



Electronic Money Association

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Professor Alasdair Smith

Chairman

Retail Banking Market Investigation

Competition and Markets Authority

Victoria House

Southampton Row

London WC1B 4AD

20 July 2016

Dear Professor Smith

Re: Response to Competition and Markets Authority (CMA) Provisional Remedies for the Retail Banking Market Investigation

We write in relation to the CMA's proposed remedy to make an Order requiring that nine banks in the UK adopt and maintain common API standards through which they will share data with other providers and third parties. We are aware of the process being undertaken to set up an Implementation Entity ("IE") with an independent chair, and the work that Payments UK and the 9 banks have done so far in setting up the structure of this entity.

We are the largest representative of new and alternative payment service providers ("PSPs") in the UK comprising mostly electronic money and payment institutions, including major technology innovators and specialist PSPs - please see list of our members attached to this letter. We are concerned over the current membership structure of the IE, the ability of non-bank PSPs to participate in its governance, and consequently play a meaningful part in the development of standards.

- The CMA-driven work will not only deal with bank account related payments issues but will also encompass obligations arising from the second Payment Services Directive ("PSD2"), which impact all PSPs
- Under PSD2, our members will act as account servicing PSPs. In other words, they will be required to make available APIs that expose their own customers' payment account data to third parties.

- Separately, they also expect to utilize data from other PSPs (including banks) in the context of delivering new, innovative financial services to consumers.
- In other words, they are equally captured by PSD2 obligations and should have equal say in the development of those standards
- Our members have unique experience in developing and deploying data-sharing APIs in their businesses, both internally, and externally for use by 3rd party partners
- EMA members are responsible for some of the most innovative implementations of payment services in the last decade, have specific requirements related to financial data APIs, and can provide a unique perspective on the evolution of payments that the work of the IE should consider
- Finally, the work of the IE, if successful, can facilitate a much broader initiative that non-bank PSPs can help to facilitate, and which would require their involvement right from the outset.

We believe therefore that the EMA and its members should play a more direct role in the development of financial data-sharing API standard and in the governance of the entity that will develop such APIs in the UK. It is not sufficient, nor acceptable, for one part of the industry to drive development, while another - perhaps the most innovative - be limited to an advisory or observer role in its governance.

We believe direct participation in governance is key, and allocation of sufficient voting power to our members to make a meaningful contribution is important.

We have been supportive of the work of the Open Banking Working Group, and contributed heavily towards the generation of Open Banking Standard Report through several working groups. We believe that the Implementation Entity must be populated in a balanced manner, with representation from different parts of the payments industry, as well as other stakeholder sectors. Our members however are uniquely impacted as both providers and users of data that will be shared over the APIs that IE propose to develop.

I would be grateful for your consideration.

Yours sincerely,

Dr Thaer Sabri
Chief Executive Officer
Electronic Money Association

Cc: Edward Corcoran, Head of Payment Services and Systems, HM Treasury
Cameron Yorston, Head of Banking Competition, HM Treasury

List of EMA members as of May 2016:

- Advanced Payment Solutions Ltd
- Airbnb Inc
- Allegro Group
- American Express
- Azimo Limited
- Bitstamp
- Blackhawk Network Ltd
- Boku Inc
- Citadel Commerce UK Ltd
- ClickandBuy International Ltd
- Clydesdale Bank
- Corner Banca SA
- EMP Systems
- Euronet Worldwide Inc
- Facebook Payments International Ltd
- First Rate Exchange Services
- Flex-e-card
- Google Payment Ltd
- iCheque Network Limited
- IDT Financial Services Limited
- Ixaris Systems Ltd
- Kalixa Pay Ltd
- MarqMillions
- [Mercari](#)
- One Money Mail Ltd
- Optimal Payments
- [Optal](#)
- Park Card Services Limited
- Payleven Ltd
- Payoneer
- PayPal Europe Ltd
- PayPal Europe Ltd
- PayPoint Plc
- PPRO Financial Ltd
- Prepaid Services Company Ltd
- PrePay Technologies Ltd
- R. Raphael & Sons plc
- [Remitly](#)
- Securiclick Limited
- Skrill Limited
- Stripe
- Syspay Ltd
- Transact Payments Limited
- TransferWise Ltd
- Valitor
- Wave Crest Holdings Ltd
- Wirecard AG
- Worldpay UK Limited
- Yandex.Money