



**Sam Woods**

Deputy Governor, Prudential Regulation  
Authority, CEO PRA

**Nikhil Rathi**

CEO  
Financial Conduct Authority

23 February 2021

Dear CEO,

**Transforming data collection – an update on progress and plans for 2021**

This letter provides an update on the work we have done to transform the way that we collect data, and reaffirms our commitment to work in partnership with you to tackle the challenges we collectively face.

Strong and secure data foundations are necessary for all successful financial services firms. For regulators, data collections from firms are a critical ingredient of our data foundations. Without high-quality collections, our ability to identify risks and harms, design good policy, and take action in a timely and targeted fashion is severely affected.

Data collection represents a challenge for regulated and regulator. We recognise that reporting is one of the most demanding parts of regulation. At the same time, the quality of data we have received has not always been to the standards we expect, and our data needs have evolved as technology and business models have changed.<sup>1</sup>

To address these issues, the Bank and the FCA have been working on projects looking at the future of data collection.<sup>2</sup> These collaborative projects have explored a vision for data collections, in which high-quality, data is supplied and used by leaner, clearer and less burdensome processes than we see today.

**Key challenges and areas for reform**

These projects have helped us to identify the challenges for both regulators and firms in achieving that vision. We have summarised these challenges with three key questions:

1. How can we ensure our data collections are worthwhile and valuable exercises for regulators and industry to invest in?
2. How can industry best understand and interpret our reporting instructions so that high quality data is provided?
3. How can we remove legacy data, process and technology siloes and streamline the reporting process?

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<sup>1</sup> For instance see the PRA's Dear CEO letter: Reliability of regulatory returns, 31 October 2019  
<https://www.bankofengland.co.uk/prudentialregulation/letter/2019/reliability-of-regulatory-returns>.

<sup>2</sup> This has included our joint project on 'Digital Regulatory Reporting', the Bank's 2020 Data Collection Review and the FCA's Future Data Collection work programme (as part of the move from Gabriel to the new RegData platform).

We propose that the three questions above are primarily tackled through a work programme that delivers on three critical areas of reform:

- **Integrating reporting** – increasing consistency in designing and delivering collections for value, reuse and efficiency.
- **Modernising reporting instructions** – rethinking the way reporting requirements are designed and expressed, and improving the ease with which they can be interpreted and implemented by firms.
- **Defining and adopting common data standards** – standardising how financial data is described, defined and sourced at an operational level within firms.

We are committed to making progress in these areas, and will continue to prioritise and resource this work to transform our data collections and build the right data foundations. Our programme will also rely on an ongoing commitment and resourcing from firms, though we are of course mindful of wider pressures including your own data programmes. To enable this, we intend to establish appropriate regulator-industry forums and tackle prioritised use cases and challenges. Through this shared work we propose to deliver the specific improvements required, and establish an operating model to support further improvements.

We ask that you work in partnership with us to tackle the challenges we face. Today the Bank of England has published [a plan for transforming data collection from the UK financial sector](#) which describes the work programme in more detail. In late April we are running a Town Hall for firms that are dual-regulated, to discuss how progress will be made, and provide more detail about the resources required. We encourage your firm to attend – please email [DataCollectionDP@bankofengland.co.uk](mailto:DataCollectionDP@bankofengland.co.uk) to express your interest.

Yours sincerely,

**Sam Woods**

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