

Ref.: BEUC-X-2024-035/ARE/cm

Brussels, 2 April 2024

Subject: Big Tech should not gain access to consumers' financial data

Dear Attachés,

We are writing to you on behalf of BEUC, The European Consumer Organisation, in view of the discussions on open finance¹ and open banking² in the financial services working parties taking place on 10th and 11th April.

Open banking and open finance can enhance competition in the financial sector hence providing more consumer choice. At the same time, access to financial data creates considerable risks for consumers' privacy and data protection and exposure to discriminatory practices. The combination of financial data with other types of data (e.g. data on consumers' behaviour online) can easily result in excessive profiling and reveal consumer vulnerabilities. This can ultimately lead to financial exclusion via social scoring as the attempts by credit registers to access payment data show³ and detrimental personalised pricing, such as widely documented 'differential pricing practices' in the insurance sector.⁴

Moreover, as the aim of both proposals is to create a level playing field for new entrants, it should be prevented that Big Tech companies receive an unfair competitive advantage over the existing market actors as this ultimately risks reducing competition rather than enhancing it in the benefit of consumers.

For these reasons, legislation on open banking and open finance should address those risks and introduce strong safeguards when consumers' financial data is accessed. Companies who already enjoy powerful market positions and have access to significant amounts of data, such as those designated as 'gatekeepers' under the Digital Markets Act, should not be able to absorb more data from consumers. As this is the approach taken in the Data Act (Article 5) we ask that Big Tech is not allowed to access consumers' financial data under the Open Finance and Open Banking framework.

We remain available should you wish to receive any additional information.

Kind regards,

Agustin Reyna
Director, Legal and Economic Affairs

¹ Proposal for a Regulation of the European Parliament and of the Council on a framework for Financial Data Access, 2023/0205 (COD)

² Proposal for a Regulation of the European Parliament and of the Council on payment services in the internal market, 2023/0210 (COD)

³ vzbv, Schufa-Schnüffelpäne: „Dreiste Rosinenpickerei“. Statement von Klaus Müller, Vorstand des vzbv, zu Plänen, die Datenschutzbehörde beim Projekt „Check Now“ zu wechseln.

⁴ EIOPA, Supervisory statement on differential pricing practices in non-life insurance lines of business, accessible here: https://www.eiopa.europa.eu/system/files/2023-03/EIOPA-BoS-23-076-Supervisory-Statement-on-differential-pricing-practices_0.pdf.