



Open Finance Association (OFA) response to Data Use and Access Bill Public Bill Committee: Call for Evidence

March 2025

About OFA

The [Open Finance Association \(OFA\)](#) represents leading fintech companies focused on empowering consumers and businesses to access account data and make safe and secure payments through open APIs (application programming interfaces). We represent open finance providers and users of open finance. OFA members are responsible for the majority of all payment and data API calls initiated in the UK Open Banking ecosystem. We have brought millions of pounds of investment to the UK and employ thousands of highly skilled staff.

Our members are:

[Armalytix](#)

[Crezco](#)

[finAPI](#)

[GoCardless](#)

[MoneyHub](#)

[Ordo](#)

[Plaid](#)

[Token](#)

[TrueLayer](#)

[Volt](#)

[Worldline](#)

[Yapily](#)





Response to the Call for Evidence

The OFA welcomes the progression of the Data Use and Access Bill as an early priority of this Government. Smart Data schemes have the potential to spur huge amounts of innovation, competition and economic growth. We have seen this exemplified through the success of open banking, the first smart data scheme to be implemented in the financial services sector.

Empowering consumers to share their financial data to third parties with informed consent - through secure APIs - has transformed the way that people transact, save, borrow, invest and manage their money. This has already produced a number of positive outcomes for the UK economy:

- **Cheaper payments costs for UK businesses (and the public sector):** Accepting card payments from customers costs merchants 2 - 5% of every transaction. The Startup Coalition, Federation of Small Business (FSB), British Retail Consortium (BRC) and other trade bodies say this amounts to a £5bn cost to UK businesses every year.¹ By comparison, open banking providers typically charge c. 1-1.5%² - a saving which can run into thousands of pounds every month for merchants and other organisations (like the public sector), which in turn can be reinvested into more productive activities that support economic growth.
- **Businesses get paid faster, helping with cash flow:** FSB research estimates that 50,000 SMEs go out of business each year referencing cash flow as a cause³. When a merchant takes a card payment from a customer, it typically takes 2 - 3 working days for the money to arrive in their bank account, but can be up to seven days⁴. With open banking transactions, the money physically lands in the merchant's bank account almost instantly. This makes understanding their cash position and planning considerably easier. The same benefit is also true for the paying consumer i.e. they are able to manage their finances more dynamically and accurately. Ultimately, this

¹ <https://startupcoalition.io/news/the-4bn-open-banking-ecosystem/>

² <https://gocardless.com/pricing/>

³ https://assets.publishing.service.gov.uk/media/65df15d2b8da630f42c86223/the-prompt-payment-and-cashflow-review-2023_.pdf

⁴ <https://www.barclaycard.co.uk/business/accepting-payments/learn-about-taking-payments/taking-card-payments-beginners-guide#>





means they are better able to consume business' goods and services - a virtuous circle for the economy.

- **UK jobs and financial services sector growth:** The UK's open banking sector is worth c. £4.1bn and employs c. 5,000 people in highly skilled jobs.⁵ However, with the market for real-time payments predicted to quadruple to \$376bn by 2030, the potential for growth is vast with multiplier effects that create value for the whole financial services sector.⁶
- **A significant export opportunity:** over 60 countries have followed the UK's lead and started their own open banking initiatives. UK fintechs are well placed to export their product abroad whilst there are additional consultancy/advisory service opportunities.
- **Driving competition and boosting resilience:** As the market currently stands, UK payments are dominated by the use of Visa and MasterCard, further entrenched by the use of digital wallets provided by Google and Apple. This is bad for competition, maintains high fees for business and poses a resilience risk. The recently published National Payments Vision (NPV) acknowledges the need to develop account-to-account payments, powered by open banking, as a ubiquitous payment method. The NPV states this will provide greater choice to consumers and merchants to spur innovation and downward competitive pressure on the cost of payments.

We therefore welcome the Government's intention to use Part 1 of the Bill to continue the open banking scheme and extend these benefits in an open finance scheme. In particular, we strongly support the provisions included in the Bill which will put open banking on a long term regulatory footing. This will protect the benefits that open banking has unlocked to date.

In particular, we welcome the Department for Science, Technology and Innovation (DSIT) clarifying its intentions for the application of the Bill in regards to the use of delegated powers.⁷ Clause 2, Subsection (4) confers a power to allow the third party recipient to take, on the customer's behalf, any action that a customer could take in relation to the goods, services or digital content supplied or provided by the trader ("action initiation"). We agree with the Government's assessment that such actions "might include accessing the customer's account, making a payment on the customer's behalf or negotiating an improved

⁵ <https://startupcoalition.io/news/the-4bn-open-banking-ecosystem/>

⁶ <https://www.statista.com/statistics/1387179/instant-payments-global-market-size/>

⁷ <https://bills.parliament.uk/publications/56546/documents/5219>





deal”.

Noting that this will require secondary legislation to confer powers to the Financial Conduct Authority (FCA), **we would strongly encourage swift progression of the Bill and bringing forward the subsequent secondary legislation to ensure momentum and to materialise the proposed benefits of this Bill.**

Open banking should act as a foundation stone for open finance and other smart data schemes

Achieving the milestone of ubiquitous open banking payments, powered by open banking APIs, should be seen as the gateway for developing open finance and other smart data schemes. A key lesson from OFA members’ experience of the past seven years of open banking being live in the UK is that little progress is made unless there are clear goals and ruthless prioritisation backed by the whole ecosystem.

We believe the benefits of open banking can be replicated across other parts of financial services (such as mortgages, pensions and investments) and the wider economy as we create more smart data schemes. However, if the UK concentrates on open finance and other smart data schemes in parallel it’s likely that they will all suffer from a lack of focus, duplication and the inability to leverage all the expertise earned from open banking. Australia’s Consumer Data Right is a notable international example of this occurring: after years of trying to do too much over too many different sectors, the Australian government has recently reset and narrowed the scope of its focus considerably.

Our advice would be to finish the job on open banking, then move on to the next priority sector. **Given the obvious connections - including with banking data - open finance would in our view be the most logical next priority over and above other smart data schemes.**

