



Mr Alex Roy
Head of Department, Consumer Distribution
Financial Conduct Authority
12 Endeavour Square
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London

Dear Alex,

Thank you for this opportunity to respond to the FCA's CP21/3 [Changes to the SCA-RTS and to the guidance in 'Payment Services and Electronic Money - Our Approach' and the Perimeter Guidance Manual](#).

Financial technology (fintech) offerings have grown rapidly since the introduction of the Competition and Market Authority Retail Market Investigation and the revised Payment Services Directive (PSD2). Many consumer experiences are now occurring digitally, with demonstrably beneficial outcomes for consumers. Well over two-thirds of UK adults (72%) used online banking and over half (50%) used mobile banking to access their financial information in 2019. This growing ecosystem is built on the premise that consumers own and can knowingly authorise the sharing of their data to gain access to a desired product.

We are fintech companies that provide and rely on these types of services, powered by consumer-permissioned data, to thousands of UK individuals, households, and businesses. Consumers and businesses use our services to track their spending, save for the future, gain access to responsible credit, improve credit scores, pay down debt, and generally achieve their financial goals. Our customers come from a range of financial backgrounds, and banks with a range of financial institutions, from national banks, to app-only banks, to local building societies.

To use our services, consumers rely on their ability to authorise the sharing of their financial data. When authorised access is consistent and reliable, a larger pool of consumers are equipped with access to their financial data, which in turn incentivises ecosystem participants like us to compete to develop innovative data-driven, consumer-centric services that help consumers and businesses manage their financial lives.

We support the FCA's recommendations outlined in CP 21/3 that third party providers (TPPs) should be the responsible party for obtaining re-consent every 90 days to ensure that consumers agree for their payment account data to be accessed for the specified purposes.

From the perspective of TPPs, the current 90-day re-authentication requirement creates an unnecessary barrier to improving competition between traditional banking products and those offered through the open banking ecosystem. A more laborious consumer journey also follows, increasing the possibility of consumers



not remembering to re-authenticate, and therefore not benefitting from open banking-enabled products and services.

We firmly believe that the responsibility for carrying out re-consent every 90 days should lie with the TPP that is accessing payment account data with the consumer's explicit consent. As the relationship lies between the TPP and the consumer, this is where the subsequent re-authorisation of consent should lie. Note that the consumer shouldn't have to re-authenticate with the ASPSP as the ASPSP has no role in the collection of explicit consent, and instead re-authorising the TPP to access payment account data is sufficient. Redirection to the ASPSP for re-authentication purposes creates an unfair competitive advantage against TPPs, which is the exact issue Revised Payment Services Directive (PSD2) and open banking were introduced to mitigate. Therefore, we support the FCA's proposal to create a new exemption.

In addition, we would recommend the FCA issue additional guidance where TPP connections do not leave the ASPSP owned and controlled environment. Because these connections do not leave the ASPSP environment they should not be subject to reauthentication or re-consent requirements.

Changing the 90-day reauthentication requirement positively affects consumers and TPPs through;

1. **Consumer-focused user experience** - We are focused on creating unique user experiences that address what consumers want and what the rules require. Having this functionality allows us to build even better user experiences and strengthen explicit consent that encourages adoption of open banking products and services.
2. **Uninterrupted services** - Consumers will no longer worry about losing access to financial services that they rely on every 90-days, and we will no longer have to worry about not being able to serve our customers because they forgot or do not reauthenticate and inadvertently severed access to their bank account.
3. **A deeper relationship with the consumer** - Plaid and our clients are in a better position and more incentivised to work with end consumers to protect their data and ensure we provide the best consumer centered services because it is our relationship at risk if the consumer journey is bad.
4. **Better competition** - Each incremental time a consumer needs to authenticate is another chance for them to quit the journey and lose access to the open banking products and services they have been using—requiring only one authentication minimises churn risk and grants businesses better predictability.

The fintech ecosystem is committed to providing useful and innovative products and services that meet the needs of the millions of consumers who struggle to manage their finances. The FCA can ensure consumers are able to access and



benefit from innovation and competition in financial services through the proposed SCA exemption and 90-day re-consent requirement.

Kind regards,
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