

ACCIE statement on Open Finance

The Association of Credit Card Issuers Europe (ACCIE) represents the specialised European credit card issuing industry in the European and national legislative processes. ACCIE's mission is to ensure that cardholders across Europe gain optimal benefit from the credit card payment instruments offered by its members.

ACCIE welcomed the European Digital Finance Strategy published in 2020 by the European Commission and is pleased to see the current public consultation on an Open Finance framework to further build upon the successful foundation of Open Banking. Given the trend towards greater data usage and data sharing in the payment sector, ACCIE understands the need for third-party service providers to have access to business and consumer data. ACCIE commends the Commission's view that an Open Finance framework "should be based on the principle of a level playing field for existing and new entrants, and subject to data protection rules and clear security safeguard." ACCIE believes that, as Open Finance will be built upon the foundations laid in Open Banking, some issues remain with Open Banking that must be addressed before progressing to Open Finance.

Data is a matter of security and privacy

Within Open Banking, access to specific kinds of data was well-defined in order to ensure the highest possible levels of security and data protection. As Open Finance would share data with more actors, ACCIE has concerns about extending the use of customer financial data by third parties, and the potential for insufficient control over how, and for how long, data would be used by third parties. Furthermore, ACCIE believes that sufficiently strong customer data protection provisions would enable financial firms to share customers' data with regulated financial institutions, in cases where the customer grants their permission. In this way, market-driven innovation and competition would lead to the most efficient standardisation, as was the case for Open Banking APIs¹.

In addition, ACCIE believes that Strong Customer Authentication should be applied periodically under the Open Finance framework. A customer's authorisation to access their data should automatically expire after a certain period of time. Finally, to ensure a level playing field, ACCIE is convinced that all third-party service providers benefitting from access to customer data should fall under the same financial supervision and regulation as the financial institutions that provide such access. The scope of account information service provider licenses implemented under PSD2 should be extended to cover all financial services where new data access rights for third-party service providers would be introduced.

Creating a fair and sustainable framework for all

ACCIE calls for clarity on where liability on data² lies, sector-by-sector, as issuers are usually mandated to provide consumer data during a transaction with a third party with APIs without any compensation. ACCIE, therefore, calls for provisions under an Open Finance framework to ensure a reasonable return on investment for collecting and structuring the data that issuers would be entitled to make available to third parties.

¹ Application programming interface

² In terms of outdated or incomplete data sets, data misuse, and/or uncertainty about data ownership rights.

Great untapped potential

ACCIE urges the Commission to pay close attention to unintended consequences of data sharing, such as financial exclusion stemming from customer profiling. This could be mitigated with the establishment of best practices for customer profiling and clear definitions of specific data fields that may be used for customer profiling. Furthermore, Open Finance offers great potential to develop digital tools to assess the ESG³ profile of financial products (such as the environmental impact of investment portfolios or carbon footprint estimation of specific products) which would be in line with the European Sustainable Finance Strategy.

³ Environmental, Social, and Governance.