

Roundtable Meeting 16 April 2024 - Discussion Summary

Introduction

This note is a summary of the inaugural launch meeting of the Task Force.

The Chair thanked attendees for their commitment and enthusiasm to support Open Finance Taskforce going forwards.

The Taskforce will practically advance certain key recommendations set out in the Blueprint Report published in February 2024, building on the previous work of the CFIT industry coalition on Open Finance and will provide recommendations to the Government on how financial data can be safely unlocked to improve SMEs' access to credit.

It will also identify commercially viable approaches to incentivise businesses to securely share their financial data, before considering appropriate next steps towards implementing any agreed recommendations.

Scope

- Question were raised on various aspects of the scope of the project, notably :
 - Whether the intention was to consider both public and private data for inclusion in recommended data models? HMT noted that accessing public data could be complex and challenging and as a result access to it would not be achieved quickly. While consideration of public data sources should not be ruled out the Task Force was encouraged to focus on private data sources. However, engagement will continue with Government on the potential future use of public data. It was noted that certain public data e.g. VAT returns were distinguished from Government owned data as it was customer submitted. It might be possible to find alternative sources of this data.
 - Was the intention to cover all or just selected SME entity types i.e. specific size or sectors?
 - The extent to which it was intended to cover read or write access.
 - The types of SME lending that it was intended to promote.
 - Is the ambition to extend the HSBC proof of concept or is there an alternative objective.
- It was suggested that it would be useful for the Terms of Reference to include a vision statement setting out what objectives are sought. This would be a good starting point to evaluate which data sets are relevant. It was also suggested that references to "data sets" should be replaced by "data points".
- It was noted that it would be useful to identify and evaluate:
 - the current barriers to SME lending
 - the likelihood of SMEs sharing more data
 - if we are potentially adding more friction in the application process

Commercial Models

- It was suggested that access to the data itself might be free, but charges applicable for the additional services related to safe and effective transfer of the data.
- Additionally, It was noted that the quality of the data and the consequences of reliance on it for decisions. There are differences between validated and verified data elements.
- The FSB indicated that many SMEs were currently using 3rd parties, and would be prepared to pay for services if this reduced friction for them.

Next Steps

- Two workstreams will be created, one focusing on Commercial model proposals, and the other on SME data point prioritisation.
- In order to meet the mid-June deadlines there will need to be a 10-week sprint meeting every Friday morning, commencing on 26 April, and rotating between the two workstreams.
- OBL will provide the secretariat.
- Consideration to be given to how best to enable direct SME representation on the Task Force.

Closing Comments

The Chair closed the meeting and thanked the participants for their contributions and advised that the summary from the meeting would be made available in due course.