

RETAIL BANKING MARKET INVESTIGATION

Roadmap Completion Decision

The Retail Banking Market Investigation Order 2017

1. Summary

- 1.1 Open Banking was initiated in 2017 as part of a package of remedies by the Competition and Markets Authority (CMA) following a market investigation into retail banking services. The Open Banking remedy is governed by the Retail Banking Market Investigation Order 2017. The Order also provided for the appointment of a Trustee to drive forward the Open Banking remedy according to an agreed timetable and project plan (known as the Roadmap).
- 1.2 On 10 January 2023, the Open Banking Trustee advised the CMA that the six largest banking providers in Great Britain and Northern Ireland, namely Barclays, HSBC UK Bank plc, Lloyds Banking Group, Nationwide Building Society, NatWest Group and Santander had completed the implementation of the remaining Roadmap items. Following the advice of the Trustee, the CMA has determined that the implementation phase of the Roadmap is substantially complete.
- 1.3 The CMA expects the three banking providers that have not completed the implementation of the remaining Roadmap items, namely Allied Irish Bank, Bank of Ireland and Danske Bank, to do so as soon as feasible and will take enforcement action if necessary and appropriate to ensure this happens in a timely way.
- 1.4 The Open Banking Implementation Entity and each of the nine banking providers subject to the Open Banking remedy under the Order, including the six banking providers that have completed the remaining Roadmap items, are required to continue to fulfil their obligations under the Order to ensure customers can benefit from Open Banking services.
- 1.5 The Open Banking Implementation Entity's focus will now shift more fully towards preparing for the transition of Open Banking from the current model, in which the Open Banking Implementation Entity is overseen by the CMA, to an interim state, during which it is expected that a future entity will be overseen by the Joint Regulatory Oversight Committee (in respect of non-

order activity) and by the CMA (in respect of the Order activity) prior to the establishment of a long-term regulatory framework for Open Banking. The interim state begins with the CMA determining the current Roadmap to be substantially complete, through issuing this document.

2. Introduction

- 2.1 Open Banking enables consumers and small and medium sized businesses to share their bank account data securely with trusted third parties who are then able to provide them with applications and services which save time and money. It also enables consumers and businesses to initiate payments directly from their account to the bank account of their payee, without the use of cards. This has been achieved through the development and implementation of open application programming interface (API) banking standards.
- 2.2 Open Banking was initiated in 2017 as part of a package of remedies by the CMA following the Market Investigation into retail banking services (the Market Investigation)¹. It has been a major success in improving competition in retail banking and securing positive outcomes for consumers and businesses. As of June 2022, there were over six million users of services powered by Open Banking technology.² This equates to over 10% of digitally-enabled UK consumers making active use of Open Banking services,³ including services dedicated to improving financial decision-making to support consumers in keeping to their budgets, reducing unnecessary expenditure and minimising bank fees and charges.⁴
- 2.3 As part of its remedy package, the CMA ordered the nine largest current account providers in Great Britain and Northern Ireland (referred to as the CMA9)⁵ to create and pay for an Open Banking Implementation Entity (OBIE) to agree, consult upon, implement, maintain and make widely available without charge, open and common banking standards (the Open Banking remedy). The main requirements of the Open Banking remedy are set out in Part 2 of the Retail Banking Market Investigation Order 2017 (the [Order](#)). In addition to the creation of the OBIE, the Order required the appointment of an

¹ The Payment Services Regulations 2017 (PSRs), which implemented PSD2 in the UK, took open banking further by providing a legal right for regulated third party providers to access payment accounts accessible online, provided they have the customer's explicit consent. All account providers must allow TPPs to access the payment account data and make payment

² [Open Banking press release](#), May 2022.

³ [Open Banking Impact Report](#), June 2022.

⁴ [Open Banking Impact Report](#), October 2021.

⁵ The nine banking providers are Allied Irish Bank, Bank of Ireland, Barclays, Danske Bank, HSBC UK Bank plc, Lloyds Banking Group, Nationwide Building Society, NatWest Group and Santander.

Implementation Trustee with responsibility for delivering this project and who should also 'lead and chair' the OBIE.⁶

- 2.4 As part of the Open Banking remedy, the Implementation Trustee was required to propose a project plan and timetable which, once approved by the CMA, would become the Agreed Timetable and Project Plan (or [Roadmap](#))⁷ set out in Schedule 1 Part B of the Explanatory Note to the Order.
- 2.5 The Trustee acts as Chair of the OBIE, which is required under the Order to agree, consult upon, implement, maintain and make widely available without charge the open and common banking standards. The purpose of the OBIE under the Order, including ongoing requirements following Roadmap completion, is clarified in the [Agreed Arrangements](#).⁸ The CMA9 is required to fund the OBIE in line with the Agreed Arrangements.⁹
- 2.6 In addition to the role of Chair of the OBIE, the Trustee has several other functions under the Order including:¹⁰
- (a) advising the CMA on setting the deliverables under the Order (as specified in the Roadmap¹¹) and the timeframe for their implementation;
 - (b) monitoring and ensuring the implementation of the Roadmap by the CMA9;
 - (c) monitoring compliance by the CMA9 with the requirements of the Order; and
 - (d) supporting the adoption of the standards by the CMA9 and third-party providers (TPPs).
- 2.7 The first Roadmap was published alongside the Order as part of the [Explanatory Note](#). It was then amended following CMA approval, on 22 November 2017¹² and 23 July 2018¹³ and a [final approved Roadmap](#) was published on 15 May 2020.

⁶ The Implementation Trustee Functions are set out in Schedule 1 of the Order. These are to be carried out in accordance with the [Agreed Arrangements](#) and the [Roadmap](#).

⁷ Article 10.5 of the Order.

⁸ The Agreed Arrangements are in place under Article 10.3 of the Order.

⁹ Article 10.4 of the Order.

¹⁰ See Schedule 1 to the Order – Implementation Trustee Functions.

¹¹ The Roadmap contains a number of items which are outside of the scope of the Order as they relate to other regulatory requirements. References to the Roadmap in this document should be understood to mean the items which are within the scope of the Order, as determined by the CMA.

¹² [Retail banking market investigation: Notice of approval of changes to the Agreed Timetable and Project Plan](#).

¹³ [Notice of approval of changes to the Agreed Timetable and Project Plan \(publishing.service.gov.uk\)](#).

2.8 In line with their obligations under the Order, the Trustee has sent regular updates to the CMA on the status of items in the Roadmap.¹⁴

3. CMA's decision on Roadmap Completion

3.1 In order to determine the implementation phase of the Roadmap to be substantially complete the CMA previously stated that the following conditions would need to be met:

- (a) Implementation of the remaining Roadmap items will need to be achieved by at least a majority of the CMA9, such that VRPs for sweeping (item A10) and access dashboard changes required as part of version 3.1.10 of the Open Banking standard (item A2(b)(iii)) are available for general use by third party providers, to enable Open Banking services incorporating the remaining items to be introduced across the retail banking markets.
- (b) The OBIE must have completed the relevant outstanding OBIE actions identified in the Roadmap Requirements section of the Trustee's [status update](#).¹⁵

3.2 In a [letter of 10 January 2023](#), the Trustee advised the CMA that:

- (a) the six largest banking providers had completed the implementation of the remaining Roadmap item A10 described at paragraph 3.1(a) above, namely Barclays, HSBC UK Bank plc, Lloyds Banking Group, Nationwide Building Society, NatWest Group and Santander; and
- (b) seven of the CMA9 had fully implemented access dashboard changes item A2(b)(iii) described at paragraph 3.1(a) above for their main brands, namely Allied Irish Bank, Barclays, HSBC UK Bank plc, Lloyds Banking Group, Nationwide Building Society, NatWest Group and Santander¹⁶; and
- (c) the OBIE had completed the relevant outstanding OBIE actions described in paragraph 3.1(b) above.

3.3 As the conditions set out in paragraph 3.1 have been met, the CMA has determined (following the recommendation of the Trustee) that the implementation phase of the Roadmap is substantially complete.

¹⁴ The updates from the Trustee on the status of items in the Roadmap, as well as the CMA's letters to the Trustee, are available on the [Retail banking market investigation case page](#).

¹⁵ See [CMA letter to Trustee dated 23 March 2022](#).

¹⁶ Danske Bank, Bank of Ireland, Cater Allen (a subsidiary of Santander) and Mettle (a brand of Natwest Group) have some remaining actions to complete in order to achieve full compliance.

4. Next steps

Implementation of remaining Roadmap items by Allied Irish Bank, Bank of Ireland and Danske Bank

- 4.1 Three banking providers (Allied Irish Bank, Bank of Ireland and Danske Bank) are still in the process of implementing the remaining Roadmap item A10. Danske Bank is currently progressing through the managed rollout (MRO) process to test its VRPs for sweeping functionality. Allied Irish Bank and Bank of Ireland are yet to start their implementation of this item.
- 4.2 The CMA's decision on Roadmap completion does not affect the obligations on these banking providers to implement the remaining Roadmap items. The CMA expects these banking providers to implement the remaining Roadmap items as soon as feasible and will take enforcement action if necessary and appropriate to ensure this happens in a timely way.¹⁷

Continuing obligations under the Order

- 4.3 Each of the CMA9, including the six banking providers that have completed the remaining Roadmap items, are required to continue to fulfil their obligations under the Order. These include the requirement to:
- (a) support and fund the OBIE to carry out Order-related activity in line with the Order and the Agreed Arrangements;¹⁸
 - (b) provide all such cooperation, assistance and information as the Trustee may reasonably require to discharge the Implementation Trustee Functions and comply with the Trustee Mandate;¹⁹
 - (c) release and make continuously available without charge and without any restriction as to its use the required information under Article 12 of the Order in accordance with the Read-only data standard.²⁰ The information released under this Article is required to be as accurate and comprehensive and up-to-date as reasonably practicable;²¹

¹⁷ The CMA takes remedy enforcement action in line with its published guidance [Merger and market remedies: Guidance on reporting, investigation and enforcement of potential breaches \(2021\)](#).

¹⁸ Articles 10.4 and 10.5 of the Order and paragraphs 47-50 of the Agreed Arrangements.

¹⁹ Articles 11.1 to 11.6 of the Order.

²⁰ Subject to the provisions in Article 12.2 of the Order which allows the Trustee (subject to approval in advance from the CMA) to direct the CMA9 to make more, less or different information available under Article 12 of the Order.

²¹ Article 12.3 of the Order.

- (d) release service quality indicator and underlying data in accordance with the Read-only data standard, as required under Article 13 of the Order; and
- (e) make up to date personal current account (PCA) and business current account (BCA) transaction data sets continuously available without charge for read access and write access in accordance with the relevant provisions of the Read/Write data standard, as required under Article 14 of the Order.

Transition

- 4.4 As the CMA has now determined the Roadmap to be substantially complete, the OBIE's focus will shift more fully towards preparing for the transition to the future arrangements for Open Banking.²² The implementation of transition will only commence upon the consent of the CMA.
- 4.5 Alongside preparing for transition, the OBIE will continue to fulfil its obligations under the Order. These include monitoring of standards conformance, performance and availability, and enforcement where necessary, maintenance of the standards and making the standards widely available through reasonable promotion of Open Banking in the retail banking markets including support for industry adoption.²³
- 4.6 In March 2022, HM Treasury, the CMA, the Financial Conduct Authority (FCA) and the Payment Systems Regulator (PSR) issued a [joint statement](#) that announced the creation of a new Joint Regulatory Oversight Committee (the JROC). The JROC was created to oversee the planning and preparation for the future arrangements for Open Banking.²⁴
- 4.7 The JROC expects Open Banking to transition from the current model, in which the OBIE is overseen by the CMA, to an interim state, during which a future entity will be overseen by the JROC (in respect of non-order activity) and by the CMA (in respect of the Order activity) prior to the establishment of a long-term regulatory framework for Open Banking. The interim state begins with the CMA determining the current Roadmap to be substantially complete, through issuing this document.

²² See paragraph 18 of the Agreed Arrangements

²³ See article 10.1 of the Order and paragraphs 17 and 66 of the Agreed Arrangements.

²⁴ [Joint statement by HM Treasury, the CMA, the FCA and the PSR on the future of Open Banking](#), 25 March 2022.

- 4.8 During the interim state, the OBIE, and subsequently the future entity once established, will fulfil both Order and non-Order activities, evolving and scaling their functions over time. The interim state will end when a new long-term regulatory framework is in place. The framework will be underpinned by any necessary legislation. The JROC is developing the [vision](#) for the future of Open Banking and expects to make recommendations on the design of the future entity that will develop Open Banking beyond the scope of the Order in the first quarter of 2023.
- 4.9 The transition of the activities of the OBIE under the Order to a future entity will only commence upon consent of the CMA,²⁵ which shall only be provided when the CMA is satisfied, on advice from the OBIE and the Trustee, with the terms of such transition, that adequate preparations for transition have been made, and that Open Banking will transition to a financially stable and well governed body.

²⁵ Paragraph 67 of the Agreed Arrangements.