

# OPEN FINANCE

## Key points for consumers



The Consumer Voice in Europe

## Why it matters to consumers

The proposed Open Finance Regulation allows consumers to selectively share a wide range of financial data, enabling innovative services and better conditions from financial and non-financial institutions. While more competition can benefit consumers, it also increases the risk of financial exclusion, discrimination, and data protection breaches. Strong safeguards are essential to prevent data misuse, privacy and security risks.

This two-pager summarises BEUC's main recommendations for trilogue negotiations between the European Parliament and the Council on the Commission's proposed framework for Financial Data Access (FiDA). BEUC's position paper can be found [here](#).

### COMMISSION PROPOSAL

**SCOPE:** The Regulation excludes from its scope data relating to a person's creditworthiness assessment and data related to health, life and sickness insurance products.

**DATA PERIMETERS:** Data perimeters are introduced in the form of non-binding guidelines and cover only products and purposes related to a person's credit rating, and the risk assessment and pricing of life, health & sickness products.

### RECOMMENDATION FOR TRILOGUE

BEUC supports the Commission's exclusion of high-risk data, particularly from creditworthiness assessments and health, life, and sickness insurance products. To avoid financial exclusion, BEUC recommends limiting the scope to financially relevant data and hence supports Parliament's suggestion to exclude sickness and health related data. BEUC rejects the inclusion of data on losses and claims related to non-life insurance products as foreseen by Council as this risks reinforcing consumer black-listing by insurance companies.

BEUC supports the Parliament's proposal to adopt legally-binding data perimeters in the form of Regulatory Technical Standards (RTS) for products related to credit scores and for risk assessment and pricing of insurance products. BEUC also supports the mandate for the European Supervisory Authorities (ESAs) to conduct regular reviews to ensure data users' compliance.

BEUC regrets that both Parliament and Council opted for guidelines, instead of RTS, for mortgages, accounts, and investment products. BEUC supports the Council's proposal to include non-life insurance products and welcomes both Parliament's and Council's provisions ensuring consumers cannot be denied services for refusing to share data, preventing the use of excessively detailed risk assessments that could make insurance inaccessible for certain consumers and undermine the risk-sharing principle, and requiring formal consultation with the European Data Protection Board (EDPB).

**DATA USERS:** The proposal introduces the concept of Financial Information Service Providers (FISPs), which will be able to request access to customers' data. They could be active in multiple business lines and bring tailored and innovative solutions to consumers.

**ALIGNMENT WITH EU DATA PROTECTION & CONSUMER LAW:** The proposal mentions that the GDPR is applicable insofar as personal data is being processed.

**FINANCIAL DATA SHARING SCHEMES:** Data users and data holders, along with consumer organisations will have to form data sharing schemes, whose content and governance will be decided by the members of the scheme.

**PERMISSION DASHBOARD:** Consumers will be able to manage access to their financial data through a permission dashboard. These will be provided by data holders. Dashboards will inform consumers when their permissions expire.

**ENFORCEMENT:** Consumers can seek compensation in case their rights are infringed. Moreover, entities responsible for the infringement are subject to administrative penalties by the Competent Authority, which should also cooperate with the Data Protection Authorities (DPAs).

Due to the vast data that gatekeepers hold (as defined under the Digital Markets Act), BEUC advocates to exclude gatekeepers to prevent risks of profiling and unfair competition. BEUC supports Council in prohibiting gatekeepers from combining data, the requirement for FISPs to be established in the EU and an assessment by competent authorities and ESAs of gatekeepers in the authorisation process.

BEUC supports the Council's and Parliament's alignment with the GDPR in the enacting terms of the proposal, including respect for data protection rights as guaranteed by the GDPR and mandatory cooperation between competent authorities and supervisory authorities established under the GDPR. BEUC strongly supports the Council's alignment of the requirements of "permission" with "consent" under the GDPR i.e. being freely given, specific, time-limited, separated from other declarations, and with enhanced transparency through detailed requirements.

BEUC supports Council's proposal that data is only shared via data sharing schemes, as schemes or bilateral agreements provide safeguards on data protection and security for consumers. BEUC also supports the Parliament's and Council's proposals to include a mechanism for compensating consumers for data loss, damage, or fraud caused by data holders or users. BEUC welcomes Parliament's additions strengthening the role of the ESAs in conducting regular reviews of schemes' governance arrangements and the mandatory consultation with Data Protection Authorities and the EDPB.

BEUC supports Parliament's provisions to ensure that permission dashboards enable opt-out from data sharing, free and informed decisions, prohibit dark patterns and pre-ticked boxes, and guarantee that permission withdrawal can be done at any time and for free. BEUC also welcomes Parliament's guidelines mandated to the ESAs in cooperation with the EDPB, to ensure dashboards are easily understandable. Additionally, BEUC supports Parliament's and Council's requirement for dashboards to be consistent with the Payment Services Regulation (PSR), allowing consumers to manage permissions for both regulations through a single dashboard.

BEUC supports the Council's alignment of penalties with the PSR for open banking, establishing fines of up to €5m in both. BEUC welcomes the Council's explicit requirement for supervisory authorities to cooperate with DPAs, ensuring alignment with the GDPR. Overall, BEUC urges a strong role for the ESAs, particularly in regular reviews of data access schemes and assessments of gatekeepers, to ensure uniform enforcement and safeguard consumers from the risks of Open Finance.