EDFA
European Digital Finance Association

EDFA Position Paper

# Financial Data Access (FIDA) Regulation Proposal

March 2025

## Executive Summary

**The FIDA regulation presents opportunities for the entire European financial sector.** Opening access to credit, investment, and insurance data enhances competitiveness and improves customer experience.

It may enable **simplified and personalized financial management for individuals and businesses**. Personalization of services, made possible through data utilization, **grants access to tailored products, particularly for populations often excluded from traditional offerings**. Increased competition among financial players leads to service improvement and **cost reductions for users**.

> This legislation has the potential to stimulate innovation in financial services, including account aggregators, wealth management tools, and tailored insurance solutions. The integration of new practices, particularly in fraud prevention, demonstrates FIDA's value in **enhancing service quality and security**.

While EDFA supports the objectives of FIDA, we have identified critical areas that need improvement. Drawing from **lessons of the PSD2 implementation**, our paper proposes specific **recommendations to make FIDA more effective**, including clearer data compensation principles, technically feasible consent management, realistic implementation timeframes, and standardized criteria for data-sharing schemes. These enhancements are essential to create a competitive, innovative, and secure open finance framework that truly benefits European consumers and businesses.

**For the upcoming legislative procedure, EDFA urges lawmakers in the trilogue to use FIDA as an opportunity to build on all the above-mentioned benefits while avoiding excessive requirements and increased bureaucracy.**

The EDFA sees potential regulatory challenges in areas of:

- Governance structures for financial data-sharing schemes, including questions about establishment, compensation models, and opportunities for European integration
- Regulatory framework for scheme participants, particularly regarding licensing and supervision requirements
- Technical considerations for data access and consent management that align with operational realities
- Implementation timelines that reflect the complexity of system integration
- Standards for effective cross-border data exchange and pan-EU interoperability
- Legal basis for data processing that balances consumer protection with necessary operational access

# Foreword

On June 28, 2023, the European Commission proposed a **new framework to expand access to financial data for the development of new services: Financial Data Access (FIDA)**. This regulation, conceived as an extension of the Second Payment Services Directive (PSD2), incorporates credit, savings and investment, retirement, insurance, and welfare data. It marks a new milestone in the European Commission's strategy to foster innovation and competition. Implemented alongside the Third Payment Services Directive (PSD3) and the Payment Services Regulation (PSR), this legislative package forms the foundation of Open Finance within the European Union (EU).

Open Finance refers to a model where **financial data (banking, insurance, and asset management) is utilized by accredited providers under the supervision of national authorities to offer innovative services to customers with their explicit consent**. This system is based on the principle that data belongs to the citizen, who should be able to use it to gain new rights, particularly in insurance and asset management.

Open Finance is the outcome of a process initiated by Open Banking, which started in 2018 with PSD2. This directive established a secure data-sharing framework between financial institutions and authorized providers via secure Application Programming Interfaces (APIs). Both traditional players and fintech companies have benefited from these innovation opportunities, **ultimately benefiting individuals and businesses, especially SMEs. Access to banking data facilitates automation and digitization of value chains, fostering competition and reducing costs for financial institutions**. This cost reduction should, in principle, be passed on to users. Additionally, the deployment of functionalities such as account aggregation, budgeting tools, and transaction analysis **enhances financial services quality and promotes financial inclusion**. Open Banking has expanded access to tailored products for previously underserved or unserved populations.

# 1. Our recommendations for the current FIDA proposal

The FIDA proposal represents a step towards enhanced competition, innovation, and consumer empowerment in financial services. However, the framework must be carefully structured to avoid unnecessary regulatory burdens, ensure fair compensation for data use, and establish clear technical and operational guidelines.

Drawing on the lessons from PSD2 implementation, this position paper highlights key areas requiring further refinement to prevent fragmentation, ensure effective governance, and maintain balance between innovation and compliance.

The following recommendations address five critical areas where FIDA can be strengthened:

- Data compensation
- Consent and data management
- Scheme structures and compensation models
- Service Level Agreements (SLAs) and standards
- Licensing

## 1.1. Data compensation

**Article 5(2) a data holder may claim compensation from a data user for making customer data available [...].**

Article 5(2) lacks clarity on compensation principles, creating uncertainty about fair data exchange. As FIDA is aimed to be closely linked with GDPR, there needs to be a balance between the right to claim compensation from data that belongs to the user, and data on services enriched by information from the data holder. Under PSD2 we have seen players, especially ASPSPs, try to launch «premium» services to profit from services that are associated with services that are subject to PSD2 regulation. This should be avoided for FIDA.

**Recommendation:**
A well-defined framework is needed to prevent arbitrary fees.

**Article 10(h) (also discussed under schemes below):**

Article 10 lacks specific guidelines or standards for determining compensation for micro, small, and medium enterprises (SMEs). Without clear regulatory parameters, there is a risk of inconsistent or unfair cost structures that could disadvantage SMEs. Introducing standardized compensation rules would ensure fair treatment and predictability in data-sharing agreements.

## 1.2. Consent and data management

In general, the FIDA is building on GDPR with regulated institutions. Similar to what we have seen with PSD2, consent management is a critical factor, and EU lawmakers should learn from

the process of implementing PSD2 how consent and data management are performed under FIDA. We hereby address some of the concerns raised within EDFA, with some recommendations on how this can be addressed in the policymaking process:

**Article 4 of the initial FIDA draft: Obligation to make available data to the customer**

FIDA requires data holders (financial institutions) to share data continuously and in real-time. This applies to both providing data directly to the client (Article 4) and to the data user (Article 5).

The current draft of FIDA does not take into account that financial institutions may not be able to provide information about all products in real-time. This is particularly true for products that are managed partially or entirely in physical branches. A similar issue arose during the drafting of the Data Act (Regulation 2023/854 on harmonized rules on fair access to and use of data), which regulates access to data generated by connected products (e.g., cars, household appliances). FIDA draws inspiration from this regulation in many aspects. In the Data Act, it was established that access to real-time data is required "where appropriate and technically feasible".

> **Recommendations:**
> We recommend that FIDA adopt a solution analogous to the one in the Data Act (Regulation 2023/854, the so-called Data Act), making the obligation to provide real-time data access contingent on the criteria of "where appropriate and technically feasible and within a reasonable timeframe."

**Article 5 of the initial FIDA draft: Demonstrating client consent for data access**

Article 5(3)(c) requires data users to demonstrate client consent to data holders, but the draft lacks specificity on how this should be done, mentioning only a potential consent management panel (Document 16312/24). This ambiguity, seen in PSD2 implementation, creates discrepancies between data providers and receivers, despite participating entities being licensed and supervised.

> **Recommendations:**
> We recommend removing this provision. Since the entities participating in open finance must be licensed and supervised by the relevant authority, there is no obstacle to relying solely on the data user's declaration that they have obtained the appropriate consent from the client.

**Article 5: Obligations on a data holder to make customer data available to the data user**

The current FIDA project lists financial services whose data is subject to mandatory sharing under open finance. These include, among others, deposits, loans, and property insurance.

A service provider ("data holder" as defined in FIDA) is obligated to share information about these services (data on loans, deposits, etc.) with an institution authorized by the user to receive such data ("data user" as defined in FIDA).

However, FIDA does not specify what data about these products the data holder must share. For

instance, while FIDA requires the sharing of deposit data, it does not clarify whether information such as the renewability of the deposit is also subject to sharing.

In the context of open banking under the PSD2 directive and the Payment Services Act, the scope of shared information has long been a contentious issue between providers of account information and payment initiation services on one side and banks maintaining payment accounts on the other.

FIDA applies to financial products that are far less standardized than payment accounts. Without specifying in its provisions the scope of information about the products that must be shared, it is expected that discrepancies will arise among stakeholders, jeopardizing the realization of the open finance concept.

FIDA requires not only the sharing of data with another financial institution but also mandates that information about the product be made available to the institution's customer (a solution analogous to GDPR and the Data Act, where personal data or data from connected products is made accessible primarily to the customer upon request or to a third party designated by the customer). The lack of clarity in FIDA regarding the scope of data to be shared will lead to issues similar to those described above, as well as issues in the relationship between the data holder and the customer.

Finally, FIDA does not address the critical issue of access to historical data when determining the scope of data to be shared (for example, closed deposits or expired insurance policies).

> **Recommendations:**
> We recommend introducing into FIDA a catalog of information about financial products that must be shared as part of open finance. For example, in the case of deposits, this would include at least the deposit amount and currency, creation date, maturity date, current interest rate, renewability, and the amount of interest currently due. This approach is essential to minimize discrepancies among financial institutions covered by FIDA regarding whether specific information about a financial product subject to FIDA should be obligatorily shared.

### Article 5: Obligations on a data holder to make customer data available to a data user

1. The data holder shall, upon request submitted by electronic means from a customer or a data user acting on behalf of the customer, make available to a data user [...].

FIDA conditions the sharing of data on a client request. However, the current FIDA draft does not explicitly provide for the possibility of transmitting such a client request to the data holder (i.e., the financial institution where the client holds a product) via the data user (i.e., the institution that is to receive the product data). The inability to transmit the request through the data recipient renders open finance practically meaningless.

The Council, in project 16312/24 dated December 2, 2024, proposes that the request be transmitted by the data user on behalf of the client. However, the concept of acting "on behalf of" is interpreted differently across various legal systems.

**Recommendations:**
We recommend explicitly clarifying that the recipient of the client's request is the data holder, but the request may also be submitted via the data user.

**Article 6(3) of the initial draft states: A customer may withdraw the permission it has granted to a data user. [....].**

Article 6(3) creates a real risk of missing access to critical data if customers are reluctant to share it. There is no provision for "legal interest" as a valid basis for accessing data, which could negatively impact financial service providers who rely on such data for essential operations.

**Recommendation:**
Introducing a legal interest clause would ensure data availability while maintaining customer control.

**Article 7(2): ...., the European Banking Authority (EBA) shall develop guidelines on the implementation of paragraph 1 of this Article for [...].**

Article 7(2) creates uncertainty for service providers regarding which data can be used for creditworthiness assessment until EBA guidelines are developed. This is redundant, as data from CCD2 (EU) 2023/2225 should already be used for this purpose.

**Recommendation:**
Clear references to existing regulations would ensure legal certainty and avoid unnecessary delays.

**Article 8: Information about the purpose of consent in the consent management panel**

The FIDA proposal requires data holders to provide clients with a consent management panel - a functionality within the data holder's application (a webpage or a section in the app) that includes a list of all data users currently accessing the client's financial product data.

Among the information that the panel must include, the FIDA draft mandates a description of the purpose of the consent. However, the current draft of the FIDA does not specify possible purposes for consent or define the rules for determining these purposes. As a result, the information about the purpose will come from the data user.

In practice, each entity defines the purpose of data processing according to its specific business needs. At the same time, the data holder has no means of verifying whether the description of the consent purpose provided by the data user is accurate, up-to-date, or comparable to descriptions provided by other data users. In extreme cases, a client using the same function from multiple data users within a financial product (e.g., a deposit account) may see completely different descriptions of the consents they have granted. This could confuse the client regarding their rights and obligations.

**Recommendations:**
We recommend adopting one of the two following options:

1. Remove the requirement to provide information about the purpose of consent, **or**
2. Retain the requirement to provide information about the purpose of consent while introducing a predefined list of purposes in the provision. The data user would select the purpose most closely aligned with the nature of their service for the client.

**Article 8(4): The data holder and the data user for which permission has been granted by a customer shall cooperate to make information available to the customer via the dashboard in real-time.**

Article 8(4) requires data holders and data users to cooperate in real-time to update permission dashboards, which is technically complex and could lead to data mismatches between parties. There is no standardized authority to define and enforce a consistent information exchange framework, making implementation unclear and potentially unreliable.

**Recommendation:**
A clear standard-setting body should be designated to ensure feasibility and accuracy in real-time updates.

## 1.3. Issues and suggestions on schemes and compensation of data

It is clear that the key cornerstone of the proposal will be the proposed financial data-sharing schemes and compensation for data sharing in Article 10. While EDFA generally welcomes the proposal, as it leads the way towards the development of an open finance framework, it remains cautious and will carefully follow the upcoming discussions, which could help clarify some aspects of the proposal that currently remain vague. We welcome that the industry will play an integral role in developing sharing schemes, thus avoiding unnecessary and excessive fragmentation of the sector. At the same time, we will continue closely monitoring how the establishment and actual functioning of the sharing schemes will develop. The FIDA proposal lacks clarity on the establishment of those schemes, and the broad scope of the proposal raises questions about their effectiveness and chance of being influenced by strong market players. We anticipate that the complexity of the proposal will cause concern in the upcoming negotiations among the various industry players who may have divergent views on the data-sharing regime. From our perspective, it is therefore crucial that all stakeholders are involved in this process.

The main challenges can be described as follows:

**Article 9: The European Commission's FiDA proposal requires financial institutions under its jurisdiction to join Financial Data Sharing Schemes (FDSS) within 18 months of its effective date.**

However, in the compromise text dated December 2, 2024, the timeline for applying these obligations has been staggered across different categories of financial data, introducing a phased application approach. General membership in FDSS remains a requirement, but its application is now subject to different timeframes. For particular financial data categories, obligations will apply 18 months after the regulation's entry into force, aligning with the initial proposal. For

other data categories, the timeline extends to 30 and 42 months, reflecting the complexity of integrating various types of financial information into FDSS frameworks. This staged approach aims to provide additional time for institutions to adapt to the requirements, but the shortest application deadline of 18 months remains unchanged for some obligations.

> **Recommendation:**
> Based on experiences with similar initiatives, any deadline shorter than 30 months is unrealistic.

### Article 10 of the initial FIDA draft: Financial data sharing scheme governance and content

FIDA requires the notification of the FDSS scheme to the relevant supervisory authority based on the criteria of the most significant participants in the scheme. However, FIDA does not specify the criteria for determining these entities. This will result in uncertainty regarding which country should be notified about the FDSS scheme. In market practice, various criteria are used to rank financial service providers, including the number of active products, the number of customers, product revenues, and so forth.

> **Recommendations:**
> We recommend specifying the criteria for identifying the most significant participants in the scheme by indicating the number of active products at the time the scheme is established.

### Article 10: Consumer organizations

FIDA requires that the FDSS scheme include customer associations and consumer organizations. In the absence of an appropriate exemption, the participation of customer associations and consumer organizations will be mandatory when creating the financial data-sharing system.

The current draft of FIDA does not address the situation where no customer association or consumer organization joins the FDSS.

> **Recommendations:**
> We recommend clarifying the provisions to state that customer associations and consumer organizations should participate in the FDSS if they express a willingness to join the financial data-sharing system.

### Article 10(1) Methodology for determining the maximum access fee

Article 10(1) lacks general standards for financial data sharing schemes and does not include any pan-European standards. Establishing clear, harmonized guidelines would enhance competitiveness at the EU level and enable broader cross-border collaboration, ensuring a consistent and interoperable financial data-sharing framework across Europe.

Furthermore, the FIDA proposal authorizes and obligates the FDSS to establish a model for determining the maximum remuneration that a data holder can charge for providing access to their data to a data user, if the exchange takes place within the framework of this scheme.

All multilateral pricing agreements or pricing policies are subject to the strict rules of EU

competition law. Globally, there are currently numerous ongoing legal and administrative cases concerning the legality of remuneration charged under multilateral cooperation models (payment systems, payment schemes) due to violations of competition laws. At the same time, neither the judiciary nor the regulatory authorities have developed uniform procedural principles that would protect market participants from antitrust allegations when applied to multilateral models.

Meanwhile, market practice reveals that the greatest developmental potential in multilateral cooperation models lies in standardization, including the standardization of fees. This encompasses the introduction of a uniform fee for all participants for a given activity.

> **Recommendations:**
> We recommend explicitly confirming in the FIDA proposal that the authority of the FDSS to establish a model for determining the maximum fee that a data holder may charge for providing access to data also includes the adoption of a model in which all participants apply a uniform fee for a given activity.

**Article 10, Authorize FDSS to clear and settle fees between non-PSPs participants.**

The exchange of data through FDSS is a prerequisite for a data holder to receive remuneration from a data user for granting access to the data. However, FIDA neither authorizes nor obligates FDSS to mediate in the transfer of fees for this purpose.

In market practice, when an institution is established as a common counterparty for multiple participants, and payments between participants arise from activities involving this institution, participants often entrust the institution with the settlement and clearing of fees exchanged among them.

Similarly, in the case of FDSS, it can be expected that participants will not opt for a model where fees owed for data accessed through FDSS are settled individually. This would involve each data holder issuing invoices or equivalent accounting documents to each data user who accessed their data during the last month (resulting in multiple transfers) while simultaneously receiving invoices from each data holder from whom they accessed data in the role of a data user within FDSS, followed by making payments to each of them.

Participants are likely to prefer a model where FDSS calculates the fees owed by each data user, collects these fees, offsets them in the case of institutions acting as both data holders and data users, and then disburses a single consolidated payment at the end of the month to each institution. In other words, participants would favor a model of a single, consolidated, offset settlement facilitated by FDSS, rather than multiple settlements under a bilateral model.

The mediation of FDSS in transferring fees constitutes the transfer of funds from one entity to another, which, under current payment services regulations, is generally considered a payment service. As such, it requires the status of a payment service provider (such as a bank or payment institution). None of the existing exemptions provided under payment services regulations currently relieve FDSS of the obligation to obtain the status of a payment service provider in order to facilitate such settlements.

**Recommendations:**

We recommend authorizing the FDSS operator to mediate the transfer of monetary settlements between FDSS participants if such settlements arise from participation in FDSS (e.g., fees, compensations, etc.) without the requirement to obtain the status of a payment service provider (such as a bank or payment institution). Consequently, it is proposed that transactions executed within FDSS be exempted from the application of rules governing payment transactions.

**General issue: No obligation to notify FDSS as a data intermediation service or to apply the provisions of the data governance act**

FIDA authorizes and obligates FDSS to establish rules for the exchange of data between participants within the framework of the scheme. However, this does not imply an obligation for FDSS to act as an intermediary in the exchange of data. Despite participating in FDSS, participants can still engage in the actual exchange of data through direct, individual communication between themselves.

In market practice, when a central institution of this type is created, its participants are often interested in having data exchange occur through the institution rather than building multiple data exchange interfaces capable of handling communication with numerous participants.

However, EU law imposes specific obligations on activities involving data intermediation. The Data Governance Act stipulates that the provision of data intermediation services is subject to specific requirements, including a notification procedure to the authority responsible for data intermediation services.

FIDA does not foresee an exemption from the application of the provisions of the Data Governance Act to FDSS. This creates significant uncertainty regarding whether the activities of FDSS may simultaneously qualify as data intermediation services, requiring compliance not only with FIDA's requirements but also with the provisions of the Data Governance Act.

**Recommendations:**

We recommend exempting FDSS from the application of the provisions of the Data Governance Act.

Due to the prominence of these schemes in the proposals, their clarity in the legislation is of utmost necessity. In addition to the above-mentioned measures, which ought to be implemented, this includes the concrete formulation of corrective measures in the event that a scheme does not function as planned. EDFA hopes for a clear designation of responsibility and concrete procedural guidelines in this regard.

**Article 11: Financial data-sharing scheme establishment under delegated act**

FIDA grants the Commission the power to establish financial data-sharing schemes via delegated acts if market participants fail to establish them within the required timeframe. However, the timeline in Article 11 is unrealistic, as it assumes the Commission can quickly establish a functional scheme if negotiations fail. In practice, setting up a new scheme in a Member State

takes significantly longer.

Additionally, the Commission lacks predefined standards, making rapid implementation impractical. The absence of detailed guidelines creates significant uncertainty for market participants and doesn't account for the substantial differences between Member States' financial systems.

**Recommendation:**
We recommend establishing a more realistic timeframe for Commission-established schemes, along with requirements for the Commission to consult with industry experts and develop transparent technical standards before implementing any delegated act.

## 1.4. Issues on SLA & Standards

Related to the challenging topic of the schemes under FIDA, we also see that the proposal lacks clarity on cross-border access procedures and interoperability standards for Financial Information Service Providers (FISPs).

### Article 28: Cross-border access to data by financial information service providers

Article 28 does not specify how and how quickly FISPs can obtain access to the cross-border data-sharing scheme, nor who confirms access. Additionally, there are no interoperability standards ensuring seamless cross-border data access for FISPs and data users.

**Recommendation:**
Clear procedures and harmonized technical standards are needed to enhance legal certainty and operational efficiency.

## 1.5. Licensing

There is a need for a clear definition on licensing for financial information service providers (FISPs):

### Article 12: Scope of FISP access to data

Article 12 lacks specific details on the licensing process, including who grants the license, based on what criteria, and within what timeframe. This creates regulatory uncertainty and puts the entire FISP sector at risk due to potential delays or inconsistencies in authorization.

**Recommendation:**
A clear, standardized licensing framework is necessary to ensure predictability and stability for market participants. A suitable licensing framework could be an adaptation of the Account Information Service Providers' license issued and regulated by each member country according to guidelines to be issued by the DFSS.

# 2. General recommendations for a fair and innovation-driven FIDA regulation

## 2.1. Data access must be swift and standardized

**We emphasize the need for a rapid deployment of FIDA, with an implementation timeframe of 18 to 24 months at most.** The effective application of FIDA will be essential to strengthening resilience and maintaining the competitiveness of the European financial ecosystem. The regulated access to banking and non-banking data (insurance, pensions, savings, etc.) envisioned by the regulation will allow authorized players to offer new services and contribute to simplification goals.

The sharing of simple data—easy to interpret, such as standardized insurance contracts or savings accounts—and structured information, such as investment portfolio data, must not be separated. A fragmented approach could hinder Open Finance's deployment and create asymmetries in data access.

## 2.2. FIDA deployment must be coordinated

**The implementation of FIDA must learn from the challenges faced during the deployment of PSD2, which suffered from a lack of coordination between the concerned parties** (banks and payment service providers) **and arbitration issues in the absence of a common solution.** A collaboration among all stakeholders (consumers, fintechs, banks, insurers, and their representative associations) should be established for effective implementation. **This cooperation must extend to the drafting of delegated regulations**, particularly technical standards that define the detailed implementation of the main legislation (FIDA), as well as the creation of schemes supported equally by all stakeholders. Additionally, **close coordination between national and European regulators is crucial to avoiding disparities in application or divergent interpretations**.

## 2.3. Data access must be equitable

**Equitable access to data for all** (banks, insurers, and fintechs) **is crucial to avoiding the pitfalls encountered during PSD2's implementation.** In the past, banking institutions have limited or complicated access to information to protect their competitive advantage, creating barriers to entry (incomplete or unreliable APIs, fragmented solutions making technology deployment costly, exclusion of certain types of data, etc.).

Data interoperability through standardized protocols—such as uniform APIs and the creation of the Financial Information Service Provider (PSIF) status—must ensure fair access. **Subjecting all players to the same regulation is essential for fostering a level playing field between European actors and major tech companies (Big Tech)**, enabling the former to maintain sovereignty over data access and usage. PSIFs without a physical establishment in the EU but needing access to data located within the Union must be governed by the jurisdiction of the Member State where they have designated a legal representative.

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## About EDFA

The European Digital Finance Association is the independent industry body representing the digital finance community. Our mission is to support Europe's global role in the financial technology sector.

Established in February 2020, EDFA unites over a dozen European national fintech associations, their several thousand members, and technology companies. EDFA members range from startups and financial institutions to investors and professional services companies. All can profit from EDFA's position as the single point of contact to promote favorable policy and business opportunity.