



# Are You ‘Open’ to Sharing More of Your Financial Data?

Your financial data is everywhere, but could it be better utilised? You may already be familiar with the term ‘open banking’ – a simple, secure way for individuals to share data on their cash accounts with service providers to help move, manage, and make more of their money. So, it is no wonder that regulators are looking at proposals to make even more financial data widely available.

In this article we look at proposals for frameworks for financial data access, currently under consideration in the European Union (EU) and the United Kingdom (UK), as well as considering the potential implications for impacted firms.

## The EU

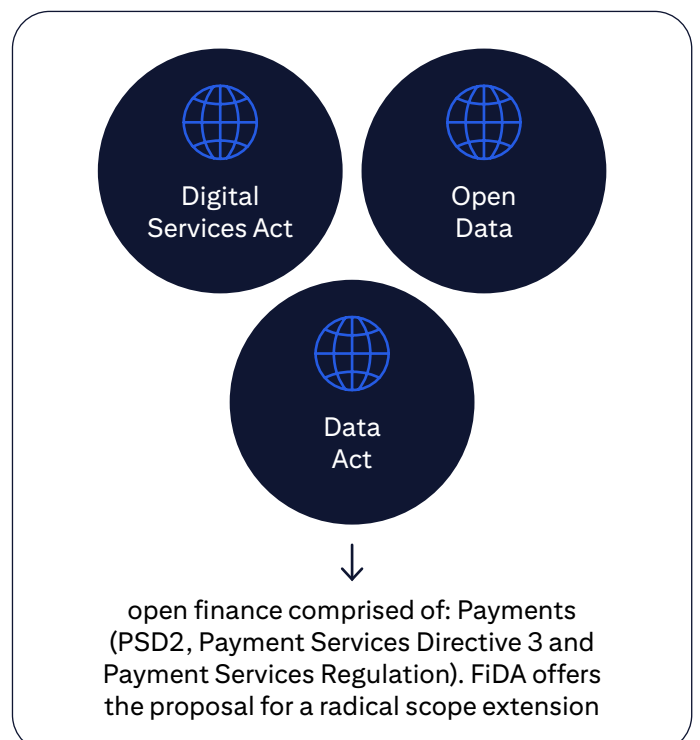
In June 2023, the European Commission (the Commission) put forward its proposals for a regulation on a framework for financial data access (FiDA).

This proposal was prompted by the Commission’s 2020 digital finance strategy, where it identified the promotion of data-driven finance as one of its priorities.

Building on the Payment Services Directive (PSD2), which enables the sharing of payments account data, commonly known as open banking, FiDA would enable the sharing of a broader set of financial services data.

If you had to visualise FiDA and where it will sit alongside other legislation comprising the EU Digital Finance Strategy Framework, the diagram opposite gives you an idea.

According to the Commission, financial data access “refers to the access to and processing of business-to-business and business-to-customer (including consumer) data upon customer request across a wide range of financial services.”



To date, businesses and consumers have been limited in how they can share their financial data, as there are currently no rules equivalent to PSD2 permitting the sharing of other financial data held by businesses such as credit institutions, insurers, etc.

The objective of FiDA is to enable access to personalised, data-driven products and services that may fit consumers' specific needs beyond those currently available through open banking.

In the words of the Commission's [proposal](#):

**“Firms, notably SMEs, would enjoy wider access to financial products and services. Financial institutions would be able to take full advantage of digital transformation trends, while third-party service providers would enjoy new business opportunities in data-driven innovation. Consumers and firms will be given access to their financial data to enable data users to provide tailored financial products and services that better suit customers' and firms' needs.”**

### What data are we talking about?

First, let's look at the type of data that would be caught by FiDA.

Covered data which consists of:

- Mortgage credit agreements, loans, and accounts (excluding payment accounts defined in PSD2), including balance, conditions, and transaction data;
- Savings, investments in financial instruments, insurance-based investment products, crypto-assets, real estate, and related financial assets, including data for suitability and appropriateness assessments;
- Pension rights in occupational pension schemes and pan-European Personal Pension Products (PEPPs);
- Non-life insurance products (excluding sickness and health insurance), including data for demands and needs assessments and appropriateness and suitability assessments; and
- Data used for creditworthiness assessments of firms collected during loan applications or credit rating requests.

### Which firms are captured by FiDA?

These are referred to in the proposed legislation as 'Covered Entities' (and can be either data holders or data users), and encapsulate a wide range of firms:

- Managers of alternative investment funds, management companies of undertakings for collective investment in transferable securities, credit institutions, payment institutions, electronic money institutions, investment firms, crypto-asset service providers, issuers of asset-referenced tokens, insurance and reinsurance undertakings, insurance intermediaries, institutions for occupational retirement provision, credit rating agencies, crowdfunding service providers, PEPP providers, and financial information service providers.

### Firms excluded from the scope of FiDA

- Includes entities mentioned in Article 2(3), points (a) to (e) of DORA (Regulation (EU) 2022/2554), including small alternative investment fund managers.
- FiDA doesn't affect existing EU laws on accessing and sharing customer data, unless stated otherwise.

### Definitions

FiDA defines terms like “consumer”, “customer”, “customer data”, “competent authority”, “data holder”, “data user”, “financial information service provider”, “financial institution”, etc., within the context of the regulation.

### Data Access

#### Obligation to make data available to the customer

Data holders must provide customers access to their data electronically, without delay, free of charge, continuously, and in real-time, upon customer request.

#### Obligations on data holders to make customer data available to data users

Data holders must make customer data available to data users electronically, without delay, continuously, and in real-time, upon customer request and for the purposes authorised by the customer.

Data holders can also charge data users for providing this data, but only if it's done according to a financial data sharing scheme (Articles 9 & 10 or Article 11).

Further, data holders must:

- Provide data in a format based on recognised standards and of the same quality they have access to;
- Ensure secure communication with data users;
- Verify data users have customer permission to access the data;
- Provide customers with a permission dashboard (Article 8); and
- Respect trade secrets and intellectual property rights.

#### Obligations on data users receiving customer data

Under FiDA, data users must be authorised by a competent authority as a financial institution or financial information service provider (Article 14) to access customer data.

Data users can only access and use the data for the purposes and conditions authorised by the customer and must delete it when no longer needed, noting that customers can withdraw or re-establish their permission at any time.

Data users must:

- Only process data for the service requested by the customer;
- Respect trade secrets and intellectual property rights;
- Implement measures to prevent unlawful access to non-personal customer data;
- Ensure secure storage, processing, and transmission of non-personal customer data;
- Not use data for advertising except for direct marketing according to EU and national law; and
- If part of a group of companies, only the entity acting as the data user can access and process the data.

## Responsible Data Use and Permission Dashboards

### Data use perimeter

- Processing of personal customer data is limited to what's necessary for authorised purposes.

FiDA instructs the European Banking Authority (EBA) to develop guidelines for using data for consumer credit scoring and the European Insurance and Occupational Pensions Authority (EIOPA) to develop guidelines for using data for risk assessment and pricing of life, health, and sickness insurance products. Both are required to cooperate with the European Data Protection Board when drafting guidelines.

### Financial Data Access permission dashboards

Data holders must provide customers with a permission dashboard to monitor and manage data sharing permissions given to data users. The dashboard must:

- Show an overview of each ongoing permission, including the data user's name, the account/product/service accessed, the purpose, the data categories shared, and the validity period;
- Allow customers to withdraw or re-establish permissions;
- Keep a record of withdrawn or expired permissions for two years;
- Data holders must ensure the dashboard is easy to find and understand; and
- Cooperate to provide real-time information on the dashboard.

## Financial Data Sharing Schemes

### Financial data sharing scheme membership

Data holders and users must join a financial data sharing scheme within 18 months of FiDA's entry into force. They can also join multiple schemes, and data sharing must comply with the rules of a scheme where both the data holder and user are members.

### Financial data sharing scheme governance and content

Requirements are outlined for financial data sharing schemes, including membership, governance, data and interface standards, compensation models, liability rules, and dispute resolution systems.

### Empowerment for Delegated Act in the absence of a financial data sharing scheme

If no scheme is developed for specific data categories, the Commission can adopt a delegated act to specify data sharing modalities, including standards, compensation models, and liability rules.

## Eligibility for Data Access and Organisation

### Application for authorisation of financial information service providers

Under FiDA, financial information service providers need authorisation from a competent authority to access customer data. Details of the application process, including information and documentation required, is contained within this section (Article 12).

### Legal representatives

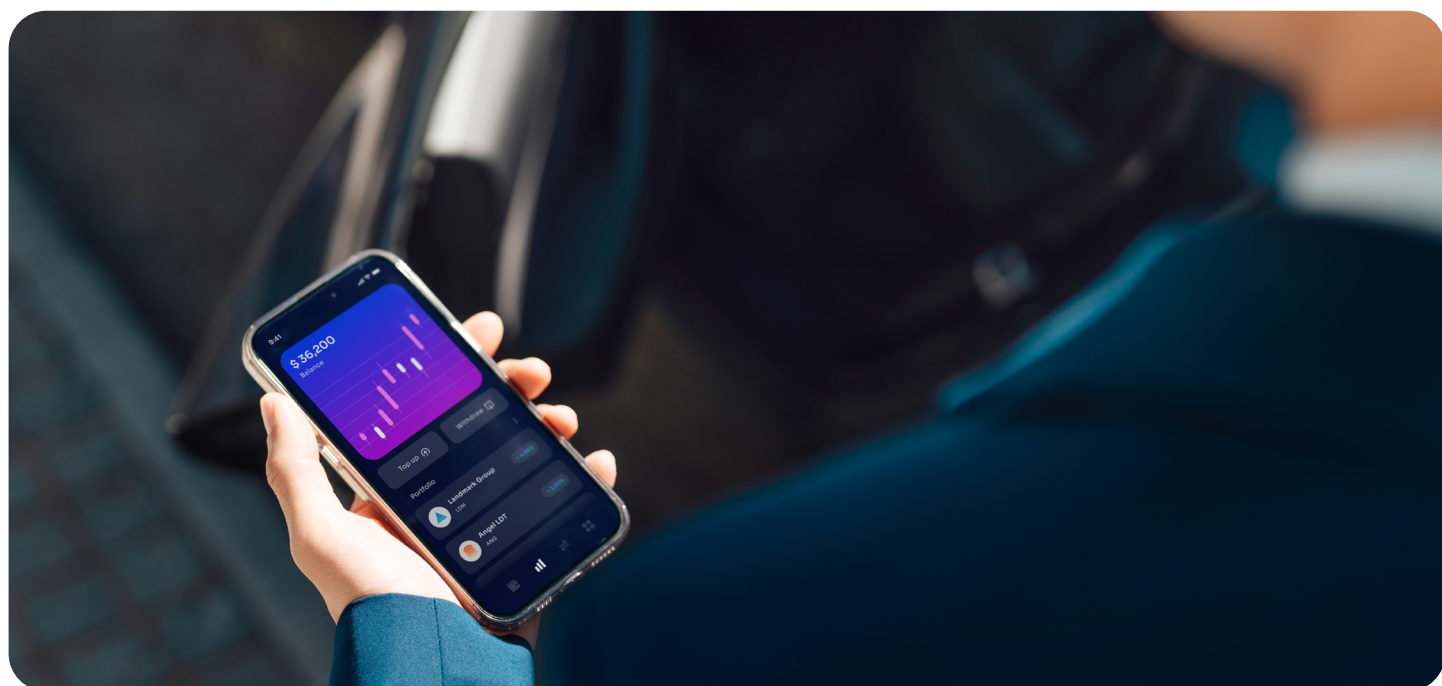
Financial information service providers outside the EU need a legal representative within the EU to access financial data. This section (Article 13) further outlines the roles and responsibilities of legal representatives.

### Granting and withdrawal of authorisation of financial information service providers

Article 14 provides details of the conditions for granting and withdrawing authorisation for financial information service providers.

### Register

FiDA instructs the EBA to maintain a public register of authorised financial information service providers, financial data sharing schemes, and other relevant information.



### Organisational requirements for financial information service providers

Article 16 outlines organisational requirements for financial information service providers, including policies, procedures, risk management, governance, and security measures.

### Competent Authorities and Supervision Framework

#### Competent authorities – their investigatory and enforcement powers

Member States will be able to designate competent authorities with responsibility for enforcing FiDA. The investigatory and enforcement powers of competent authorities are also outlined. See Article 17 and 18 for further details.

Articles 19 through to 22 cover settlement agreements and expedited enforcement procedures, which allows Member States to establish procedures for settlement agreements and expedited enforcement in breach cases.

Administrative penalties and other administrative measures; periodic penalty payments for non-compliance with decisions or orders are to be considered when determining administrative penalties and other administrative measures.

#### Professional secrecy, right of appeal and publication of decisions

FiDA ensures professional secrecy for information obtained during the course of competent authorities' duties. A right of appeal, and a requirement for the publication of the decisions of competent authorities.

Further requirements cover the cooperation and exchange of information between competent authorities, and details for establishing a mechanism for resolving disagreements between competent authorities.

### Cross-border Access to Data

Article 28 allows for cross-border access to data for financial information service providers and financial institutions, outlining the notification process for cross-border data access.

Whilst Article 29 requires competent authorities to justify and communicate any measures taken that restrict cross-border data access.

### Regulatory progress to date

On 2 December 2024, the European Parliament (Parliament) adopted a negotiating mandate produced by the Council of the European Union (Council).

This negotiating mandate is broadly the same as the original proposal. The Council's text however includes more requirements in relation to the protection and use of customer data.

These suggested revisions also include restrictions on "gatekeepers" such as BigTech firms, as defined<sup>1</sup> in the Digital Markets Act, to ensure they do not mix permitted financial data with other data that they may hold on consumers.

The suggested revisions also remove the ability for financial information service providers to originate outside the EU, the justification being that exclusion will:

- Ensure a level playing field with EU established financial information service providers and avoid forum shopping;
- Ensure proper enforcement and supervision; and
- Avoid major risks of data leaks and/or misuse for European consumers.

The Council text also includes potential transitional periods for the implementation of FiDA ranging from 12 to 36 months after its entry into force.

### Opposition

On 9 December 2024, a joint [statement](#) was issued by the Association for Financial Markets in Europe (AFME), the European Association of Co-operative Banks (EACB), the European Banking Federation (EBF), the European Fund and Asset Management Association (EFAMA), the European Savings and Retail Banking Group (ESBG), and Insurance Europe, calling on legislators to conduct a thorough assessment of the impact of FiDA, across the entire value chain, before any further progress toward implementing the regulation.

On 10 February 2025, it was reported that the Commission may abandon FiDA within six months due to pressure from industry lobbyists who are concerned that the proposals would introduce significant cost and complexity, and that customer and market demand for such data-driven services had not been proven. The reports also suggest that there are concerns that the proposals would favour BigTech firms at the expense of traditional financial institutions.

However, on 11 February 2025 the Commission [published](#) its 2025 work programme where FiDA was still in the list of pending proposals, meaning that negotiations will continue.

During April 2025, the first trilogue meeting took place, during which the Commission was asked by Parliament and Council to prepare simplification proposals by the end of April. It is also rumoured that France and Spain are preparing a discussion paper for the Council, expected around the same time.

### What happens next?

The FiDA proposal will, of course, continue to find its way through the EU legislative making process, through the trilogues that are continuing (based on the latest positions of the Parliament and the Council).

Progress will be necessary to achieve a final compromise text on the FiDA Proposal, possibly by late 2025. However, given that the transitional provisions of the original proposal have also been subject to amendments lately (with the Parliament and the Council looking to extend the original 18 to 24 month transitional period to transitional periods ranging from 36 to 48 months for different types of customer data), the go-live date of the first EU open finance framework could yet remain some time off in the future, and no earlier than late 2027.

## The UK

Whilst the UK does not currently have an exact legislative replica of FiDA, on 19 June 2025, the Data (Use and Access) Act 2025 (the DUA Act), setting out rules intended to enhance the UK's digital strategy and unlock the use of data, harnessing its capabilities to boost public services and contribute to the UK economy, received Royal Assent. [The Data \(Use and Access\) Act 2025 \(Commencement No. 1\) Regulations 2025](#) have now been made. Regulation 2(a) brings into force Part 1 of the Act which relates to access to customer and business data in connection with the development of Smart Data schemes.

Two of the areas targeted by the DUA Act, which are most relevant to this article include:

**Sharing customer and business data:** The DUA Act sets out a framework for the approval of data schemes that will enable data holders, who are in-scope of such a scheme, to provide access to customer data (defined as information relating to a customer of a trader) and business data (information about goods, services or digital content supplied or provided by a trader) to customers and other third parties that are authorised by the customer to receive the data.

Unlike the UK [Data Protection Act](#) however, the data sharing reforms in the DUA Act are not limited to public sector data, covering many diverse elements such as the protection of copyright in the development of artificial intelligence, the availability of data relating to apparatus in streets (such as water mains, electricity cables, gas pipes, etc.), and biometric data.

In relation to financial services, the new framework opens the door to the Financial Conduct Authority (FCA) to make rules governing the provision of services that may enable open finance products, beyond what is currently possible under the existing open banking provisions.

**Digital verification:** The DUA Act sets out a framework intended to secure the reliability of digital verification services. This includes certification for organisations that meet the requirements of the framework, a register of providers, and an information-sharing gateway. The government also has the option to create a "trust mark" which can be issued to certified providers, which the government hopes will enable consumers to make informed decisions about organisations with whom they share personal data and give them confidence that organisations displaying the trust mark will process their personal data to a stringent set of standards.

## Regulatory insights on the use of data

As access to data grows exponentially, can we look to regulator's experiences when using data and developing their own data strategies?

In a speech delivered by James Benford, the Bank of England's (BoE's) Executive Director, Data and Analytics Transformation and Chief Data officer, on 13 May 2025 titled [Data governance to set us free](#), he talks about how the BoE relies on high-quality data to underpin the decisions that it makes.

Can we learn from this, especially given the enormous breadth of data that the BoE needs, to gain granular insights into what is happening in the economy, and wider financial system?

In terms of other organisations looking to navigate their own data governance journeys, the BoE speech provides three key thoughts:

1. Success in any data strategy rests as much in **culture** as it does in content.
2. Advocating for **humility** – pause, reframe, and design with the end-user in mind.
3. See governance as the **lever through which you can exercise agency over your collective future**.



## The path to open finance may be long and winding

The FCA isn't sitting on its hands waiting for the UK Government to instruct it to pave the way for open finance.

As early as August 2019 it established an advisory group on open finance to discuss the potential of extending open banking-like data-sharing to a wider range of financial products. In December the same year it published a Call for Input (Cfi)<sup>2</sup> to explore the opportunities and risks arising from open finance. The FCA wanted to understand what is needed to ensure open finance develops in the best interests of consumers, and what role it should play.

In the resulting Feedback Statement<sup>3</sup> the FCA details several areas where respondents to the Cfi thought it could do more to support the further development of open banking, and included "lessons for open finance" which included:

- Some form of compulsion/incentivisation for sharing data;
- A legislative and regulatory framework;
- Common technical standards to support open finance; and
- An implementation entity.

Also raised were observations on the uptake of open banking and the need for consumers to be made aware of the benefits of sharing data with third parties while addressing their concerns about data security and privacy.

Not rushing the development of a roadmap to open finance was also raised, with respondents stressing the need for realistic timeframes to ensure industry support.

It was noted that the costs of delivering open banking had, at that point, exceeded what was originally expected and that further work would be needed to demonstrate both that open finance could be delivered at lower cost, and that there was demand for open finance.

More recently these concerns have been echoed by the Euro Banking Association Open Finance Working Group (OFWG). In a report titled "Financial Data Access (FiDA): The catalyst for an Open Data Economy?" the OFWG notes challenges to the implementation of FiDA including:

- Costs;
- Implementation timelines; and
- Potential scheme fragmentation.

Finally, the FCA held a two-day Open Finance Sprint, in March 2025, where it brought together over 110 stakeholders, representing a wide range of organisations from the financial services industry, regulators and technology experts. The FCA said the focus of the Sprint was on developing practical data-sharing use cases ideas to support:

- Financial wellbeing;
- Financial growth;
- Financial resilience; and
- Better consumer empowerment through digital verification.

Examining the key regulatory and technological considerations for open finance, the participants developed a shared vision for the year 2030 where a successful open finance ecosystem exists, which benefits all participants and generates growth for the market and the UK economy.

The FCA says that, rather than a fixed endpoint, Vision 2030 represents a direction of travel that is grounded in practical building blocks already beginning to take shape.<sup>4</sup>

## Conclusion

The introduction of FiDA and the UK DUA Act have the potential to herald in a new era of on-line financial services.

Greater data sharing could change the way consumers interact with their finances. Firms with access to consumers' financial data, beyond just bank cash accounts, will be able to provide products and services tailored to the individual. This could also cause customers to rethink their approach to their finances – looking across insurance, savings, investments, and pensions products.

Of course, all of this will not be without risk. Firms will have to ensure that they have IT security processes in place that meet current data protection requirements, to prevent data breaches and maintain trust. See our earlier article '[The Flip Sides of Data – A Strategic Asset and a Potential Risk](#)' for further details.

The message from the Commission is clear, the future of finance in the EU will be opened to fintech's that can use EU consumers' financial data to provide greater choice, to a wider audience, than ever before.

In terms of both the EU and UK proposals, although still in flight, firm's likely to be impacted may wish to undertake a high-level assessment to get a better understanding of how the draft legislation may impact them from both an operational and technological perspective. Tracking the ongoing progress of the legislation would also be useful.

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<sup>1</sup> See proposed FiDA Article 3(31) – 'gatekeeper' means an undertaking providing core platform services, designated pursuant to Article 3 of Regulation (EU) 2022/1925 (Digital Markets Act) which defines a gatekeeper as: i) having a significant impact on the internal markets, ii) provides a core platform service which is an important gateway for business users to reach end users, and iii) enjoys an entrenched and durable position, in its operations, or it is foreseeable that it will enjoy such a position in the near future.

<sup>2</sup> Call for Input: Open finance 17 December 2019

<sup>3</sup> FS21/7: Open finance – feedback statement 26 March 2021

<sup>4</sup> Open Finance Sprint 2025 Outcomes report July 2025



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