

Open Finance Coalition

Virtual coalition partner meeting minutes

24th August 2023

Agenda

1. Coalition Partners Update

- Update on and sharing of Coalition Partner agreements
- Welcoming new Coalition Partner Infact Systems

2. Deliverables

- Update on the structure of the Coalition's deliverables

3. Use Cases Update

- Discuss the progress of the Use Cases over the course of Sprint 1 (Mobilisation) and plans for the Discovery phase

4. Engaging with the working groups

- Update on the planned Sprints and Discovery phase
- Ask to consider if and how the Coalition Partners could contribute to the Discovery phase through providing research, insights and subject matter expertise.
- Update on the planned Accelerator Day and considering how Partners would like to participate.

5. AOB & Q&A

Minutes

Item 1 – Guiding principles on competition & introduction

Purpose: For information

Speaker: EB

- 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

	<p>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.</p> <ul style="list-style-type: none"> EB introduced the purpose of the session: to gain the group's feedback and advice on the direction of the Coalition and the shape of its deliverables. The main role of the Coalition Partners is to ensure focus on the overall purpose of the Coalition remains.
Comments:	None
Decision:	N/A – for information only
Actions:	None
Item 2 – Coalition Partners Update Purpose: For information	
Speaker: EB	<ul style="list-style-type: none"> Now that all Coalition Partners present in the meeting and the majority of non-present Coalition Partners had signed the Terms of Reference (ToR) and Contribution Agreement documents their high level contributions were able to be confirmed. These were shown on screen and grouped by category. It was noted that there were a small number of potential Coalition Partners – not present in the meeting – who had not yet signed their Contribution Agreement. Therefore, the contributions list would be updated once these partners had confirmed their participation and contributions. A new Coalition Partner, Infact Systems, was welcomed.
Comments:	None
Decision:	N/A – for information only
Actions:	None
Item 3 – Deliverables	

Purpose: For information

Speaker: LI

- LI then provided an update on the Coalition’s deliverables.
- Within the Coalition’s overall focus on Open Finance, it was explained that the specific aim is to set the three-year blueprint and roadmap for the next phase of financial innovation.
- The purpose of this Coalition is to demonstrate the power of leveraging financial data to deliver better financial outcomes to consumers and SMEs. LI reminded attendees of the two use cases selected in the previous session.
- These use cases were identified as enablers for the development of a range of Open Finance value propositions that can address economic, societal and, even, environmental challenges.
- LI explained that the Coalition’s outputs will come together in a blueprint comprising five parts:
 1. Detailed research and analysis into the datasets that, if unlocked or combined, could result in better outcomes for consumers and SMEs.
 2. Co-development and, subject to resources, delivery of technical environments, such as data lakes, taxonomies and API standards, which will help to demonstrate the value of chosen datasets and facilitate the next phase of financial innovation.
 3. Creation of implementation frameworks, proposing what would be needed to implement an Open Finance capability in the UK, building where possible on the foundations laid by Open Banking.
 4. A set of policy recommendations where government and regulator interventions are needed to address the current barriers to implementation (e.g., standardisation of product information to facilitate product comparison, alignment with other Bills and Acts).
 5. An impact assessment to demonstrate what could be achieved by developing an industry approach (e.g., a use case catalogue)

	<p>and quantification of the economic, social, environmental and ethical considerations, with potential regional variation.</p> <ul style="list-style-type: none"> ▪ These components could form the basis of a multi-year strategy for Open Finance to be delivered by CFIT in Q1'24.
Comments:	None
Decision:	N/A – for information only
Actions:	None
<p>Item 4a – Use Cases Update: Consumer Purpose: for discussion</p>	
Speaker: RS	<ul style="list-style-type: none"> ▪ Esynergy, acting as scrum master for the Consumer Use Case, ran through the five high level consumer missions, initially created by CX Partners and refined in the recent Consumer Sprint Review and Planning session. ▪ These are subject to change in the coming sprints but currently are: <ol style="list-style-type: none"> 1. Make it easier for consumers to identify and access financial products and services in the market that meet their needs. 2. Make it easier for consumers to identify when financial products and services they are using aren't well suited to them 3. Make it easier for consumers to move between financial products and service providers 4. Make it easier for consumers to balance their competing short medium and long-term financial priorities. 5. Give consumers greater access to financial advice and guidance services to improve outcomes. <p><u>Datasets Value Analysis</u></p> <ul style="list-style-type: none"> ▪ One of the key activities has been looking at different data sources that could help with the missions and creating a value x effort matrix for these data sources. The goal is to identify datasets that are low effort to unlock and high value or impact.

	<p>Use Case Partners have built out the data sources list and have included some of the data points from each source. A preliminary review of effort and value of some datasets has already been undertaken. RS is now looking to share with the Working Group to gauge how to enhance the approach. The next step is to have other organisations within the Working Group contribute their views on effort and impact of the datasets to get a holistic view of the key datasets</p> <ul style="list-style-type: none"> ▪ RS is also creating a mapping of consumer data, which will include different clusters of data presented visually to understand how data fits together and the interplay of different sources. ▪ There has also been a suggestion to bring in the academic viewpoint to understand how data can be clustered more effectively and how insights can be drawn from different cohorts using the data. ▪ The Working Group will also be collating research material on the potential barriers hindering the implementation of Open Finance. <p>It should be noted that whilst scrum masters presented use case updated in this session, Use Case Leads will present updates moving forward.</p>
Comments:	<ul style="list-style-type: none"> ▪ See Item 4b comments section – comments on both use case updates were taken at the end of the SME presentation.
Decision:	N/A – for discussion only
Actions:	None
<p>Item 4b – Use Cases Update: SME Purpose: for discussion</p>	

<p>Speaker: NP</p>	<ul style="list-style-type: none"> ▪ The SME working groups have also created five missions and outcomes as a Working Group. Although highly preliminary, these are: <ol style="list-style-type: none"> 1. Make it easier for SMEs to access financial products that are suitable to their business needs and affordable, including opening a bank account and accessing lending. 2. Use data to devise lists of appropriate lending solutions to help SMEs make more informed decisions about their applications and, in turn, reduce decline rates. 3. Make it easier, via e-invoicing, to reconcile cashflow issues and give SMEs the ability to see their real-time financial position and access tools to help forecast and manage cashflow. 4. Giving SMEs greater access to their credit information, via accounting software providers, so they are able to understand and apply for products they are most likely to be approved for. 5. Greater transparency and, where applicable, control of data for SMEs to understand who has access to their data and for what. ▪ In addition, the SME group has devised a list of datasets, which have then been scored and ranked. Datasets have been scored individually across three metrics: value, effort and trust. The focus for the next sprint is to analyse the individual scores in detail and come to an average weighted score. This will result in a prioritised list of datasets for Working Group to evaluate. The Working Group is also feeding into the report blueprint design, completing research across several areas.
<p>Comments:</p>	<ul style="list-style-type: none"> ▪ JG: I didn't see anything covering overall digitisation in financial services and people's ability to use digital financials services. Most financial services are accessed digitally today. When considering customer vulnerability, levels of understanding and ability to use digital services will be crucial to improving understanding in those areas. Do we have anything in the report

that helps us to understand the nation's level of digital capability? If not, happy to work offline on this and what LBG could bring.

- **PM:** In terms of effort and accessibility, is there something on the number of data holders? Where data is concentrated in a single institution unlocking it should be easier. On the other hand, where data is highly distributed, access is likely to be challenging. Beyond accessibility, consideration should be given to the extent to which the data will be standardised.

Additionally, are we applying a customer lens in terms of the kind of data that is associated with an individual? For example, data related to a transaction could include IP address, device type, biometrics and location.

- **LI:** Within the 'effort' category there are sub-considerations. One of which is accessibility, as well as standardisation and the number of data. For example, council data is held across 100s of UK councils. Unlocking this data is therefore more difficult than unlocking data from 9 large banks as you'd have to go to each individual council to unlock their data. On the customer lens matter, we'd appreciate any help on looking at the customer utility lens – we're currently in the process of defining 'Open Finance' and the datasets in scope so would appreciate help on this. A key consideration, for example, is whether we include utilities data.
- **RY:** There is definitely some merit in considering utilities data – including broadband. It may also be worth considering ESG and carbon emissions data in the wider context of a move towards green loans, carbon footprint measuring for businesses etc. It may also be worth considering consumers' perception of the value of different data points and the impact of this on their willingness to share – we need to be clear and confident around why they would share, what their motivation and benefits would be for sharing.

	<ul style="list-style-type: none"> ▪ LI: Our current position is that utility data is in scope for Open Finance. The question is how broad to we go, given our focus is Open Finance, not Open Data. We need to create a boundary that gives consensus without straying into Open Data. ▪ JV: Trust consent data access interoperability are key. There are 200+ mortgage providers, and over 300 pension providers. Taking a centralised approach like with Open Banking will limit the accessibility of that data. We should be thinking about a decentralised data sharing model and making the use cases examples that could be carried forward to allow different data providers to share the data over time. ▪ LI: There are very few places we could draw inspiration from to create something like this. Do we have confidence in some other model that we could draw from as we explore decentralised models for data sharing? ▪ AJ: With regards to utilities data, if we can think about those in credit scoring that would be helpful. On net zero and ESG, the most relevant piece of work is Project Perseus with Bankers for Net Zero. They are, in effect, a coalition with very specific goals to deliver by the next COP. We can reach out to them and see how their work may feed into ours.
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Decision:	<ul style="list-style-type: none"> ▪ None – for discussion only
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Actions:	<ul style="list-style-type: none"> ▪ LI to follow up with those offering support to the Working Groups
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Item 5 – Engaging with the Working Groups

Purpose:

Speaker: LI	<ul style="list-style-type: none"> ▪ Having heard from the Working Groups on their goals and what their plans are for the coming sprints, LI asked attendees to think about any resources – be it existing research, insights, synthetic datasets, subject matter expertise – they have that might be helpful to the Working Groups as they progress.
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	<ul style="list-style-type: none"> ▪ Additionally, LI mentioned the intention to hold a few workshops and accelerator sessions in late September or early October. These will be opportunities for Use Cases to use the outputs of their discovery phase and kick start the work on technical and policy deliverables. ▪ LI asked attendees to think about if and how they would like to be involved in these sessions and thanked the organisations that have currently offered space to hold these workshops.
Comments:	<ul style="list-style-type: none"> ▪ JG: We have a lot that can be provided on the datasets point and on looking at the way the UK is currently set up on being able to access digital services. For example, 6.8 million UK adults cannot currently connect to wi-fi themselves or change a password. There could be something on how we consider vulnerability also.
Decision:	<ul style="list-style-type: none"> ▪ N/A – for discussion only
Actions:	None
Item 6 – AOB, Q&A Purpose: For discussion	
Speaker: EB	<ul style="list-style-type: none"> ▪ EB outlined that last time the Coalition Partners met CFIT set out HOW they see the Coalition running. Today, the session focused on WHAT the Coalition are doing and WHY; and showed some of progress so far. ▪ EB continued to say the ‘flywheel’ is moving and momentum is building. There is still a need for more hands so recruitment will continue within the Working Groups and welcome your participation as well. ▪ Open to any final questions.
Comments:	<ul style="list-style-type: none"> ▪ SS: Given that we’re running on tight sprints, what do we expect the end deliverable to be at this phase?

	<ul style="list-style-type: none"> ○ LI: This will be the analysis, policy and design deliverable described earlier, wrapped in an interim report which will feed into the UK's autumn statement. The wider blueprint is CFIT's analysis of Open Finance which will be used by Government as a guide. There will also be 'demonstrations of value' projects which will include technical diagramming. ▪ RY: How soon would you like us to come back on the requests for resources? <ul style="list-style-type: none"> ○ LI: Within the next two weeks ideally.
Decision:	N/A
Actions	None

Actions log:

Number	Action	Assigned to	Due date
1	CFIT to follow-up with Coalition Partners in relation to support offered to Working Groups	LI	1-Sep-23

Attendees:

Chair: Ezechi Britton, CFIT CEO (EB)

Organisation
CFIT
CFIT
CFIT
EY
EY
EY

Esynergy
Woodhurst
Experian
Lloyds Banking Group
ABI
Innovate Finance
Aperidata
UK Finance
City of London Corporation
MBN Solutions
Experian
HSBC
FinTech West
iwoca
IBM
FCA
KPMG
IBM
Smart Data Foundry
Woodhurst
Allen & Overy
Zopa Bank
FCA