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By email: cp20-18@fca.org.uk

Dear Helene,

Financial Services Consumer Panel response to CP20/18: Quarterly Consultation No 29, Chapter 3: Proposals to amend the Open Banking identification requirements

The Panel welcomes the opportunity to respond to the FCA's proposals to amend the Open Banking identification requirements. Open Banking is a vital component of the Competition and Markets Authority's (CMA) Retail Banking review and a key tool to drive greater levels of innovation and consumer engagement. This will ultimately make the retail banking market work better for consumers.

This goal can only be achieved if consumers adopt Open Banking-enabled services. Progress is slow but positive, with the recent announcement that there are 2 million active users of Open Banking. We are concerned that the lack of a grace or transition period in FCA's proposals creates a cliff-edge for consumers that could threaten and derail the steady adoption of Open Banking in the UK.

At the end of the Brexit transition period on 31 December 2020, third-party providers will no longer be able to rely on eIDAS certificates. At least 1.5 million consumers of Open Banking-enabled services could therefore be forced to reauthenticate, or face loss of service provision, on 1 January 2021. There is potential for harm to large numbers of consumers, SMEs and third-party providers - many of which are themselves SMEs - if a relatively seamless alternative is not put in place by 1 January 2021.

To remove the need for mass reauthentication on 'day one', which could cause issues with regards to operational resilience and in the context of wider 90 day reauthentication, and to mitigate the risk of service disruption, we strongly recommend that the FCA allows a grace or transition period. During this period, there could be an orderly migration from existing eIDAS certificates to new, post-Brexit certificates.

Yours faithfully,

Wanda Goldwag
Chair, Financial Services Consumer Panel