

Open Data: Delivering the promise of open flows where industry-specific data-sharing frameworks have fallen short

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Customer needs are evolving past those in the realm of traditional banking. With the integration of emerging technologies and tools, Open Finance and Open Data models are poised to improve the customer experience, foster innovation, and increase competition. But the progressively intensive use of data has spotlighted privacy and data security concerns for regulators, and the changing landscape of financial providers has necessitated new frameworks for operating in a way that not only complies with regulation, but that also suffice from the customers perspective and their expectations. The July session of DataTalk examined Open Data, the importance of broadening the scope from Open Banking, and the impacts this might have on the end-consumer. The session covered key ideas such as the state of data management frameworks and the challenges to Open Banking, the outlook for implementation, and how Open Data can better serve the end-consumer. This briefing note summarizes the discussion held on July 18, 2023, respecting that the forum is conducted under the Chatham House Rule and does not represent the official position of the IIF or its membership.

A digitized economy means a new landscape for financial service providers. The accelerating prevalence of digital solutions is re-shaping customer expectations and business operations. The ability to operate at new levels of efficiency and reach previously untapped customer segments has expanded the scope of services beyond those offered by traditional Financial Institutions (FIs), and require a new level of customization, highlighting the importance of data accessibility, use and interoperability.

From unidirectional frameworks to multi-directional ones. Broad integration of data across sectors is needed to ensure that customers, authorities and the private sector can capture the value that can be generated from new sets of information. In our latest report on [Open Data](#), we reflect on common objectives of these ecosystems, their various roles and responsibilities, the strategic discussions around it, and the technological and regulatory landscape.

Implementation lags behind principle. A few jurisdictions have begun paving the way for a cross-sectorial approach. However, implementation has not been as quick as desired. Australia illustrates the difficulty of putting principle to practice and highlights challenges others may face. While their Consumer Data Right was designed to be cross sectoral, rollout has stalled after the banking sector was implemented. Stakeholders will need to consider a pathway forward to implementation that includes all relevant parties with a clear timeline for implementation.

An open data ecosystem may prove the solution to balancing risk management and innovation. The impacts of the developments discussed above speak of the importance of broadening the scope beyond Open Banking and Open Finance and into Open Data to fill the gap where data sharing frameworks have fallen short. With strong frameworks in place to ensure trust and security, Open Data can open the door for the consistent flow of information across sectors.

We look forward to continuing the DataTalk series on Wednesday, August 23rd at 9:00 am Washington DC / 2:00 pm London / 3:00 pm Brussels where we will discuss operationalizing data usage for financial inclusion.