been redacted

2. Attendee: *There is interest in unlocking government data. Do you feel you have the right backing from government and other relevant organisations and bodies?*

- **Chair (EB)** (in response): CFIT has great reach into government departments but when the exact datasets are identified we'd like Partners to explore the access they do have. Some people in this meeting have fantastic access to local government datasets, for example, so this could be used. We also have to explore what is reasonable, practical or actionable.

3. Attendee: *Are we bound to exploring the sharing of data via APIs only?*

- **Chair (EB)** (in response): There are certainly other methods of data sharing that have been used in the past and are currently used including CSVs and FTPs. APIs are the preferred route – they are the direction of travel for industry and are key to enabling the real time transfer of information, unlike other methods. We also cannot expand the scope of the Coalition and working groups too broadly; if we want to create something that demonstrates value, we can't solve for every edge case. The method of sharing is something to think about, make recommendations amount but shouldn't detract.

4. Attendee: *How are we learning from other markets – for example Singapore, Hong Kong, India?*

- **Chair (EB)** (in response): Absolutely, we already have central banks reaching out since announcing the focus of the Coalition would be on Open Finance. We have seen countries adopting the UK's approach to Open Banking or even leapfrogging us into Open Finance or Open Data – why shouldn't we use this or even leapfrog them?

	<p>5. <u>Attendee:</u> <i>In the SME sector we've noticed that a lot of SMEs are time poor and lack knowledge. If there is anything CFIT can do to drive standardisation of processes this will be a huge enabler. The age of an SME and their scale makes a huge difference in their experience of financial services and overall chances of survival. In the first few years a lot of SMEs fail. Is there a way we could reduce friction for them as they complete a lot of their 'firsts' i.e. first time they need to do lending, first full year accounts, first tax year etc. Would imagine there would be significant government support for this as the government would like to see fewer SMEs fail, given their role in the economy.</i></p>
Decision:	N/A
Action:	<p>1. Action: Consider whether the Objective statement can be edited to include reference to industry benefits, as well as Consumer and SME benefits.</p>

Actions log:

Number	Action	Assigned to	Due date
1	Consider whether the Objective statement can be edited to include reference to industry benefits, as well as Consumer and SME benefits.	CFIT team	24/08/2023
2	Discuss how the use case members might consider commerciality as part of the Discovery phase	CFIT team	24/08/2023

Attendees:

Chair: Ezechi Britton, CFIT CEO (EB)

Organisation	Role
ABI	CFIT Partner
Allen & Overy	CFIT Partner
Amazon	CFIT Partner
Aperidata	Use Case Lead
City of London	CFIT Partner
CRIF	Use Case Lead
CFIT	Delivery Team
EY	Delivery Team
CFIT	Delivery Team
EY	Delivery Team
Direct ID	Use Case Lead
DTL Apps	CFIT Partner
Experian	CFIT Partner
Experian	CFIT Partner
Experian	CFIT Partner
EY	CFIT Partner
FinTech Scotland	Use Case Lead
FCA	CFIT Partner
FinTech West	Use Case Lead
Goodwith	Use Case Lead
HSBC	CFIT Partner

IBM	CFIT Partner
IBM	CFIT Partner
IBM	CFIT Partner
Infact Systems	CFIT Partner
Innovate Finance	CFIT Partner
Intuit	Use Case Lead
iwoca	CFIT Partner
KPMG	CFIT Partner
KPMG	CFIT Partner
Leeds City Council	CFIT Partner
Lloyds Banking Group	CFIT Partner
Mastercard	CFIT Partner
MBN Solutions	CFIT Partner
Monzo	CFIT Partner
Monzo	CFIT Partner
Open Banking Limited	CFIT Partner
Open Finance Association	CFIT Partner
Smart Data Foundry	CFIT Partner
Zopa	CFIT Partner
Zopa	CFIT Partner
FinTech Scotland	Use Case Lead