

## **FFI response to the European Commission's Call for Evidence on an Open finance framework – enabling data sharing and third party access in the financial sector**

Finance Finland (FFI) supports efforts towards fair data sharing in which the treatment of different players is based on a true level playing field and reciprocity. The focus of opening up data should not be solely on the financial sector, but broadly on all sectors of society. Data access, sharing and usage should be considered in a broad context, with focus on cross-sectoral data sharing, i.e. the data economy. Taking this to account, **any mandatory framework for open finance and new data access rights shouldn't be introduced** as these may turn out to be ineffective and only lead to further fragmentation.

FFI finds it important that the impact, costs and benefits of the revised Payment Services Directive (PSD2) are carefully and comprehensively assessed and analysed before any decisions on the wider opening up of financial data are made. As several weaknesses and challenges in the PSD2 have been recognized, **any new initiative in the area of data sharing should not be based on the PSD2 framework as such**. For example, data protection and security related issues must be carefully considered and solved before introducing legislation regarding data sharing beyond PSD2. This also applies to questions regarding the responsibilities and liabilities between different actors.

However, we believe that **promoting a data-driven financial sector is valuable**. Consent-based data sharing could be beneficial and create added value for businesses and consumers in the form of new digital and innovative financial services if considered from a holistic perspective. Data generated by the commerce and e-commerce sectors, data regarding the value of housing company shares or real property, data collected by vehicles, ESG reporting data and real-time accounting data of businesses as well as taxation data can be mentioned as examples of such potentially relevant data that might enable the financial sector to provide better products and services for its customers.

In Finland, we have already seen the digitalisation of housing trade in collaboration between private and public sector. The DIAS trading platform combines relevant data from different sectors and data holders, such as banks and estate agencies, and thus enables digital housing trade. Additionally, the Finnish pension insurers have been forerunners in developing digital pension tracking tools that are widely deployed by Finnish citizens and different service providers. Hence, we believe that **there will be willingness to give access, share and use data on a voluntary and contractual basis if there is a real customer need for it and it is backed up by a market mechanism**. Thus, **businesses' role in developing practices is crucial**. The industry should have a role when establishing standards and common specifications and developing model contracts

A mandatory framework for data sharing would require significant investments in technical infrastructure and compliance. We are concerned that these kinds of obligations would hinder the possibilities to develop other digital services that could potentially create more benefits and value for customers. This is the case especially, if opening up the data is not compensated in a fair manner. **'Data free of charge' rarely creates a market mechanism**.

Finally, it is highly important that any open finance initiative is compliant with the data protection regulation and consumer protection principles. **Customers must have absolute confidence in the security of their data, full control over the data being shared and the right to determine to which services and under what conditions their personal data will**

**be used.** Data that constitutes trade secrets or other business sensitive information should not be subject to data sharing, so only observed data should be shared.