

Open Finance Coalition

Virtual coalition partner meeting minutes

1st February 2024

Agenda

1. Welcome

- a) Introductions
- b) Message from the CFIT Chief Executive Officer

2. Showcase Day

- a) Introduction and Overview

3. Key Findings

- a) Key Outcomes of the Coalition
- b) POC Updates

4. Open Discussion

- a) Phase 1- Key findings
- b) Phase 2- Next Steps and Industry commitments

5. Closing Remarks and AOB

Minutes

Item 1a – Introductions

Purpose: For information

Speaker: EB

- **Ezechi Britton (EB), CEO of CFIT**, welcomed all and set out the obligations of Coalition Partners and meeting attendees relating to competition law. This included a reminder to avoid

	<p>discussing commercially sensitive information in 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 meeting Chair, who would suspend all discussions until a decision was made.</p> <ul style="list-style-type: none"> ▪ Structure of the meeting is similar to prior ones, however today we will be focusing on our Coalition’s Key Findings.
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Item 1b – Message from the CEO

Purpose: For information

<p>Speaker: EB</p>	<ul style="list-style-type: none"> ▪ I am deeply proud of the work accomplished by this coalition, and I extend my heartfelt gratitude for the engagement and dedication demonstrated by each partner involved. ▪ Your presence at this table has facilitated remarkable achievements, enabling us to accomplish what might have seemed impossible. Our focus on open finance, particularly on consumers and vulnerable customers, aimed to showcase to the UK, government, regulators, and the broader industry what can be achieved when collective efforts are directed towards a common goal. ▪ The primary objective of this coalition was to drive significant change – to shift the needle, ignite momentum, and establish a solid commercial and business case for our activities. Without delving into specifics just yet, I can confidently say that we have surpassed these objectives with flying colours, thanks to the relentless dedication of everyone involved in this inaugural coalition. ▪ I’d like to extend a massive thank you on behalf of myself and the entire CFIT team. I am eager to share the impressive outcomes of our efforts, which we will touch upon shortly.
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	<ul style="list-style-type: none"> ▪ Furthermore, I eagerly anticipate the opportunity to reconvene in person at the upcoming showcase at the end of the month.
Comments:	<ul style="list-style-type: none"> ▪ None
Decision:	<ul style="list-style-type: none"> ▪ N/A – for information only
Actions:	<ul style="list-style-type: none"> ▪ None
<h2>Item 2 Showcase Day</h2> <p>Purpose: For information</p>	
Speaker: SH	<ul style="list-style-type: none"> ▪ Simon Hanson, Head of Communications at CFIT, confirmed the date: 29th February and the timing: 2:30pm–5:00pm. ▪ Everyone should be invited, if you have any questions or have not received an invitation, please message us. <p><u>Agenda:</u></p> <ul style="list-style-type: none"> ▪ Opportunity to network before main event starts. ▪ There will be demonstrations of our POCs, so people can use the technology we have developed. ▪ Charlotte Crosswell (OBE) will deliver a short introduction. ▪ We will present a showcase reel to demonstrate the work we have developed to deliver the Consumer and SME POCs. ▪ Panel discussion on CFIT’s coalition delivery and strategic position of that. ▪ CFIT CEO (Ezechi Britton MBE) to deliver a ‘Next Steps’ piece to close the afternoon. ▪ Networking and drinks from 5pm. ▪ If there’s any further questions, please reach out to us!
Comments:	<ul style="list-style-type: none"> ▪ None
Decision:	<ul style="list-style-type: none"> ▪ N/A – for information only

<p>Actions:</p>	<ul style="list-style-type: none"> ▪ None
<p>Item 3– Key Findings of our Open Finance Coalition</p> <p>Purpose: For information</p>	
<p>Speaker: EB</p>	<p><u>Our impact</u></p> <ul style="list-style-type: none"> ▪ EB Our coalition has been a strategic convening point at the intersection of financial services, fintech, government regulators, regional fintech hubs and academia. <p><u>CFIT’s Open Finance Coalition</u></p> <ol style="list-style-type: none"> 1. Convened industry to solve a complex problem. <ul style="list-style-type: none"> ▪ Brought together 60 coalition partners, members and supporters and engaged with over 100 experts. ▪ First systematic definition of Open Finance, by identifying over 30 additional datasets which contain data that is currently inaccessible or underutilised, ranked and prioritised this data based on their economic value, the effort required to access them and their accuracy or trustworthiness. ▪ Our industry research has also found that delivering Open Finance and personal data mobility could boost UK GDP by £30.5bn gov. 2. Built Prototype Infrastructure to test open finance data and proof of concepts. <ul style="list-style-type: none"> ▪ We have built a prototype dashboard that supports Citizens Advice in providing tailored financial guidance to consumers in vulnerable circumstances. We have achieved this through secure, consensual sharing of a consumer’s financial data, which allowed us to auto populate the Standard Financial Statement (SFS) that Citizens Advice customers are required to complete with 540 data points (90% of the SFS), minimising the need for

manual input, mitigating issues such as outdated figures or incomplete financial picture.

- **Citizens Advice** estimates that the dashboard could reduce the time spent by its staff on data collection and assessments by two-thirds, allowing them to assist up to an extra 150,000 people annually, with **Citizens Advice** estimating on average they help clients gain an extra £1,000 a year.
- In a successful pilot analysis with **HSBC UK, the FCA, IBM, Datavillage, Experian, CRIF and Aperidata**, the coalition developed a prototype dashboard for SME lending which auto-populates companies' loan applications with data from datasets including Open Banking, Companies House and HMRC.
- The prototype dashboard revealed that leveraging open finance datasets allowed over 1/4 of businesses (from a representative sample of SMEs in HSBC's portfolio) who had previously been declined credit to now receive a positive credit decision.
- The dashboard also indicated that of the SME sample who dropped out of the application process over 50% could have received a positive credit decision if they completed the journey with enhanced data sets.

3. Designed Intuitive Open Data Authentication Flow & Consent Hub for Easy Data Sharing

- Special thanks to **Ghela** on her input on the authentication flow.
- We have developed a novel solution: this approach ultimately streamlines an array of diverse 1 to 1 consents into a singular user-friendly interface. What sets this apart is its adaptability, aligning precisely with the customisable and nuanced requirements for the Fintech provider sought by the consumer or SME.

4. Additional Case Studies

- In a concerted effort to validate the tangible impact of Open Finance on credit access, Experian and iwoca, as key coalition partners, conducted individual desktop review exercises.
- The iwoca assessment showed significant potential, estimating a 20% to 40% increase in loan offers with streamlined VAT data access.
- Separately, Experian found that they could augment credit score cards and decisioning by unlocking datasets, and in turn improve levels of **financial inclusion**.
- Experian further believes that through the removal of friction points on data verification there could be improved credit **application completion rates**.
- LI handed over to **Houssein El Sayeed (HS), Head of Coalition Delivery**, to provide the Proof-of-Concept Updates.

Proof of concept journey

- **HS** The first aspect of the POC journey was to develop an intuitive and seamless authentication journey for our SMEs and consumers, making sure that users have full control of their data being shared with trusted third parties, which would be controlled and managed as part of the consent hub which will touch on in a bit.
- Which is then followed by sharing the data securely and efficiently throughout data hosting, aggregation, distribution platform which **IBM** and **Datavillage** helped us to put together, eventually making all this data available to the financial service providers based on the respective use cases and that we worked on as part of this POC's.

- Handed over to **Glen Keller (GK), CRIF**, to walk through the key updates on the authentication flow, consent hub and cover the e2e integration. Flow was designed to be reusable, comfortable and what the impacts of their actions would be.

Authentication Flow and Consent Hub

- **Glen Keller (GK)** expressed it's been amazing working with **CFIT** and everyone within the coalition.
- We wanted to create something repeatable, recognisable, and modular.
- **GK** ran through the consent prototypes: Each consent journey follows the same pattern, build the data up in one place, completing and sharing with a single click- followed the Open Banking model to not recreate the wheel.
- Second time they go through the consent journey, the consumer only needs to add new datasets, incrementally building their online datasets.
- At the end they can view their data viewers and data providers.

- **Joe Russ (JR), Amdaris**: working on consumer flow for CAB Use case, working closely with SME flow to align 2 use cases, difference in CAB users don't have the same level of experience with open banking, less tech savvy.
- Changing language to include people less familiar with these concepts.
- Optional data sources: HMRC and DWP information. These optional data sources can provide additional info- this data is potentially different levels of sensitivity- clear what the value exchange is for data sharing.
- **HS**: Option for consumer to reject some consent at the end. Ran through the personas.

Data Aggregation

- **HS** introduced data aggregation– worked closely with IBM and Data village team on the creating a secure, decentralized platform.
- HMRC, Companies House, and all the open banking data which has pulled into that central platform, using the data clustering that we discussed initially. How we bring insights from all these data sources. Now this data is being visualized eventually to make sure without data is visualized in a format that makes sense for the data consumers.
- **LI**: important to note, we have drawn the data from various sandboxes online from, Companies House, HMRC and put them into a central repository/ central place. Part of the innovative work is aggregating this data and making it attributable to a single SME or Consumer.
- Which then provided the API framework for distributing that to the likes of **HSBC** and **Citizens Advice** POCs.
- Once the data has been aggregated, it then flows into as we've mentioned to these various parties, you can use it for whatever purpose, and we built these various different dashboards to show the art of the possible and with our two primary use cases, namely **Citizens Advice** and **HSBC**.
- Thanked everyone for their support and handed over to **HS**.

Citizens Advice Dashboard

- **HS** introduced **Jake Beavan (JB)**, **Citizens Advice** to run through CAB dashboard:
- **JB**: Dashboard is really getting there; it was put in front of our debt experts– which after we spoke with **Attila (CFIT** contracted Designer) and ran through all elements an advisor

	<p>would need in order to quickly provide tailored debt advice. Those saved minutes convert straight into clients being seen. Really grateful, it's been fantastic!</p> <ul style="list-style-type: none"> ▪ HS thanked JB, moved onto the HSBC Dashboards. <p><u>HSBC Dashboard</u></p> <ul style="list-style-type: none"> ▪ HS Ran through the HSBC dashboards: this is where a credit analyst could make more informed decisions on lending outcomes. ▪ Adding companies house data, combining all data into one, would provide meaningful insights to their credit risk analysts, based on that data HSBC could make better decisions in less time. Time saved and clear benefits for SMEs, HSBC's underwriters, and the wider UK economy. ▪ All this was used as an augmented data set for us to work together with HSBC on the validation of the impact assessment statement.
Comments (On Chat):	<ul style="list-style-type: none"> ▪ Neil Taylor (NT) Mastercard: On the authentication flow, it didn't seem like there were any re-directs involved to HSBC's own App – is the authentication being delegated to the provider of this app or is there a behind-the-scenes (pass-through) integration to HSBC's authentication? ▪ Glen Keller (GK) CRIF: Hi Neil – correct... similar to Open Banking, in this version authentication is done via the initiating user.
Decision:	<ul style="list-style-type: none"> ▪ N/A – for information only
Actions:	<ul style="list-style-type: none"> ▪ None
Item 4 – Open Discussion	

Purpose: For information

Speaker: EB

Discussion 1: Key Findings

- **EB** Opened the floor; we'd love to hear thoughts from the Coalition Partners.

- **James Guy (JG), Lloyds Banking Group**
 1. POC work is super interesting, clear the outcomes and benefits are very exciting. Great that the datasets that are in there are broader than financial services data, gives the industry the opportunity to build upon this and going forward the cross fertilisation of data.
 2. Interesting consent flows: are those shareable or accessible outside of CFIT?
 3. Interesting about the early £37B number- great as a guide for where the greatest bang for buck is in the space.

- **EB** on the flows and resources: everything will be made available; you'll have an opportunity to explore those.

- **LI** mentioned the last Figma flow was an integration on a live platform. On the 29th of February we are publishing the live prototypes.

- **EB** On the £37B, we will make this information available, Treasury was very interested in this as well.

- **Adam Jackson (AJ) Innovate Finance**, These POCs are absolutely fantastic, and on subjects close to innovate finance's heart. Brilliant to see CAB being a POC, tribute to CFIT as an accelerator. On the SMEs, how can we make sure this is widely adopted, how can we help to make these POCs go live?

- **EB** thanked **AJ**; that is a big question- which is, how does this work move forwards and what are those key recommendations coming out from CFIT? I can't go into too much detail before we run it by several different parties before we publicise this. Ultimately, we want to take these POCs and build live prototypes. Great question.

- **Nilixia Devlukia (ND), Open Finance Association**, Thanked CFIT for the session- really brings to life the art of the possible. Question is how we socialise this more widely to get that "buy-in". I found this all very inspirational, the challenge is, Open Finance has questions around what is it? How does it work? How do we utilise what you've done to get the wider buy in for the finance ecosystem?

- **EB** Part of what we've done, is our 2 case studies: which have shown how increasing data and removing friction has a tangible impact on consumers and SMEs. There are many other case studies we haven't explored; we need to identify a roadmap of how this can move forward. What we are doing as CFIT is casting a light, this is what could happen, here's what we've done as the industry to move the needle.

- **Adam Jackson (AJ), Innovate Finance**, Working with one of our partners on a short document based on: if we want to Open finance, what are the route maps to get there? Similar to how google maps will give you options, we want to show the routes to get there. We are wanting to connect the long term with the short and medium term.

- **Neil Taylor (NT), Mastercard**, Fantastic on the substance, particularly love the delegated authentication flow. Couple of points: great if we could settle on a singular term, between open data, open finance, smart data, etc... and the same for when it comes to authentications, permissions, and consent. Very minor points.
- One more request: will there be a series of FAQs or material sent to partners before the Showcase Day?

- **EB** Absolutely- this is why we have these sessions, and we've done a number of sessions with key individuals to ensure our language is as accurate as possible. On the second point: great suggestion- we will get back to you on a form of 'cheat sheet'!

- **Helene Oger-Zaher (HZ), The FCA**, We have been exploring how we can help in the context of next steps of these POCs. Still exploring and discussing how, currently we have a sandbox dedicated to CFIT's work. We are very supportive and if it's possible to support we would like to do that.

- **EB** Thanked the **FCA** for all support offered to the coalition.

- **Aysha Fernandes (AF) UK Finance**, Congrats on the excellent work so far, both POCs sound fantastic. Expect to get more involved in the future, in terms of next steps on the SME side. It'd be helpful to know the key blockers and challenges to help figure out how they can help in next steps. Also, anything **CFIT** can share for personal usage/information would be helpful.

- **EB** Thanked **AF**, very valuable. When we look at the barriers and challenges, this is where our findings are key. We want to be

	<p>able to develop these proof of concepts into full prototypes—so, credit and vulnerable consumers aren't the only use cases.</p> <ul style="list-style-type: none"> ▪ We need to work out who the key stakeholders are that can overcome the barriers and advance Open Finance. Need a roadmap for the UK with timelines including actions from the government and regulators. These are the things we need to see happening, so industry can really get behind this.
<p>Speaker:</p>	<p><u>Discussion 2: Next Steps and Industry commitments</u></p> <ul style="list-style-type: none"> ▪ Ksenia Grant (KG), Head of Ecosystems CFIT, Feedback has been extremely positive and encouraging. We want to move things forward, what you as coalition partner would like to see as the next stage, what would you like to see happen in the next stage of the coalition and what CFIT's role should be ▪ Neil Taylor (NT), Mastercard, We would love it if CFIT could lobby on behalf of everyone that this data is valuable and useful— move to become open data! ▪ EB Unfortunately we are not a lobbying group! ▪ James Guy (JG) Lloyds Banking Group, The commercial model is crucial thing to take onto the next level— the sustainability and the incentive to invest, could be worth joining up with JROC and their work on the future entity to take this forward. There needs to be a CBA on what POC generates the most consumer or SME benefit and focus on this. ▪ Adam Jackson (AJ), Innovate Finance, If you (CFIT) can arm us with the datasets you need, with the difficulty of getting the data, we can deploy that— we should drop this into more conversations within the industry—more HMRC data the better!

	<ul style="list-style-type: none"> ▪ KG We can give the list of datasets we would like to see opened. ▪ EB 30 datasets ranked and prioritised ready for you! ▪ Henk Van Hulle (HH) Open Banking, Great work, amazing Job! Wanted to echo what James said, main blockers are lack of commercial model and lack of customer protection. ▪ Recommendation is get a prototype where everything works, interoperability, consent management, operational guidelines... so that you can go into implementation. These are a couple of items missing still in unlocking the value of the datasets. ▪ EB We fully appreciate our role to play as industry within our innovation budgets to continue to explore these activities and prove the case, where we can create solutions that really make a change and continue to build those business case points to what needs to happen. ▪ Stephen Wright (SW) NatWest, We do need to have options for the commercial model discussion, otherwise the default will be more regulation- which isn't the right direction. So, we need to come up options and recommendations. ▪ EB one of the quotes from treasury was how can CFIT support us in coming up with the commercial model. Love to take this discussion offline with you SW. ▪ SW agreed. ▪ KG, please follow up with us on a 1-1 basis, to share ideas etc...
<p>Comments (on chat):</p>	<ul style="list-style-type: none"> ▪ LI: James, quick update / synopsis regarding our £37 billion impact estimate. The data was sourced from the Government's Smart Data Impact Assessment, and we've taken inflation adjustments into account. We've also cross-checked this

	<p>estimate with other secondary sources, including the McKinsey estimate, and found it to be within an acceptable range of difference.</p> <ul style="list-style-type: none"> ▪ Joseph Russ (JR), Amdaris: Great to hear the response to the work and look forward to meeting some of you on the 29th. ▪ Galina Andreeva (GA), University of Edinburgh: I would like to echo the request on data availability, and include the academics into the beneficiaries
Decision:	<ul style="list-style-type: none"> ▪ N/A – for information only
Actions:	<ul style="list-style-type: none"> ▪ EB to discuss offline with SW potential commercial models.

Item 4- James Roe Allen & Overy

Speakers: JR	<ul style="list-style-type: none"> ▪ James Roe (JR), Allen & Overy Look at the lawyer as a legal engineer. Look at the law not only as a framework but potentially a useful ally. ▪ It's evident that meaningful engagement with legal expertise early in project development is essential to address risks effectively and leverage legal frameworks to support innovation and outcomes. ▪ Furthermore, understanding how the law can incentivize behaviour and facilitate information provision is crucial, particularly in contexts involving privacy, transparency, and consent. ▪ Second point: We're witnessing unprecedented openness from government and regulatory bodies, presenting an opportune moment for driving positive change in the financial services sector. ▪ Parting comment: Social license to operate, we need a financial service to operate, you see social license coming through increasingly.
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	<ul style="list-style-type: none"> ▪ As we continue to collaborate within the ecosystem, we're committed to listening, understanding, and contributing to collective progress. ▪ Enjoyed working on the coalition, look forward to working with everyone going forward
Comments (on chat):	<ul style="list-style-type: none"> ▪ None
Decision:	<ul style="list-style-type: none"> ▪ N/A – for information only
Actions:	<ul style="list-style-type: none"> ▪ None
<p>Item 5 – Closing Remarks and AOB</p> <p>Purpose: For Information</p>	
Speaker: EB	<p><u>Closing Remarks</u></p> <ul style="list-style-type: none"> ▪ EB What a session! ▪ Thank you for your partnership, what's crucial now is we champion the next phase of the coalition, so we give the industry. ▪ Very important date: 29th of February our Showcase Day! Promises to be a momentous occasion and a great panel line up! ▪ Reiterated a huge thank you to all CFIT's partners. ▪ Expressed the gratitude from the CFIT team, CFIT board, look forward to seeing everyone shortly at our Showcase Day.
Comments:	<ul style="list-style-type: none"> ▪ None
Decision:	<ul style="list-style-type: none"> ▪ N/A – for discussion only
Actions:	<ul style="list-style-type: none"> ▪ None

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