

Dear Trade Associations,

Re: Independent assessment to support establishment of a Future Entity

We are writing to provide an update in the development of a Future Entity (FE) for open banking.

This letter sets out the purpose and scope of the forthcoming independent assessment, how industry stakeholders can engage, and the role of the FCA. Thank you to those of you who wrote to us with views. Feedback suggested the majority of industry supported an option, however there were opposing views, and it was not unanimous. We expect these views to form part of the assessment outlined below. I am committed to a swift exercise (12 weeks) and that it helps us accelerate set up and clarify what the FE should deliver. We do not want to lose momentum.

Purpose of the assessment

An independent consultant will assess the proposals from organisations proposing to lead the establishment a standards-setting body for UK open banking APIs that is capable of becoming the FE.

While the FCA does not yet have legislative powers to oversee a Future Entity, we are keen to see industry bring forward proposals ahead of legislation. To support broad participation and maximise the chance of a successful set up, the FCA have funded and commissioned an independent assessment. The assessment is intended to identify the organisation best placed to take forward the establishment of a standards-setting body.

Appointment of an independent assessor

The FCA has completed its competitive procurement process and approved KPMG. The FCA recognises and appreciates the significant time and effort firms have already invested in assessing the proposals, which has been valuable in helping us understand industry sentiment. The independent assessment will provide the final recommendation, and firms are encouraged to share their analysis and evaluations directly with the consultancy as part of that process, either via trade associations or directly when invited. This is the mechanism through which firms' work will feed into the assessment, and the work undertaken to date remains extremely useful in this regard.

To support the start of the assessment, we would like to share feedback submitted to us, without FCA commentary, to the consultants directly. We would value your consent to do this as soon as possible and no later than 13 February via an email to openbanking@fca.org.uk. Thank you to those of you that have already provided us with your consent.

KPMG will manage engagement for the assessment and is expected to contact trade associations and stakeholders next week with details of its approach. Firms that are not part of a trade association, or that wish to engage directly or seek further clarity on the process, may contact Ellie Hewitt, Director, Payments Consulting at KPMG, at Ellie.hewitt@kpmg.co.uk.

FCA position during the assessment

During the period of the assessment, the FCA will not participate in or influence the substantive evaluation of proposals. The FCA will retain oversight of the engagement for governance and contract management, ensuring appropriate delivery and value for money.

Consistent with our role as lead regulator for open banking, the FCA may also provide high-level input on whether the resulting arrangements would be capable of operating within a future statutory framework, without assessing individual proposals. The FCA remains supportive of progress towards a sustainable and effective FE and wishes to see a standards-setting body that is backed by industry and capable of being designated as the FE when statutory powers are in place.

Engagement following industry selection

Once the assessment is complete, the FCA intends to review the recommendation produced by the independent process and to re-engage with industry and the organisation recommended to take forward the establishment of a standards-setting body. That engagement is expected to support timely progress, including by helping clarify roles, and next steps following the assessment.

Timing considerations and related workstreams

The FCA supports rapid progress towards establishing a standards-setting body ahead of the Open Banking Statutory instrument being laid by HM Treasury, currently expected by the end of 2026. The more that can be progressed in advance of legislation, the smoother and faster subsequent implementation is likely to be.

The recommendation produced by the assessment will not be binding. Rather, it aims to reflect the outcome of a thorough, inclusive and unbiased process intended to support decision-making.

Indicative Key milestones are as follows:

- Early–mid February 2026: KPMG designs the assessment criteria and runs initial engagement with industry to gather views and evidence (parallel workstreams).
- Mid–late February to early March 2026: KPMG and an industry evaluation panel assess evidence gathered through engagement and submissions against the agreed criteria.
- Mid–late March 2026: KPMG drafts its report, including the assessment outcome and guidance on potential implementation considerations.
- Early April 2026: KPMG shares the final report with trade associations; the FCA publishes it on its website to ensure transparency and access across the ecosystem.
- From April 2026: Industry and regulators consider the recommendation and collaborate to progress establishment activity at pace.
- Ahead of end-2026: Meaningful progress towards establishment to support implementation of the statutory framework.

Next steps and publication

KPMG will share the outcome of the assessment directly with trade associations in early April. To ensure transparency and accessibility across the ecosystem, the FCA will also publish the report on its website.

We would like to thank trade associations for their continued engagement and support in helping to coordinate industry participation in this process.

If you have questions on this update, please contact us [directly](#).

Yours sincerely,

Andrew Self

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Financial Conduct Authority

CC: Open Banking Limited
Smart Data Group