

CMA statement in response to End of Implementation Roadmap Report

On 31 January 2023, Charlotte Crosswell, the outgoing Chair/Trustee of the Open Banking Implementation Entity (OBIE), published a [summary](#) of her End of Implementation Roadmap Report. The report contains recommendations to the CMA on how to maintain the CMA's Retail Banking Market Investigation Order 2017 (the [Order](#)) during the Interim State (the period from the substantive [completion of the Open Banking Roadmap](#) – the end of the implementation phase of the CMA's Open Banking remedy – to the establishment of a long-term regulatory framework for Open Banking). The report also sets out her personal views to the Joint Regulatory Oversight Committee (JROC) – which consists of the Financial Conduct Authority (FCA), the Payment Systems Regulator (PSR), HM Treasury and the CMA – on how to ensure the benefits of Open Banking to consumers and SMEs are sustained and developed going forward.

The publication of the summary of Charlotte Crosswell's report, coming as it does soon after the completion of the Roadmap and the [appointment](#) of Marion King as the new Chair/Trustee of the OBIE, heralds a significant milestone for Open Banking.

Open Banking has been a major success in improving competition in retail banking and securing positive outcomes for consumers and businesses. There are now over 6.5 million active users of Open Banking-enabled products in the UK, providing UK consumers and SMEs with innovative products to help them better manage and make more of their money.

The UK's Open Banking model has been successful because it has been underpinned by a clear regulatory mandate, in the form of the Order and the revised Payment Services Directive (PSD2), placing a formal obligation on the largest banking providers to implement open standards. The Order also placed requirements on the major banking providers to fund the OBIE so that it was able to develop the technical expertise necessary to work closely with the banking providers and Third Party Providers (TPPs) to develop the open standard and associated services. The UK's approach in mandating and enforcing a single standard has allowed UK fintechs to overcome challenges much faster than other jurisdictions. There are now 246 regulated third-party providers in the UK compared to 338 in the whole European Economic Area.

The scope of the CMA Order is, however, limited to the specific areas that were the focus of the CMA's market investigation into retail banking in 2017. Extending Open Banking beyond the scope of the Order has the potential to unlock substantial benefits to consumers and businesses across the UK, for example, through unlocking the potential for Open Banking as a critical infrastructure for payments, as well as facilitating the growth of new savings and investments products and services.

For a Future Entity to develop Open Banking beyond the scope of the Order, it will need to be underpinned by an effective regulatory framework. It will also need a clear set of priorities beyond the Order, both in the immediate term and more generally, so that the potential of Open Banking can be realised and momentum is not lost.

The CMA is committed to supporting the FCA, the PSR and HM Treasury as Open Banking moves forward. It is important now that the JROC sets out a clear direction of travel and plan to place Open Banking on a sustainable, long-term footing, and enable the OBIE to prepare for the transition to a Future Entity. This particularly needs to resolve how activities that are beyond the scope of the Order will be funded, and liabilities shared, and establishing clear priority sectors into which Open Banking would further expand. In addition, the long-term regulatory framework for Open Banking, underpinned by legislation, must be established, which includes regulatory powers for the FCA and the PSR to provide effective oversight over the Future Entity.

We are committed to supporting the further growth and development of Open Banking to the extent we have power to do so, and will work with the OBIE, the FCA, the PSR, HM Treasury, the CMA9 (the nine largest current account providers in Great Britain and Northern Ireland) and other key stakeholders to achieve this aim.