

Simplification for success – a smarter approach to FIDA

Open finance can benefit both customers and the industry - but only with the right framework and a realistic timeline. For this to happen, the EU's financial data access (FIDA) framework must reflect the European Commission's priorities of regulatory simplification and reduced administrative burden.

How?

PRODUCT SCOPE

CHALLENGES

Including an **extremely wide range** of insurance products in FIDA's scope from day one would significantly complicate adoption and increase costs, forcing insurers to divert key innovation resources to FIDA, despite no proven demand.

SOLUTIONS

ADOPT A STEP-BY-STEP APPROACH

Reduce costs and burden for insurers by:

- Starting with a **few product categories** and expanding over time if there is evidence of market and consumer demand.
- Adding new categories only if **benefits clearly outweigh risks and costs**, focusing on areas with proven demand to build consumer trust.
- Focusing only on **retail customers**, as other types of customers already have access to tailored financial services.

DATA SCOPE

FIDA covers a **wide range of data**, but lacks certainty as to what types of data are excluded. This could require sharing sensitive data or trade secrets, posing privacy and security risks.

STREAMLINE AND CLARIFY

Exclude explicitly:

- sensitive personal data (**health-related data**)
- **business-sensitive** and proprietary data
- the results of a **suitability and appropriateness** assessment

IMPLEMENTATION

Implementing FIDA in a very short timeline, such as 18 months, is simply not realistic. Developing financial data-sharing schemes, standards, governance models and permission dashboards requires **time to get right**.

ADOPT A REALISTIC TIMELINE

A **staggered approach** to gradually including financial products within scope according to set timelines will help ensure effective resource utilisation and build consumer trust.