

Open Banking Future Entity Industry Evaluation Recommendation Report



KPMG. Make the Difference.

April 2026

Contents

1	Executive summary	2
1.1	Background & Context	2
1.2	Evaluation Methodology & Approach	2
1.3	Industry Evaluation Outcome	3
1.4	IEP Recommendation and next steps	5
2	Background and Objectives	8
2.1	Moving Towards the Future Entity	8
2.2	Objectives and Scope of this Industry Evaluation Report	9
3	Evaluation Methodology	12
3.1	Methodology Overview	12
3.2	Evaluation Criteria development	12
3.3	Submission of Proposals	14
3.4	Industry Evaluation	14
3.5	Industry Evaluation Panel Membership	15
4	Industry Evaluation Outcome	17
4.1	Overall Summary	17
4.2	Governance, Independence and Ethical Framework	22
4.3	Industry Support and Stakeholder Engagement	29
4.4	Technical Capability	35
4.5	Funding and Financial Feasibility	38
4.6	Risk Management and Security	47
4.7	Operational Feasibility	52
5	IEP Recommendation and Rationale	56
5.1	Summary table of key strengths and gaps by category	56
6	Next Steps and Considerations for Industry	60
6.1	Industry may draw on the findings of this report as it considers its next steps	60
7	List of Figures	63
8	Appendices	65
8.1	Appendix A: Glossary of Terms	65
8.2	Appendix B: Industry Feedback provided to the FCA in January 2026	67
8.3	Appendix C: Key for Understanding Heatmaps	67
8.4	Appendix D: Weightings	68
8.5	Appendix E: Terms of Reference (ToR) for the Industry Evaluation Panel	69
8.6	Appendix F: Industry Evaluation Methodology & Criteria	76

Executive summary

01

1 Executive summary

1.1 Background & Context

The FCA is supporting industry participants to establish a standard-setting body capable of becoming the Open Banking Future Entity (FE) ahead of the Long-Term Regulatory Framework (LTRF).

As multiple organisations have expressed interest in facilitating the design of this body, the FCA, through industry trade associations, has encouraged industry participants to coalesce around a single body. KPMG was engaged to facilitate this industry-led assessment of all proposals. This process is without prejudice to how the FCA may exercise its powers under the Data Use and Access Act (DUAA), and a more formal appointment will follow once oversight powers are conferred under the Long-Term Regulatory Framework (expected by end-2026). In the interim, industry participants may use the findings from this assessment to inform collective alignment on how the FE Design Phase and set up is convened and governed.

This report sets out the quantitative scores and rankings of the respective proposals submitted by Open Banking Limited and the Smart Data Group, as expressed by industry participants, and qualitative insight captured from the industry evaluation process, including the strengths and gaps demonstrated by both proposals, allowing the industry to move forward with next steps.

1.2 Evaluation Methodology & Approach

On following the instruction and categories set out by the FCA, the methodology and evaluation criteria used to review the two proposals were developed iteratively in conjunction with industry stakeholders. The evaluation criteria set out the principles and capabilities that a facilitator of the FE design should represent.

The criteria fall under six categories, as set out by the FCA:

1. Governance, Independence and Ethical Framework

This category considers the firm's capability to work with industry to design a FE that establishes fair, transparent, and trustworthy governance frameworks.

It also considered the governance framework the firm proposes for the industry-led FE Design Phase.

2. Industry Support and Stakeholder Engagement

This category focused on the firm's ability to foster collaboration and gain the confidence of the diverse Open Banking ecosystem, both for executing the industry-led FE Design Phase and for the facilitation of the FE design.

3. Technical Capability

This considered the firm's ability to facilitate the design of the technical components needed for the FE, and the approach to deliver, maintain and evolve these. Technical components covered, but were not limited to, functions set out by the FCA FS25/4 (standards, monitoring API performance, directory and certification services).

4. Funding and Financial Feasibility

This category looked at the firm's ability to facilitate the design of a cost-efficient FE, with resilient funding and a sustainable financial model.

It also considered the cost and funding model proposed for the industry-led FE Design Phase.

5. Risk management and Security

This category focused on the firm's ability to facilitate an industry-led FE Design Phase that will protect the Open Banking ecosystem, through risk management, information security and fraud prevention.

6. Operational Feasibility

This category considered the firm's ability to facilitate the industry design of the practical aspects of establishing and running the operating entity, in line with the FS25/4 operational requirements. It includes topics such as implementation plan and timeline, equitable access, organisational capacity and resources.

KPMG facilitated the establishment of an Industry Evaluation Panel of industry participants (IEP). The role of the IEP was to provide an expert, evidence-based assessment of proposals. KPMG then compiled the output of this assessment in order to present the facts back to the industry. The IEP was selected to represent a balanced cross-section of relevant perspectives across the industry and was required to consistently apply defined criteria and methodology to review, assess and assign a score to all proposals. The quantitative scores and qualitative feedback from the IEP evaluation and moderation were collated into this Future Entity Industry Evaluation Recommendation report.

1.3 Industry Evaluation Outcome

Across the IEP, the OBL proposal received higher scores than the SDG proposal in each category, with a high degree of consistency across panel members. This outcome remains the same under different analytical views, such as examining individual scoring variance or excluding outliers.

Out of a total potential score of 76, the OBL proposal received a total weighted score of **63.88**, and the SDG proposal received a total weighted score of **46.00**.

Governance, Independence and Ethical Framework

Industry placed significant weight on governance, emphasising the need for independence, transparency, proportionality, and inclusive representation.

The IEP scored the OBL proposal higher in this category, citing its practical readiness, proposed governance structures, and credible mobilisation plan. The IEP referenced OBL's proposal as demonstrating clear structures for industry led decision making with safeguards for neutrality.

The IEP viewed SDG's proposal positively for its independence, strong design intent, and emphasis on broad participation. However, it scored lower in this area as the IEP referenced that there was less clarity on how governance mechanisms would operate in practice.

Industry Support and Stakeholder Engagement

From wider industry feedback, Industry Support and Stakeholder Engagement was identified as one of the most important criteria in this assessment process. The industry has clear expectations for how stakeholder engagement and industry support for the FE should be structured, emphasising the importance of broad and meaningful representation across the payments and data ecosystem, including non-bank firms, fintechs, data service providers and end users, alongside mechanisms to ensure no single group unduly influences outcomes.

The IEP scored the OBL proposal higher for 'Industry Support and Stakeholder Engagement', with panellists highlighting evidence of industry support, existing ecosystem relationships and ability to mobilise stakeholders and facilitate engagement at scale. The proposal was also seen as providing clear evidence of the ability to support inclusive engagement with delivery momentum. However, some panellists noted areas where representation, particularly of merchants and end users, could continue to be strengthened.

SDG was viewed positively for its emphasis on openness, independence and widening participation beyond traditional Open Banking actors. However, concerns were noted around the limited detail on how engagement would operate in practice.

Technical Capability

Wider industry views on technical capability highlighted the importance of a robust, interoperable technical architecture that can support the transition to Open Finance and broader Smart Data schemes. These priorities are in line with the FCA Feedback Statement 25/24 and were reflected in the IEP's assessment.

The IEP scored the OBL proposal higher due to demonstrated expertise in operating Open Banking standards, directory services, and API performance frameworks. This grounding was seen as providing practical insight to inform industry led design discussions.

SDG demonstrated strong technical understanding and forward-looking architectural intent. However, panellists noted a reliance on individual expertise and limited detail on how conceptual models would translate into implementable specifications.

Funding and Financial Feasibility

Wider industry views on funding and financial feasibility highlighted the importance of transparency and clarity of funding, on having a fair, efficient, and sustainable funding model, and independence and reliability of funding.

The IEP scored OBL's proposal higher in the 'Funding and Financial Feasibility' category. Panellists cited evidence of a transparent, structured, and feasible approach, and acknowledged the clarity of the funding strategy proposed, given that many industry participants have already committed to providing that funding. Some panellists did question OBL's independence and fairness in OBL's operation during the FE Design Phase. Some panellists also raised concerns about future risk related to cost overrun and expected that OBL's proposal should have provided more granular details on costing.

Panellists noted that SDG's proposal clearly demonstrated that the model would be a two-tiered funding model with ring-fenced budget across activities. Some of the panellists also felt that SDG's proposed budget was realistic and detailed with clear technical details. However, panellists also expressed their concerns around the proposed budget being based on premium contractor fees. SDG's suggestion to rely on OBL's reserve fund in case of any contingency was also noted by some panellists.

Risk Management and Security

Wider industry feedback emphasised the importance of a risk management and security framework that ensures service continuity, proportionate and inclusive security controls, effective fraud prevention, and clear accountability aligned with Consumer Duty outcomes. These priorities were reflected in the IEP's assessment.

The IEP scored the OBL proposal higher in this category as it demonstrated a detailed understanding of regulatory requirements, data protection, operational resilience, and fraud considerations. This was viewed as strong evidence of the capability needed to facilitate design discussions.

SDG set out relevant principles and included contributors with strong policy and regulatory backgrounds, but panellists sought greater clarity on how risk, security, and fraud frameworks would be applied at ecosystem scale.

Operational Feasibility

Overall, the wider industry emphasised the need for an agile and scalable FE operating model that delivers value efficiently, avoids unnecessary bureaucracy, and meets the FCA operational requirements, including regulatory reporting and alignment with the LTRF.

The IEP scored the OBL proposal higher in the Operational Feasibility category, The OBL proposal was seen as demonstrating a practical approach for translating operational principles into a workable, regulator-ready operating model at pace with a clear sequencing of activities.

SDG's operating approach was considered future oriented and adaptable, but panellists highlighted uncertainties around immediate operational readiness and the feasibility of resourcing models within proposed timelines.

1.4 IEP Recommendation and next steps

The findings in this report provide an indication of the industry perspectives based on the information that was presented to the IEP.

The report was developed using the categories that were set out by the FCA. While the report reflects current industry perspectives on the proposals that were provided by two respondents, the FCA and industry may consider the outcomes of this report in conjunction with other activities in the interim design period before an Open Banking Future Entity is formally appointed under the powers expected in the Long Term Regulatory Framework, expected by the end of 2026. It is also important for industry to note that, although stronger support has been expressed in favour of one proposal for convening the FE Design Phase,

this does not predetermine which organisation will ultimately be responsible for the operationalisation of the Future Entity.

Industry may draw on the findings of this report as it considers its next steps. Industry participants may wish to use the findings from this assessment to inform collective alignment on how the Design Phase for a body capable of becoming the FE should be convened and governed.

Once this report is published, a facilitating body may support industry participants to collectively design the Future Entity. This phase will focus on designing the FE's future structure, governance, scope and responsibilities, in line with FCA principles and FS25/4 and building on the previous work completed by the Future Entity Working Group¹.

As the Design Phase progresses, industry engagement will be critical to shaping the Future Entity's proposed governance arrangements. Firms may wish to consider how they will participate to ensure that diverse perspectives across the ecosystem are reflected in the FE design.

The outputs of the industry-led Design Phase will inform the establishment and operationalisation of the body capable of becoming the FE, with the objective of achieving meaningful progress towards establishing the FE by the end of 2026.

¹ [Future Entity Working Group Report to JROC](#)

Background and Objectives

02

2 Background and Objectives

The FCA is supporting industry participants to establish a standard-setting body capable of becoming the Open Banking Future Entity (FE) ahead of the Long-Term Regulatory Framework (LTRF).

Under the LTRF, Open Banking is expected to move from the current model—where Open Banking Limited (OBL) operates under the CMA Order—to a model in which an industry-established standards setting body (the FE) is overseen by the FCA.

The FCA is not able to direct firms to establish the FE. The FCA wants to support industry to get ahead of expected legislation (currently anticipated in Q4 2026), so that a suitable body is in place and ready to operate once the FCA is granted the relevant powers.

As multiple organisations have expressed interest in facilitating the design of the FE, the FCA, through industry trade associations, has encouraged industry participants to coalesce around a single body. In this context, the FCA has instructed KPMG to facilitate an independent industry evaluation of proposals, to provide industry with the relevant information regarding the credible option(s) that can move forward with designing and establishing a standards setting body capable of becoming the FE. This report presents the findings from the industry assessment, which industry can draw on as it considers next steps. The FCA's role in this process is limited to facilitating progress by providing an opportunity for proposals to be assessed consistently by industry against the needs of the wider Open Banking ecosystem. It is not selecting an industry body, running a formal procurement process nor directing the market.

2.1 Moving Towards the Future Entity

Following the publication of the National Payments Vision (NPV) in November 2024², the FCA is the lead regulator for UK Open Banking. Since then, significant work has been undertaken in the development towards the LTRF.

In August 2025, the FCA published its Feedback Statement (FS25/4)³, setting out its response to industry feedback on the design of the Future Entity and confirming the FCA's expectations for the future governance, standards-setting and oversight of Open Banking in the UK (subject to future legislation).

Since then, the FCA has been working to support industry participants to set up a standard-setting body capable of becoming the FE, ahead of the LTRF. The FE is expected to be the primary standard-setting body for Open Banking APIs in the UK, with the aim to provide a foundation for innovation, standards, and clarity to the wider ecosystem.

More than one body has shown interest in leading and facilitating the process to establish the standard-setting body: Open Banking Limited (OBL), and the Smart Data Group (SDG).

² [HM Treasury \(2024\), National Payments Vision, November 2024](#)

³ [FCA \(2025\), Feedback Statement FS25/4: Design of the Future Entity for UK Open Banking, Financial Conduct Authority, August 2025](#)

To support progress toward establishing a body capable of becoming the FE, the FCA have asked industry participants to engage with the two organisations, and to assess which option they believe could progress to the next phase. The timeline of this work is as follows:

- **FCA request for feedback (December 2025):** Through trade bodies, the FCA requested that industry participants coalesce around one facilitating body. Industry provided feedback either supporting OBL, SDG or remaining neutral to the FCA. The FCA noted that while there was majority support for one option, views were not unanimous.
- **KPMG convene an Industry Evaluation Panel (February 2026):** To support industry to coalesce around one firm to facilitate the establishment of the standard-setting body, the FCA engaged KPMG to facilitate an industry assessment process. This report is the outcome of that process.
- **The industry-led Design Phase for the FE (April 2026 onwards):** Industry participants consider the outcomes and recommendations and collaborate to progress mobilisation activity. With support from the facilitating body, industry participants will collectively define the design of the body capable of becoming the FE. There will be agreement on the future structure and responsibilities of the FE, ahead of its establishment and in advance of the LTRF. Throughout this process, regulators will provide steers on whether the industry design and set up planning direction is likely to align with a future LTRF.
- **Transition phase:** This phase is focused on the orderly transition from the current Open Banking arrangements to the FE. It includes maintaining continuity of existing services and activities while responsibilities, assets and functions are prepared for transfer to the FE. The transition phase is the responsibility of Open Banking Limited as part of the CMA Order⁴.
- **Future Entity set up and operationalisation:** The point at which the Future Entity is fully established and operational, taking on its agreed responsibilities on an ongoing basis. This phase represents steady-state operation under the LTRF, at which point it is expected that the FCA will receive powers to oversee the FE via the DUAA statutory instrument. As set out by the FCA in a letter to the Trade Associations in February 2026, they expect meaningful progress to be made towards establishing the Future Entity by the end of 2026⁵.

2.2 Objectives and Scope of this Industry Evaluation Report

KPMG was engaged by the FCA to facilitate an industry evaluation exercise. The objective of the exercise was to support the industry to coalesce around one firm. That firm would then facilitate the industry design of the FE, ahead of the LTRF being in place.

On instruction from the FCA, KPMG coordinated the development of an industry-led methodology, criteria and assessment process. Once complete, the FCA will re-engage with industry, and the body industry chooses to take forward the industry-led design of the FE, planning for FE set up and ultimately the establishment of a standards-setting body. The

⁴ [Competition and Markets Authority \(CMA\), Retail Banking Market Investigation: Roadmap Completion Decision \(2023\)](#)

⁵ [Financial Conduct Authority \(FCA\), Letter to trade associations: Independent assessment to support establishment of a Future Entity, 6 February 2026](#)

ultimate decision as to which firm is selected remains with industry and the FCA (pending supervisory powers under the LTRF).

The **scope** of the industry assessment includes:

- Identifying the firm best placed to lead the next phase of work, i.e. convening and facilitating the industry-led FE Design Phase, in line with FCA principles.
- Assessing each firm's ability to facilitate design discussions across all required components of the FE.

The below are **out of scope** for this industry assessment:

- Evaluation of the firms' proposed end-design models for the FE
- Evaluation of the firms' ability to operate a fully-formed entity, or the firm best placed to ultimately run the FE
- Evaluation of existing operational, governance, technical or funding models
- The transition planning activities being executed separately under the CMA Order

This report sets out the quantitative scores and rankings of the OBL and SDG proposals as expressed by industry participants, and qualitative insight captured from the industry evaluation process, including strengths and gaps demonstrated by both proposals, allowing the industry to move forward with next steps.

Evaluation Methodology

03

3 Evaluation Methodology

3.1 Methodology Overview

The methodology and evaluation criteria used to assess the two proposals were developed iteratively in conjunction with industry stakeholders and based upon the six category themes as defined by the FCA.

The methodology aimed to synthesise industry views of which firm is best positioned to facilitate the design process of the Future Entity, with a particular emphasis on evaluating their proposed approach to convening and engaging the industry in its development. It included mechanisms for open discussion and debate to calibrate scores and ensure a fair representation of perspectives.

To ensure a robust and transparent assessment, our process was designed to establish a clear set of principles and capabilities for a Future Entity design facilitator, which were then prioritised according to industry considerations and evaluated using an objective and well-defined scoring framework. An Industry Evaluation Panel was convened to review and score candidate proposals against these criteria, ultimately formulating a collective industry view.

The detailed Evaluation Methodology and Criteria document was shared with Industry Evaluation Panel participants, Open Banking Limited and the Smart Data Group through the process.

3.2 Evaluation Criteria development

The evaluation criteria used to assess the two proposals were developed iteratively, based on input and feedback from industry stakeholders.

This timeline outlines the development and subsequent baselining of the evaluation methodology and criteria:

- Definition of the six core evaluation categories, as set out by the FCA.
- Engagement with industry (via trade associations) to understand industry priorities for the development of the methodology and criteria of the evaluation exercise
- Development of draft methodology, criteria and weightings for industry evaluation.
- Refinement of draft methodology, criteria and weightings with industry (primarily via bilateral engagement with trade associations), integrating industry feedback and perspectives.
- Baselining of methodology, criteria and weightings, prior to formal socialisation with industry.

The criteria set out the principles and capabilities that a facilitator of the FE design should represent. These were not intended as a rigid checklist, but as an outcomes-focused framework for assessing the level of expertise, understanding, and credibility required to guide the industry through the FE design process.

The criteria fall under six categories:

1. Governance, Independence and Ethical Framework

This category assessed the firm's capability to work with industry to design a FE that establishes **fair, transparent, and trustworthy** governance frameworks.

It also assessed the **governance framework** the firm proposes for the industry-led FE Design Phase.

2. Industry Support and Stakeholder Engagement

This category assessed the firm's ability to **foster collaboration** and gain the **confidence** of the **diverse** Open Banking ecosystem, both for executing the industry-led FE Design Phase and for the facilitation of the FE design.

3. Technical Capability

This assessed the firm's ability to **facilitate the design of the technical components** needed for the FE, and the approach to deliver, maintain and evolve these. Technical components must cover, but are not limited to, functions set out by the FCA FS25/4 (**standards, monitoring API performance, directory and certification** services).

4. Funding and Financial Feasibility

This category assessed the firm's ability to **facilitate the design** of a **cost-efficient** FE, with resilient funding and a **sustainable financial model**.

It also assessed the cost and funding model proposed for the industry-led **FE Design Phase**.

5. Risk management and Security

This category assessed the firm's ability to facilitate an industry-led FE Design Phase that will protect the Open Banking ecosystem, through **risk management, information security and fraud prevention**.

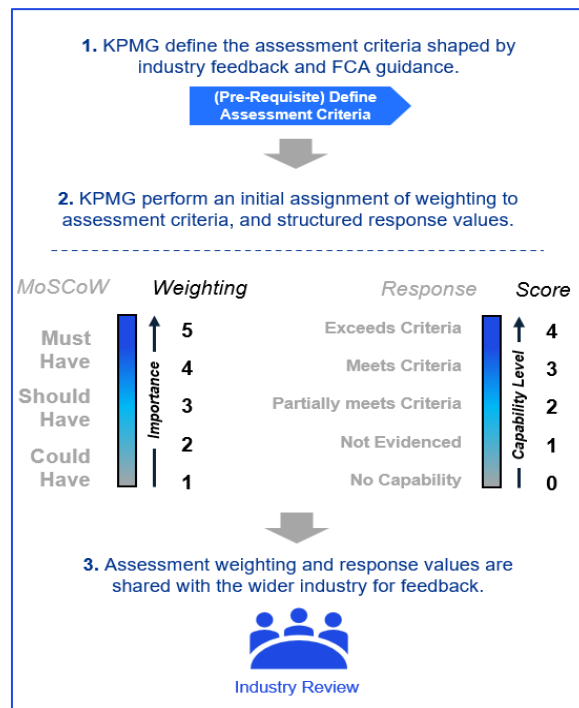
6. Operational Feasibility

This category assessed the firm's ability to facilitate the industry design of the **practical aspects** of establishing and running the operating entity, in line with the **FS25/4 operational requirements**. It includes topics such as **implementation plan and timeline, equitable access, organisational capacity and resources**.

KPMG used a MoSCoW framework to perform an initial allocation of priority across the assessment criteria. The MoSCoW allocation for a given criterion mapped to a number indicating the degree of weighting, used to calculate a quantitative score for each proposal. The proposed weightings were discussed with industry participants during industry stakeholder meetings and iterated based on feedback received. Across the range of industry stakeholders engaged, the criteria around Governance, Independence and Ethical Framework; Industry Support and Stakeholder Engagement; and Funding and Financial Feasibility were generally deemed to have a higher importance weighting than the Technical Capability; Operational Feasibility; and Risk management and security criteria.

This process is summarised in the graphic below:

Figure 1: Summary of the process for the development of criteria and allocation of weightings



3.3 Submission of Proposals

OBL and SDG submitted proposals according to the industry-developed criteria and methodology. Both firms were invited to present their proposals to the IEP.

The approach to evaluating the proposals was developed with an awareness of the different history and current operational status of both organisations – OBL as the incumbent operator of the Open Banking ecosystem, and SDG as a new entrant delivery organisation that empowers its members to design and implement smart data schemes. To support this, the criteria intentionally allowed for a broad range of evidence to be provided by proposing firms to demonstrate their expertise, credibility and ability to lead a complex, multi stakeholder design process. The two firms were encouraged to provide relevant supporting materials in whatever format best showcases their capability, whilst still providing evidence against each criterion. The IEP was instructed to evaluate the firms based on the submitted proposal collateral only.

3.4 Industry Evaluation

KPMG mobilised an Industry Evaluation Panel of industry participants to provide an expert, evidence-based assessment of proposals. The IEP was selected to represent a balanced cross-section of relevant perspectives across the industry and was required to consistently apply defined criteria and methodology to review, assess and score all proposals. The industry evaluation was done at arm’s length from the FCA.

The IEP received final versions of proposals, with detailed guidelines on how to complete the assessment scoring, with bilateral support provided by KPMG. The IEP reviewed collateral provided by OBL and SDG as supporting evidence against the six categories.

The quantitative scores and qualitative feedback from all IEP participants were collated into this Future Entity Industry Evaluation Recommendation report.

3.5 Industry Evaluation Panel Membership

The IEP consisted of a balance of representatives from across the ecosystem, including members from:

- ASPSPs
- TPPs
- Merchants
- Trade associations representing these participant types

Figure 2: IEP Participants

Organisation	Organisation Role
Equals Money	Firm
Envizage	Firm
Innovate Finance	Trade body
Lloyds Banking Group	Firm
Mastercard Open Banking Services UK	Firm
Moneyhub	Firm
NatWest	Firm
Nationwide	Firm
Open Finance Association	Trade body
Revolut	Firm
Santander	Firm
Smart Data and Technology Alliance	Trade body
Spotify	Firm
The Payments Association	Trade body
The Savings and Investing Alliance	Trade body
TrueLayer	Firm
TSB	Firm
UK Finance	Trade body
KPMG	Independent Evaluation

Industry Evaluation Outcome

04

4 Industry Evaluation Outcome

4.1 Overall Summary

The OBL proposal received a higher average score than the SDG proposal in all categories, with a high degree of consistency across panel members. This outcome is consistent whether looking at the scoring of the entire IEP population, different categories of organisation, or excluding outliers.

Out of a maximum possible score of **76.00**, the OBL proposal received a score of **63.88**, and the SDG proposal received a score of **46.00**.

Summary of IEP scoring

Figure 3 below compares the mean, range, variance and modal unweighted scores by criterion for the OBL and SDG proposals.

The criteria where the IEP most clearly scored one proposal higher than the other are highlighted in blue with a dotted pink outline. These had the largest differences in mean and mode scores between the proposals (mean difference > 1, mode difference = 2).

These criteria were:

- **Industry Support and Stakeholder Engagement:**
 - 2.1: Proposed approach and commitment to engage different ecosystem stakeholder groups in the industry led FE Design Phase
 - 2.2: Credibility within the ecosystem, or ability to evidence support received by the firm from different stakeholder groups across the industry
 - 2.3: Ability to facilitate consensus among diverse stakeholders on complex issues
- **Funding and Financial Feasibility:** 4.1: Transparency, independence and fairness of the proposed financial model for the FE Design Phase
- **Risk Management and Security:** 5.2: Approach and capability to facilitate the design of fraud prevention and detection capabilities for the FE

Scores for the OBL and SDG proposals were generally **more closely aligned** for criteria related to their ability to facilitate the design of the FE, with both organisations recognised for their ability to convene industry.⁶

The key for understanding the heatmap colouring can be found in Appendix B.

⁶ The exception was criterion 5.2 (Risk Management), where SDG was scored lower due to limited evidence of expertise in fraud monitoring and real time threat intelligence

Figure 3: Comparison of unweighted scores by criteria

Criteria	OBL					SDG			
		Avg. Mean	Range	Variance	Avg. Mode	Avg. Mean	Range	Variance	Avg. Mode
Governance, independence & ethical framework	1.1	3.47	3	0.7	4	2.32	3	0.5	2
	1.2	3.11	3	0.5	3	2.47	3	0.5	2
	1.3	3.05	3	0.5	3	2.58	3	0.8	2
	1.4	3.26	2	0.4	3	2.16	2	0.4	2
	1.5	3.21	2	0.4	3	2.68	3	0.4	3
	1.6	3.37	2	0.5	4	2.95	2	0.4	3
Industry support & stakeholder engagement	2.1	3.58	2	0.3	4	2.53	2	0.5	2
	2.2	3.63	2	0.4	4	2.11	3	0.7	2
	2.3	3.42	2	0.3	3	2.37	3	0.7	2
	2.4	3.05	2	0.5	3	2.63	3	0.4	3
Technical Capability	3.1	3.63	2	0.3	4	2.68	3	0.6	3
Funding & financial feasibility	4.1	3.42	3	0.6	4	2.00	2	0.5	2
	4.2	3.16	2	0.3	3	2.11	3	0.4	2
	4.3	3.11	3	0.6	3	2.42	2	0.6	3
	4.4	3.37	2	0.4	4	2.21	4	0.9	3
Risk management & Security	5.1	3.47	2	0.5	4	2.53	3	0.6	3
	5.2	3.16	2	0.3	3	2.00	3	0.8	1
	5.3	2.89	3	0.8	3	2.53	3	0.5	3
Operational Feasibility	6.1	3.58	2	0.3	4	2.68	2	0.3	3

Figure 4 summarises the average unweighted and weighted scores by category. Please note that weights can vary for different criteria within the same category. Further detail on the weighting approach can be found in Appendix D.

Figure 4: Comparison of average scores by category

Category	Unweighted score		Weighted score	
	OBL	SDG	OBL	SDG
1. Governance, Independence and Ethical Framework	19.47	15.16	18.48	14.32
2. Industry Support and Stakeholder Engagement	13.68	9.63	19.73	13.58
3. Technical Capability	3.63	2.68	3.45	2.55
4. Funding and Financial Feasibility	13.05	8.74	12.40	8.30
5. Risk Management and Security	9.53	7.05	3.01	2.15
6. Operational Feasibility	3.58	2.68	6.80	5.10
Total score	62.94	45.94	63.88	46.00

The total scores are out of a maximum possible score of 76.00.

Detailed breakdown of IEP scoring

Figure 5 shows the unweighted scores assigned by each IEP member for each criterion across both proposals. It also provides the mean and modal scores by criterion.

Figure 5: Heatmap of unweighted assessment scores

OBL																				Mean score	Modal score	
Criteria	IEP 1	IEP 2	IEP 3	IEP 4	IEP 5	IEP 6	IEP 7	IEP 8	IEP 9	IEP 10	IEP 11	IEP 12	IEP 13	IEP 14	IEP 15	IEP 16	IEP 17	IEP 18	IEP 19			
Governance, Independence and Ethical framework	1.1	3	4	4	4	3	4	4	4	2	1	4	4	3	4	4	3	4	3	4	3.47	4
	1.2	3	4	3	3	2	3	3	4	3	1	4	3	3	4	3	3	4	3	3	3.11	3
	1.3	3	3	3	3	3	4	3	4	2	1	4	3	3	4	3	3	3	3	3	3.05	3
	1.4	3	4	3	3	2	4	4	4	3	2	3	3	3	4	3	3	4	4	3	3.26	3
	1.5	3	4	3	4	3	4	3	3	2	2	4	3	4	4	3	3	3	3	3	3.21	3
	1.6	3	4	2	4	3	4	4	3	2	2	4	4	4	4	4	3	4	3	3	3.37	4
Industry Support and Stakeholder Engagement	2.1	3	4	4	4	4	4	4	4	3	2	4	4	3	4	3	3	3	4	4	3.58	4
	2.2	4	4	4	4	3	4	4	4	2	2	4	4	3	4	3	4	4	4	4	3.63	4
	2.3	3	4	3	3	3	4	4	4	3	2	4	3	4	4	3	3	3	4	4	3.42	3
	2.4	2	4	3	3	3	4	4	3	2	2	4	3	3	4	3	2	3	3	3	3.05	3
Technical Capability	3.1	3	4	4	4	4	4	4	4	3	2	4	4	4	4	3	3	4	3	3.63	4	
Funding and Financial feasibility	4.1	3	4	3	4	3	4	3	4	3	1	4	3	3	4	3	4	4	4	4	3.42	4
	4.2	3	4	4	3	3	3	4	3	2	2	3	3	3	3	3	3	4	4	3	3.16	3
	4.3	3	4	3	3	3	4	4	4	2	1	4	3	2	3	3	3	3	4	3	3.11	3
	4.4	4	4	3	3	3	4	4	4	2	2	4	3	4	4	3	3	3	3	4	3.37	4

OBL																				Mean score	Modal score		
Criteria		IEP 1	IEP 2	IEP 3	IEP 4	IEP 5	IEP 6	IEP 7	IEP 8	IEP 9	IEP 10	IEP 11	IEP 12	IEP 13	IEP 14	IEP 15	IEP 16	IEP 17	IEP 18	IEP 19			
Risk Management and Security	5.1	3	4	4	4	4	4	4	4	2	2	4	4	3	4	3	3	3	4	3	3.47	4	
	5.2	3	4	4	3	3	3	4	3	3	2	4	3	2	4	3	3	3	3	3	3	3.16	3
	5.3	1	4	3	3	3	4	4	3	2	1	4	2	3	4	3	3	3	3	2	2.89	3	
Operational Feasibility	6.1	3	4	4	4	3	4	4	4	3	2	4	4	4	4	3	3	4	3	4	3.58	4	

SDG																				Mean score	Modal score	
Criteria		IEP 1	IEP 2	IEP 3	IEP 4	IEP 5	IEP 6	IEP 7	IEP 8	IEP 9	IEP 10	IEP 11	IEP 12	IEP 13	IEP 14	IEP 15	IEP 16	IEP 17	IEP 18	IEP 19		
Governance, Independence and Ethical framework	1.1	2	3	3	2	3	1	2	2	2	4	3	2	2	1	3	2	2	3	2	2.32	2
	1.2	2	3	3	2	2	2	2	2	3	4	3	3	2	1	2	3	3	3	2	2.47	2
	1.3	2	4	3	2	3	2	2	1	3	4	4	3	3	1	3	2	2	3	2	2.58	2
	1.4	2	3	2	3	2	3	1	1	1	3	3	2	2	2	2	2	2	3	2	2.16	2
	1.5	3	3	3	3	3	2	2	2	2	4	3	3	3	1	3	3	2	3	3	2.68	3
	1.6	3	3	3	4	3	3	3	2	2	4	4	3	2	2	3	3	3	3	3	2.95	3
Industry Support and Stakeholder Engagement	2.1	3	3	3	2	2	2	2	2	2	4	3	3	4	2	2	2	2	2	3	2.53	2
	2.2	2	2	3	1	2	2	2	2	1	4	3	3	3	1	2	2	1	3	1	2.11	2
	2.3	3	3	2	2	2	3	2	2	2	4	4	2	1	2	2	2	3	3	1	2.37	2
	2.4	3	3	3	3	3	1	2	2	2	4	3	3	3	2	2	3	2	3	3	2.63	3

SDG																					Mean score	Modal score
Criteria		IEP 1	IEP 2	IEP 3	IEP 4	IEP 5	IEP 6	IEP 7	IEP 8	IEP 9	IEP 10	IEP 11	IEP 12	IEP 13	IEP 14	IEP 15	IEP 16	IEP 17	IEP 18	IEP 19		
Technical Capability	3.1	2	3	3	3	2	4	3	1	3	3	3	3	2	1	4	3	3	3	2	2.68	3
Funding and Financial Feasibility	4.1	2	3	3	1	2	1	2	2	2	3	3	2	1	1	1	2	2	3	2	2.00	2
	4.2	2	4	2	2	2	3	2	1	2	3	2	2	2	2	1	2	2	2	2	2.11	2
	4.3	3	3	3	3	1	3	2	2	2	3	3	3	2	1	1	3	3	3	2	2.42	3
	4.4	3	4	3	2	2	2	2	0	2	3	3	3	2	1	1	3	1	3	2	2.21	3
Risk Management and Security	5.1	2	3	3	2	2	3	3	2	2	3	4	3	3	1	3	3	2	3	1	2.53	3
	5.2	2	3	3	1	2	1	3	1	2	3	4	2	1	1	3	2	1	2	1	2.00	1
	5.3	2	3	3	3	2	2	2	3	2	3	4	3	2	2	3	3	1	3	2	2.53	3
Operational Feasibility	6.1	3	3	3	3	2	3	2	1	3	3	3	3	2	2	3	3	3	3	3	2.68	3

4.2 Governance, Independence and Ethical Framework

Overall, wider industry views on Governance, Independence and Ethical Frameworks emphasised the importance of inclusive representation, strong independence safeguards, efficient decision-making, while still enabling innovation and competition. These priorities were reflected clearly in the IEP's assessment.

The OBL proposal received higher scores against Governance, Independence and Ethical Framework criteria. Contributing to these higher scores, panellists cited evidence of delivery expertise, established regulatory trust, and immediate readiness to mobilise using established governance structures.

The SDG proposal was viewed positively for its independence and the quality of individual expertise within the team. The IEP also placed value on the SDG emphasis on designing an FE that extends beyond payments into the wider data sharing ecosystem. However, the absence of institutional delivery experience, higher mobilisation risk, and uncertainty around how governance models would be translated into practice resulted in lower scoring.

Taken together, the IEP scored the OBL proposal higher due to evidence of execution certainty and readiness, while recognising the SDG proposal's strengths in design, intent and independence.

4.2.1 Industry Feedback

Industry feedback highlighted several important considerations for how the FE's governance should be structured. The key themes are set out below:

- **Diverse and inclusive representation:** Industry feedback emphasised the critical need for governance that fully reflects the diversity of payment service providers. This includes appropriate representation for ASPSPs, non-bank firms, fintechs, data service providers, payments service providers, intermediaries, aggregators and the end-user community (merchants and consumers), ensuring that the governance structure is not weighted in favour of any single segment.
- **Streamlined and effective governance:** There was industry desire for efficient and streamlined governance to prevent excessive bureaucracy and facilitate timely progress.
- **Independent, ethical, and transparent governance:** There was a strong industry expectation that the FE Design Phase should operate with neutrality and objectivity. Fair, transparent, and efficient decision-making were seen as necessary, underpinned by ethical frameworks, clear accountability, and effective management of conflicts of interest.
- **Alignment with regulatory expectations and innovation:** Industry reflected that governance models must align with the FCA's expectations (e.g., in FS25/4) and the LTRF. They should also foster innovation and competition, actively promoting market-led models for the advancement of Open Banking and Open Finance.
- **Proportionality and measurable outcomes:** Industry is seeking proportionality and transparency in funding, participation, and decision-making. It was also felt that the governance approach should be capable of producing measurable outcomes to demonstrate its effectiveness.

These industry priorities informed the criteria against which the IEP assessed each proposal.

4.2.2 Industry Evaluation Outcomes

The OBL proposal scored higher than SDG across all 'Governance, Independence and Ethical Framework criteria'. In total, the OBL proposal had a weighted score of **18.48** and the SDG proposal had a weighted score of **14.32**.

- The criterion with the largest difference in unweighted scores between proposals was 1.1: Approach and capability to convene, mobilise and facilitate the industry design of the FE.
- Unweighted scores for the proposals were more closely aligned for criteria related to their ability to facilitate the design of the FE governance framework (1.5 and 1.6).

Figure 6 shows a comparison of weighted scores by criterion for the OBL vs. SDG proposals.

Figure 6: Weighted scores by criterion for the 'Governance, Independence and Ethical Framework' category

Criteria	Proposal	
	OBL	SDG
1.1: Approach and capability to convene, mobilise and facilitate the industry design of the FE	3.81	2.54
1.2: Effectiveness of the proposed governance model to enable the industry-led FE Design Phase	3.40	2.71
1.3: Approach to ensure ethical, transparent, fair and efficient decision making and ways of working during the industry led FE Design Phase	3.35	2.83
1.4: Feasibility and pace of the timelines set out to facilitate the industry design of the FE	2.86	1.89
1.5: Approach and capability to facilitate the design of FE governance and decision making	2.11	1.77
1.6: Understanding of and commitment to designing a FE that operates effectively within the established UK regulatory landscape	2.95	2.58
Total weighted score	18.48	14.32

Figure 7 shows the unweighted scores provided by each IEP member for both proposals, illustrating how individual members assessed this category.

Figure 7: Heatmap of unweighted assessment scores for the 'Governance, Independence and Ethical Framework' category

OBL																				Mean score	Modal score
Criteria	IEP 1	IEP 2	IEP 3	IEP 4	IEP 5	IEP 6	IEP 7	IEP 8	IEP 9	IEP 10	IEP 11	IEP 12	IEP 13	IEP 14	IEP 15	IEP 16	IEP 17	IEP 18	IEP 19		
1.1	3	4	4	4	3	4	4	4	2	1	4	4	3	4	4	3	4	3	4	3.47	4
1.2	3	4	3	3	2	3	3	4	3	1	4	3	3	4	3	3	4	3	3	3.11	3
1.3	3	3	3	3	3	4	3	4	2	1	4	3	3	4	3	3	3	3	3	3.05	3
1.4	3	4	3	3	2	4	4	4	3	2	3	3	3	4	3	3	4	4	3	3.26	3
1.5	3	4	3	4	3	4	3	3	2	2	4	3	4	4	3	3	3	3	3	3.21	3
1.6	3	4	2	4	3	4	4	3	2	2	4	4	4	4	4	3	4	3	3	3.37	4

SDG																			Mean	Modal	
Criteria	IEP 1	IEP 2	IEP 3	IEP 4	IEP 5	IEP 6	IEP 7	IEP 8	IEP 9	IEP 10	IEP 11	IEP 12	IEP 13	IEP 14	IEP 15	IEP 16	IEP 17	IEP 18	IEP 19	score	score
1.1	2	3	3	2	3	1	2	2	2	4	3	2	2	1	3	2	2	3	2	2.32	2
1.2	2	3	3	2	2	2	2	2	3	4	3	3	2	1	2	3	3	3	2	2.47	2
1.3	2	4	3	2	3	2	2	1	3	4	4	3	3	1	3	2	2	3	2	2.58	2
1.4	2	3	2	3	2	3	1	1	1	3	3	2	2	2	2	2	2	3	2	2.16	2
1.5	3	3	3	3	3	2	2	2	2	4	3	3	3	1	3	3	2	3	3	2.68	3
1.6	3	3	3	4	3	3	3	2	2	4	4	3	2	2	3	3	3	3	3	2.95	3

4.2.3 Governance during the FE Design Phase (Criteria 1.1-1.4)

The OBL proposal scored higher than the SDG proposal for their approach to governance during the FE Design Phase. The IEP rationale highlighted the OBL proposal’s demonstration of execution certainty and readiness, while acknowledging SDG’s strengths in independence, credible expertise, and design intent.

The strengths and gaps identified by the IEP for each proposal are set out below⁷:

1.1: Approach and capability to convene, mobilise and facilitate the industry design of the FE		
	Strengths	Gaps
OBL	<ul style="list-style-type: none"> ✓ OBL’s proposal provided evidence of the ability to convene and facilitate industry-led governance processes, informed by participation in industry-led forums such as the Strategic Working Group (SWG), Joint Regulatory Oversight Committee (JROC) workstreams, and the governance and decision-making structures established for cVRP (Commercial Variable Recurring Payments) and UKPI. Panellists saw this as evidence of expertise required to support the FE Design Phase. ✓ Panellists noted that OBL’s proposal demonstrated good connectivity across the ecosystem, with relationships spanning banks, fintechs, merchants, trade bodies and regulators. ✓ Some panellists viewed OBL’s continuity and familiarity with the Open Banking ecosystem as reducing execution and transition risk compared to establishing a new facilitation body. 	<ul style="list-style-type: none"> × One panellist viewed OBL’s approach as a continuation of the ‘status quo’, expressing concern that the existing model has not yet delivered meaningful commercial scale or consumer impact, and questioning whether the FE design could benefit from more radical change. × Some panellists noted that engagement beyond core user groups could be broader and stronger to include a wider range (e.g. merchants, wider associations, representative bodies, consumer forums).
SDG	<ul style="list-style-type: none"> ✓ SDG was seen as an independent facilitator, with a clear commitment to 	<ul style="list-style-type: none"> × Panellists noted that the proposal lacked sufficient detail on how

⁷ The strengths and gaps of both proposals against each evaluation criterion have been included in this report. Across all categories, all views raised by IEP members have been included. It is not the role of KPMG to comment on or interpret the evaluation / scoring provided by the industry panel members.

1.1: Approach and capability to convene, mobilise and facilitate the industry design of the FE

	Strengths	Gaps
	<p>supporting an industry-led co-design process for the FE that extends beyond payments into the wider data sharing ecosystem.</p> <ul style="list-style-type: none"> ✓ Panellists noted that the proposal emphasised openness and inclusivity, which was evidenced by open consultation mechanisms (published terms of reference, written feedback periods, and formal recording of minority views). ✓ Some panellists acknowledged the awareness of the wider ecosystem, including the need to coordinate with OBL on transition and engage appropriately with regulators and related bodies. ✓ Some panellists viewed SDG as a credible alternative proposition, particularly among those seeking greater independence from existing structures. 	<p>industry would be convened, how workstreams would operate day-to-day, and how design input would be synthesised.</p> <ul style="list-style-type: none"> × Some panellists scored SDG lower due to insufficient expertise in the facilitation of a large-scale industry design process.

1.2: Effectiveness of the proposed governance model to enable the industry-led FE Design Phase

	Strengths	Gaps
OBL	<ul style="list-style-type: none"> ✓ Panellists recognised that the proposed governance model draws on lessons learned from earlier programmes, including cVRP, informing the structure of decision-making and escalation. ✓ Some panellists viewed the model as providing clarity on roles and responsibilities between governance layers, supporting structured industry discussion during the Design Phase. 	<ul style="list-style-type: none"> × One panellist expressed concern that the proposed governance model largely reflects existing governance approaches, raising questions about whether it is sufficiently differentiated to address existing challenges or enable more fundamental change in how the ecosystem operates.
SDG	<ul style="list-style-type: none"> ✓ Panellists recognised that the proposal demonstrated an understanding of facilitation and governance requirements, including independence, transparency, industry-appointed leadership and time-bound processes. ✓ Panellists noted that design priorities (urgency, independence, continuity, fair funding and sustainability) were clearly articulated within the proposed governance structure. ✓ Some panellists viewed the Design Steering Group and supporting 	<ul style="list-style-type: none"> × Panellists expressed uncertainty around governance mechanics, including representation weighting and the role of the IEP, undermining confidence in inclusivity and neutrality. × Some panellists were concerned that elements of the proposed structure concentrated decision-making at Interim Board level, potentially undermining confidence in inclusivity and industry ownership.

1.2: Effectiveness of the proposed governance model to enable the industry-led FE Design Phase

	Strengths	Gaps
	workstreams as covering the relevant subject areas for FE design.	

1.3: Approach to ensure ethical, transparent, fair and efficient decision making and ways of working during the industry-led FE Design Phase

	Strengths	Gaps
OBL	<ul style="list-style-type: none"> ✓ Panellists noted that industry-led decision-making was explicit. This was evidenced by a two-tier governance structure for the FE Design Phase, comprising a Design Working Group and Design Steering Group, with industry as decision-makers and OBL acting as a neutral secretariat. ✓ The proposal included documented guardrails, such as conflict-of-interest processes, Terms of Reference and separation from CMA-mandated transition governance, which panellists saw as supporting neutrality and transparency. 	<ul style="list-style-type: none"> × One panellist noted perceived independence risks linked to OBL's incumbency and noted that these risks would require ongoing active management. However, most panellists considered the proposed guardrails sufficient.
SDG	<ul style="list-style-type: none"> ✓ Panellists recognised that the proposal demonstrated an understanding of facilitation principles, including independence, transparency, industry-appointed leadership and time-bound processes. 	<ul style="list-style-type: none"> × One panellist expressed concern that elements of the proposal may have pre-empted FE design outcomes, risking facilitation shifting toward consultation on a predefined model.

1.4: Feasibility and pace of the timelines set out to facilitate the industry-design of the FE

	Strengths	Gaps
OBL	<ul style="list-style-type: none"> ✓ Panellists recognised the immediate mobilisation capability, supported by existing legal structures, funding arrangements, governance artefacts and delivery teams. ✓ Panellists noted that the 50-day mobilisation plan and six-month programme were clearly structured and sequenced. 	<ul style="list-style-type: none"> × Timelines were recognised as ambitious, given the complexity of achieving industry consensus, with some panellists suggesting additional contingency could be beneficial. However, this did not meaningfully reduce scores.
SDG	<ul style="list-style-type: none"> ✓ Panellists noted that the proposed timeline was structured and time-bound, with a phased six-month design process and defined checkpoints. 	<ul style="list-style-type: none"> × Mobilisation and delivery risks were identified, particularly due to the ambitious early timeframe required to establish a new Company Limited by Guarantee, secure voluntary industry funding and run an ecosystem-wide

1.4: Feasibility and pace of the timelines set out to facilitate the industry-design of the FE		
	Strengths	Gaps
		<p>nomination and appointment processes.</p> <ul style="list-style-type: none"> × Panellists raised concerns about pace sustainability, with reliance on consultants and part-time senior resources.

4.2.4 Facilitating the design of governance frameworks for the FE (Criteria 1.5-1.6)

The panel scored the OBL proposal higher than the SDG proposal for the ability to facilitate the design of the FE's governance and decision-making structure.

The OBL proposal was deemed to demonstrate expertise in governance design, and the ability to 'ask the right questions' in the Design Phase. Panellists viewed SDG's proposal positively, acknowledging their independence and the strength of individual expertise to facilitate an industry-led design. However, SDG's proposal was scored lower due to more limited detail over how they could move from governance models to effective, inclusive frameworks in practice.

The strengths and gaps identified by the IEP for each proposal are set out below:

1.5: Approach and capability to facilitate the design of FE governance and decision making		
	Strengths	Gaps
OBL	<ul style="list-style-type: none"> ✓ Panellists noted that the OBL proposal demonstrated an understanding of the governance principles the FE must adhere to, aligned with FCA expectations. ✓ Panellists noted an understanding of the principles of independence, neutrality and objectivity, with OBL positioned as a facilitator rather than a decision-maker. ✓ Panellists recognised the proposal's understanding of how governance can enable innovation and competition, including coexistence with commercial schemes and avoidance of structural bias. ✓ Panellists noted that OBL's proposal aligned with the FCA's intention for the FE to be a not-for-profit company limited by guarantee, and that the proposal demonstrated expertise supporting such entities. 	<ul style="list-style-type: none"> × Some panellists noted that the governance approach may simply reflect established practice, with limited innovation or differentiation. × One panellist noted potential perception challenges around independence, given OBL's current funding structure. × It was noted that while the proposed structures were clear at a high level, the effectiveness of the detailed arrangements remain to be tested in practice.

1.5: Approach and capability to facilitate the design of FE governance and decision making		
	Strengths	Gaps
	<ul style="list-style-type: none"> ✓ Panellists recognised evidence of expertise in designing governance structures within Open Banking initiatives. 	
SDG	<ul style="list-style-type: none"> ✓ The proposal demonstrated a strong understanding of FE governance principles, including independence, transparency, inclusivity and ethical decision-making. ✓ The proposal aligned with the FCA's intention for a not-for-profit company limited by guarantee and articulated how such a structure could avoid undue influence. ✓ Panellists recognised that individual team members bring advisory expertise in governance design across Open Banking, payments and data-sharing initiatives. ✓ Some panellists noted the ambition to improve or optimise governance approaches relative to existing Open Banking models. 	<ul style="list-style-type: none"> × Panellists noted that the proposal provided insufficient evidence of expertise in operating or facilitating governance of this nature, with evidence resting largely on individual expertise. × Panellists raised a concern that elements of the proposal may pre-empt aspects of the design, potentially shaping outcomes rather than fully enabling an industry-led design. × Some panellists were concerned about the ability to translate governance principles into efficient, consensus-driven decision-making in practice.

1.6: Understanding of and commitment to designing a FE that operates effectively within the established UK regulatory landscape		
	Strengths	Gaps
OBL	<ul style="list-style-type: none"> ✓ The proposal demonstrated an understanding of the UK regulatory landscape, including the CMA Order, FCA oversight, the DUAA and the LTRF. ✓ The proposal distinguished between CMA-mandated transition activities and FCA-regulated future arrangements. ✓ The proposal showed active engagement with regulators, supported by demonstrated examples of delivering regulator-mandated initiatives (e.g. cVRP, JROC). ✓ The proposal positioned the FE as an interface body capable of being 	<ul style="list-style-type: none"> × One panellist questioned whether OBL's past commercial outcomes weaken confidence but stated this does not materially affect overall regulatory credibility.

1.6: Understanding of and commitment to designing a FE that operates effectively within the established UK regulatory landscape		
	Strengths	Gaps
	<p>regulated by the FCA, with governance designed to support future supervision.</p> <ul style="list-style-type: none"> ✓ The proposed approach with design alongside transition (with functional separation) was viewed as effective in anchoring design ambition within the regulatory structures. 	
SDG	<ul style="list-style-type: none"> ✓ The proposal demonstrated an understanding of the FCA's regulatory intent, including the role of the FE under the LTRF and DUAA. ✓ Panellists noted that the approach was designed to ensure the FE can be effectively regulated by the FCA, without legacy structural constraints. ✓ Panellists saw the proposed regulatory engagement mechanisms as positive. These included FCA, HMT and CMA observers and formal regulatory channels. ✓ The proposal included an advisory board and team composition with individual regulatory expertise, including former regulators and policy specialists. ✓ The proposal consistently framed the FE as a purpose-built, not-for-profit company limited by guarantee, aligned with future regulatory oversight. 	<ul style="list-style-type: none"> × Some panellists felt regulatory expertise was not sufficiently evidenced. Some panellists noted the proposal had a less nuanced understanding of the UK regulatory landscape, with limited leadership evidence of having operated within regulatory constraints at ecosystem scale.

4.3 Industry Support and Stakeholder Engagement

'Industry Support and Stakeholder Engagement' was identified by the wider industry as one of the most important criteria in this evaluation process. The industry has clear expectations for how stakeholder engagement and industry support for the FE should be structured, emphasising the importance of broad and meaningful representation across the payments and data ecosystem, including non-bank firms, fintechs, data service providers and end users, alongside mechanisms to ensure no single group unduly influences outcomes.

The IEP scored the OBL proposal higher for 'Industry Support and Stakeholder Engagement', with panellists highlighting evidence of industry support, existing ecosystem relationships and ability to mobilise stakeholders and facilitate engagement at scale. Panellists saw OBL's proposal as providing clear evidence of the ability to support inclusive

engagement with delivery momentum. However, some panellists noted areas where representation, particularly of merchants and end users, could be strengthened.

SDG was viewed positively for its emphasis on openness, independence and widening participation beyond traditional Open Banking actors. However, concerns around the limited detail on how engagement would operate in practice meant the IEP scored this proposal lower relative to OBL's.

Taken together, the assessment reflected higher scoring for OBL's proposal on execution ability and readiness, while recognising SDG's strengths in intent and ambition alongside higher perceived delivery risk.

4.3.1 Industry Feedback

Industry feedback highlighted important considerations for how the future FE's design for industry support and stakeholder engagement should be structured. The key themes are set out below:

- **Diverse and inclusive stakeholder representation:** The industry strongly emphasised the need for the FE Design Phase to reflect the full diversity of the payment ecosystem. This would include appropriate and meaningful representation of non-bank firms, fintechs, data service providers, PISPs and the end-user community, ensuring that no single segment or incumbent firm unduly influences the governance or decision-making.
- **Proven expertise, credibility, and track record:** Industry valued a demonstrated ability to effectively convene, mobilise, and facilitate complex stakeholder groups within the UK Open Banking ecosystem. This would include a proven track record of industry leadership, expertise, and practical "know-how" in establishing new entities and facilitating consensus on challenging issues.
- **Proactive, transparent, and flexible engagement:** A clear commitment to proactive, inclusive, and transparent engagement with all ecosystem stakeholder groups during the FE Design Phase was seen as crucial. This would mean actively involving a broad range of firms in co-design, setting clear timelines and expectations for planning, and possessing a deep understanding of the distinct needs, interests, and constraints of each group. Industry also required the ongoing engagement model to be flexible enough to respond to evolving user needs.
- **Ability to facilitate consensus and deliver outcomes:** Industry wanted assurance that the chosen firm was able to effectively facilitate consensus among diverse stakeholders on complex issues and translate this engagement into tangible, delivered outcomes. This would include a willingness to learn from the process, take on board feedback, and build sector-wide support and confidence to ensure the FE has the practical capability, scale, and legitimacy to coordinate.

4.3.2 Industry Evaluation Outcomes

The OBL proposal scored higher than the SDG proposal across all 'Industry Support and Stakeholder Engagement' criteria. In total, the OBL proposal had a weighted score of **19.73** and the SDG proposal had a weighted score of **13.58**.

The criteria with the largest difference in unweighted scores between proposals were:

- 2.1: Proposed approach and commitment to engage different ecosystem stakeholder groups in the industry led FE Design Phase
- 2.2: Credibility within the ecosystem, or ability to evidence support received by the firm from different stakeholder groups across the industry

Unweighted scores for the proposals were more closely aligned for criteria 2.4: Approach and capability to facilitate the design of an ongoing stakeholder engagement model for the FE.

Figure 8 shows a comparison of weighted scores by criterion for the OBL vs. SDG proposals.

Figure 8: Weighted scores by criterion for the ‘Industry Support and Stakeholder Engagement’ category

Criteria	Proposal	
	OBL	SDG
2.1: Proposed approach and commitment to engage different ecosystem stakeholder groups in the industry led FE Design Phase	5.67	4.00
2.2: Credibility within the ecosystem, or ability to evidence support received by the firm from different stakeholder groups across the industry	5.75	3.33
2.3: Ability to facilitate consensus among diverse stakeholders on complex issues	5.42	3.75
2.4: Approach and capability to facilitate the design of an ongoing stakeholder engagement model for the FE	2.90	2.50
Total weighted score	19.73	13.58

Figure 9 shows the unweighted scores provided by each IEP member for both proposals, illustrating how individual members assessed this category.

Figure 9: Heatmap of unweighted assessment scores for the ‘Industry Support and Stakeholder Engagement’ category

OBL																			Mean score	Modal score	
Criteria	IEP 1	IEP 2	IEP 3	IEP 4	IEP 5	IEP 6	IEP 7	IEP 8	IEP 9	IEP 10	IEP 11	IEP 12	IEP 13	IEP 14	IEP 15	IEP 16	IEP 17	IEP 18	IEP 19		
2.1	3	4	4	4	4	4	4	4	3	2	4	4	3	4	3	3	3	4	4	3.58	4
2.2	4	4	4	4	3	4	4	4	2	2	4	4	3	4	3	4	4	4	4	3.63	4
2.3	3	4	3	3	3	4	4	4	3	2	4	3	4	4	3	3	3	4	4	3.42	3
2.4	2	4	3	3	3	4	4	3	2	2	4	3	3	4	3	2	3	3	3	3.05	3

SDG																			Mean score	Modal score	
Criteria	IEP 1	IEP 2	IEP 3	IEP 4	IEP 5	IEP 6	IEP 7	IEP 8	IEP 9	IEP 10	IEP 11	IEP 12	IEP 13	IEP 14	IEP 15	IEP 16	IEP 17	IEP 18	IEP 19		

2.1	3	3	3	2	2	2	2	2	2	4	3	3	4	2	2	2	2	2	3	2.53	2
2.2	2	2	3	1	2	2	2	2	1	4	3	3	3	1	2	2	1	3	1	2.11	2
2.3	3	3	2	2	2	3	2	2	2	4	4	2	1	2	2	2	3	3	1	2.37	2
2.4	3	3	3	3	3	1	2	2	2	4	3	3	3	2	2	3	2	3	3	2.63	3

4.3.3 Industry Support and Stakeholder Engagement during the FE Design Phase (Criteria 2.1-2.3)

The OBL proposal scored higher than the SDG proposal for the industry support they have secured and its ability to engage stakeholders during the FE Design Phase.

The strengths and gaps identified by the IEP for each proposal are set out below:

2.1: Proposed approach and commitment to engage different ecosystem stakeholder groups in the industry-led FE Design Phase		
	Strengths	Gaps
OBL	<ul style="list-style-type: none"> ✓ Panellists cited OBL’s proposal as demonstrating commitment to industry-led co-design, with industry positioned as the decision-maker and OBL acting as a neutral facilitator and secretariat. ✓ Panellists noted that the approach provided multiple routes for participation, including working groups, written input and engagement via trade associations. ✓ Panellists recognised evidence of a breadth of existing ecosystem relationships, spanning CMA9 and non-CMA9 ASPSPs, TPPs, trade associations, consumer bodies and merchants. 	<ul style="list-style-type: none"> × One panellist noted that detail on engagement beyond core Open Banking participants (e.g. wider consumer groups and merchants) could be strengthened to better reflect the future scope of the FE.
SDG	<ul style="list-style-type: none"> ✓ Panellists viewed the emphasis on open participation and no-pay-to-participate principles positively, particularly as a mechanism to support involvement from smaller firms and non-traditional stakeholders. ✓ Panellists noted that the proposal demonstrated a clear intent to widen engagement beyond the CMA9, reflecting a broader Open Banking and Smart Data ecosystem. ✓ Some panellists viewed the proposed governance model, including consultation mechanisms and recording 	<ul style="list-style-type: none"> × Some panellists identified a lack of detail on how stakeholders would be convened in practice, including how the representation of participant feedback in the design forums would be selected, weighted and mobilised early in Design Phase. × Some panellists viewed the proposal as lacking sufficient detail on day-to-day engagement, operation of workstreams and synthesis of input into industry-owned decisions.

2.1: Proposed approach and commitment to engage different ecosystem stakeholder groups in the industry-led FE Design Phase

	Strengths	Gaps
	of minority views, as covering the relevant stakeholder categories.	

2.2: Credibility within the ecosystem, or ability to evidence support received by the firm from different stakeholder groups across the industry

	Strengths	Gaps
OBL	<ul style="list-style-type: none"> ✓ Panellists viewed OBL's proposal as demonstrating stakeholder credibility across the UK Open Banking ecosystem. ✓ The OBL proposal provided evidence of industry support, with 8 trade associations and over 30 firms that have formally committed support and funding. This spans CMA9 and non-CMA9 ASPSPs, payments- and data-focused TPPs, TSPs and schemes. Panellists cited this as tangible evidence of ecosystem credibility. ✓ Panellists noted evidence of repeated willingness from industry to engage and fund activity, indicating trust in OBL's role as an industry facilitator. ✓ Some panellists noted that examples set out in the proposal, such as involvement in the mobilisation of the cVRP scheme, demonstrated the credibility required to facilitate an industry-led design process. 	<ul style="list-style-type: none"> × While the proposal evidenced strong support from core Open Banking participants, some panellists noted that support from merchants and end-user groups was less clearly demonstrated.
SDG	<ul style="list-style-type: none"> ✓ Panellists recognised strong individual credibility within SDG's proposed leadership and contributors. ✓ Panellists noted that the proposals Smart Data framing resonates with parts of the ecosystem, particularly those focused on longer-term evolution beyond Open Banking. 	<ul style="list-style-type: none"> × Some panellists noted limited evidence of SDG having delivered together in the past. They were seen as reliant on individual CVs, rather than on proven collective performance or evidence of sustained industry trust. × Limited evidence in the proposal of formal industry backing (e.g. committed funders or trade association endorsements) raised concerns about the ability to secure early, broad-based participation.

2.3: Ability to facilitate consensus among diverse stakeholders on complex issues		
	Strengths	Gaps
OBL	<ul style="list-style-type: none"> ✓ Panellists highlighted that the OBL proposal evidenced its ability to manage and reconcile divergent stakeholder views, drawing on prior experience facilitating agreement on contentious and technically complex issues. ✓ OBL's approach was viewed as pragmatic and outcomes-focused, with clear processes to avoid stakeholder deadlock while still allowing space for minority views to be heard and recorded, supporting timely progression through complex design decisions. 	<ul style="list-style-type: none"> × Some panellists noted that achieving consensus has historically been challenging in parts of the ecosystem, and that stakeholder facilitation will continue to require careful management given entrenched positions on certain issues. × One panellist noted that the experience with existing structures may limit the perceived scope for fundamentally re-framing debates, particularly where more disruptive change is desired.
SDG	<ul style="list-style-type: none"> ✓ Panellists recognised that the proposal set out a process for structured decision-making, including consultation cycles, escalation routes and documentation of minority views. ✓ The governance approach was seen as positive foundations for consensus-building. 	<ul style="list-style-type: none"> × Concerns were raised that the governance model could struggle to resolve deadlock, particularly if early consensus cannot be reached within large or diverse stakeholder groups.

4.3.4 Facilitating the design of the stakeholder engagement framework for the FE (Criteria 2.4)

When assessing the ability to facilitate the design of a stakeholder engagement model for the FE, the IEP scored the OBL proposal higher than the SDG proposal.

The IEP noted the OBL proposal demonstrated an understanding of the full range of ecosystem stakeholders, although some highlighted previous challenges in sufficiently prioritising merchant and end-user perspectives. SDG was viewed as presenting a future-facing and adaptable engagement vision, but there was also uncertainty around SDG's practical ability to design and sustain an ongoing engagement model.

The strengths and gaps identified by the IEP for each proposal are set out below:

2.4: Approach and capability to facilitate the design of an ongoing stakeholder engagement model for the FE		
	Strengths	Gaps
OBL	<ul style="list-style-type: none"> ✓ Panellists noted that the OBL proposal demonstrated an understanding of the different ecosystem stakeholder groups, including ASPSPs, TPPs, merchants, consumer bodies and trade 	<ul style="list-style-type: none"> × One panellist suggested that OBL's approach to ongoing engagement may favour continuity over rethinking engagement models, potentially

2.4: Approach and capability to facilitate the design of an ongoing stakeholder engagement model for the FE		
	Strengths	Gaps
	<ul style="list-style-type: none"> associations, informed by interaction across the Open Banking ecosystem. ✓ Panellists noted that OBL's approach included engagement timelines and expectations, which was viewed positively for industry to be able to plan. 	<ul style="list-style-type: none"> limiting responsiveness as the FE scope evolves. × Panellists recognised that balancing inclusivity with efficiency will remain challenging as stakeholder numbers and expectations increase.
SDG	<ul style="list-style-type: none"> ✓ Panellists viewed the proposal as demonstrating a clear intent to facilitate the design of a future-facing and adaptable stakeholder engagement model, aligned to a broader Smart Data and Open Finance landscape. ✓ Panellists noted the proposal's emphasis on openness, transparency, documented processes, published outputs and feedback mechanisms as positive features of an ongoing engagement approach. ✓ Some panellists noted that the approach may offer greater flexibility to respond to evolving user needs, particularly as new stakeholder groups emerge. 	<ul style="list-style-type: none"> × Panellists expressed uncertainty about SDG's practical ability to design and sustain an ongoing engagement model, given limited evidence of expertise in operating long-term industry forums. × The proposal was seen as high-level in places, with limited detail on how engagement would be resourced, governed and adapted. × Some panellists questioned whether the proposed engagement structures would scale effectively without becoming complex or burdensome for participants over time. × Concerns were raised about whether clear timelines and expectations could be maintained in practice, particularly if early phases encounter delays or disagreement.

4.4 Technical Capability

Wider industry views on technical capability highlighted the importance of a robust, interoperable technical architecture that can support the transition to Open Finance and broader Smart Data schemes. These priorities were seen as in line with the FCA Feedback Statement 25/24 and were reflected in the IEP's assessment.

Panellists highlighted that OBL's proposal demonstrated its hands-on involvement in standards development, directory services and API performance monitoring as strengths, which indicated technical design would be informed by operational realities. However, some panellists questioned whether approaches shaped by existing Open Banking implementations would sufficiently support more future-facing technical models.

The SDG proposal was viewed positively for its understanding of the technical components required for the FE and the depth of individual technical and standards expertise within the proposed team. Panellists also recognised the forward-looking intent of proposed architectures. Nonetheless, high-level technical detail and reliance on individuals reduced confidence in delivery, particularly for smaller or more complex ecosystem participants.

3.1	3	4	4	4	4	4	4	4	4	3	2	4	4	4	4	4	3	3	4	3	3.63	4
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SDG																				Mean score	Modal score	
Criteria	IEP 1	IEP 2	IEP 3	IEP 4	IEP 5	IEP 6	IEP 7	IEP 8	IEP 9	IEP 10	IEP 11	IEP 12	IEP 13	IEP 14	IEP 15	IEP 16	IEP 17	IEP 18	IEP 19			
3.1	2	3	3	3	2	4	3	1	3	3	3	3	2	1	4	3	3	3	3	2	2.68	3

Approach and capability to support the design of the technical components of the FE (Criteria 3.1)

The OBL proposal scored higher than the SDG proposal for its ability to facilitate the design of the technical framework for the FE.

The strengths and gaps identified by the IEP for each proposal are set out below:

3.1: Approach and capability to support the design of the technical components of the FE		
	Strengths	Gaps
OBL	<ul style="list-style-type: none"> ✓ Panellists noted that OBL’s proposal demonstrated expertise in Open Banking infrastructure, including standards, directories and API frameworks. ✓ Panellists noted the evidence of involvement in standards development, informed by OBL’s role within existing Open Banking arrangements. ✓ OBL’s proposal set out how its experience operating the UK Open Banking standards, directory services and API performance monitoring would be used to support industry-led FE design discussions. Panellists viewed this operational grounding as providing practical insight into the technical trade-offs the FE will need to consider. ✓ OBL’s proposal referenced expertise in processes for monitoring API performance and managing technical issues, including metrics, reporting and escalation mechanisms. Panellists cited this as relevant evidence of understanding how technical components operate at ecosystem scale. 	<ul style="list-style-type: none"> × Some panellists expressed concern that OBL’s technical perspective may be grounded in existing Open Banking implementations, raising questions about how readily the design approach would accommodate more future-facing technical models or provide the flexibility required to accommodate smaller firms.
SDG	<ul style="list-style-type: none"> ✓ Panellists recognised that the proposal demonstrated an understanding of the 	<ul style="list-style-type: none"> × <i>Some viewed the proposal as high-level in its technical detail</i>, with

3.1: Approach and capability to support the design of the technical components of the FE		
	Strengths	Gaps
	<p>technical building blocks required for the FE, including standards, directory and certification services, and monitoring functions. This was evidenced by illustrative design material and individual team experience delivering national Open Finance infrastructure (e.g. in the UAE).</p> <ul style="list-style-type: none"> ✓ Panellists noted that individual contributors bring relevant technical and standards-related expertise, particularly in advisory, policy and cross-sector contexts. These included both UK Open Banking and international contexts. ✓ Panellists noted that the proposal set a forward-looking technical vision, including modular, cloud-native architectures, clean-core principles, and approaches designed to scale into Open Finance and Smart Data, rather than focusing only on the current Open Banking state. ✓ Some panellists viewed the proposal's emphasis on strong technical governance and clear separation between design and operation as positive, helping to avoid legacy constraints and supporting a forward-looking design process. 	<p>insufficient clarity on how design principles would translate into industry design decisions on workable technical specifications and performance frameworks, e.g. for areas such as live API monitoring and directory services.</p> <ul style="list-style-type: none"> × Panellists raised concerns that the proposal demonstrated a reliance on individual expertise rather than institutional delivery, which may result in a lack of understanding of day-to-day challenges faced by ecosystem participants, particularly smaller firms.

4.5 Funding and Financial Feasibility

Wider industry views on funding and financial feasibility highlighted the importance of transparency and clarity of funding; a fair, efficient, and sustainable funding model; and independence and reliability of funding. These priorities were seen as in line with the FCA Feedback Statement 25/24 and were reflected in the IEP's assessment.

The IEP scored the OBL proposal higher than the SDG proposal for 'Funding and Financial Feasibility'.

Panellists highlighted OBL's transparency, clarity and fairness of Design Phase industry contribution amounts. Funding already being secured was seen as a major positive, albeit with partial reliance on CMA9-funded resources which was viewed by some as posing a challenge to independence. Cost-efficiency and clarity were generally seen favourably, as was OBL's track record managing industry funding and intention to appoint an independent economic consultant.

Panellists generally felt that SDG's proposal demonstrated a strong understanding of the funding requirements and principles and appreciated the clarity and transparency of its cost estimates. However, many panellists felt the Design Phase costs were high, and that funding not yet being secured, or the funding model decided, was detrimental to transparency and ability to mobilise quickly. Some panellists also felt that more detail could have been provided to evidence their ability to facilitate the FE funding model design.

4.5.1 Industry Feedback

Industry feedback highlighted important considerations for the FE's funding and financial models. The key themes are set out below:

- **Transparency and clarity of funding:** The industry has a strong desire for a clear and transparent funding structure for both the FE Design Phase and the long-term FE operation. This includes setting clear expectations and having transparency around industry contributions, as well as transparent assumptions and cost drivers.
- **Fair, efficient, and sustainable funding model:** The industry placed great importance on a funding model that ensures equitable and proportionate cost sharing across diverse participant groups. This model should be designed to achieve long-term sustainability and robustness, incorporating defensible assumptions, appropriate financial buffers, and flexibility to accommodate potential changes in the FE's scope. There was also a desire for cost efficiency and clear value delivery within the budget.
- **Independence and reliability of funding:** For the Design Phase, the industry highlighted the need for evidence of independent or ring-fenced funding, with an overall funding approach that is certain and enables timely mobilisation.

4.5.2 Industry Evaluation Outcomes

The OBL proposal scored higher than the SDG proposal across all 'Funding and Financial Feasibility' criteria. In total, the OBL proposal had a weighted score of **12.40** and the SDG proposal had a weighted score of **8.30**.

The criterion with the largest difference in unweighted scores between proposals was 4.1: Transparency, independence and fairness of the proposed financial model for the FE Design Phase.

Unweighted scores for the proposals were more closely aligned for criteria related to the ability to facilitate the design of the future FE funding model (4.3, 4.4).

Figure 12 shows a comparison of weighted scores by criterion for the OBL vs. SDG proposals.

Figure 12: Weighted scores by criterion for the 'Funding and Financial Feasibility' category

Criteria	Proposal	
	OBL	SDG
4.1: Transparency, independence and fairness of the proposed financial model for the FE Design Phase	3.25	1.90
4.2: Cost-efficiency and feasibility of the proposed cost model during the FE Design Phase.	3.00	2.00

4.3: Approach and capability to guide the industry in the design of a practical and simple funding model, demonstrating understanding of key principles set out by the FCA FS25/4	2.95	2.30
4.4: Approach and capability to guide the industry in developing a robust and resilient financial model.	3.20	2.10
Total weighted score	12.40	8.30

Figure 13 shows the unweighted scores provided by each IEP member for both proposals, illustrating how individual members assessed this category.

Figure 13: Heatmap of unweighted assessment scores for the 'Funding and Financial Feasibility' category

OBL																			Mean score	Modal score		
Criteria	IEP 1	IEP 2	IEP 3	IEP 4	IEP 5	IEP 6	IEP 7	IEP 8	IEP 9	IEP 10	IEP 11	IEP 12	IEP 13	IEP 14	IEP 15	IEP 16	IEP 17	IEP 18	IEP 19			
4.1	3	4	3	4	3	4	3	4	3	1	4	3	3	4	3	4	4	4	4	4	3.42	4
4.2	3	4	4	3	3	3	4	3	2	2	3	3	3	3	3	3	4	4	3	3	3.16	3
4.3	3	4	3	3	3	4	4	4	2	1	4	3	2	3	3	3	3	4	3	3	3.11	3
4.4	4	4	3	3	3	4	4	4	2	2	4	3	4	4	3	3	3	3	4	4	3.37	4

SDG																			Mean score	Modal score		
Criteria	IEP 1	IEP 2	IEP 3	IEP 4	IEP 5	IEP 6	IEP 7	IEP 8	IEP 9	IEP 10	IEP 11	IEP 12	IEP 13	IEP 14	IEP 15	IEP 16	IEP 17	IEP 18	IEP 19			
4.1	2	3	3	1	2	1	2	2	2	3	3	2	1	1	1	2	2	3	2	2	2.00	2
4.2	2	4	2	2	2	3	2	1	2	3	2	2	2	2	1	2	2	2	2	2	2.11	2
4.3	3	3	3	3	1	3	2	2	2	3	3	3	2	1	1	3	3	3	2	2	2.42	3
4.4	3	4	3	2	2	2	2	0	2	3	3	3	2	1	1	3	1	3	2	2	2.21	3

4.5.3 Financial feasibility during the FE Design Phase (Criteria 4.1-4.2)

The OBL proposal scored higher than the SDG proposal for its approach to financial feasibility during the FE Design Phase.

The IEP highlighted OBL's transparency, clarity and fairness of industry contribution amounts as a key strength, with funding already being secured seen as a key enabler of quick mobilisation. Some panellists did, however, question the financial independence of OBL's proposal given its reliance on existing CMA9 funding. The cost model was generally viewed favourably, particularly in its clarity and relative cost efficiency, with some wariness of potential overruns and feeling that greater resource granularity would have been beneficial.

The IEP highlighted that SDG showed consideration of many of the right requirements for the Design Phase funding model but found it difficult to score highly for transparency and fairness given the model is yet to be set out in detail and finalised. There was also concern that proposed industry involvement to finalise the model could delay mobilisation. Whilst

praised for the clarity and transparency of its cost estimates, the IEP generally felt that SDG's total budget was very high, with the level of contractor day rates and size of team questioned.

The strengths and gaps identified by the IEP for each proposal are set out below:

4.1: Transparency, independence and fairness of the proposed financial model for the FE Design Phase.		
	Strengths	Gaps
OBL	<ul style="list-style-type: none"> ✓ The majority of panellists stated that funding requirements for each participant were clear and based on transparent criteria, with several stating that the contributions requested for each participant tier are fair. ✓ Several panellists referred to OBL's statement that sufficient funding has already been secured from a wide range of participants, providing certainty of funding and meaning mobilisation can occur without delay. ✓ Several panellists made positive statements in relation to OBL's approach to segregation / ring-fencing of funds for the FE Design Phase, with one panellist highlighting OBL's experience doing this for the cVRP scheme. ✓ Several panellists referred positively to the depth of budget detail provided, with costs broken down into specific line items. 	<ul style="list-style-type: none"> × Some panellists felt that financial independence was potentially challenged by the majority of delivery resources being subsidised or funded for by existing CMA9 funding. × One panellist questioned the methodology used to categorise companies into different funding tiers, noting that allocations appeared different to their prior understanding of OBL's plan. × One panellist questioned whether funding should be obtained from a wider pool of ecosystem participants, noting that it is currently limited to existing participants in OBL's ecosystem. × One panellist stated that OBL's pay-to-participate model could act as a barrier to fairness and transparency.
SDG	<ul style="list-style-type: none"> ✓ Several panellists noted the proposal's stated commitment to tiered and fair / proportionate funding contributions from across the industry, with one stating the structure avoids over-reliance on any single stakeholder group, thus creating genuine independence. ✓ Several panellists referred positively to SDG's statement that ring-fencing of budgets will be used to prevent cross-subsidy of activities, and a number of panellists referred positively to SDG's independence from CMA9 competition-remedy funding. 	<ul style="list-style-type: none"> × The majority of panellists noted that the Design Phase funding model had not yet been set out or decided in full detail, with some noting this creates a lack of transparency and certainty. × Several panellists noted a lack of detail on the funding tier criteria and funding amounts, rendering it difficult to assess the fairness of the proposed model. × Some panellists commented on the lack of detail shared in relation to the two potential funding models proposed by SDG and suggested that the IEP-led model goes beyond the agreed ToR of the IEP.

4.1: Transparency, independence and fairness of the proposed financial model for the FE Design Phase.

	Strengths	Gaps
	<ul style="list-style-type: none"> ✓ Some panellists referred to the two-phased funding model, with one explicitly mentioning this ensures clarity of purpose and avoids premature long-term commitments. ✓ Some panellists referred to SDG's statement of ensuring transparency by providing open-book accounting, transparent reporting, and audit-ready documentation. ✓ Two panellists noted SDG's proposal does not promote "pay-to-participate", ensuring freedom of participation from all stakeholders. ✓ Panellists also referred to SDG's commitments to safeguarding against double-charging and free-riding, and to broad-based, industry-agreed funding. ✓ One panellist noted the proposal's use of contractor-led design minimises fixed costs. 	<ul style="list-style-type: none"> × Some panellists raised concerns in relation to the speed of mobilisation, due to the fact that funding is not yet secured and would require time for industry to decide as requested. Some panellists highlighted the lack of secured funding creates a significant delivery risk, with one concerned that the 5-week proposed period is unrealistically short. × Some panellists suggested the contingency funding plan to use excess operating funds from OBL may not be feasible, with uncertainty on the existence of such excess funds and the length of time to obtain approvals for transfer. One panellist also questioned whether this option contradicts SDG's statement of being financially independent of CMA Order funding.

4.2: Cost-efficiency and feasibility of the proposed cost model during the FE Design Phase.

	Strengths	Gaps
OBL	<ul style="list-style-type: none"> ✓ Several panellists referred to the clarity of OBL's cost model. A few panellists referred to it as complete and/or thorough; others as robust, feasible, and/or achievable; and another as transparent. ✓ Several panellists spoke positively of the overall level of budget, with some stating it is lower / more cost efficient than SDG's proposal, particularly as one-third of the cost is OBL resource that is already paid for through CMA9 funding. One panellist stated OBL's plan doesn't place any burdensome new financial demands on the broader industry thus making it the most practically feasible and cost-efficient option available. ✓ Several panellists referred to the use of existing salaried (and funded) 	<ul style="list-style-type: none"> × Some panellists felt that there was some risk that costs could rise in the future, with one linking this to ambitious timelines. × Some panellists referred to a lack of complete information on cost drivers, with one highlighting the absence of FTE / resource breakdown.* × One panellist stated that the lack of transparent assumptions regarding how legacy costs are separated from new FE design costs raises feasibility concerns; and that they view the "status quo" approach as inefficient in driving long-term commercial value. × One panellist voiced concern over the funding structure being closely tied to incumbents.

4.2: Cost-efficiency and feasibility of the proposed cost model during the FE Design Phase.		
	Strengths	Gaps
	<p>resources, with some explicitly linking this to cost efficiency benefits and another to the certainty of the budget.</p> <ul style="list-style-type: none"> ✓ Some panellists referred positively to the evidence provided by OBL regarding their improved historical cost discipline / efficiency. One panellist referred to OBL's 60% reduction in costs from historical highs and plans for further cost efficiencies, whilst two others referred to OBL's experience on the cVRP programme. ✓ Some panellists referred to the 10% contingency as indicative of financial discipline and as a mitigant of delivery risk. ✓ Panellists also stated costs were supported by a feasible timeline of clearly-articulated activities. 	
SDG	<ul style="list-style-type: none"> ✓ Several panellists referred positively to the clarity, transparency and achievability of cost and activity drivers, with clear, structured workstreams supported by transparent assumptions. ✓ Some panellists referred positively to SDG's contractor-led approach, with flexibility and the avoidance of high / premature structural costs both referenced as benefits. ✓ One panellist stated that SDG clearly possess the capabilities and commercial leadership skills required for the work, with deep fund-raising experience mentioned in the CVs. ✓ One panellist felt that SDG's approach focuses on providing value for money across the entire ecosystem rather than just maintaining legacy systems. 	<ul style="list-style-type: none"> × The majority of panellists referred to the overall level of budget as being high, very high and/or not cost efficient. Some panellists made this statement in absolute terms, others by comparison to OBL's budget. × One panellist singled out the "Legal & Incorporation" and "Transition & Technical Due Diligence" workstream budgets and the contingency budget as particularly high; another suggested that the Technical Due Diligence may ultimately be covered by existing transition activities thus indicating that SDG's cost drivers may not represent the most efficient use of ecosystem capital. × Several panellists referred to the high/premium day rates proposed for the largely contractor-driven model, suggesting this drives a high budget and risks overspend. × Some panellists felt the proposal lacked detail, particularly in relation to detailed cost drivers/estimates and benchmarking. One panellist suggested the rounded total and

4.2: Cost-efficiency and feasibility of the proposed cost model during the FE Design Phase.		
	Strengths	Gaps
		<p>component budget values were not as granular as OBL's budget.*</p> <p>× Some panellists questioned the size of the team – one suggested it was “over-engineered” and SDG should consider how it could support a “facilitation machine” with lower cost to deliver, whilst another felt that the Design Phase does not require such a large team.</p>

*Note: As part of the evaluation criteria, neither OBL or SDG were expected to provide granular operational costs or detailed breakdown of resource costs.

4.5.4 Facilitating the design of a funding model for the FE (Criteria 4.3-4.4)

The OBL proposal also scored higher than the SDG proposal for Criteria 4.3-4.4.

The IEP highlighted OBL's track record of managing the industry funding for both its own operations and in the setup of cVRP as key evidence. There was also reference to the intention to commission an independent economic consultant for the financial modelling work.

The IEP reflected positively on SDG's strong understanding of, and alignment with, the FS25/4 funding principles, and on the capabilities of their team-members. However, some panellists felt the proposal was not always well-evidenced, with strong conceptual alignment but a lack of detail on what the funding model could look like in practice and the process by which it would be decided.

The strengths and gaps identified by the IEP for each proposal are set out below:

4.3 Approach and capability to guide the industry in the design of a practical and simple funding model, demonstrating understanding of key principles set out by the FCA FS25/4.		
	Strengths	Gaps
OBL	<p>✓ Roughly half of panellists referred to OBL's existing track record managing their own funding model, their contributions to other Open Banking initiatives like cVRP, and/or their funding plan for the Design Phase as evidence of being able to fulfil this criterion. Particular attention was given to recent and planned OBL cost reductions, and the cVRP operator also being a not-for-profit company limited by guarantee.</p>	<p>× One of the panellists felt that OBL did not consider funding which could be obtained by a broader and more inclusive range of ecosystem participants.</p> <p>× One panellist felt that the long-term funding model was not sufficiently defined in the proposal.</p> <p>× One panellist questioned OBL's ability to scale the ecosystem commercially as OBL's understanding of “sustainable cost recovery” is historically tied to CMA9 funding mandate.</p>

4.3 Approach and capability to guide the industry in the design of a practical and simple funding model, demonstrating understanding of key principles set out by the FCA FS25/4.		
	Strengths	Gaps
	<ul style="list-style-type: none"> ✓ Several panellists reflected positively on OBL’s intention for the steering group to appoint an independent economic modelling consultant to develop the funding/pricing framework; one panellist noted its alignment with the FCA’s corporate governance expectations, and another that it should help cost sharing to be guided by hard data rather than subjective debate. Some panellists noted the intention for this modelling to incorporate multiple scenarios and stress-testing. ✓ Some panellists referred to OBL’s strong understanding of / alignment with the FS25/4 funding principles. ✓ A few panellists stated that OBL’s approach was an iterative industry-led design process, aligning with FCA guidelines. ✓ Some panellists reflected positively on OBL’s optionality, rather than certainty, for FE to be expanded to Open Finance. 	
SDG	<ul style="list-style-type: none"> ✓ Roughly half of panellists referred to SDG’s strong understanding of and alignment with the FS25/4 funding principles, including their understanding of not-for-profit constraints, long-term sustainability and cost recovery, proportionate cost-sharing, transparency, independence, and cost efficiency. ✓ Several panellists recognised the strong experience of SDG team-members in designing funding and cost models for payments initiatives, reflecting positively on their ability to guide industry. 	<ul style="list-style-type: none"> × Several panellists felt SDG provided little detail or evidence of what the funding model could look like in practice or the process by which it would be decided, with their proposal instead being largely principles-based. × One panellist was uncertain if SDG were proposing an industry-led process or whether some outcomes are pre-determined such as the transition to Open Finance. × One panellist suggested SDG’s ability to guide industry on the funding model could be complicated by their proposed governance mechanics, with a large-scale committee risking a protracted and subjective design process rather than a simple one. The same panellist, whilst recognising

4.3 Approach and capability to guide the industry in the design of a practical and simple funding model, demonstrating understanding of key principles set out by the FCA FS25/4.		
	Strengths	Gaps
	<ul style="list-style-type: none"> ✓ A few panellists referred to the funding model’s ability to adapt over time as the FE scope scales, potentially extending funding to a wider pool of participants. ✓ One panellist praised SDG’s commitment to a cost framework with no funding-linked governance rights, ensuring that disproportionate influence is not obtained by the participants with the most money. 	<p>SDG’s commitment to cost efficiency, questioned whether SDG’s reliance on high contractor rates for the Design Phase made their ability to facilitate an economical industry model less convincing.</p>

4.4: Approach and capability to guide the industry in developing a robust and resilient financial model.		
	Strengths	Gaps
OBL	<ul style="list-style-type: none"> ✓ Several panellists felt OBL demonstrated their strong existing knowledge and operational track record of managing industry funding, both in relation to OBL and cVRP, evidencing their ability to guide industry to develop the future financial model. ✓ Several panellists praised OBL’s proposal for the Steering Group to appoint an independent economic modelling consultant to support development of the financial model, and the approach set out for scenario planning and stress-testing based on clear assumptions. Some panellists referred to this financial modelling process as being robust and/or defensible. ✓ Several panellists felt the proposed working group -> steering group industry design cycle ensured an iterative and industry tested / validated process, with a couple of panellists referencing similarities 	<ul style="list-style-type: none"> × Some panellists felt there could have been more detail provided on the economic modelling approach, and the future funding structure, respectively.

4.4: Approach and capability to guide the industry in developing a robust and resilient financial model.		
	Strengths	Gaps
	<p>to OBL’s approach to the cVRP programme. Some panellists referred to OBL’s unique operational insights, with one stating that their access to historical data supports their ability to perform stress-testing and determine appropriate financial buffers.</p>	
SDG	<ul style="list-style-type: none"> ✓ Several panellists felt SDG demonstrated a solid conceptual or principles-based understanding of the requirements of this criterion. ✓ Panellists referred to SDG’s recognition of the importance of robust financial modelling, stress-testing, iterative industry validation, financial risk management, resilience, and governance; often noting that this was reflected in SDG’s proposed approach, with frequent positive reference to their structured industry engagement plan. ✓ Some panellists felt the SDG CVs demonstrated the required capabilities, particularly in relation to economic / cost modelling and commercial leadership. 	<ul style="list-style-type: none"> × Several panellists raised concerns that SDG’s consideration of this criterion was not always well-evidenced and often limited to conceptual discussion only. This was highlighted particularly in relation to the economic and financial modelling, where panellists referenced a lack of approach detail, as well as a lack of independent modelling and clear capability within the SDG team. × One panellist felt SDG’s lack of access to current operational and cost data could restrict their ability to conduct stress-testing and determine appropriate financial buffers.

4.6 Risk Management and Security

Wider industry feedback emphasised the importance of a risk management and security framework that ensures service continuity, proportionate and inclusive security controls, effective fraud prevention, and clear accountability aligned with Consumer Duty outcomes. These priorities were reflected in the IEP’s assessment.

The OBL proposal was viewed by the panellists as evidencing clear expertise in operating within regulated Open Banking environments. Familiarity with and understanding of contemporary security and fraud considerations demonstrated the capability to provide expertise into facilitating an industry-led design discussion. However, some panellists questioned the adaptability of approaches shaped by existing Open Banking practices and the extent to which existing compliance-driven controls expertise would influence the facilitation of future industry-led design discussions.

SDG's proposal was recognised for its comprehensive understanding of risk management, security and fraud principles, and for the relevant expertise of individual contributors, particularly in policy and regulatory contexts. Nonetheless, panellists felt there was less clarity on practical implementation and how these frameworks would be applied at scale, contributing to a lower overall score.

Overall, OBL's proposal was scored higher for the ability to facilitate the design of a resilient, proportionate risk and security framework for the FE, while SDG's approach was seen as credible but less supported in terms of practical, ecosystem-scale delivery.

4.6.1 Industry Feedback

Industry feedback highlighted important considerations for how the FE's risk management and security framework should be set up. The key themes are set out below:

- **Service continuity:** The industry highlighted the importance of an FE design which can ensure the ongoing stability and resilience of the Open Banking ecosystem, minimising disruption during any transition.
- **Inclusive and proportionate security:** There was an industry requirement for security frameworks and controls that protect the ecosystem robustly, including data protection and consent, while being fair, transparent, and not overly burdensome for smaller firms.
- **Effective fraud prevention:** Industry emphasised that the FE's design should incorporate robust capabilities for fraud prevention and detection that meet regulatory requirements and effectively mitigate risk.
- **Clear accountability and consumer duty alignment:** Transparency in risk controls and clear accountability for non-compliance were seen as essential. The industry expected the FE's risk management approach to align with Consumer Duty principles, driving improved outcomes and ensuring equal access for all users.
- **Evolving fraud risk considerations:** Industry feedback highlighted that as the ecosystem expands, fraud risks are expected to evolve, requiring careful design to ensure future approaches do not rely on legacy models.

4.6.2 Industry Evaluation Outcomes

The IEP scored OBL's proposal higher across all 'Risk Management and Security' criteria. In total, the OBL proposal had a weighted score of **3.01** and the SDG proposal had a weighted score of **2.15**.

Figure 14 shows a comparison of weighted scores by criterion for the OBL vs. SDG proposals.

Figure 14: Weighted scores by criterion for the 'Risk Management and Security' category

Criteria	Proposal	
	OBL	SDG
5.1: Approach and capability to ensure consideration of risk management and security topics as part of the industry FE design	0.83	0.60
5.2: Approach and capability to facilitate the design of fraud prevention and detection capabilities for the FE	1.50	0.95

5.3: Inclusivity and effectiveness of the approach to protecting ecosystem integrity without creating overly burdensome requirements	0.69	0.60
Total weighted score	3.01	2.15

Figure 15 shows the unweighted scores provided by each IEP member for both proposals, illustrating how individual members assessed this category.

Figure 15: Heatmap of unweighted assessment scores for the ‘Risk Management and Security’ category

OBL																			Mean score	Modal score	
Criteria	IEP 1	IEP 2	IEP 3	IEP 4	IEP 5	IEP 6	IEP 7	IEP 8	IEP 9	IEP 10	IEP 11	IEP 12	IEP 13	IEP 14	IEP 15	IEP 16	IEP 17	IEP 18	IEP 19		
5.1	3	4	4	4	4	4	4	4	2	2	4	4	3	4	3	3	3	4	3	3.47	4
5.2	3	4	4	3	3	3	4	3	3	2	4	3	2	4	3	3	3	3	3	3.16	3
5.3	1	4	3	3	3	4	4	3	2	1	4	2	3	4	3	3	3	3	2	2.89	3

SDG																			Mean score	Modal score	
Criteria	IEP 1	IEP 2	IEP 3	IEP 4	IEP 5	IEP 6	IEP 7	IEP 8	IEP 9	IEP 10	IEP 11	IEP 12	IEP 13	IEP 14	IEP 15	IEP 16	IEP 17	IEP 18	IEP 19		
5.1	2	3	3	2	2	3	3	2	2	3	4	3	3	1	3	3	2	3	1	2.53	3
5.2	2	3	3	1	2	1	3	1	2	3	4	2	1	1	3	2	1	2	1	2.00	1
5.3	2	3	3	3	2	2	2	3	2	3	4	3	2	2	3	3	1	3	2	2.53	3

4.6.3 Facilitating the design of the risk management and security framework for the FE (Criteria 5.1-5.3)

The OBL proposal scored higher than the SDG proposal for the ability to facilitate the design of the risk management and security framework for the FE.

The strengths and gaps identified by the IEP for each proposal are set out below:

5.1: Approach and capability to ensure consideration of risk management and security topics as part of the industry FE design		
	Strengths	Gaps
OBL	<ul style="list-style-type: none"> ✓ Panellists noted that the proposal demonstrated an understanding of data protection and information security requirements, informed by expertise of operating within regulated Open Banking frameworks. ✓ Panellists recognised the proposal’s awareness of Consumer Duty implications, including the need for 	<ul style="list-style-type: none"> × Some panellists noted that the approach to risk and security may be closely shaped by existing Open Banking practices, raising questions about adaptability to evolving risks and broader Smart Data use cases. × <i>One panellist noted that risk controls described in the proposal have historically been perceived as compliance-driven</i>, requiring clearer

5.1: Approach and capability to ensure consideration of risk management and security topics as part of the industry FE design

	Strengths	Gaps
	<p>risk and security considerations that ultimately support good consumer outcomes.</p> <ul style="list-style-type: none"> ✓ The proposal referenced established approaches to data protection, information security and operational resilience, which panellists recognised as relevant expertise for facilitating informed industry-led discussions on future FE risk frameworks. 	<p>articulation of consumer-centric outcomes in future design.</p>
SDG	<ul style="list-style-type: none"> ✓ Panellists acknowledged that the proposal demonstrated a comprehensive understanding of risk management and security principles, including data protection, resilience and ethical operation. ✓ Subject matter experts were viewed as bringing relevant risk, policy and regulatory expertise. This supported credibility to facilitate industry design discussions informed by these principles and with Consumer Duty alignment. 	<ul style="list-style-type: none"> × Panellists noted limited evidence of expertise in applying risk and security frameworks at ecosystem scale in live operational contexts. × The proposal was viewed by some as high-level, with limited detail on how security and resilience principles would translate into concrete design features.

5.2: Approach and capability to facilitate the design of fraud prevention and detection capabilities for the FE

	Strengths	Gaps
OBL	<ul style="list-style-type: none"> ✓ Panellists recognised the proposal's understanding of fraud risks within the Open Banking ecosystem, informed by expertise engaging with real-world incidents and mitigation approaches. OBL's proposal set out its understanding of fraud risks within the Open Banking ecosystem, informed by expertise in real-world incidents, regulatory expectations and mitigation approaches. Panellists viewed this as evidence of subject-matter familiarity. ✓ <i>The proposal was seen as demonstrating awareness of regulatory expectations relating to fraud prevention and financial crime</i>, including the need for coordination across the ecosystem. ✓ The proposal acknowledged the regulatory dependencies and 	<ul style="list-style-type: none"> × There was limited evidence within the proposal explaining how the proposed fraud mitigation approaches would be designed to deliver improved outcomes compared to existing models.

5.2: Approach and capability to facilitate the design of fraud prevention and detection capabilities for the FE

	Strengths	Gaps
	<p>constraints in shaping future fraud prevention capabilities, which panellists recognised as evidence of a depth of knowledge on the topic.</p>	
SDG	<ul style="list-style-type: none"> ✓ Panellists noted that SDG placed explicit emphasis on fraud prevention as a core FE design consideration, rather than a secondary control. ✓ Individual expertise within the team was seen as supporting informed discussion of financial crime risks and controls. 	<ul style="list-style-type: none"> × Panellists raised concerns that the proposal provided limited evidence of the expertise required to lead the design of fraud prevention and detection capabilities at ecosystem scale.

5.3 Inclusivity and effectiveness of the approach to protecting ecosystem integrity without creating overly burdensome requirements

	Strengths	Gaps
OBL	<ul style="list-style-type: none"> ✓ Panellists noted that the proposal demonstrated an understanding of proportionality, with evidence of the consideration of the differing needs of firms by size, maturity and capability. OBL's proposal referenced proportionality as a design principle, recognising differences in firm size, maturity and capability across the ecosystem. Panellists viewed this as an important consideration for protecting ecosystem integrity without discouraging participation. ✓ The approach was viewed by some as pragmatic and transparent, with awareness of how requirements impact participation and competition. 	<ul style="list-style-type: none"> × One panellist noted that the OBL proposal prioritised stability and control, which could unintentionally make participation more challenging for smaller or newer firms, requiring careful calibration going forward.
SDG	<ul style="list-style-type: none"> ✓ Panellists responded positively to SDG's emphasis on inclusivity, including consideration of new and smaller participants in FE design. ✓ Panellists noted that the proposal reflects a desire to avoid overly prescriptive requirements, supporting proportionality and transparency. ✓ Panellists viewed SDG's approach as potentially more flexible as the ecosystem evolves beyond Open Banking. 	<ul style="list-style-type: none"> × Panellists expressed concern that, while inclusive in intent, the proposal lacked practical detail on how proportionality would be delivered in practice. × There was uncertainty about whether the proposed approach could maintain ecosystem integrity without introducing complexity or ambiguity that may burden participants.

4.7 Operational Feasibility

Overall, the wider industry emphasised the need for an agile and scalable FE operating model that delivers value efficiently, avoids unnecessary bureaucracy, and meets the expected operational requirements set out in the FCA Feedback Statement 25/4, including regulatory reporting and alignment with the LTRF. These priorities were reflected in the industry-developed criteria and the IEP's assessment.

The OBL proposal was recognised for evidence of expertise on transitional considerations to move from the current Open Banking regulatory framework to a FE design, expertise in delivering regulator-mandated initiatives, and fresh ideas to facilitate the design of the operational monitoring and reporting aspects of the FE. Panellists saw this as demonstrating an understanding of service continuity, oversight and transition management that would be valuable in facilitating an industry-led design discussion. However, some panellists questioned whether approaches shaped by existing Open Banking arrangements would enable the operational changes required to evolve into a commercial ecosystem.

The SDG proposal was recognised for articulating a future-oriented operational intent aligned to FS25/4 principles, with a strong emphasis on accessibility, proportionality and separation of FE design from transition activity. However, there was limited detail on how high-level principles would translate into day-to-day operations.

Overall, the OBL proposal was seen as demonstrating a strong approach for translating operational principles into a workable, regulator-ready operating model at pace, while the SDG approach, though future-focused, was seen by some as creating greater uncertainty around short-term implementation at scale.

4.7.1 Industry Feedback

Industry feedback highlighted important considerations for how the FE's operational model should be set up. The key themes are set out below:

- **Agile model and scalability:** The industry emphasised the need for the operational model to be agile, to facilitate rapid progress, to accommodate future growth and to adapt quickly to evolving market and technological landscapes, avoiding excessive bureaucracy. The model should also be capable of scaling to support future expansion into Open Finance and wider Smart Data initiatives.
- **Value-driven operations:** Industry expected the FE to operate with a focus on efficiency, delivering value without replicating prior structures, and clearly meeting the FCA's operational requirements, including providing necessary reporting and aligning with regulatory oversight and the LTRF.
- **Data consistency:** Industry feedback emphasised the importance of levelling up standards across the ecosystem to ensure consistent, reliable data quality and interoperability for all participants. The FE should ensure that all firms operate to the same standards, reducing fragmentation, improving reliability, and creating a stable foundation for innovation.

4.7.2 Industry Evaluation Outcomes

The IEP scored the OBL proposal higher for the ‘Operational Feasibility’ criterion. In total, the OBL proposal had a weighted score of **6.80** and the SDG proposal had a weighted score of **5.10**.

Figure 16 shows a comparison of weighted scores by criterion for the OBL vs. SDG proposals.

Figure 16: Weighted scores by criterion for the ‘Operational Feasibility’ category

Criteria	Proposal	
	OBL	SDG
6.1: Approach and capability to facilitate the industry to design an FE which adheres to key operational principles	6.80	5.10

Figure 17 shows the unweighted scores provided by each IEP member for both proposals, illustrating how individual members assessed this category.

Figure 17: Heatmap of unweighted assessment scores for the ‘Operational Feasibility’ category

OBL																				Mean score	Modal score
Criteria	IEP 1	IEP 2	IEP 3	IEP 4	IEP 5	IEP 6	IEP 7	IEP 8	IEP 9	IEP 10	IEP 11	IEP 12	IEP 13	IEP 14	IEP 15	IEP 16	IEP 17	IEP 18	IEP 19		
6.1	3	4	4	4	3	4	4	4	3	2	4	4	4	4	3	3	4	3	4	3.58	4

SDG																				Mean score	Modal score
Criteria	IEP 1	IEP 2	IEP 3	IEP 4	IEP 5	IEP 6	IEP 7	IEP 8	IEP 9	IEP 10	IEP 11	IEP 12	IEP 13	IEP 14	IEP 15	IEP 16	IEP 17	IEP 18	IEP 19		
6.1	3	3	3	3	2	3	2	1	3	3	3	3	2	2	3	3	3	3	3	2.68	3

4.7.3 Approach and capability to facilitate the industry to design an FE which adheres to key operational principles (Criteria 6.1)

The OBL proposal scored higher than the SDG proposal for the ability to facilitate the design of the operating model the FE.

The strengths and gaps identified by the IEP for each proposal are set out below:

6.1: Approach and capability to facilitate the industry to design an FE which adheres to key operational principles		
	Strengths	Gaps
OBL	<ul style="list-style-type: none"> ✓ Panellists recognised that the proposal demonstrated an understanding of minimum service requirements and consistency across Open Banking services, informed by expertise of the current regulatory framework. 	<ul style="list-style-type: none"> × One panellist expressed concern that OBL’s proposed operational approach is closely shaped by existing Open Banking arrangements. × Panellists questioned whether a strong emphasis on minimum standards,

6.1: Approach and capability to facilitate the industry to design an FE which adheres to key operational principles

	Strengths	Gaps
	<ul style="list-style-type: none"> ✓ Panellists noted that the proposal demonstrated expertise with operational monitoring and reporting, including information provision to regulators in relation to standards and API performance. ✓ Panellists noted that the proposal demonstrated an understanding of how the FE could operate under FCA oversight, providing evidence of expertise in delivering regulator-mandated initiatives. ✓ The demonstration of expertise of how to work alongside CMA-mandated transition activity showed an understanding of the need to maintain separation between transition delivery and future FE design activity. 	<p>consistency and stability may limit the scope for more fundamental change in the FE design.</p>
SDG	<ul style="list-style-type: none"> ✓ Panellists recognised that the proposal articulated an intent to align FE design with FS25/4 operational principles, including support for commercial schemes and regulatory reporting. ✓ The proposal was viewed as future-oriented, with reference to Open Finance, Smart Data and broader data-sharing initiatives. ✓ Panellists responded positively to the proposal's emphasis on accessibility and proportionality, including the desire to avoid structural advantages for incumbents. ✓ The proposal demonstrated awareness of the need to separate FE design activity from CMA-mandated transition planning. 	<ul style="list-style-type: none"> × Panellists expressed uncertainty about SDG's ability to translate high-level operational principles into practical facilitation of an industry-design of a day-to-day FE operating model. × The proposal was seen by some panellists as high-level, with limited detail on how minimum service levels, reporting obligations and oversight would function in practice, and thus how SDG would facilitate an industry-design discussion on these topics.

IEP Recommendation and Rationale

05

5 IEP Recommendation and Rationale

Across the six assessment categories, the OBL proposal received higher scores than the SDG proposal. This was consistent across both unweighted and weighted scoring views, with OBL achieving a higher total weighted score (**63.88 out of 76**) compared to SDG (**46.00 out of 76**).

Qualitative feedback associated with these quantitative scores focused primarily on:

- **Execution certainty and readiness:** OBL's proposal was consistently scored higher in relation to mobilisation readiness, supported by detailed proposed structures and resources to facilitate an industry-led Design Phase. The evidence of expertise delivering complex, multi-stakeholder initiatives at ecosystem scale was seen as valuable to facilitating an industry-led design.
- **Operational and regulatory grounding:** Evidence of familiarity and expertise regarding the current Open Banking and regulatory framework was cited as being useful for anchoring FE design decisions in practical and regulatory reality.
- **Demonstrated evidence of industry support:** Evidence of existing relationships, engagement mechanisms and funding commitments was associated with higher scores for OBL for its ability to convene industry, engage a breadth of different stakeholder types and sustain momentum through the Design Phase. The committed industry support received by OBL was greater than the industry support received by SDG.

At the same time, the IEP recognised material strengths in SDG's proposal, focused on:

- **Future-facing design intent:** There was evidence of an emphasis on a future-oriented vision for the FE, which was seen as conceptually aligned with longer-term ambitions for Open Finance and Smart Data.
- **Emphasis on openness and ecosystem breadth:** Panellists acknowledged SDG's intent to design models that are open and inclusive, with an emphasis on supporting a broad and evolving ecosystem.

However, panellists' scoring reflected greater concern regarding mobilisation risk, depth of proposal detail, and uncertainty over how the proposed models would be translated into effective, consensus-driven outcomes in an industry-led Design Phase.

On the basis of its independent consideration of the evaluation outputs, KPMG observes that the evaluation results show that OBL received the highest overall score, indicating that it was the option most strongly supported by industry respondents as a potential organisation to support the design of the FE.

5.1 Summary table of key strengths and gaps by category

The table below summarises the key strengths and gaps identified by the IEP for each proposal, broken down by the six assessment categories.

	OBL – Key Strengths	OBL – Key Gaps	SDG – Key Strengths	SDG – Key Gaps
Governance, Independence and Ethical Framework	<ul style="list-style-type: none"> ✓ Execution-ready governance ✓ Practical, tested structures ✓ Strong regulatory and transition understanding 	<ul style="list-style-type: none"> × Perceived incumbency risk × Approaches seen by some as incremental rather than transformative 	<ul style="list-style-type: none"> ✓ Clear understanding of transparency and independence ✓ Strong governance principles 	<ul style="list-style-type: none"> × Uncertainty over governance mechanics and decision-making effectiveness at scale
Industry Support and Stakeholder Engagement	<ul style="list-style-type: none"> ✓ Established ecosystem relationships ✓ Strong evidence of industry backing ✓ Ability to convene at scale 	<ul style="list-style-type: none"> × Varied support across stakeholder groups (eg merchant/end-user voices) 	<ul style="list-style-type: none"> ✓ Emphasis on openness and widening participation ✓ No 'pay-to-participate' model 	<ul style="list-style-type: none"> × Limited institutional delivery experience × Less clarity on approach to mobilisation and consensus building
Technical Capability	<ul style="list-style-type: none"> ✓ Deep expertise of Open Banking standards, directories and monitoring requirements 	<ul style="list-style-type: none"> × Approaches may reflect current implementation rather than future-facing models 	<ul style="list-style-type: none"> ✓ Forward-looking technical intent ✓ Strong individual expertise 	<ul style="list-style-type: none"> × Technical detail high-level in places
Funding and Financial Feasibility	<ul style="list-style-type: none"> ✓ Clear funding structure and cost breakdown ✓ Expertise in managing industry funded programmes ✓ Clear evidence of ring-fenced funding from existing operations 	<ul style="list-style-type: none"> × Perceived independence and fairness concerns linked to funding sources and participation model 	<ul style="list-style-type: none"> ✓ Strong transparency and ring-fencing principles ✓ Emphasis on fairness and inclusivity 	<ul style="list-style-type: none"> × Funding detail and timing less clear × Contractor-heavy model raises feasibility and value concerns
Risk Management and Security	<ul style="list-style-type: none"> ✓ Expertise in operating within regulated environments ✓ Familiarity with real-world risk and fraud issues 	<ul style="list-style-type: none"> × Approach viewed by some as shaped by legacy practices 	<ul style="list-style-type: none"> ✓ Sound understanding of risk, security and fraud prevention 	<ul style="list-style-type: none"> × Limited detail on how risk principles would be applied at ecosystem scale
Operational feasibility	<ul style="list-style-type: none"> ✓ Strong understanding of regulatory operations, 	<ul style="list-style-type: none"> × Risk of anchoring to existing operating 	<ul style="list-style-type: none"> ✓ Future- oriented operational intent aligned to FS25/4 	<ul style="list-style-type: none"> × Lower confidence translating principles into

	OBL – Key Strengths	OBL – Key Gaps	SDG – Key Strengths	SDG – Key Gaps
	monitoring and service continuity ✓ Delivery confidence	models and limiting change	✓ Focus on accessibility and proportionality	day-to-day operations at scale

Next Steps and Considerations for Industry

06

6 Next Steps and Considerations for Industry

The FCA is supporting industry participants to establish a standard-setting body capable of becoming the FE ahead of the LTRF. The FCA, through industry trade associations, has encouraged industry participants to coalesce around a single body to facilitate the design of this body.

As part of this undertaking, the FCA engaged KPMG to facilitate an industry assessment of proposals made for the establishment of a Future Entity for Open Banking, with the objective of helping industry coalesce around a preferred organisation to facilitate the next phase of developing the FE. This report provides details of the views of the industry participants. It also provides the outcomes of the scores that the industry provided and so an indication of relative industry support for convening the FE Design Phase. Development of this report would not have been possible without the constructive engagement and contribution of both Open Banking Limited and the Smart Data Group in submitting strong proposals, as well as the contribution of industry representatives who contributed to the process.

While the report reflects industry perspectives on which organisation should convene the FE Design Phase, the FCA and industry should consider the outcomes of this report in conjunction with broader activities as they continue to explore the development and set up of a new body capable of becoming the FE for Open Banking.

It is also important for industry to note that, although stronger support has been expressed in favour of the OBL proposal over the SDG proposal for convening the *FE Design Phase*, this does not determine future operational or service provision roles, nor preclude multiple models from contributing to future ecosystem development. This process is without prejudice to how the FCA may exercise its powers under the Data Use and Access Act (DUAA), and a more formal appointment will follow once oversight powers are conferred under the Long-Term Regulatory Framework (expected by end-2026). In the interim, industry participants may use the findings from this assessment to inform collective alignment on how the FE Design Phase is convened and governed.

6.1 Industry may draw on the findings of this report as it considers its next steps

Industry participants may wish to use the findings from this assessment to inform collective alignment on how the next phase should be convened and governed.

Once this report is published, the facilitating body may support industry participants to collectively design the Future Entity. This phase will focus on designing the FE's future structure, governance, scope and responsibilities, in line with FCA principles and FS25/4.

As the next phase progresses, industry engagement will be critical to shaping the Future Entity's proposed governance arrangements, technical standards, funding approach and operating model. Firms may wish to consider how they will participate in design forums,

working groups and consultations to ensure that diverse perspectives across the ecosystem are reflected in the FE design.

The outputs of the industry-led Design Phase will inform the set up planning, establishment and operationalisation of the FE once the design has been agreed, with the objective of achieving meaningful progress towards establishing the FE by the end of 2026.

List of Figures

07

7 List of Figures

Figure 1: Summary of the process for the development of criteria and allocation of weightings 14

Figure 2: IEP Participants 15

Figure 3: Comparison of unweighted scores by criteria 18

Figure 4: Comparison of average scores by category 18

Figure 5: Heatmap of unweighted assessment scores..... 19

Figure 6: Weighted scores by criterion for the ‘Governance, Independence and Ethical Framework’ category
..... 23

Figure 7: Heatmap of unweighted assessment scores for the ‘Governance, Independence and Ethical
Framework’ category 23

Figure 8: Weighted scores by criterion for the ‘Industry Support and Stakeholder Engagement’ category 31

Figure 9: Heatmap of unweighted assessment scores for the ‘Industry Support and Stakeholder
Engagement’ category 31

Figure 10: Weighted scores by criterion for the ‘Technical Capability’ category 36

Figure 11: Heatmap of unweighted assessment scores for the ‘Technical Capability’ category 36

Figure 12: Weighted scores by criterion for the ‘Funding and Financial Feasibility’ category..... 39

Figure 13: Heatmap of unweighted assessment scores for the ‘Funding and Financial Feasibility’ category 40

Figure 14: Weighted scores by criterion for the ‘Risk Management and Security’ category 48

Figure 15: Heatmap of unweighted assessment scores for the ‘Risk Management and Security’ category .. 49

Figure 16: Weighted scores by criterion for the ‘Operational Feasibility’ category..... 53

Figure 17: Heatmap of unweighted assessment scores for the ‘Operational Feasibility’ category 53

Figure 18: Wider industry support by respondent type (provided as direct feedback and not as part of the IEP
process) 67

Figure 19: Weighting by category 68

Appendices

08

8 Appendices

8.1 Appendix A: Glossary of Terms

API (Application Programming Interface)	A set of technical specifications that enables secure data exchange between systems. In the context of Open Banking, APIs allow regulated third parties to access customer-permissioned data from account providers in a standardised way.
AISP (Account Information Service Provider)	A regulated third party that provides account information services, enabling access to customer-permissioned payment account data (such as balances and transaction history).
ASPSP (Account Servicing Payment Service Provider)	A regulated firm that provides and maintains customer payment accounts, such as banks and building societies, and enables access to account data and payment initiation under Open Banking.
CMA (Competition and Markets Authority)	The UK competition regulator. The CMA introduced the Open Banking remedy through the Retail Banking Market Investigation Order.
CMA Order	The CMA Retail Banking Market Investigation Order 2017, which mandated the implementation of Open Banking by the CMA9 banks and led to the establishment of Open Banking implementation arrangements. The Order continues to govern specific transition-related obligations.
CMA9	The nine banks originally mandated by the CMA Order to fund and implement Open Banking in the UK.
Commercial schemes	Industry-led arrangements that operate on top of baseline Open Banking standards to enable specific commercial use cases. Commercial schemes define their own rules and commercial models while relying on common standards for interoperability.
Consumer Duty	The FCA's Consumer Duty sets higher standards of consumer protection across financial services and requires firms to put customers' needs first.
cVRP (Commercial Variable Recurring Payments)	An Open Banking payment use case that enables users to securely authorise trusted third parties to manage recurring transactions.
Design Phase / Industry-led FE Design Phase	The period during which industry participants, supported by a facilitating body, collaboratively design the Future Entity's governance, scope, technical standards, funding approach, and operating model, in line with FCA expectations.
Directory services	Services that support participant identification, verification, and trust frameworks within the Open Banking ecosystem, enabling authorised firms to interact securely through APIs.
DUAA (Data (Use and Access) Act 2025)	A UK Public General Act intended to provide a statutory framework for data-sharing initiatives, including Open Banking and future Smart Data schemes.
FCA (Financial Conduct Authority)	The UK's conduct regulator for financial services and markets. In the context of Open Banking, the FCA is the lead regulator responsible for setting regulatory

	expectations, overseeing consumer protection and competition outcomes, and progressing the long-term regulatory framework.
FE (Future Entity)	The future standard-setting and oversight body for UK Open Banking, expected to operate under the Long-Term Regulatory Framework and take responsibility for standards, governance, and ecosystem coordination.
FS25/4 (Feedback Statement 25/4)	The FCA Feedback Statement published in August 2025, setting out the FCA's response on the design, governance, funding, and operational expectations for the Open Banking Future Entity.
IEP (Industry Evaluation Panel)	A panel of industry participants convened to provide an expert, evidence-based assessment of proposals to facilitate the FE Design Phase, applying agreed criteria and methodology.
JROC (Joint Regulatory Oversight Committee)	A joint committee established in March 2022 by UK regulators to oversee the Open Banking programme and the transition to the Future Entity, including setting direction, commissioning industry working groups, and monitoring delivery against regulatory expectations. The committee is jointly chaired by the FCA and PSR, with HM Treasury and the CMA participating as members.
Long-Term Regulatory Framework (LTRF)	The future regulatory framework under which Open Banking will operate on a permanent statutory footing, with the FCA as lead regulator.
MoSCoW Framework	A prioritisation method used to assign relative importance to criteria by categorising them as Must have, Should have, or Could have. In this evaluation, it informed the weighting applied to assessment criteria.
NPV (National Payments Vision)	A UK government strategy published in November 2024 setting out the long-term vision for the payments ecosystem, including the role of Open Banking and data-enabled innovation.
OBIE (Open Banking Implementation Entity)	The entity originally established under the CMA Order to implement Open Banking. OBIE was later incorporated into Open Banking Limited as Open Banking arrangements evolved.
OBL (Open Banking Limited)	One of the organisations which submitted a proposal to facilitate the FE Design Phase.
PISP (Payment Initiation Service Provider)	A regulated third party that provides payment initiation services, enabling payments to be initiated from a customer's payment account to a third party, with the customer's explicit consent and authentication.
SDG (Smart Data Group)	One of the organisations which submitted a proposal to facilitate the FE Design Phase.
SWG (Strategic Working Group)	An industry working group convened in 2022 to provide strategic input, coordination, and recommendations on specific aspects of Open Banking and Future Entity design.
TPP (Third-Party Provider)	A regulated firm that accesses customer-permissioned data or initiates payments using Open Banking APIs, including AISPs and PISPs.
UKPI (UK Payments Initiative)	An industry-led commercial operating company established to design and operate a commercial Variable Recurring Payments (VRP) scheme in the UK, supporting agreed phase-one VRP use cases

8.2 Appendix B: Industry Feedback provided to the FCA in January 2026

In late 2025 and prior to mobilisation of this stage of the evaluation, the FCA requested feedback from industry, asking them to consider and express a view on which organisation they believe should lead the next phase of work⁸. The intention in seeking these views was to enable broad-based industry input beyond any single forum, ensuring that a wide range of stakeholders could contribute to the decision. In response, industry participants provided feedback to the FCA expressing support for OBL, SDG or a neutral position. Some industry participants also provided feedback to KPMG directly. This evidence was considered as part of the IEP evaluation relating to the ‘Industry Support and Stakeholder Evaluation’ criteria, and enabled industry participants who were not members of the IEP to contribute feedback to the evaluation.

From the industry preferences that were received, a total of eighteen firms or trade bodies expressed support for OBL, with seven firms expressing support for SDG. Seven expressed a neutral view. Within the group of firms that provided views, many firms expressing support for OBL were large ASPSPs or TPPs who facilitate large volumes of the Open Banking traffic today, as well as industry trade associations who represent a breadth of firms. Whilst some ASPSPs or TPPs did also express support for SDG, the primary make-up of firms who expressed support for SDG were firms who operate in the broader Open Finance or Smart Data ecosystem.

Figure 18 shows the number of respondents who expressed support for OBL, SDG or who were neutral, broken down by respondent type.

Figure 18: Wider industry support by respondent type (provided as direct feedback and not as part of the IEP process)

Respondent Type	Number of respondents expressing support		
	OBL	SDG	Neutral
ASPSP	6	1	0
Trade Association ⁹	7	0	2
TPP	4	1	3
TSP	1	1	1
Individual	0	2	0
Other	0	2	1

8.3 Appendix C: Key for Understanding Heatmaps



Lowest score

Highest score

⁸ [FCA Letter to Industry Trade Associations regarding the process to establish the Future Entity](#)

⁹ The Trade Associations who provided responses did so on behalf of their wider participant base.

8.4 Appendix D: Weightings

Based on feedback from the industry, each category was assigned a distinct weighting to reflect its overall importance. Within each category, sub-categories are also weighted so that the resulting score reflects their relative importance in supporting the facilitation of the industry design of the FE. Therefore, scores are not directly comparable across categories.

Figure 19 shows a breakdown of weightings by category.

Figure 19: Weighting by category

Category	Weighting	Score out of
1. Governance, Independence and Ethical Framework	30%	22.80
2. Industry Support and Stakeholder Engagement	30%	22.80
3. Technical Capability	5%	3.80
4. Funding and Financial Feasibility	20%	15.20
5. Risk Management and Security	5%	3.80
6. Operational Feasibility	10%	7.60
Total	100%	76.00

8.5 Appendix E: Terms of Reference (ToR) for the Industry Evaluation Panel

8.5.1 Background

The FCA is supporting industry participants to establish a standard-setting body capable of becoming the Future Entity (FE) ahead of the Long-Term Regulatory Framework. The FE will act as the UK's primary open banking API standards body, offering clarity, stability and a foundation for innovation across the ecosystem.

Multiple organisations have expressed interest in facilitating this process. Through industry trade associations, the FCA has encouraged participants to coalesce around a single facilitator. KPMG has been engaged to facilitate an industry evaluation of all proposals and reflect an industry recommendation for industry and the FCA.

Document Audience & Purpose

The purpose of this ToR document is to clearly outline the role of the Industry Evaluation Panel (IEP), including its objectives, assessment criteria, and member responsibilities. It is intended to provide trade associations with a clear understanding of the IEP's requirements, enabling them to identify and nominate suitable candidates.

This ToR has been circulated across key trade associations and industry bodies engaged in the Future Entity facilitation process. KPMG has issued this document to the following bodies:

- AFEP
- Building Societies Association
- Electric Money Association
- Innovate Finance
- The Investing and Saving Alliance
- Merchant Advisory Group
- Open Finance Association (OFA)
- The Payments Association
- Payments Innovation Forum
- Smart Data and Technology Alliance
- Third Payments Institutions Association
- UK Finance

These trade bodies have acted as intermediaries between KPMG and the wider industry. As part of their role, the trade associations were responsible for sourcing suitable nominations from within their memberships.

A number of individual firms also engaged directly KPMG to participate in this process.

8.5.1.1 Purpose of the Industry Evaluation Panel

The IEP has been established to provide an expert, industry-led and evidence-based assessment of proposals submitted for the facilitation of the Future Entity design phase. Its core role is to ensure that the evaluation process is objective, transparent and free from organisational bias, and that recommendations reflect the needs, expectations and priorities of the wider industry.

Acting as a balanced and impartial forum, the Panel will apply consistently defined criteria and governance structures to review, assess and score all proposals. Through this, the Panel brings together diverse expertise from across the ecosystem to support a fair and credible selection

process that industry and regulatory stakeholders can trust. The IEP mobilisation and evaluation process will be facilitated at arms-length from the FCA.

The evaluation is being conducted to ensure that the FE selection process meets the expectations of:

- Industry, by ensuring the chosen firm reflects sector needs, is operationally feasible, and has broad stakeholder confidence.
- Regulators, by providing a transparent, evidence-based assessment that supports strong governance and public interest outcomes.
- Oversight and governance bodies, by supplying a structured, credible and independent foundation for decision-making.

8.5.2 Membership & Participation Criteria

8.5.2.1 Composition

The Panel has been designed to include a balance of representatives from across the ecosystem, including members from:

- ASPSPs
- TPPs
- Merchants
- KPMG

KPMG and Industry bodies have worked together to source nominees that collectively provide broad capability coverage and ensure that no stakeholder group exerts disproportionate influence in the evaluation process.

Any trade bodies with membership on the panel will, wherever possible, focus contributions and feedback to reflect views of those members who do not already have representation on the panel themselves.

Final nominations were received on 19 February, from which KPMG have provided authority over the final selection of panel members to ensure a proportionate balance of representatives across the industry. Selection was based on the following criteria:

- The Industry Evaluation Panel will have a maximum of 20 industry members, plus KPMG
- The Industry Evaluation Panel must have a proportionate representation of different industry stakeholders. Contributing factors include:
 - A blend of the participant types that make up the UK Open Banking ecosystem – ASPSPs, TPPs, TSPs and merchants
 - A blend of the AIS and PIS use cases that make up the UK Open Banking ecosystem
- Representatives will be assessed on:
 - Nomination statement describing expertise and industry experience that qualify them for the panel
 - Contribution to the development and success of the UK Open Banking ecosystem. For example, through OBL directory authorisation, volumes, innovation, contributions to industry initiatives or standards development
 - Nominees must attest that they have no conflicts of interest or factors which could be perceived as affecting your objectivity to participate in the evaluation
 - Nominees must be able to contribute adequate time and expertise to the evaluation activities, as set out in the terms of reference.

8.5.2.2 Participation Criteria Capability Requirements

Nominees are required to have sufficient level of expertise to effectively contribute to authority discussions and decisions.

Nominees must have experience in Open Banking, and be able to contribute across the following categories, which align with proposal assessment categories:

Criteria	Description
Governance, Independence, and Appropriate Ethical Framework	This category assesses the firm's capability to work with industry to design a FE that establishes fair, transparent, and trustworthy governance frameworks. It also assesses the governance framework the firm proposes for the industry-led FE design phase.
Industry Support and Stakeholder Engagement	This category assesses the firm's ability to foster collaboration and gain the confidence of the diverse Open Banking ecosystem, both for executing the industry-led FE design phase and for the facilitation of the FE design.
Technical Capability	This assesses the firm's ability to facilitate the design of the technical components needed for the FE, and the approach to deliver, maintain and evolve these. Technical components must cover, but are not limited to, functions set out by the FCA FS25/4 (standards, monitoring API performance, directory and certification services).
Funding and Financial Feasibility	This category assesses the firm's ability to facilitate the design of a cost-efficient FE, with resilient funding and a sustainable financial model. It also assesses the cost and funding model proposed for the industry-led FE design phase.
Operational Feasibility	This category assesses the firm's ability to facilitate an industry-led FE design phase that will protect the Open Banking ecosystem, through risk management, information security and fraud prevention.
Risk Management and Security	This category assesses the firm's ability to facilitate the industry design of the practical aspects of establishing and running the operating entity, in line with the FS25/4 operational requirements. It includes topics such as implementation plan and timeline, equitable access, organisational capacity and resources.

For each nominee, the following information will need to be provided:

- Full name
- Company information
- For each of the listed criteria, a brief statement (1-2 sentences) describing expertise and industry experience that qualify them for the panel

- Conflict attestation, providing confirmation that there are no conflicts of interest or factors which could be perceived as affecting their objectivity to participate in the engagement

Where a panel member has less knowledge in a specific category area, KPMG will be able to provide SME analysis and support.

Participant Availability

Panel members are expected to participate in all evaluation activities, including proposal reviews, briefings, clarifications, roundtables, scoring and moderation. Members must therefore ensure they can dedicate sufficient time and attention to these activities without conflicting commitments that could impact the quality or consistency of their contribution.

The activities and timeline are set out in Section 8.4.3.2.

8.5.3 Roles, Responsibilities & Expectations

The roles, responsibilities and expectations of IEP members are set out below:

Group	Responsibilities
Trade Bodies	Trade bodies will act as intermediaries between KPMG and the industry, sourcing appropriate nominees with relevant expertise. Any trade bodies with membership on the panel will, wherever possible, focus contributions and feedback to reflect views of those members who do not already have representation on the panel themselves.
Panel Members	Panel members will: <ul style="list-style-type: none"> • Review proposals and supporting documentation. • Attend proposal presentations from Open Banking Limited and Smart Data Group. • Independently assess and score proposals against the agreed criteria and weightings, providing clear, evidence-based rationale for all scores. • Submit independent scores prior to moderation forums. • Participate in moderation sessions (and clarification sessions as required). • Exercise impartial professional judgement, ensuring decisions are free from conflicts of interest and based solely on evidence. • Provide industry and technical expertise to support a well-reasoned and defensible recommendation. • Support a process that fosters trust, clarity and confidence across industry, regulators and governance bodies. • Adhere to the ethical principles and ways of working set out below.
KPMG	As a contributor to and facilitator of the Industry Evaluation Panel, KPMG will: <ul style="list-style-type: none"> • Review proposals and supporting documentation. • Attend proposal presentations from Open Banking Limited and Smart Data Group. • Independently assess and score proposals against the agreed criteria and weightings, providing clear, evidence based rationale for all scores.

	<ul style="list-style-type: none"> • Submit independent scores prior to moderation forums. • Facilitate clarifications and questions between the IEP and bidders during the evaluation process. • Participate in moderation sessions (and clarification sessions as required). • Exercise impartial professional judgement, ensuring decisions are free from conflicts of interest and based solely on evidence. • Provide industry and technical expertise to support a well-reasoned recommendation. • Support a process that fosters trust, clarity and confidence across industry, regulators and governance bodies. • Adhere to the ethical principles and ways of working set out below. KPMG will produce the final recommendations report, summarising: <ul style="list-style-type: none"> • Final scores (on an aggregated basis) • Key strengths and weaknesses of each proposal • Rationale for the highest-scoring option(s). • KPMG’s final recommendations report will include the quantitative outcome of the IEP scoring process, as well as a qualitative assessment of both proposals
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8.5.3.1 Evaluation Process

Scoring

- Each panel member will independently review and score the relevant sections of each proposal against predefined criteria, rubrics, and weightings.
- The submission form will have the flexibility for trade bodies to submit qualitative feedback that can be split according to the different views they represent.
- Scores will be submitted prior to moderation sessions. They will be shared only with KPMG, not with other panel members.
- For each proposal, the scores will be multiplied by their respective weights and summed up to calculate a total weighted score for each category. These category scores will then be combined using their assigned weights to produce an overall weighted score.

Bidder Clarifications

All bidder interactions occur via KPMG. Clarification questions will be logged and, where materially relevant, asked of all bidders equally. There should be no direct outreach by panel members to the bidders (or vice versa) relating to this process once the IEP is mobilised on 23 February.

Moderation Sessions

Moderation sessions, led by KPMG, will take place after independent reviews by the Industry Evaluation Panel. The aim of moderation is to:

- Explore material differences in scoring
- Encourage constructive challenge and evidence-based discussion
- Ensure consistency of assessment of scoring across scorers
- Ensure accuracy and consistency of understanding and interpretation of criteria and proposal submissions

Publication of Results



The final Recommendation Report (produced by KPMG) will provide a quantitative and qualitative summary of the industry evaluation. Participants and organisations represented on the IEP will be included in the report. Individual scoring, however, will remain confidential, with only an aggregated final score being published. Similarly, all feedback will be anonymised and presented in aggregate to ensure that no comments can be attributed to any individual participant.

8.5.3.2 Activities & Timeline

The required activities and timeline for the evaluation panel is set out below. Nominees should ensure that they can fully participate across all activities and this timeline.

<i>Activity</i>	<i>Date(s)*</i>
1. Nomination and Setup	
KPMG issues request for nominations for Industry Evaluation Panel to industry bodies	10 Feb 2026
Nominations received for Industry Evaluation Panel	19 Feb 2026
Briefing meeting of Industry Evaluation Panel: walk-through of methodology, criteria, weightings, and expectations <ul style="list-style-type: none"> Option 1: Option 2: 	20 Feb 2026 23 Feb 2026
All Future Entity proposals received	23 Feb 2026
Proposal presentations from OBL and SDG	25-27 Feb 2026
2. Proposal Review	
Panel members conduct an independent review and scoring of proposals, assessing evidence and documenting rationale for preliminary scores.	23 Feb-6 Mar 2026
Panel discussion call to validate understanding of proposals and share subject matter expertise prior to scoring	
KPMG bilateral meetings with panel members to validate interpretation of criteria and support SME understanding.	
KPMG SME Panel available for Industry Evaluation questions and clarifications.	
Opportunity to raise clarification questions for Future Entity bidders. Clarifications should be raised to KPMG, who will coordinate responses.	
Clarification sessions held with bidders as required.	
3. Moderation and Scoring	
Deadline for submission of scoring by Industry Evaluation Panel	6 Mar 2026
KPMG moderation of IEP submissions	9 Mar 2026
Moderation forum to discuss discrepancies and document rationales.	10 Mar 2026 (TBC)*
Finalisation of Proposal Evaluation and Scoring	13 Mar 2026
4. Recommendation Report	

KPMG submission of final Recommendations Report to FCA	2 April 2026
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* Exact dates may vary slightly depending on scheduling logistics.

8.5.4 Independence, Ethics & Professional Conduct

The Panel will operate under a clear ethical framework to ensure that all assessments are objective. The proposals must be assessed in the best interests of the industry, and not the organisations they represent.

This will be underpinned by the following principles:

Objectivity & Professional Judgement	Panel members must apply objective, evidence-based judgement at all times. Assessments should be guided exclusively by the agreed criteria and the information provided through formal evaluation and clarification processes, without influence from personal or organisational interests.
Independence & Conflict Management	To uphold impartiality: <ul style="list-style-type: none"> Conflicts of interest must be declared at the outset and monitored throughout the process. Members will recuse themselves where a conflict could compromise objectivity. All activity must remain at arm’s length from bidders, regulators, and home organisations, with no lobbying or advocacy once the IEP has mobilised.
Confidentiality & Information Handling	Panel members must protect the confidentiality of all proposals, clarifications, and related materials. Information may not be shared externally, and all work must comply with agreed data protection and security requirements.
Professional Conduct	Members are expected to demonstrate professional behaviour and a collaborative spirit in all interactions, contributing to an environment of respectful, evidence-based discussion. Engagements must remain within formal processes, and any attempts at undue influence must be reported immediately.

8.6 Appendix F: Industry Evaluation Methodology & Criteria

This appendix sets out the Industry Evaluation Methodology & Criteria that was developed collaboratively with industry stakeholders, and baselined on 20 February 2026.

Industry Evaluation Methodology

8.6.1 Scope & Objectives of the Evaluation Process

Overarching Goal: Identify the firm who has the best capability to convene, mobilise and facilitate the industry-led Future Entity (FE) design process. Six evaluation criteria have been defined by the FCA to evaluate the approach and capability of firms to ask the right questions in facilitation, allowing them to effectively guide discussions which support industry participants in designing the Future Entity (FE).

Scope of the evaluation criteria:

- Identify the firm best placed to lead the next phase of work: convening and facilitating the industry-led FE design phase, in line with FCA principles.
- Assess each firm’s ability to facilitate design discussions across all required components of the body capable of becoming the FE.
- The evaluation criteria and weightings in this document have been developed in line with industry feedback and views.
- This evaluation will **not** evaluate:
 - Proposed end-design models for the FE
 - The ability to operate a fully formed entity, or the firm best placed to ultimately run the FE
 - Existing operational, governance, technical or funding models
 - The transition planning activities being executed separately under the CMA Order

Outcome:

- The Industry Evaluation Panel (IEP) will assess the proposals submitted by Open Banking Limited and the Smart Data Group against the criteria set out in this document.
- Findings will inform KPMG’s evaluation report, providing qualitative and quantitative industry evaluation of the two proposals..
- The final report will reflect the views of the industry, and will include:
 - Quantitative scoring (aggregated across IEP scores)
 - A qualitative assessment of each proposal
- While the FCA prefers industry alignment around a single firm, the report may reflect strengths demonstrated by both proposals.

8.6.2 Methodology Overview

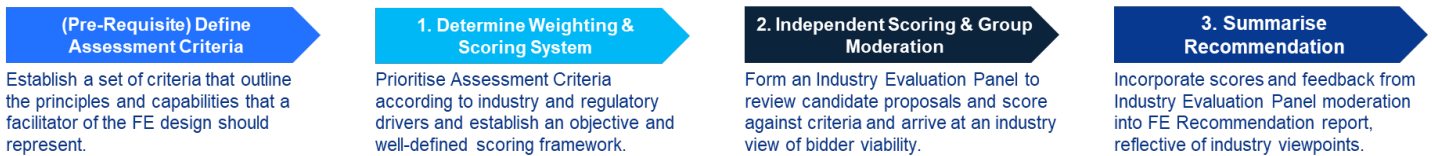
The methodology for assessing Future Entity facilitation candidates combines a structured “top-down” approach using specific capability criteria, with a “bottom-up” review of industry consensus.

- The starting point for this methodology borrows from KPMG’s proprietary assessment methodology, which has been specifically tailored to this project.
- KPMG’s methodology aims to synthesise industry views to identify which firm is best positioned to facilitate the design process of the Future Entity, specifically assessing their proposed approach to convening the industry to shape its development.

- The Recommendation Report provides ample qualitative commentary, reflecting the full spectrum of views and insights gathered throughout the assessment.
- Our process includes mechanisms for open discussion & debate to calibrate scores and ensure a fair representation of perspectives.
- KPMG has iteratively evolved this methodology and the evaluation criteria based on our discussions with industry stakeholders.



Candidate Assessment Approach:



8.6.2.1 Determine Weighting & Scoring System

Who & What:

- KPMG: Develops the core methodology, assigns initial weighting and scoring, defines the response values to each criterion and facilitates industry moderation.
- Industry: Review, input and iterative development to proposed weightings and response values.

When:

- 04/02 – 20/02: KPMG draft and engagement with industry to iterate Criteria, Scoring, Weightings and Methodology.

Why:

- To create a clear, structured and comparable framework for the assessment of Future Entity design proposals aligned with industry expectations and consensus.

Criteria & Weighting:

- KPMG will use a MoSCoW framework to perform an initial allocation of priority across the assessment criteria.
- This priority will apply to all functional capability criteria core to designing the FE operating and business model, as well as supporting capabilities and non-functional requirements.
- The MoSCoW allocation for a given criteria will map to a numerical number indicating the degree of weighting, used to calculate a quantitative score for each candidate proposal.

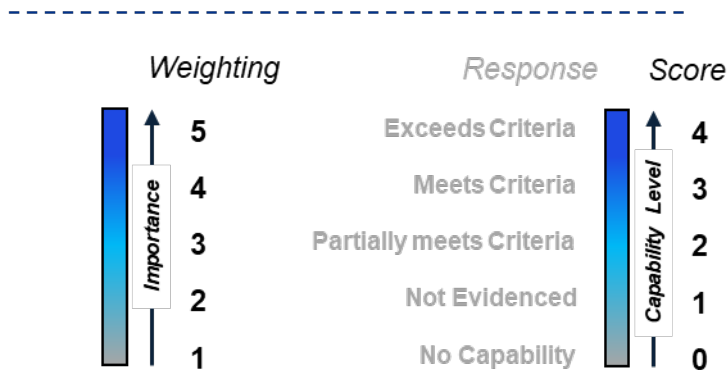
- The proposed weightings have been discussed with industry participants during stakeholder meetings, and the criteria weightings have been iterated accordingly based on the feedback received.

Scoring System:

- The aim is to combine unstructured assessment responses with a structured value that provides an objective view of candidate viability that makes comparison straightforward.
- KPMG will propose a set of structured values that describes the level of capability exhibited in the candidate proposals against each criteria.
- These values have been reviewed and moderated following industry feedback via the dedicated sessions between KPMG and industry participants.
- Each structured value will be defined to mitigate ambiguity in applicability and will map to a numerical measure of capability.

1. KPMG define the assessment criteria shaped by industry feedback.

(Pre-Requisite) Define Assessment Criteria



3. Assessment weighting and response values are shared with the wider industry for feedback.



Industry Review

8.6.2.2 Independent Scoring & Group Moderation

Who & What:

- KPMG: Facilitates the establishment of Panel, conducts bilateral engagement with participants, synthesises scores and guides the moderation session.
- Industry: Reviews candidate proposals, scores them against the criteria and participates in calibration sessions to achieve consensus.

When:



- Attend candidate proposal sessions on 25 – 27/02, review and score proposals independently over 10-day window from 25/02 – 06/03), attend moderation session.

Why:

- To ensure a systematic and objective evaluation of proposals, which integrates diverse expertise and qualitative feedback, and achieve a unified, credible view on the organisation best placed to facilitate the design of the organisation which has the potential to become the Future Entity.

Industry Evaluation Panel and Independent Scoring:

- KPMG will establish an Industry Evaluation Panel (IEP) of industry participants and ensure that it represents a balanced cross-section of relevant perspectives across the industry. More details on the IEP can be found in the Term of Reference document.
- OBL and SDG will be invited to present their proposals to the panel, time for Q&A will be provided after each presentation. KPMG will act as conduit for the panel and candidates for additional questions. KPMG can set up extra sessions if deemed necessary as well as individual sessions with SME support.
- IEP members will receive final versions of candidate proposals from KPMG and will receive detailed guidelines from KPMG on how to complete the assessment scoring to provide an independent and evidence-based review, reflecting the needs & priorities of the wider industry.
- IEP members (including KPMG) will be encouraged to capture written detail against the criteria to evidence their chosen score and add nuance to the assessment.
- Independently determined assessments will be submitted to KPMG to review and identify areas of alignment and convergence, prior to moderation.

Group Moderation:

- KPMG will collate the individual criteria scores to establish an initial aggregated perspective before the IEP convenes to step-through each of the assessment scores.
- KPMG will facilitate calibration of assessment scores to a single score through open, evidence-based discussion ('top-down', quantitative moderation).
- During moderation, potential adjustment of weightings will only occur on an exception basis.
- The moderation session will also allow for exploration of broader industry sentiment beyond the assessment criteria, and the discussion of feedback previously shared with the FCA ('bottom-up', qualitative moderation).
- In instances of significant divergences, KPMG will document these views and provide SME input. The resolution will involve arriving at an average score, complemented by a qualitative explanation in the Recommendation Report.

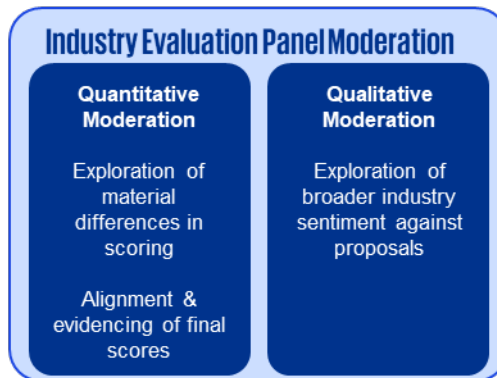
1. KPMG issue request for panel nominations and select fair representation of industry. Panel selection criteria were set out to ensure a balanced representation across the industry.



Independent Scoring vs. Assessment Criteria

2. KPMG and panel independently score proposals against criteria.

3. Assessment scores are shared and discussed with panel in moderation session.



8.6.2.3 Summarise Recommendation

Who & What:

- KPMG: Consolidates finalised assessment criteria and broader industry feedback into a summary report.
- Industry: Evaluation Panel reviews and shares feedback against draft report prior to final FCA submission.

When:

- 09/03 - 30/03 Drafting of recommendation report, with play-throughs to be scheduled towards the end of this period.

Why:

- To reflect the industry’s alignment following a structured and evidence-based capability assessment, whilst maintaining independence from the FCA in this process, and will be used by the FCA in their next steps.

Recommendation summary:

- Following moderation and finalisation of the assessment scoring for each candidate, KPMG will prepare a detailed recommendation report.
- This report will clearly articulate scores and rankings of all proposals, pros & cons of each proposal across the assessment criteria themes, rationale for the recommended candidate, and evidence of moderation.
- KPMG will present the summary report to the participants of the Industry Evaluation Panel before it is published by the FCA.

8.6.3 Managing Conflicts of Interest

Given the timing and sequence of this process, and the inherent existing structure of the ecosystem, there are a number of conflicts that must be managed. Many of these were raised as part of the self-attestation process to nominate for the panel, and all firms who submitted formal preferences to the FCA are similarly positioned regarding competing proposals.

KPMG'S role

- To proactively manage all conflicts (actual and perceived) to ensure fairness and facilitate progress within existing constraints of the ecosystem and timeline.
- Our objective is to deliver a robust, evidence-based criteria assessment.

Guardrails & Mitigations

- All self-declared conflicts have been recorded and are tracked by KPMG for ongoing monitoring.
- IEP members are asked to provide both a quantitative score and qualitative rationale against a wide range of criteria.
- KPMG will undertake bilateral sessions with each of the panel members to validate the scoring and rationale, in particular where there are material differences to industry averages.
- As a participant of the IEP, KPMG will undertake the assessment in parallel to the industry submission.
- KPMG have nominated a dedicated team member whose specific role on each call is to monitor the discussion and flag any instances of perceived bias relating to conflicts.
- There are equal voting rights on the IEP to ensure no firm's voice has a disproportionate influence.
- Confirmation that the process to confirm funding commitments for OBL took place prior to this process being mobilised.
- Reiteration that any declaration of support (financial or otherwise) to one party does not preclude the ability to provide the same to the other.

The FCA has been consulted, and whilst they have an arm's length role in this process, are supportive of the mitigations implemented to ensure the process moves forward effectively.

8.6.4 Activities & Timeline

The required activities and timeline for the evaluation panel is set out below. Panel members should ensure they can fully participate across all activities and this timeline.

Activity	Date(s)*
1. Nomination and Setup	
KPMG issues request for nominations for Industry Evaluation Panel to industry bodies	10 Feb 2026
Nominations received for Industry Evaluation Panel	19 Feb 2026
Briefing meeting of Industry Evaluation Panel: walk-through of methodology, criteria, weightings, and expectations	20 Feb 2026
• Option 1:	23 Feb 2026
• Option 2:	
All Future Entity proposals received	23 Feb 2026
Proposal presentations from OBL and SDG	25-27 Feb 2026
2. Proposal Review	
Panel members conduct an independent review and scoring of proposals, assessing evidence and documenting rationale for preliminary scores.	23 Feb-6 Mar 2026
KPMG bilateral meetings with panel members to validate interpretation of criteria and support SME understanding.	
KPMG SME Panel available for Industry Evaluation questions and clarifications.	
Opportunity to raise clarification questions for Future Entity bidders. Clarifications should be raised to KPMG, who will coordinate responses.	
Clarification with bidders as required.	
3. Moderation and Scoring	
IEP discussion call	W/C 3 Mar 2026
Deadline for submission of scoring by Industry Evaluation Panel	6 Mar 2026
KPMG moderation of IEP submissions	9 Mar 2026
Moderation forum to discuss discrepancies and document rationales.	10 Mar 2026
Finalisation of Proposal Evaluation and Scoring	13 Mar 2026
4. Recommendation Report	
KPMG submission of final Recommendations Report to FCA	31 Mar 2026

8.6.5 Methodology Appendix - Criteria Weighting & Structured Response Definitions

8.6.5.1 Weightings

MoSCoW Priority	Weighting	Definition
Must Have	5	Represents the highest priority criteria that a candidate must evidence, carrying a higher weighting in the final scoring.
	4	Describes highly important criteria that are expected for a robust approach and would significantly enhance overall effectiveness of the design facilitation process.
Should Have	3	Represents important criteria or approaches that the bidders should ideally possess to contribute successfully.
	2	Describes desirable criteria that would offer clear benefits or provide a noticeable improvement to the design facilitation process.
Could Have	1	Describes criteria that could differentiate or provide added value to proposals. The lower weighting acknowledges their potential benefit without disproportionately impacting the overall score.

8.6.5.2 Structured Responses

Weighting	Definition
Exceeds Criteria	The bidder demonstrates the capability/approach that is comprehensive, well-evidenced and ready to use. It demonstrates clear strengths, potentially even beyond what is required.
Meets Criteria	The bidder demonstrates the required capability/approach and addresses all aspects of the criterion but some configuration may be needed to be fully supported.
Partially meets Criteria	The candidate shows some evidence of a relevant capability/approach but with notable gaps, or has a planned development for a capability/approach that is not currently evidenced.
Not Evidenced in Proposal	The candidate provides minimal relevant information about the criterion, or the capability/approach is insufficiently developed, lacking clarity and depth.
No Capability	The candidate does not demonstrate or mention the criterion, but the response allows the candidate to articulate their rationale, including any strategic decision not to pursue it.

Industry Evaluation Criteria

8.6.6 Evaluation Category Guidance

The categories outline the principles and capabilities that a facilitator of the FE design should represent. This is not intended as a rigid checklist but as an outcomes-focused framework for assessing the level of expertise, understanding, and credibility required to guide the industry through the FE design process. The criteria fall under six categories:

Governance, independence & ethical framework

This category assesses the firm's capability to work with industry to design a FE that establishes **fair, transparent, and trustworthy** governance frameworks.

It also assesses the **governance framework** the firm proposes for the industry-led FE design phase.

Industry support & stakeholder engagement

This category assesses the firm's ability to **foster collaboration** and gain the **confidence** of the **diverse** Open Banking ecosystem, both for executing the industry-led FE design phase and for the facilitation of the FE design.

Technical Capability

This assesses the firm's ability to **facilitate the design of the technical components** needed for the FE, and the approach to deliver, maintain and evolve these. Technical components must cover, but are not limited to, functions set out by the FCA FS25/4 (**standards, monitoring API performance, directory and certification** services).

Funding & financial feasibility

This category assesses the firm's ability to **facilitate the design** of a **cost-efficient** FE, with resilient funding and a **sustainable financial model**.

It also assesses the cost and funding model proposed for the industry-led **FE design phase**.

Risk management & Security

This category assesses the firm's ability to facilitate an industry-led FE design phase that will protect the Open Banking ecosystem, through **risk management, information security and fraud prevention**.

Operational Feasibility

This category assesses the firm's ability to facilitate the industry design of the **practical aspects** of establishing and running the operating entity, in line with the **FS25/4 operational requirements**. It includes topics such as **implementation plan and timeline, equitable access, organisational capacity and resources**.

8.6.7 Evidencing the Criteria

The Industry Evaluation Panel will review any collateral that provides supporting evidence against these categories. It is expected that firms will have different approaches to providing this evidence,

reflecting their different strengths and current status. Firms are encouraged to provide relevant supporting materials in whatever format best showcases their capability. Firms are not expected to provide evidence in every format suggested below. Evidence could be provided in various formats, including (but not limited to) the following:

Overall proposal:

A presentation outlining the firm's vision, methodology, plan and differentiators for facilitating the design of the FE.

Facilitation plan and approach:

An outline of how the firm would facilitate the industry-led FE design phase. This could include the proposed governance structure, industry engagement model, ways of working, timeline and funding model they will implement for the facilitate the industry-led FE design phase.

Subject Matter Experts:

Profiles of SMEs that have relevant experience and expertise to guide the industry-led FE design phase. Firms should provide SME capability to facilitate design across the six criteria categories, which could include domestic or international expertise in Open Banking, stakeholder engagement, industry facilitation, regulation, technical components, financial management, operational design and risk.

Industry support:

Independent, written endorsements from industry stakeholders confirming their confidence in and support of the firm. This could include reference to the firm's capability, collaborative approach, or track record with similar complex projects. Industry responses previously shared with the FCA will be included for review (where consent has been granted to share).

Proposed or example Design Principles:

Proposed Design Principles that will guide the firm's approach to facilitating the industry-led FE design, This could be supported by examples from previous work and could include (but not limited to) independent governance, interoperability, user-centricity, financial sustainability.

Proposed or example design options:

Example conceptual materials that showcase initial thinking on FE components and provide the basis for industry-led design discussions. This could include (but not limited to) draft governance models, technical options, process flows, or financial frameworks.

Case studies:

Examples of lessons learned or best practice from comparable UK or international projects that can be an input into industry-led design discussions. These should demonstrate the firm's experience and understanding of different design options and what a successful Open Banking implementation could look like.

Additional evidence:

Any further collateral that reinforces the firm's credibility and capability to facilitate the industry-led FE design phase.

8.6.8 Detailed Criteria

8.6.8.1 Governance, independence & ethical framework

This category assesses the firm's capability to work with industry to design a FE that establishes fair, transparent, and trustworthy governance frameworks.

It also assesses the governance framework the firm proposes for the industry-led FE design phase.

Governance during the FE design phase

1.1 Approach and capability to convene, mobilise and facilitate the industry design of the FE.

1.2 Effectiveness of the **proposed governance model** to enable the industry-led FE design phase. This could include (but not limited to):

- Independent corporate and governance structure
- Expertise of key contributors
- Ability to produce measurable outcomes
- Clarity and traceability of decision-making
- Inclusion of industry views in decision-making processes

1.3 Approach to ensure ethical, transparent, fair and efficient **decision making** and **ways of working** during industry-led FE design phase. This could include (but not limited to) guardrails and principles that set out:

- Independence, neutrality and objectivity
- Clear accountability lines
- Potential conflicts of interest
- Ensuring facilitation of the design does not restrict the decision as to which organisation becomes the FE operator.

1.4 The feasibility and pace of the timelines set out to facilitate the industry-design of the FE.

Facilitating the design of governance frameworks for the FE

1.5 Approach and capability to facilitate the design of **FE governance and decision making**. This could include (but not limited to) an understanding of the governance principles the FE should adhere to:

- Independence, neutrality and objectivity
- Ethical frameworks, transparency and accountability
- Efficiency and effectiveness of decision making
- Inclusivity of decision-making
- Allowing space for innovation and competition
- The need to operate free from undue influence, ensuring fair treatment and an unbiased approach across all market participants
- The FCA intention for the FE to be a new, not-for-profit company limited by guarantee

1.6 Understanding of and commitment to designing a FE that operates effectively within the established UK regulatory landscape and does not restrict the ability of the FE to be regulated by the FCA (pending the Long Tern Regulatory Framework)

8.6.8.2 Industry support & stakeholder engagement

This category assesses the firm's ability to **foster collaboration** and gain the **confidence** of the **diverse** Open Banking ecosystem, both for executing the FE Design phase and for the facilitation of the FE design.

Industry support & stakeholder engagement during the FE design phase

2.1 Proposed approach and commitment to engage different ecosystem stakeholder groups in the industry-led FE design phase. This could include (but not limited to):

- Ability to convene and manage diverse stakeholder groups that is representative of the UK Open Banking Ecosystem
- Commitment to industry co-design

2.2 Credibility within the ecosystem, or ability to evidence support received by the firm from different stakeholder groups across the industry.

2.3 Ability to facilitate consensus among diverse stakeholders on complex issues.

Facilitating the design of the stakeholder engagement framework for the FE

2.4 Approach and capability to facilitate the design of an ongoing stakeholder engagement model for the FE. This could include (but not limited to):

- Ensuring appropriate consideration of the different ecosystem stakeholder groups that is representative of the UK Open Banking Ecosystem
- Ensuring the FE stakeholder engagement model is flexible to respond to evolving user needs.
- Commitment to setting clear timelines and expectations, allowing the industry to plan effectively
- Understanding of the distinct needs, interests, incentives, and constraints across the different ecosystem stakeholder groups.

8.6.8.3 Technical Capability

This assesses the firm's ability to **facilitate the design of the technical components** needed for the FE, and the approach to deliver, maintain and evolve these. Technical components must cover, but are not limited to, functions set out by the FCA FS25/4 (**standards**, monitoring **API performance**, **directory** and **certification** services).

Facilitating the design of the technical framework for the FE

3.1 The firm's approach and capability to support the design of the technical components of the FE as set out by the FCA FS25/4 (**standards**, monitoring **API performance**, **directory** and **certification** services). This could include (but is not limited to):

- Technical understanding of the components needed for the FE:

- Standards development
- Directory and certification services
- API performance and monitoring
- Identity, verification and trust services
- Understanding of what constitutes strong technical capability that could improve outcomes for the UK Open Banking ecosystem.

8.6.8.4 Funding & financial feasibility

This category assesses the firm's ability to **facilitate the design** of a **cost-efficient** FE, with resilient funding and a **sustainable financial model**.

It also assesses the cost and funding model proposed for the industry-led **FE design phase**.

Financial feasibility during the FE Design phase

4.1 Transparency, independence and fairness of the proposed financial model for the FE design phase. This could include (but not limited to):

- Clarity of funding structure and expectations of industry contributions
- Certainty and timelines of funding, with the ability to mobilise rapidly for the design phase
- Evidence of independence or ring-fencing of funding for the FE design phase.
- Fairness of cost sharing across participant groups

4.2 Cost-efficiency and feasibility of the proposed cost model during the FE design phase, with:

- Completeness and achievability of cost estimates
- Transparent assumptions and cost drivers

Facilitating the design of a funding model for the FE

4.3 Approach and capability to guide the industry in the design of a practical and simple funding model, demonstrating understanding of key principles set out by the **FCA FS25/4**. This could include (but not limited to):

- **Long-term sustainability** of cost-recovery
- **Transparency and appropriateness** of funding sources
- How funding models need to be structured **to comply** with the not-for-profit, limited-by-guarantee structure
- **Proportionate cost sharing** across participant groups
- **Flexibility** as FE scope scales
- **Cost efficiency**

4.4 Approach and capability to guide the industry in developing a robust and resilient financial model, demonstrating an understanding of the following principles:

- Importance of **robust of financial modelling**, based on clear, defensible assumptions and projections
- Importance of **resilience and flexibility**, supported by stress-testing, balanced structures and appropriate financial buffers
- Importance of **industry testing and validation**, through stakeholder engagement and iterative refinement

8.6.8.5 Risk management & Security

This category assesses the firm's ability to facilitate an industry-led FE design phase that will protect the Open Banking ecosystem, through **risk management, information security and fraud prevention**.

Facilitating the design of the risk management & security framework for the FE

5.1 Approach and capability to ensure consideration of **risk management and security** topics as part of the industry FE design. This should include, but not limited to:

- Data protection and Information security
- Operational resilience
- Risk controls
- Consumer duty alignment

5.2 Approach and capability to facilitate the design of **fraud prevention and detection** capabilities for the FE, in a way that meets regulatory requirements and mitigates the risk of financial crime.

5.3 Inclusivity and effectiveness of the firm's proposed approach to facilitating an FE design that protects ecosystem integrity without creating overly burdensome requirements for new or smaller participants, ensuring the framework is **proportionate and transparent**.

8.6.8.6 Operational Feasibility

This category assesses the firm's ability to facilitate the industry design of the **practical aspects** of establishing and running the operating entity, in line with the **FS25/4 operational requirements**. It includes topics such as **implementation plan and timeline, equitable access, organisational capacity and resources**.

Ability to facilitate the design of the FE operating model

6.1 Approach and capability to facilitate the industry to design an FE which adheres to key operational principles. This could include (but not limited to):

- **Alignment with FS25/4 operational requirements for the FE:**
 - To work closely with MLA owner/operators to provide standards necessary to enable commercial schemes.
 - To ensure a minimum level of service and consistency across open banking services.
 - To support commercial schemes to innovate beyond the minimum level in the best interest of the UK and Consumers.

- To provide information and reporting to the FCA (eg for API performance or adherence to relevant standards)
- Ensuring the FE can be subject to **oversight and the rules set by the FCA as lead regulator for Open Banking**
- **Accessible participation** for all market segments, with guardrails to prevent disproportionate burdens on smaller or new entrants and avoid structural advantages for incumbents
- Accommodation of future **scalability and interoperability** into Open Finance, Smart Data and broader data-sharing initiatives.
- Independent interaction with the transition planning activities being executed separately under the CMA Order.



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