

Consultation launched on the future governance of open banking

Press release

The CMA has launched a consultation on the future governance of Open Banking.



Open Banking is an initiative launched by the Competition and Markets Authority (CMA) in 2017 following its [Retail Banking Market Investigation](#). It allows consumers and SMEs to share their bank account information securely with trusted intermediaries who can then use this information to help them save time and money by finding better products to suit their needs. In turn, open banking aims to place competitive pressure on the larger, established banks who have accounted for over 80% of the current account market for many years.

Since its establishment, Open Banking now has around 3 million active users and it is estimated that more than half of small and medium businesses use tools employing open banking functionality.

In order to implement open banking, the CMA required the 9 largest current account providers in Britain and Northern Ireland respectively to create and pay for an implementation entity – known now as the Open Banking Implementation Entity – and to appoint an implementation Trustee, approved by the CMA, to oversee the process.

The implementation phase of open banking is nearing completion and the [CMA is now consulting on what arrangements should be put in place for its governance in the next phase of its development](#).

Banking industry body UK Finance has submitted proposals that involve creating a new body, with a more broadly-based funding and governance model, to succeed OBIE. It is proposed that this body would take over OBIE's functions, other than compliance monitoring, which will be handled separately. The CMA will consider these proposals as part of its consultation.

Interested stakeholders are being consulted on 3 main areas:

- Whether the successor organisation proposed by UK Finance proposals will be: independent and accountable; adequately funded; dedicated to serving the customer's interests; and robust and sustainable;
- What compliance monitoring arrangements will it be necessary for the CMA to put in place going forward;
- What transitional arrangements should be adopted and when should the process begin.

The CMA's consultation will run until 29 March 2021.

1. Find out more information on the [the future oversight of the CMA's open banking remedies consultation](#) page.
2. Open Banking now has around 3 million active users. This level of usage is likely to be further reinforced as HM Revenue and Customs starts using open banking payment products to collect tax.
3. A wide variety of [Open Banking products are now available](#), ranging from tools to help consumers find the best mortgage for them to apps that are designed to help the more vulnerable, for example alerting carers to unusual spending by their clients.
4. Find out more about [UK Finance Open Banking Futures](#).

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