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EURO BANKING ASSOCIATION

Voice of The Industry

FINANCIAL DATA ACCESS (FIDA): THE CATALYST FOR AN OPEN DATA ECONOMY?

EBA Open Finance Working Group

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EXECUTIVE SUMMARY

The European financial sector is evolving with the introduction of advanced, data-centric propositions that meet changing customer needs and rising expectations for seamless, personalised experiences. In 2024, 23% of financial institutions worldwide saw data platforms as a top priority for the allocation of major technology investments compared to 22% directed towards artificial intelligence, according to Celent.[1] At the same time, European regulators are advocating for a data-driven economy, positioning the EU financial sector as a core driver of economic growth while promoting open data flows that safeguard consumers, foster innovation, and enhance competition. The proposed Financial Data Access (FIDA) regulation plays a pivotal role in realising these goals. The Euro Banking Association's (EBA) Open Finance Working Group (OFWG) has taken the industry's pulse through 22 interviews, an extensive survey, and 5 workshops with all in all more than 50 senior executives from across the European financial sector. This report presents the findings of this research.

What is FIDA?

The proposed Financial Data Access (FIDA) regulation, expected to enter into force in 2025, pending trilogue negotiations, marks a major step forward from the second Payment Services Directive (PSD2) introduced in 2016. FIDA requires financial institutions to provide real-time access to financial data of customers (who have agreed to and authorised such access) via standardised technical interfaces (commonly known as application programming interfaces, or APIs) to regulated third parties. Building significantly on PSD2, FIDA has a much broader scope, covering an extensive range of financial products (e.g., savings, mortgages, lending, insurance, investments), all customer segments (i.e., retail, corporate, SME), and introducing a compensation model for data holders who share data.

FIDA also mandates a market-led approach for developing legally binding rules and standards to ensure secure and efficient data access. If the industry fails to create these schemes, regulators may intervene and impose standards. Non-compliance could result in fines of up to 4.5% of yearly revenues.

How could FIDA create value for customers, society, and the financial Sector?

FIDA's primary goal is to empower customers with greater choice, personalised financial insights, and improved access to solutions tailored to their needs. Additionally, it seeks to establish an infrastructure that enables a diverse range of market players to drive innovation and strengthen European businesses. Edwin Sanders, Tribe Lead Innovation at Rabobank and chair of the Euro Banking Association's (EBA) Open Finance Working Group (OFWG), highlights that "some underestimate the impact that FIDA could have both on banks and society; in essence, FIDA brings customer data closer to institutions, allowing its use across the entire customer journey."

Industry sentiment on FIDA remains split: 50% of survey respondents see it as a significant source of strategic and business opportunities, while the other 50% view it primarily as a regulatory obligation with potential risks, including customer attrition and revenue loss. Gediminas Misevicius from Open Finance Strategy at Swedbank articulates this dual perspective, stating that "[FIDA] could be a great opportunity and a threat at the same time … if we only comply, then we may lose. However, if we go beyond compliance, we can keep our market share or possibly improve."

[1] Celent Dimensions IT Spending, Pressures & Priorities

Industry representatives identified numerous ways in which FIDA could enhance customer offerings and help financial institutions tap into new revenue streams. These include:

- Streamlining internal operations and driving efficiencies
- Enhancing risk evaluation capabilities
- Improving existing products and services
- Enabling new business models, such as embedded finance and Banking-as-a-Service (BaaS)
- Monetising data through structured schemes

Survey participants ranked product switching, 360-degree personal finance management, and long-term financial planning as the top three use cases that offer the most value to customers. Among customer segments, retail was cited as the most impacted by 93% of respondents. Additionally, workshop discussions highlighted Know Your Customer (KYC) optimisation and enhanced internal data capabilities as top priorities for business value creation.

Stefan Stignäs, Head of Exploratory Banking & Strategic Partnerships at Skandinaviska Enskilda Banken (SEB) Bank, reinforces the opportunity-driven view, stating that SEB sees FIDA as “more of an opportunity than a threat, with ‘data as the new asset class’.”

However, three key challenges were highlighted by industry leaders regarding FIDA implementation:

1. 86% of survey respondents cited significant costs as a primary concern
2. 57% pointed to tight implementation timelines
3. 36% flagged potential scheme fragmentation as a major risk

Moreover, industry leaders identified increased competition (79%) and the rise of provider or broker-led disintermediation (64%) as major threats, potentially reducing banks to product providers with diminished customer relationships.

Does FIDA balance investment versus value for financial institutions?

PSD2 resulted in substantial compliance costs for financial institutions, amounting to approximately €7.2 billion across Europe, according to the European Commission.[2] 50% of respondents stated that PSD2 costs exceeded €25 million per institution with some reaching up to €150 million or more. 60% of survey respondents estimated that FIDA compliance costs could be at least three times higher than those associated with PSD2.

Early estimates suggest that FIDA could impact over 80% of financial products and more than 60% of IT systems, making its impact both extensive and costly. Many industry leaders express frustration over the slow realisation of value from PSD2 and fear a similar outcome with FIDA, requiring substantial investment with uncertain returns. Cosmin Creanga, Head of Public Affairs at UniCredit, highlights “UniCredit will need to invest a significant amount of money just to comply with FIDA, and it is unclear whether the effort will be counterbalanced with opportunities, as seen in the case of PSD2.”

Given its wide-ranging implications, FIDA raises critical strategic questions for financial institutions. Joris Hensen, co-founder of Deutsche Bank’s API program, stresses that “a conscious strategic position will need to be taken, as there are many different ways to approach FIDA. However, this calls for deliberate and active decision-making

[2] PSD2 European Commission Working Document Impact Assessment

across the organisation." Yet, 86% of respondents remain in the early stages of budget planning, with only high-level estimates or no budgeting process in place at all.

What is the significance of FIDA schemes?

FIDA's market-led schemes are structured across two layers:

1. A collaborative 'base domain' that establishes a legally binding rule set for all participants
2. A second layer that expands on these rules to address operational and commercial considerations

The Open Banking division at Mastercard expresses that "unlocking cross-sector is critical. Cross-sector (rather than sector-specific or use case-specific) data sharing schemes not only offer scalability, access and interoperability advantages, making them far more economic for data holders and third parties, they also encourage inter-sector use cases, which is where the new economic and societal value lies. And it is this new value which represents the real win for the EU's consumers and businesses, and real growth for the EU's economy."

Industry players identified several key challenges in scheme development. Linnea Schönström from the banking association Finance Sweden notes that "the primary concerns raised by our members regarding the development of schemes include governance structures, identifying leadership, negotiating compensation, and ensuring customer clarity through the permission dashboard—all within an extremely tight timeline."

A major concern among financial institutions is the risk of scheme fragmentation, which could create strategic challenges. Survey responses were split, with 58% expecting either complete fragmentation across products and markets or some sector-level consolidation (e.g., banking) at a national level. Nils Lawerenz from DZ BANK states, "for the banking sector in Germany, we expect schemes to be developed and adopted locally first, with the aim of becoming pan-European and interoperable with other schemes over time."

Conclusion

The financial services industry is divided on how to navigate the evolving data economy and shifting regulatory environment. Generally, financial institutions endorse the idea that the financial sector can drive economic growth through open data flows that protect customers and see FIDA as a potential driver of innovation. However, many industry representatives are concerned about whether the cost investment and complexity will justify the returns, as well as additional risks that could stifle their organisation's competitiveness in the European market.

While no single "right" strategy exists, industry leaders emphasise the importance of making informed decisions and pursuing strategic "no regret moves". Key actions include ensuring organisational strategic alignment and awareness, collaborating on scheme development, engaging with initiatives like the Berlin Group and the SEPA Payment Account Access (SPAA) scheme, and investing in data infrastructure. As Giorgio Andreoli, Director General of the EPC, notes, "given the challenging process of negotiation between parties to form a scheme, the sooner the players start serious discussions, the better the outcome for all involved."

1. INTRODUCTION

1.1 CHANGING CUSTOMER NEEDS AND AN EVOLVING FINANCIAL LANDSCAPE DRIVING INNOVATION THROUGH DATA

Changing customer needs, an evolving digital landscape and advances in data-driven technology have driven a development in the financial market towards a greater utilisation and sharing of data. The growing market for customer propositions has opened up new avenues for new and incumbent players in the financial market arena. With customers able to choose between a greater number of offerings, retaining customers becomes more challenging. This trend is illustrated in markets such as France, where a new offering, in this case Revolut's mobile app, became the most downloaded banking app in 2024, reaching 4 million users.[3]

29% of European banking customers are now digital only.[4] Personalised and seamless digital experiences are becoming increasingly important, especially in the retail and SME customer segments. Innovative, customer-centric financial business models, such as embedded finance, which put the customer first, at the core of their innovation strategy, have enabled this rise. Strong data capabilities and well-developed customer relationships, including but not limited to financial services, support these strategies to meet customer expectations and rising demand for digital experiences.

Open Finance (see exhibit A in section 2 for definition)[5] and financial data exchange can help financial institutions to offer personalised products. According to the Financial Services State of the Nation Survey 2022 by Finastra, 42% of financial institutions in France and 34% in Germany viewed Open Finance as a 'must have'.[6] In 2024, 23% of financial institutions worldwide saw investments in data platforms as a top priority for major investments in new technology, surpassing the 22% that named artificial intelligence as their top priority.1 Some financial institutions focus on developing in-house capabilities, such as building APIs, while others focus on acquiring those capabilities externally.

European regulators are advocating for an open data framework that could catapult the EU to the forefront of data utilisation across the financial services industry. Therefore, EU regulators have increased efforts towards driving open data flows and establishing a robust data economy. As part of this effort, the European Commission published a proposal for the Financial Data Access (FIDA) regulation on 28 June 2023. FIDA is a proposed framework to facilitate financial data access beyond the scope of previous regulations and aims to put the customer in full control of their financial data. FIDA is a potential tipping point in the financial services industry, as it is expected to facilitate enhanced data access between financial institutions, regulated third parties, and the broader financial ecosystem. This could unleash innovation across the sector, empowering customers to discover tailored solutions that meet their unique financial needs.

The financial sector leads the charge in shaping Europe's data economy and to foster innovation. Decision makers are confronted with the formidable task of implementing an integrated strategy to avoid the pitfall of treating each regulatory and strategic initiative as a single challenge. This raises a few key questions: What

3 Revolut

4 Forrester

5 Access to broad customer financial data with permission, via standardised schemes and with a compensation model for data holders in the EU

6 Finastra: Financial Services State of the Nation Survey 2022

is the best way to navigate the data economy as new data-driven business models continue to emerge and regulations enter into force? Should decision makers aim for compliance, or embrace broader strategic ambitions? How can financial institutions ensure that they remain an attractive point of contact and retain their customer relationships? Joris Hensen founder and co-lead of the Deutsche Bank API Program highlights that “a conscious strategic position will need to be taken, as there are many different ways to approach FIDA. However, this calls for deliberate and active decision-making across the organisation.”

1.2 AIM AND STRUCTURE OF THIS REPORT: METHODOLOGY AND OUTPUTS

This report presents market sentiment on the shared fundamental understanding of FIDA, clarifies expectations defined by regulators, and explores best practices that influence thought leadership in this field. Insights draw on research conducted with the EBA’s Open Finance Working Group (OFWG), with up to 60 representatives from a variety of financial institutions across 15+ EU countries. Through 22 interviews with executives, five workshops with 50+ working group representatives, and one broad market survey aimed at incumbent banks and financial associations, OFWG members had the opportunity to share their sentiments towards FIDA.

Based on these insights, this report provides tangible recommendations and frameworks for market players impacted by FIDA as implementation timelines draw near. However, this can only be the starting point. True innovation will require financial institutions to establish an internal understanding of FIDA, identify opportunities for their customer segments and define a clear strategy and roadmap for execution.

2. A RESILIENT OPEN DATA ECONOMY

2.1 THE EU'S BROADER OPEN DATA STRATEGY AIMS TO SPUR INNOVATION AND ECONOMIC GROWTH

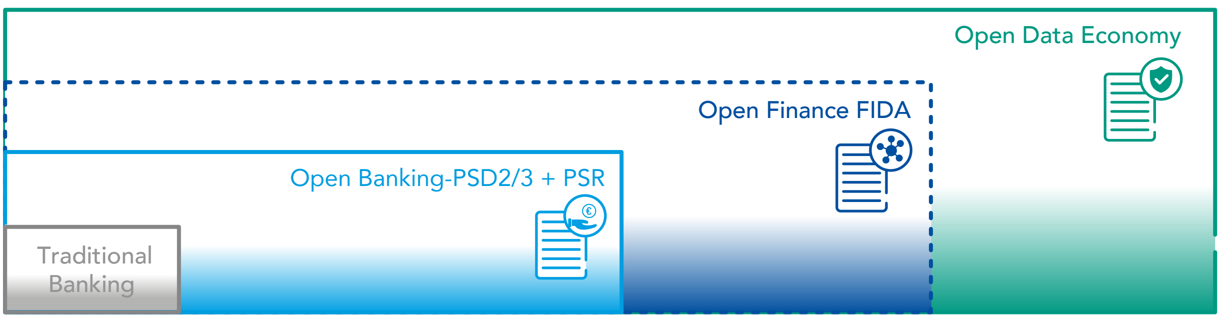
FIDA is a part of the EU regulators' broader data strategy to create a resilient data environment with open data flows. At the core of this strategy is a commitment to protect customers, spur innovation and foster competition within the EU digital economy. Within this strategic vision, EU regulators ultimately recognise customers as the main beneficiaries of their policies and are focused on empowering them through regulatory action.

To achieve this goal, EU regulators have implemented measures to establish interoperable data flows across the EU, empowering customers with control over their (personal) data, and cementing the financial services sector as a key pillar of the EU economy and catalyst for innovation in the ecosystem. Regulations like the General Data Protection Regulation (GDPR) and the Payment Services Directive 2 (PSD2) aimed to establish this resilient data environment with open data flows and fulfil the European Commission's four main goals: resilience & security, customer protection & privacy, innovation and European sovereignty. The FIDA regulation is a critical component in achieving said objectives.

Beyond financial services, the European Commission has proposed numerous regulatory measures in recent years which contribute towards this goal of holistically protecting customers. Key examples include the European Digital Identity Regulation (Regulation (EU) 2024/1183), also known as eIDAS 2.0, the Data Act, the Data Governance Act, and the Digital Markets Act, all introduced within the last five years and focusing on both customer security and data access outside of financial services.

Moving forward, regulators will build or expand on existing legislation, as can be observed in the proposal for the Payment Services Directive 3 (PSD3) and a Payment Services Regulation (PSR), a continuation from PSD2. Exhibit A illustrates the conceptual framework behind this terminology and the evolution of the financial services industry from traditional banking towards an open data economy.

EXHIBIT A



Source: Oliver Wyman & Innopay analysis

The following terms and definitions as applicable within the context of the EU will be used throughout the report:

1. Traditional banking: one-to-one bilateral agreements between financial institutions to share client data (with customer permission)
2. Open Banking – PSD2/3: access to customer's payments data and payment initiation via APIs, without a compensation model and limited standardisation (with customer permission)
3. Open Finance – FIDA: broader access to customer financial data (with customer permission), via standardised schemes and with a compensation model for data holders

Open Data: data access for use and analysis across financial and non-financial sectors (with customer permission), such as telecommunications, health, or energy. On 29 January 2025, the EU Commission published the 'competitive compass' intended as a roadmap for the future of the European market to remain competitive on a global scale. The three core areas for action are innovation with a focus on high-growth sectors and digitalisation (e.g., AI, robotics), decarbonisation and reducing energy dependence on parties outside of the EU, as well as increasing security. One of the main enablers of this vision is a regulatory simplification which is further detailed in the 2025 Work Programme. The main proposals from Member States focus on a wide range of regulatory simplification including CSDDD (Corporate Sustainability Due Diligence Directive), CSRD (Corporate Sustainability Reporting Directive) reporting requirements. FIDA at the time of this report is listed under 'pending' in the Work Programme and will proceed to trilogue negotiations between the Commission, Council and Parliament. Industry lobbying is expected to be ongoing, which may affect data scope and implementation timelines.

2.2 LASTING IMPACT OF PSD2, AND THE CURRENT OPEN BANKING MARKET LANDSCAPE

Introduced in 2016, PSD2 was the EU's first regulatory measure to advance towards Open Finance. By establishing an Open Banking framework which promoted innovation and competition among market players, PSD2 laid the groundwork for subsequent initiatives. Open Banking under PSD2 has begun to gain moderate traction with customers in select markets and use cases leading to market consolidation. The largest winners so far have been infrastructure enablers and technology providers with a consolidation of players underway. For example, the EU and UK markets had over $4BN USD capital invested in Open Finance acquisitions since 2021, including $1.2BN+ USD in 2024.[7] PSD2 has created an environment for secure payment initiation and account information service providers to enter the market, with the introduction of over 500 regulated entities across the European Union. [8]

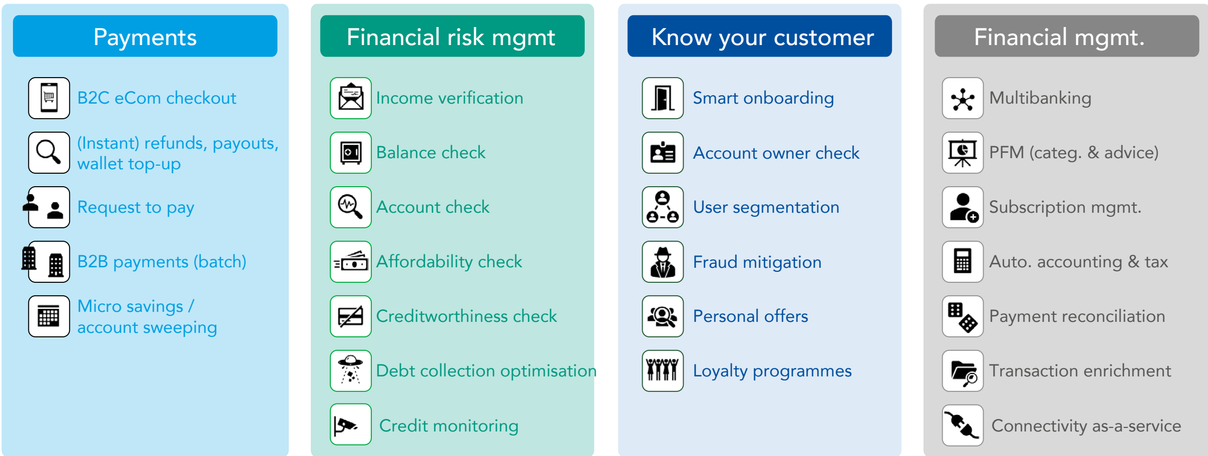
As a result of the move towards Open Banking, PSD2 sparked technological upgrades of the financial sector through the introduction of API technology. Consequently, the payments and banking space has seen an intensified bid by third-party providers offering financial services, particularly at the point of sale (e.g., providing financing options at customer checkout). In addition, new data-driven use cases addressing customer needs have emerged and begun to gain traction (see Exhibit B).[9] 67% of survey respondents noted that their financial institutions currently use PSD2/Open Banking data for personal financial management tools as well

7 Pitchbook and Oliver Wyman analysis

8 Konsentus

9 Oliver Wyman and Innopay analysis

EXHIBIT B



Source: Oliver Wyman & Innopay analysis

as for payments (e.g., payment initiation, eCom checkout), whilst 40% mentioned PSD2 data was used for credit decisioning and underwriting.

However, despite these examples, low customer adoption of PSD2-enabled use cases coupled with low market innovation or disruption led to the impression that PSD2 has fallen short of regulatory expectations. Instead, the legacy of PSD2 is perceived as one of exorbitant costs for many financial institutions with limited returns. Not only has PSD2 increased fixed infrastructure costs, but generating revenues through open banking has also proven to be difficult for financial institutions. According to an impact assessment conducted by the European Commission, the costs of complying with the regulation total €7.2bn for financial institutions in Europe.[10]

Cosmin Creanga, Senior Policy Officer at UniCredit, commented on the potential for compliance costs to be similarly high under FIDA, stating: "UniCredit will need to invest a significant amount of money just to comply with FIDA and it is unclear whether the effort will be counterbalanced with opportunities, as seen in the case of PSD2."

This has resulted in some scepticism towards the EU's data strategy, with many financial institutions expressing concern that innovation will be hard to achieve through a top-down regulatory push. Furthermore, complying with new regulations may strain budgets further for financial institutions seeking opportunities beyond compliance. Some executives are looking at FIDA as an opportunity to consolidate market positioning and improve customer propositions, Gediminas Misevicius from the Open Finance Strategy team at Swedbank mentions: "[FIDA] could be a great opportunity and a threat at the same time…if we only comply, then we may lose. However, if we go beyond compliance, we can keep our market share or possibly improve."

[10] PSD2 European Commission Working Document Impact Assessment

3. BACKGROUND AND INTRODUCTION TO THE FINANCIAL DATA ACCESS (FIDA) REGULATION

3.1 A GLOBAL SHIFT TOWARDS OPEN FINANCE AND OPEN DATA FLOWS

The world is trending towards Open Finance through a regulatory push, with 50+ countries at varying stages of their Open Finance journey. The EU's proposal of FIDA would form part of a globally growing portfolio of regulatory measures designed to galvanise innovation in the ecosystem and present open data flows (see Exhibit C which illustrates the global Open Finance efforts underway).

A successful example is the introduction of an Open Finance ecosystem in Brazil, where the Brazilian Central Bank introduced the concept in 2021 with a phased implementation period. Within two years, the ecosystem reported over 27 million users, and it has since expanded to 43 million users in 2024.[11] Industry participants have attributed the success of this ecosystem to the active role of the Brazilian regulator in encouraging market engagement, innovation and competition. Open Finance has been a significant success for the Brazilian market, reducing the number of unbanked Brazilians from 55 million to 4.6 million, positioning the country as the second largest real-time payments market worldwide within four years and fostering innovation in financial services.[12]

Open Banking in the United Kingdom has also gained traction with this industry now worth more than £4 billion per the UK Open Banking Report published in March of 2024.[13] Moreover, the report shows strong growth rates for Open Banking products and services with 13% of retail customers and 18% of customers in the SME segment having granted permission to use their data as of January 2024, totalling 10+ million active Open Banking users. This shows that both retail and SME customers are seeing benefits in Open Banking products and services, emphasising the validity of such use cases.

The growing success across the world, with new frameworks also being introduced in the US and Middle East, further galvanises the European Commission's belief that an open data economy could benefit the ecosystem. This assumption is supported by lessons learned from both the PSD2 experience as well as other geographies.

3.2 FIDA'S SCOPE AND REQUIREMENTS

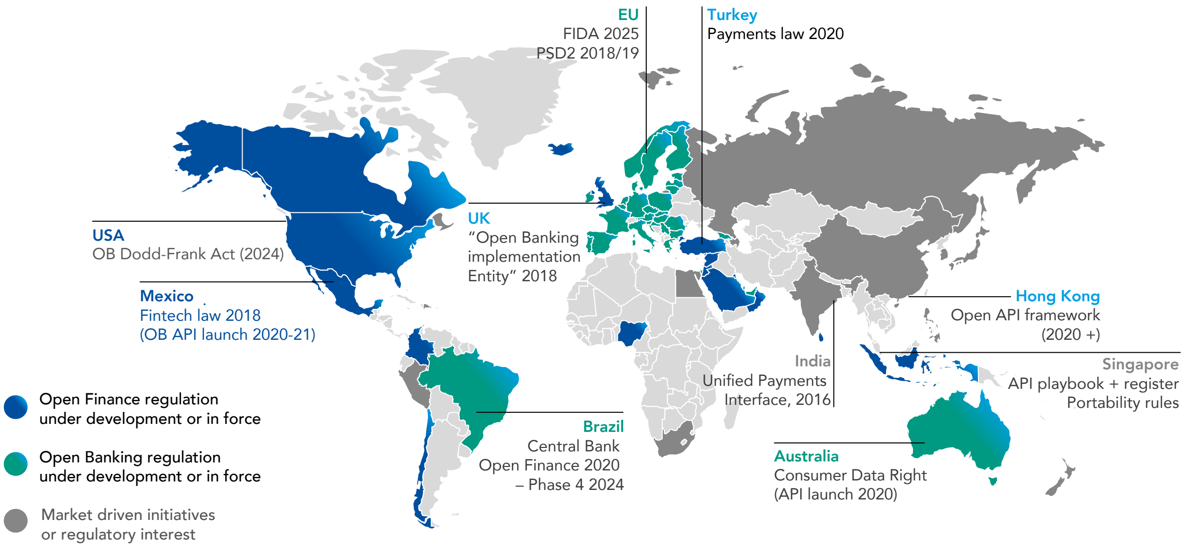
The proposed FIDA regulation would require financial institutions to act as data holders and to provide continuous, real-time access to financial data to , regulated entities via technical interfaces (APIs), provided that the customer has granted permission to provide this access. Only EU National Competent Authorities can authorise these entities, so-called Financial Information Service Providers (FISPs), to access and use customer data. FIDA exceeds the access rights granted under PSD2 and differs in five key areas:

A. Data scope

FIDA goes far beyond the scope of PSD2 and requires financial institutions to provide access to an extensive set of 'raw data' across financial products that include savings, investments, lending, mortgages, P&C (Property and Casualty) insurance, and pensions. Furthermore, FIDA applies to all customer segments including retail, SME and corporate (see Exhibit D).

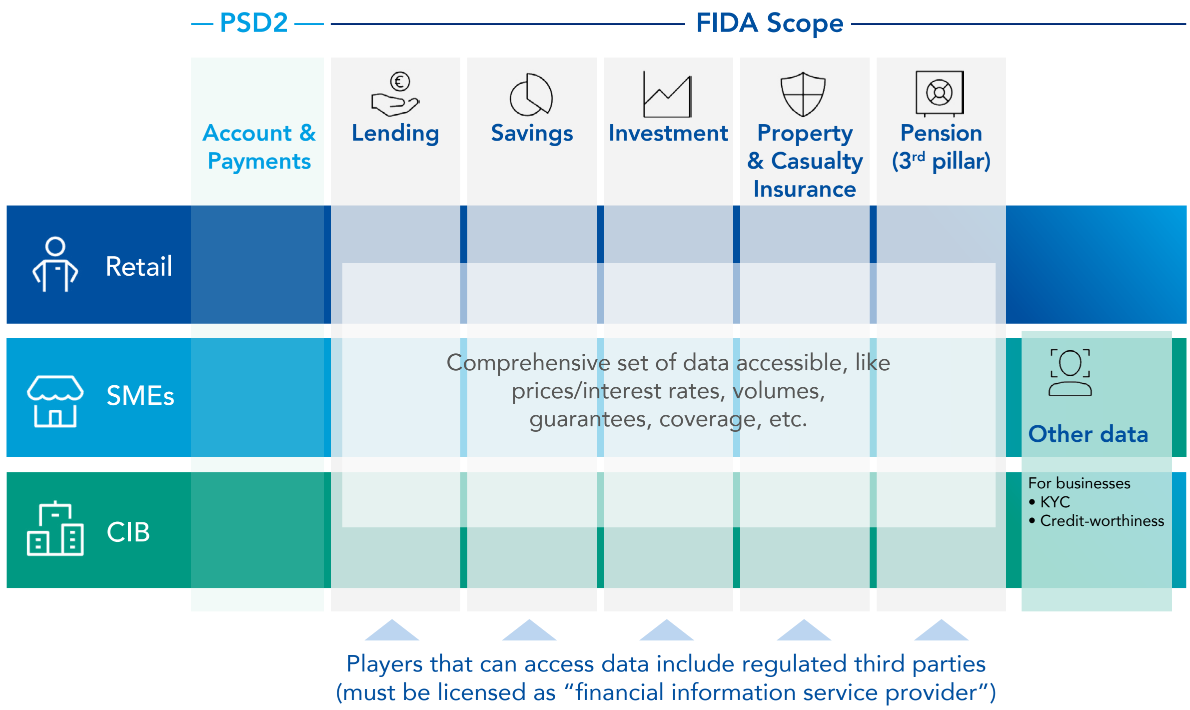
[11] Raidiam
[12] Banco Central do Brasil
[13] UK Open Banking Implementation Entity Report

EXHIBIT C



Source: Oliver Wyman & Innopay analysis

EXHIBIT D



Source: Oliver Wyman & Innopay analysis

Proposed regulatory texts, as of the first quarter of 2025, indicate an 18-month period for market players to develop FIDA data access schemes after entry into force. A 6-month implementation period will follow, when market players will roll out the first phase of products under FIDA's scope, such as providing access to data related to savings, consumer lending, and motor insurance. According to these timelines, financial institutions will conclude the final stage of FIDA implementation by approximately the third quarter of 2029.

B. FIDA Schemes

FIDA requires financial institutions to participate in schemes, and the market is required to create them. Data holders, which are financial institutions who collect and store client data, and potential data users who are entities who intend to use client data, must join a scheme.

A scheme can be defined as a coalition of data holders and data users that determine the mechanisms and legally binding rules for accessing a specific scope of data in a particular geographic market. This includes rules on governance, technical standards, liabilities, dispute resolution, change procedures and compensation models. This is a key learning from PSD2, where a lack of standardisation hampered the rapid development of the market. With FIDA, collaboration and standardisation are built in by design, as well as the explicit possibility to receive compensation for providing access to data including investments made and operational costs for running the data access infrastructure.

To some financial institutions, participation in the development of schemes is critical to their strategic objectives. For example, Cosmin Creanga, Senior Policy Officer at UniCredit, mentions that: "Schemes are a critical component that could standardise data across countries and enable incumbent banks to take advantage of opportunities that emerge".

C. Monetisation

A unique feature of FIDA is the possibility of introducing a compensation model for providing data access. Market participants shall establish, through schemes, a compensation model to determine the maximum fee that a data holder may charge a data user for making the requested client data available. This compensation is expected to be proportionate to the costs incurred in making the data available to the data user and must be fair, reasonable and non-discriminatory ('FRAND'). Compensation models may include a margin to foster effective competition, except when the data user is an SME.

D. Severe Fines

Under FIDA, regulatory bodies within member states will have the power to impose severe penalties for non-compliance or infringement of FIDA's legal terms, including a fine of 4.5% of the financial institution's yearly group revenues or in the case of data users, a temporary suspension of FISP status.

E. European Commission Mandate to Address Market Failure

If schemes are not developed to the expected standards in a timely manner, regulators may step in to adopt a delegated act and specify under which modalities a data holder shall make customer data available.

4. IMPLICATIONS FOR FINANCIAL INSTITUTIONS

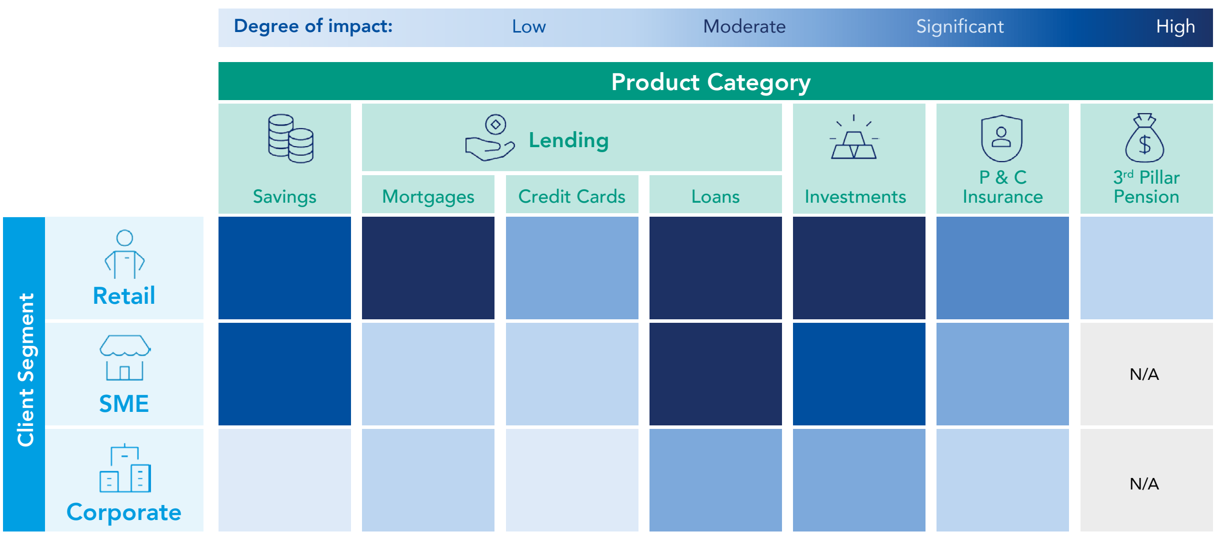
4.1 BUSINESS IMPACT OF FIDA ACROSS PRODUCTS, CLIENT SEGMENTS AND SYSTEMS

Early aggregated estimations across market players indicate that FIDA will have a significant and far-reaching business impact. Impact assessments show that FIDA is anticipated to affect more than 80% of all products and more than 60% of IT systems as well as most entities of regionally operating financial institutions that offer the full breadth of products,. Two factors primarily contribute to the business impact of FIDA across financial institutions and geographies: the inherent characteristics of each product category and the distinct behaviour of each client segment.

The two product categories expected to be most significantly impacted are lending and investment – both in terms of the risk of losing revenues and customers and in terms of the opportunity to win new clients and generate new revenues. 42% of survey respondents expect FIDA to have the most significant impact on lending, including personal loans, business loans, and mortgages driven by low barriers to switching, higher frequency of interaction at point of sale and high price sensitivity within this product category. Furthermore, 42% of survey respondents ranked investments as either the most likely or second most likely category to be significantly impacted by FIDA driven by the potential for end-to-end advisory and tailored financial advice. Given the limited transparency around pricing for existing investment products, FIDA could reduce the effort required for advisors to compile relevant investor profiles and provide personalised financial advice.

Moreover, 100% of survey respondents expect FIDA to have the most significant impact on retail and SME clients, with 93% and 7% voting for these client segments, respectively. The combination of existing digitised customer journeys, high price sensitivity, and low barriers to switch makes retail

EXHIBIT E Business Impact assessment



Source: Oliver Wyman & Innopay analysis

customers particularly receptive to personalised offers, considering the limited availability of such offerings in the market today. SME clients also exhibit a significant need for tailored financial advice that supports their business context and are less likely to receive this service compared to corporate clients, making FIDA-enabled personalised offers particularly attractive to this customer segment. Market participants expect the impact of FIDA to be minimal for corporate clients, none of the survey respondents selected this segment, driven by significant barriers to switch providers due to existing relationships and more advanced, complex product set-up, combined with the existence of highly personalised offers already catering to these customers.

Two additional factors can also influence the degree of FIDA's overall business impact, although the degree of each will greatly vary depending on the composition and market of each financial institution:

1. The current market dynamics, which may include the market maturity in which the financial institution operates, perceived customer readiness, and the dynamics of competition within each market.
2. The income distribution of each financial institution across client segments or product categories.

In summary, incumbent financial institutions with offerings across numerous product categories, legacy IT systems, and a large geographical reach could experience the largest impact of FIDA. For this reason, when asked if survey respondents perceived benefits of allocating resources early to understand FIDA, 80% identified the design of IT infrastructure and solutions in a way that enables future opportunities and 47% selected reduced compliance costs.

4.2 FIDA'S ROLE IN A CUSTOMER-CENTRIC AND DATA-DRIVEN STRATEGY FOR FINANCIAL INSTITUTIONS

Rather than viewing FIDA as a solution within itself, representatives from financial institutions expressed an approach to data and FIDA holistically as a key enabler that can accelerate existing broader strategic ambitions of customer centricity and data-driven innovation. FIDA enables financial institutions to leverage customer data as a powerful driver to advance innovation, amplifying the impact of other innovation tools such as embedded finance, banking-as-a-service, and fintech partnerships, among others. When discussing FIDA, Stefan Stignäs the Head of Exploratory Banking & Strategic Partnerships at SEB bank states that SEB sees FIDA as "more of an opportunity than a threat, with 'data as the new asset class'…", recognising the opportunity for banks to leverage data in their pursuit of broader strategic goals.

Furthermore, survey respondents when asked to reflect on their strategic pillars consider customer centricity and data-driven insights to be top strategic priorities, rating each a 4 out of 5 on average. Data-driven insights support a customer-centric strategy by enabling financial institutions to create personalised offers that enhance the customer experience along the entire customer journey. FIDA serves as a valuable tool in this regard, by providing access to previously inaccessible data which helps financial institutions build a holistic profile of their customer. However, to fully realise this potential, financial institutions will require a long-term vision of digital innovation as well as a customer first mindset to capitalise on the insights that data can provide. Edwin Sanders, Tribe Lead Innovation at Rabobank and chair of the OFWG, highlights that "some underestimate the impact that FIDA could have both on banks and society; in essence, FIDA brings customer data closer to institutions, allowing its use across the entire customer journey."

4.3 OPPORTUNITIES ENABLED FOR FINANCIAL INSTITUTIONS

Interviews and workshop discussions with OFWG members reflect five broad areas of opportunity where financial institutions believe they can leverage FIDA to:

1. Improve their internal processes and create operational efficiencies
2. Improve their ability to understand and evaluate risk, enabling them to channel investments and improve offers (e.g., credit underwriting) towards the most valuable customers
3. Improve existing products or services, as increased access to data can enable personalised offers and deepen relationships with clients
4. Enable new and innovative business models, notably embedded finance and Banking-as-a-Service (BaaS), which allow financial institutions to reach customers in non-traditional environments
5. Monetise data via scheme agreements (detail in section 3.2)

As the ecosystem evolves with significant data pushed into the market, new pockets of value will be created, and truly innovative use cases are likely to emerge in the mid to long term. Financial institutions that participate in the value creation process will be positioned to drive this innovation and stand to gain the most from the changed market conditions. Tarik Zerkti, CEO of PRETA, notes: "PRETA supports FIDA's vision to drive innovation within the financial ecosystem. However, we advocate for a truly coordinated approach to effectively address the numerous challenges that lie ahead in its EU-wide implementation."

4.4 POTENTIAL USE CASES ENABLED BY FIDA

Alongside the broad opportunities identified, early analyses from discussions with market players identify four categories for which key use cases have been identified:

1. Internal process improvements: streamlining operational capacities intended towards reducing costs and creating efficiency gains internally (e.g., KYC, credit decisioning)
2. Data aggregation and comparison: data categorisation and aggregation that integrates customer financial views across products or compares product/prices across market players
3. Product evolution: adjustments of existing products towards increasing revenue and/or customers through improved offerings (e.g., pricing, instant lending)
4. Financial wellness management: data enrichment for holistic advisory, planning and customer lifecycle recommendations

This report examines eight use cases across these four categories that were identified in recurring discussions, workshops, interviews and surveys. It should be noted that early estimates indicated more than 60 use cases.[14] This extensive list was reduced to a shortlist of eight use cases that were mentioned repeatedly:

1. Process improvements
    a. KYC optimisation: streamlining of collecting KYC requirements, documents and onboarding standardisation across several segments (e.g., SME and corporate)
    b. Enhanced internal data capabilities: optimisation of internal information exchange across markets and products by creating and utilising API pipelines using a uniform structure based on FIDA requirements
2. Data aggregation and comparison of offerings
    a. 360 personal finance management: holistic visibility on customer savings, insurance, investments, and loans allowing an integrated overview of the customer's financial position
    b. Product switching opportunities: enhancement of market transparency leading to easier price comparison and increased opportunities for customers to switch to a different financial institution's products (e.g., ability to refinance outstanding loans against better conditions)
3. Product evolution
    d. Improved creditworthiness and/or instant underwriting: automation or facilitation of credit underwriting for several segments (e.g., SMEs, retail) through an improved understanding of risk and customer profile
    e. Enhanced wealth management services: personalisation and automation of wealth management activities for targeted asset recommendations based on insights into existing assets or customers' overall portfolio
4. Financial wellness management
    a. Insurance/bancassurance: ability to manage and/or shift insurance coverage as well as upsell within any identified coverage gaps
    b. Long-term financial planning: provision of highly personalised financial advice to customers – for example in retirement planning, providing strategic advice for maximising savings efficiency or leveraging investments to pay off mortgage

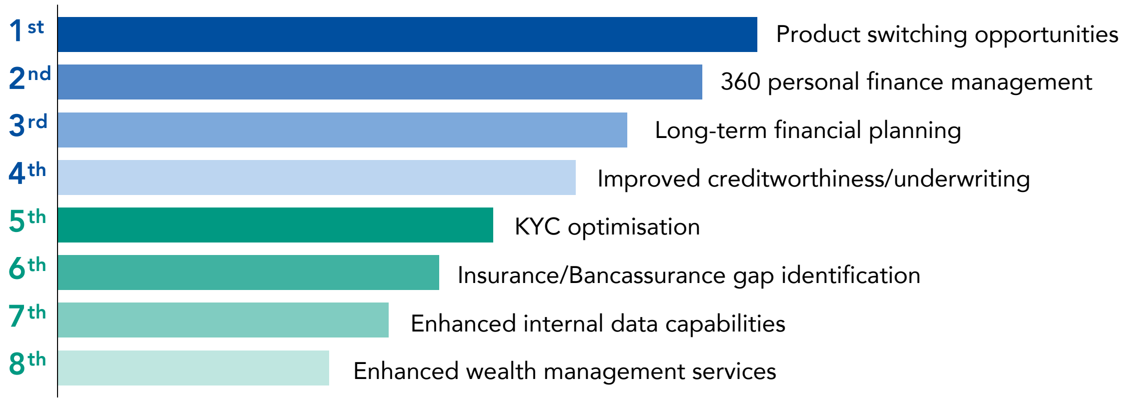
Discussions with OFWG members ranked product switching opportunities first followed by 360 personal finance management and long-term financial planning illustrated in Exhibit F. These workshop results are further confirmed by survey respondents; when asked which use cases offer the greatest potential for their financial institution to leverage FIDA, 57% of respondents ranked product switching opportunities first, followed by 50% for 360 personal finance management and 38% improved creditworthiness and instant underwriting. This suggests that financial institutions may prioritise use cases which provide the most value for their customers despite any implementation challenges. This ranking indicates that data aggregation/comparison and financial wellness management are the areas where customers are most likely to benefit from FIDA.

This is contrasted by workshop discussions where internal process improvements and/or product evolution we ranked as providing the most business value to financial institutions, with 53%

[14] Oliver Wyman & Innopay Analysis

EXHIBIT F

Please rank the use cases from most to least likely to address customer's need or pain points



Source: Oliver Wyman & Innopay analysis

of voters ranking KYC optimisation first, followed by enhanced internal data utilisation second and improved creditworthiness and/or instant underwriting third, demonstrating how some financial institutions expect to leverage FIDA to achieve existing strategic goals of improving existing data capabilities.

Whilst some use cases viewed in isolation may not generate significant revenue uplifts on an individual basis, workshop participants expect them to collectively act as stepping stones to creating profitable long-term customer relationships. Furthermore, several banks mentioned in workshops and interviews that broadening data access beyond financial services, such as in telecommunications or energy, can support them and customers to observe the full transformative effects of open data flows.

4.5 PRINCIPLE CHALLENGES AND THREATS THAT FIDA POSES TO FINANCIAL INSTITUTIONS

Some financial institutions expect that the implementation of FIDA will bring challenges to the following areas:[15]

1. According to 71% of survey respondents, fragmented schemes across countries and product categories could cause technical and operational complexity for businesses
2. 64% of survey respondents consider disintermediation by providers or brokers one of the top three challenges, which could lead to an increasing amount of client activity to take place in third-party environments using data provided by financial institutions
3. 43% of survey respondents rated costs as the number one challenge facing their financial institutions under FIDA, with industry

[15] Based on interviews, survey and workshops with members of the EBA Open Finance Working Group (OFWG)

representatives concerned that FIDA may materialise as a strain on constrained budgets by limiting the financial resources necessary to bring other innovative offerings to market

4. An increased churn rate leading to significant revenues at risk for financial institutions, driven by heightened price transparency and the competitive value propositions offered by third parties who leverage customer financial data; 36% of survey respondents consider this to be among the top three threats facing their financial institutions under FIDA

Furthermore, 79% of financial institutions anticipate challenger banks and/or fintechs to be among the largest threats in the short term driven by increased visibility and access to a broad spectrum of financial data under FIDA, with interviewees mentioning Big Tech (86%) to be the largest threat in the long term. This is attributed to the enhanced agility of tech-enabled institutions, which enables them to bring products and services to the market and respond to market changes at a quicker pace.

FIDA may be perceived as both an opportunity and a challenge for financial institutions and the market is divided on how to respond, reflecting uncertain expectations of the regulation. While 50% of respondents view FIDA as source of strategic and business opportunities, 50% view FIDA as primarily a regulatory requirement with the risk of seeing a significant strategic risk of loss of business (e.g., customers or revenue). The sentiment was frequently anchored on the PSD2 experience, which was perceived as a costly endeavour for many financial institutions. No financial institutions surveyed viewed FIDA as purely a compliance topic.

4.6 COST ESTIMATIONS AND BUDGET PLANNING

PSD2 proved to be a costly process for many financial institutions resulting in >€25MM per institution for 50% of survey respondents that were able to provide an estimate with some reporting up to €150MM or more. Notably, 80% of survey respondents anticipated that FIDA may exceed their PSD2 cost, with 40% of survey respondents estimating that FIDA could cost their financial institution three to five times the cost of PSD2, and 20% estimating the costs to surpass five times the cost of PSD2.

The significant costs associated with FIDA can be attributed to several factors, depending on whether an entity is a data holder or data user. The five identified cost drivers for data holders are:

1. The current level of IT maturity and system readiness, including data availability, accessibility and quality across products. 54% of survey respondents believe that their financial institution's over-reliance on legacy systems would need to be improved.
2. A market-driven approach may result in multiple schemes, with each scheme potentially establishing a different set of rules and requirements, which financial institutions may then have to accommodate. 79% of survey respondents consider a fragmentation of the scheme landscape to be amongst the top three challenges posed by FIDA.
3. The timeline for financial institutions to become compliant, coupled with each organisation's level of agility and ability to meet compliance requirements. 71% of survey respondents rated short timelines for full compliance as amongst the top three challenges in FIDA implementation.

4. The number and relevance of systems and products, across client segments and countries of operation, impacted by the requirement to 'open up' customer financial data in real-time and continuously.
5. The extent to which PSD2 infrastructure and investments can be leveraged to help bridge the gap between the status quo and full compliance.

On the other hand, the five identified cost drivers for data users are:

1. The complexity and type of use cases pursued, as the challenges of implementation may prevent financial institutions from pursuing use cases that are of business value or value to their customers.
2. The modularity and flexibility of infrastructure and systems, as a highly dynamic infrastructure could support the release of new FIDA-enabled products and services to the market at a quicker pace, and mitigate the challenges presented by a fragmentated scheme landscape.
3. The current and future data capabilities to use data from external sources was highlighted by 54% of financial institutions surveyed, who believe that FIDA preparation will require them to address a perceived lack of inter-operability in their current data structure.
4. Existing partnerships and the degree of outsourcing. For example, respondents believe that they can leverage the relationships built with third-party providers (23%) and API developers (54%), among other partnerships, to address the challenges presented by FIDA.
5. The potential coverage, or lack of coverage, across markets and product categories in schemes.

Some financial institutions expect to reduce compliance costs through early planning and proactive involvement, for example by engaging with associations to better understand requirements or approach schemes at a market level and creating a bottom-up budget plan for FIDA. However, fast-moving implementation timelines may present an obstacle, indicated by the 43% of survey respondents who had not started their budgeting process as of February 2025.

There is significant debate and concern from industry players towards identifying strategies to mitigate expected large costs. One approach highlighted in interviews is to operate with the assumption that financial institutions may eventually need to make data accessible for almost all product categories, and account for this in budget and implementation planning. This upfront investment of effort is expected by some to simplify budget planning and significantly reduce investments in the long term by avoiding rushed implementation timelines once the exact scope of data required to be shared is identified . Another approach that financial institutions are taking is to wait until the scope of FIDA is clearly defined in schemes before scoping the exact impact, as this may reduce the upfront costs associated with FIDA preparation. However, the potential drawback of this approach may be an increased exposure to unexpected costs in the long term and a potential rushed implementation that does not deliver successful outcomes.

5. STRATEGIC RESPONSES

5.1 INITIAL MARKET RESPONSES

The market response to FIDA remains split 18 months after its announcement. Survey results indicate that, by the first quarter of 2025, 93% of financial institutions surveyed had already begun engaging in lobbying efforts to further clarify open points and shape the discussion. However, 71% of financial institutions surveyed had not yet conducted an impact assessment on their product portfolio, IT system landscape, source systems or external vendor dependencies. These statistics suggest a notable level of engagement with the topic of FIDA; however, it also highlights that there is significant work to be done in fully understanding the implications of FIDA within many organisations.

Workshop and interview discussions reveal that the approach to FIDA preparation may vary based on the type of market player (see Exhibit G).

Challenger banks, digitally enabled players, brokers and infrastructure players are expected to take a proactive approach to FIDA, leveraging advanced digital capabilities and increased agility to scale and offer connectivity as well as enhanced customer propositions (e.g., mortgage brokerages, insurance price comparison). Edwin Sanders, Tribe Lead Innovation at Rabobank, says: "There is a risk that FIDA makes banks much less visible. Now we interact with customers multiple times per day, but if that bond is thinner then it becomes more difficult to cross-sell products and offer tailored solutions." Many incumbent banks are likely to take a

EXHIBIT G

Dependent on product & market position per country

Illustrative

INCUMBENT BANKS

- **Defensive response from most** to avoid losing stake, as FIDA may **expose vulnerabilities**
- **Customer-focused banks** will see an opportunity to **deepen customer relationship**, e.g., personalised investment profile

CHALLENGER BANKS

- **Defensive in their home market** and shape schemes to their advantage
- **Aggressive in other markets (+ digital players)**, using a digital-only model to scale and offer great customer propositions (e.g., 360 view)

BROKERS

- **Opportunistic response** through a **deeper understanding** of customer profiles **to trigger shifting behaviour** e.g., mortgage broking, insurance price comparison
- **Proactive/defensive approach** provoked by **risk of disintermediation** in the ecosystem

BIG TECH

- **Wait-and-see approach if they are approved as users of data** and evaluate market evolution and gain experience
- May **cherry pick and launch products** (e.g., broker business, embedded lending) **in markets** where they have strong capabilities

INFRASTRUCTURE PLAYERS

- **Proactive approach with select components** of the evolving financial market
- **Establish better connectivity in the market**, and sell to other players to make data more cost-efficient and standardised

INSURERS

- **Defensive response** concerned for compliance requirements and product implications **with limited experience on data sharing**
- **High risk** driven by **increased transparency** (e.g., pricing) and **product characteristics**, e.g., increased churn lowering margins

Likely restrictions in FIDA on data accessibility for big tech (e.g., separate subsidiary)

Source: Oliver Wyman & Innopay analysis

more defensive approach, simply because they have more to lose. The most notable reasons that were mentioned are perceived risk of disintermediation or increased customer churn driven by increased market transparency as well as slower technological and operational agility to respond.

These discussions highlight how various market players may navigate the implications of FIDA in alignment with their operational strengths and strategic objectives.

5.2 STRATEGIC POSITIONING FOR FINANCIAL INSTITUTIONS: UNDERLYING BELIEFS AND IMPLICATIONS

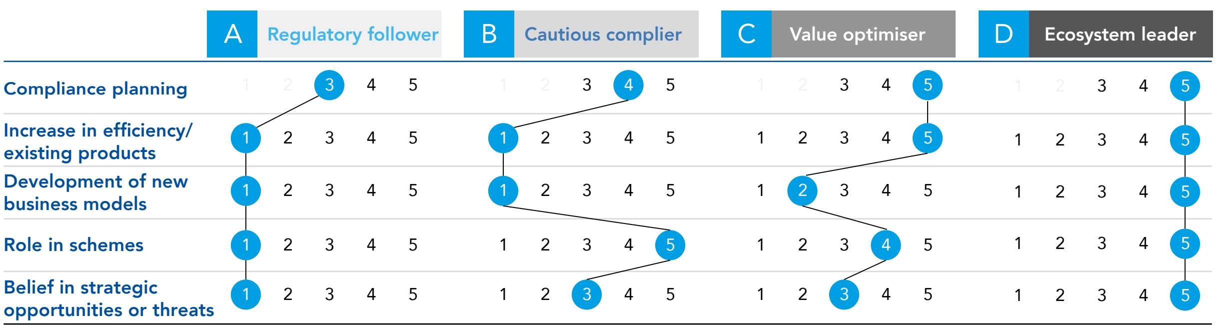
This section will focus on the strategic approaches for players that can serve both as data holders and data users, such as incumbent banks. Workshop discussions revealed four distinct conceptual approaches, which financial institutions may apply to develop their strategic positioning: regulatory follower, cautious complier, value optimiser, and ecosystem leader. [16]

[16] Framework Oliver Wyman and Innopay analysis

These conceptual approaches can be classified as follows and are visualised in Exhibit H:

- The degree of compliance planning: the extent to which a financial institution plans and invests in compliance to create costs savings and APIs
- Breadth of use cases and degree to which opportunities are explored: the extent to which FIDA data will be used within a financial institution both to
- Increase operational efficiency and/or improve existing products or services
- Develop new business models
- The perceived role in schemes the extent to which a financial institution aims to drive FIDA developments in the ecosystem, both by role and scope
- The underlying belief in opportunities or threats: the degree of a financial institution's underlying beliefs that FIDA has strategic implications and can lead to disruption

EXHIBIT H



Source: Oliver Wyman & Innopay analysis

1. Regulatory follower

Regulatory followers' primary goal is to meet compliance requirements and act solely as a data holder. Financial institutions in this category will not have identified any use cases relating to FIDA that go beyond compliance as they do not aim to leverage data for potential business opportunities. Financial institutions who adopt this approach believe that there are no material strategic implications of this regulation, and that it is of greater benefit to wait for other players to lead the effort in building schemes. In the short term, this approach keeps investment costs low, as it requires minimal allocation of resources to FIDA preparation. However, significant revenue shares could be at risk in the long term should other players bring viable FIDA-enabled propositions to market and target the customers of highest value for these financial institutions.

2. Cautious complier

A cautious complier is likely to act solely as a data holder and proactively execute a defensive strategy to strengthen their position while minimising compliance costs. There is minimal exploration of new, FIDA-enabled use cases, but cautious compliers are unlikely to leverage data access to achieve revenue uplifts. Financial institutions in this category have the underlying belief that FIDA will result in significant strategic implications. As a result, they will proactively participate in schemes to shape the outcome and protect their customer base and revenue. The long-term risks of this approach include losing customers to other market players who choose a more proactive approach and may target customers with FIDA-enabled propositions. . Opting not to invest in the development of new FIDA-enabled offerings may leave cautious compliers with reduced revenues that do not offset compliance investments, if customer demand for third-party solutions increases.

3. Value optimiser

Value optimisers choose the dual role of data holder and selective data user to strategically explore new business opportunities, with the goal of monetising expanded data access and maximising returns. Given the strategic implications, financial institutions in this category actively seek to harness FIDA to improve operational efficiency and existing customer propositions. This can be achieved through a streamlined customer onboarding process or enhancement of existing products, for example through the expansion of PSD2-enabled 360-degree financial management services. As value optimisers may not fully perceive FIDA as a transformative force within the ecosystem, they may be proactive in the scheme development process but are unlikely to take the lead. In the short term, value optimisers may benefit from minimised compliance costs alongside the possibility of an improved market share in the long term. However, financial institutions in this category will need to invest resources in developing opportunities to avoid losing revenue to market players that are better prepared.

4. Ecosystem leader

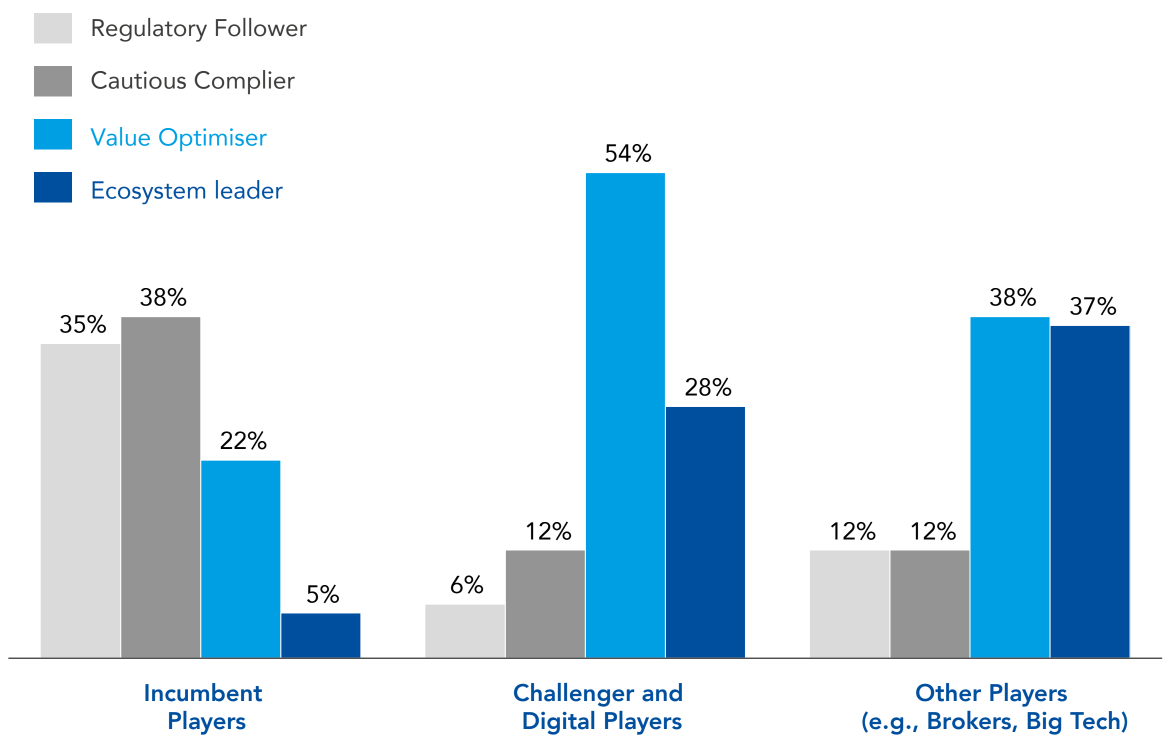
Ecosystem leaders seek to serve as both data holders and proactive data users focused on creating new products and the exploration of new business models. Ecosystem leaders aim to drive innovation in the ecosystem by leveraging data and are likely to seek to improve existing products and services. Financial institutions within this category hold the view that FIDA could lead to significant disruption in the ecosystem and are willing to invest in developing offerings. Therefore, ecosystem leaders may pursue opportunities within FIDA and shape the outcome of scheme development so they can stand to win in terms of revenue, customer base, and market share. Ecosystem leaders are actively participating in in scheme development and are at the forefront of industry efforts, leveraging first mover advantage.

5.3 REACTIONS OFFER A SPLIT VIEW ON HOW TO APPROACH THIS REGULATION

The conceptual approaches described above were tested in workshops, in which participants were asked to predict how other market players might approach the FIDA regulation compared to their own institution. 67% of workshop attendees saw their own financial institution as a value optimiser and 33% as cautious compliers, whereas none expected their own financial institution to be an ecosystem leader or a regulatory follower. This suggests that while financial institutions may recognise the strategic benefits of future open data flows, many market players are focused on minimising costs and ringfencing their own positioning.

In addition, workshop attendees forecasted that 38% of incumbents are likely to be cautious compliers, while22% are likely to play the role of a value optimiser (see Exhibit I). In contrast, attendees forecasted that challenger and digital players are most likely to be value optimisers (54%) or ecosystem leaders (28%). This reflects a broader perception that non-traditional,

EXHIBIT I



Source: Oliver Wyman & Innopay analysis

tech-enabled, and agile organisations are better prepared to capitalise on the opportunities presented by FIDA, due to their use of modern technology, advanced data capabilities, and agile infrastructure. This also suggests that workshop attendees expect incumbent and traditional players to form a sentiment that spearheading FIDA-related efforts could engender risks of low market adoption or return on investments as well as a potential for anchoring due the experience with PSD2.

The involvement of market players in the development of the schemes will be crucial to FIDA's success and overall direction this regulation will take. Strategic positions may vary depending on the market, even within the same organisation. Therefore, financial institutions may adopt an initial strategic position and adjust as needed across their regionally operating entities as the ecosystem evolves. The Open Banking division at Mastercard, says that "unlocking cross-sector is critical. Cross-sector (rather than sector-specific or use case-specific) data sharing schemes not only offer scalability, access and interoperability advantages, making them far more economic for data holders and third parties, they also encourage inter-sector use cases, which is where the new economic and societal value lies. And it is this new value which represents the real win for the EU's consumers and businesses, and real growth for the EU's economy."

6. SCHEMES

6.1 INTRODUCTION TO SCHEMES AND EXISTING EU INITIATIVES

In the past, data access has been granted through bilateral agreements, either with other organisations in the same sector or across sectors. The rise of third parties and commercial aggregation platforms has simplified and provided faster, cost effective connectivity for market players. This is illustrated by the fact that ~25% of the value propositions that emerged under PSD2 were focused on offering ‘connectivity as a service’.

Schemes, on the other hand, can be defined as legally binding multilateral agreements, which can be complemented with common infrastructure services that enable scalable, uniform and efficient data access between participants. Schemes provide the overall ecosystem standardisation, contractual efficiency and could support financial institutions in offering end customer benefits such as lower transaction costs and an improved customer experience. However, to be successful schemes require commitment and timely implementation of agreed standards by all participants.

‘Schemes usually operate across two distinct domains – the collaborative domain and the commercial domain (see Exhibit J). The collaborative domain lays the foundation for a legally binding rule set that all market participants need to adhere to. The objective is to agree on minimal requirements for a successful collaboration and offering of services. In this domain, common business, legal, operational, functional and technical agreements are made to ensure trust and interoperability between scheme participants.

EXHIBIT J

Competitive & commercial domain

Additional propositions
- Services & products
- Value added services
- Usability, UX
- Commercial terms & propositions
- Data bundling and brokerage

Operational (additional)
- Processing
- Additional governance
- Software and additional IT capabilities

Collaborative “base” domain

Business
- Context & Goal
- Roles & responsibilities
- Fee structures

Legal
- Governance
- Relevant rules & regulation
- Contracts

Technical
- Technical standards
- Security
- Information management

Operational
- Service levels
- Incident management
- Standard management

Functional
- Functional scope
- Interaction model
- Privacy features

Source: Oliver Wyman & Innopay analysis

The commercial domain is built on the foundation of the rule set laid out in the collaborative domain and includes operational and commercial applications. Many existing schemes are a hybrid of these two where players compete for customers (e.g. merchants and consumers) with their service offerings and commercial propositions in the competitive domain. Many schemes are already present across multiple industries in finance such as in the payments landscape including the SEPA Payment Account Access (SPAA), European Payments Initiative (EPI), Visa and Mastercard.

In order to develop new schemes, market players can look towards understanding and leveraging existing initiatives that operate in the Open Finance ecosystem. Although the examples below do not exactly match the definition of a scheme as outlined in the draft FIDA regulation, the most relevant initiatives and bodies for this report that have begun work are:

- SPAA: The European Retail Payments Board established a working group to develop a SEPA API access scheme. This scheme covers a set of rules, practices and standards that allows for the exchange of payment accounts related data (i.e. data assets) and facilitates the initiation of payment transactions (i.e. transaction assets). The European Payments Council operates as the scheme manager for SPAA.
- Berlin Group: Pan-EU payments interoperability standards and harmonisation initiative with primary objective of defining open and common scheme standards in the inter-banking domain that is exploring its role in defining specifications for products in the scope of FIDA.
- CEN: Digital information interchange in the insurance industry that provides a platform for the development of European standards and other technical documents. Launched a call to action in February 2024 for workshops that support implementation of FIDA and GDPR requirements.
- BiPro: Standardisation body in the insurance industry simplifying communication and data exchange between insurance companies. Aims to establish FIDA-compliant scheme with industry players in the P&C Insurance industry in Germany.
- GiroAPI: German banking industry launched “giroAPI” enabling an efficient technical and organisational framework for API-based value-added services for payments, account information services and other premium services (beyond PSD2)

6.2 A THREE-STEP APPROACH TO DEVELOP FIDA-COMPLIANT SCHEMES

Per section 3.2.B of this report, FIDA requires financial institutions to participate in schemes created by the market. The components that are required to be a part of a FIDA scheme are rules on governance, technical standards, liabilities, disputes, change procedures and a compensation model. With FIDA, collaboration and standardisation are built in by design which is highlighted by discussions as critical given the perceived short timelines and broad scope that includes banks and credit institutions, insurers, pension providers, and asset/wealth management firms.

Building schemes presents several challenges as highlighted by EBA members, including the possibility that a total of ~135 possible schemes could emerge (assuming national, product-driven schemes, i.e. broadly speaking one scheme per product category in scope across 27 Member

States). Without coordination, a complicated and costly process, and complex participation in many schemes across countries and sectors could present itself for financial institutions that operate in multiple countries, as well as a possible fragmented customer experience and implementation. Linnea Schönström from Finance Sweden notes that "the primary concerns raised by our members regarding the establishment of schemes include determining governance structures, identifying leadership, negotiating compensation, ensuring that customers fully understand their agreements through the permission dashboard, and, of course, managing the extremely tight timeline."

To meet timelines and achieve the desired strategic outcomes, financial institutions should approach FIDA schemes with a three-step process: strategic positioning, scheme development and scheme operationalisation.

6.3 STAGE 1: STRATEGIC POSITIONING

A critical first step for financial institutions is to define their strategic positioning. This will serve as a foundation for future agreements with other market players and have a significant influence on how to approach future decisions on schemes. The strategic positioning includes both internal and external considerations.

Internally, financial institutions need to assess the impact FIDA schemes will have on their organisation. This assessment can serve as a basis to determine which strategic positioning should be adopted. This process entails:

- A thorough evaluation of direct opportunities and threats resulting from FIDA across products, client segments and markets
- A definition of the organisation's strategic principles regarding FIDA collaboration, and whether a passive or proactive response is warranted
- Externally, financial institutions will need to define scenarios for scheme collaboration and assess strategic alignment with other initiatives. This involves:
- Defining the preferred degree of alignment and/or collaboration with existing FIDA-related initiatives
- Identifying which possible and preferable collaboration options exist at a national, regional or pan-European level
- Defining the organisation's own ecosystem by identifying key market players within the region and proactively building forums for exchange and collaboration with select players
- Assessing which existing partnerships can be leveraged to pursue collaboration opportunities such as existing PSD2 partnerships with third-party players

While these internal and external engagements may appear linear, insights from market discussions reveal a more dynamic reality as financial institutions often engage in both realms at the same time. This dual approach enhances their flexibility in an ever-evolving regulatory landscape.

Financial institutions face a critical decision: to start preparations now or adopt a "wait and see" approach regarding upcoming FIDA schemes. Workshop results show 48% of participants expect their organisation to start now, 39% were undecided and 13% said "wait and see". Starting now has several advantages, including overall awareness and understanding of FIDA, the potential for lower long-term costs, greater potential contribution to development of future guidelines to be published by the European Supervisory Authorities (ESAs), and the ability to drive standardisation across technical, functional, and operational aspects. However, this proactive stance requires upfront investment and carries the risk of redundancy if regulatory outcomes shift, potentially distracting from other essential change programs.

On the other hand, the "wait and see" approach minimises immediate effort and costs, with the downside that institutions will have to follow established rules set by others. This strategy provides higher certainty regarding regulatory outcomes but comes with significant risks. Institutions risk incurring higher compliance costs in 2025/26 once FIDA is enforced, lose the first-mover advantage in seizing future opportunities, and face limited control over scheme outcomes. Additionally, this passive stance may hinder their ability to establish a competitive ecosystem, leaving them vulnerable to fragmentation and potential revenue loss.

Ultimately, the choice between these approaches hinges on balancing immediate costs against long-term strategic positioning and adaptability in a rapidly evolving regulatory landscape. 71% of survey respondents selected more control over the outcome to fortify strategic positioning and 50% selected additional cost savings as potential benefits of starting early in discussions on schemes as opposed to only 7% who saw no strategic benefits in starting early. Furthermore, 71% of survey respondents expect to take an active role in the development of schemes either as a defensive measure to protect against negative impacts, an offensive approach to seek opportunities, or a mix of both depending on the market.

6.4 STAGE 2: SCHEME DEVELOPMENT

To develop a minimum viable scheme for FIDA, the regulatory text mentions six key components or ‘building blocks’ as requirements. Out of the six required components, workshop discussions resulted in governance, compensation, liability and technical standards as the building blocks with the highest strategic priority and complexity in negotiation. This section will discuss each of these components in detail with focus on those highlighted as critical.

Financial institutions can leverage existing knowledge from initiatives described in section 6.1. Exhibit K shows how existing initiatives can be leveraged as reference models . Relevant examples include the work of the Berlin Group which can serve as a blueprint for technical standards and the SPAA scheme for the creation of an adequate compensation model. During workshop discussions industry representatives highlighted that the core capabilities of how you stand up a scheme is existing transferable knowledge that players have experience within other spheres such as payments and data. It could be logical to apply similar principles, pre-requisites, and capabilities to support players for FIDA schemes.

A. Governance and membership

Under the FIDA regulation, the governance of schemes requires at least 25% of market representation across all negotiating parties to create a scheme as well as equal voting rights, rules and criteria for existing and new participants. Three key factors drive the complexity for this building block, directly influencing the ease for ecosystem players to participate as shown in Exhibit L: the type and number of market players, the scheme product scope, and the geographical scope.

EXHIBIT K

■ Indicative content coverage to leverage

□ Indicative content that is not 'like for like' with FIDA requirements

Initiative	Geo focus	Product focus	Building block covered: Governance	Compensation model	Change procedure	Technical standards	Liability model	Dispute mechanism	Remarks
SPAA		Payments	■	■	■		■	■	Reuse Berlin Group for technical standards. Governance consisting of data holders & users
Berlin Group		Payments, lending, saving, cards, securities	□		■	■			Focus on IT/data standards for "banking"; no signs of becoming "full' scope scheme
CEN		P&C Insurance	□		■	■			Focus on IT/data standards for insurance
Giro API		Payments, potentially other banking products	□	□	■		■	■	Inspired by SPAA but expected to go beyond payments. Re-use Berlin Group for technical standards. Governance of data holders only
Bipro eV		Insurance	□		■	■			Focus on IT/data standards for insurance

There are a **variety of existing players with capabilities and expertise that can support** data holders **to build out each building block**

Existing scheme operators | Infrastructure builders | Payment solutions providers | Associations | Other

Source: Oliver Wyman & Innopay analysis

EXHIBIT L

1. Type & number of players

Providers of different financial products and sizes (e.g., banking, insurance, infrastructure players)

Number of financial institutions involved in the development process (25% requi-red by regulation)

2. Product scope

Possible options (illustrative)

Single product — Sectorial — Multi-sectorial

3. Geographical scope

Possible options (illustrative)

National — Regional — Pan-European

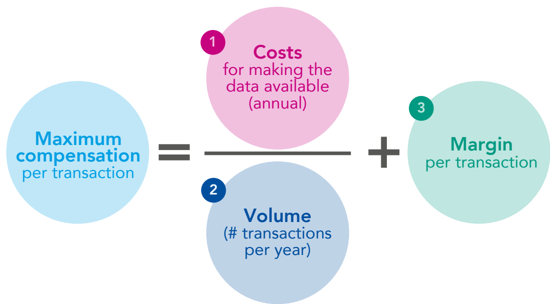
Source: Oliver Wyman & Innopay analysis

Schemes can have a narrow or wide scope, each with their distinct strategic implications. A narrow scope (in terms of product, geography and number of players) offers advantages such as increased efficiency and quicker agreement processes, along with fewer regulatory complications across countries. However, this approach also carries risks, including a heightened likelihood of fragmentation due to the necessity for multiple schemes and increased implementation costs stemming from diverging requirements. Conversely, a wide scope (in terms of product, geography and number of players) promotes a level playing field among institutions, ensuring a variety of views are fairly represented and reducing the risk of scope creep. This broader approach can enhance standardisation, driving efficiency in cross-border data access. However, it may also lead to potential drawbacks, such as lengthened implementation timelines, lack of clarity in scheme goal setting, and impaired efficiency in reaching agreements. Balancing these factors is crucial for establishing effective governance that fosters collaboration while minimising risks.

B. Compensation model

As highlighted in section 3.2.D, FIDA permits data holders to charge data users for access to customer data and requires scheme creators to determine a maximum compensation amount per transaction. This process includes estimating the costs, (potential) volumes and transaction margin as shown in Exhibit M.

EXHIBIT M



Source: Oliver Wyman & Innopay analysis

Proposed FIDA regulation stipulates that the compensation model may only include costs incurred by data holders in making data available and costs directly attributable to each specific data request. Key cost drivers may include data access elements such as API interfaces and the creation of a permission dashboard. A deeper layer encompasses data processing aspects, including business logic, data quality, and data transformation. The final layer addresses challenges related to specific costs associated with making data available at the source as well as any storage and collection expenses. Additionally, any cost components must be substantiated with market data from both data holders and users. To ensure fairness, an estimate of potential transaction volume is required to determine a maximum compensation amount per transaction. Institutions can include a fixed margin per transaction except in cases when the data user is an SME.

Some working group members highlight complications on the cost-based approach, specifying that on occasion each provider may have a significantly different cost base, driven by the historical technical architecture that their service is built on, which could lead to very different compensation price points for the same data from different data holders. This may cause a great deal of complication and confusion for service providers trying to offer a uniform service to customers. For this reason, industry players suggested a value-based approach as the best methodology for determining compensation, particularly in the competitive/commercial scheme domain highlighted in Exhibit J for value-added services.

Strategically, workshop discussions revealed that the compensation model carries significant implications for financial institutions with 79% of workshop attendees rating compensation in their top two of the most complex building blocks. This is driven by the requirement to agree on what is “fair compensation” to data holders which can be a difficult process due to the diverging interests and differing levels of digital maturity across players. Thus, having a “seat at the table” during the development of the scheme is essential for stakeholders to favourably shape the compensation model. Ultimately, the success of these models will depend on customer adoption which presents a challenge to estimate as part of the volume component in Exhibit M, which will determine the viability of this additional revenue stream for data holders.

C. Technical standards

The technical standards building block required by FIDA refers to the agreements on message data definitions and formats, so that data holders and data users can effectively and efficiently share data.

Data holders are required to make customer data available to data users in a standard format, ensuring consistency and accessibility. They must also provide data of comparable quality to that which they maintain for their own use. Furthermore, FIDA schemes are mandated to include common standards for both the data and the technical interfaces, enhancing the efficiency of data access. These common standards may either leverage existing frameworks or be developed collaboratively by scheme members and financial institutions should pursue a shared understanding of the scheme’s data scope to uphold these common standards. Additionally, standards for data reliability and quality must be set to ensure that data shared among participants meets the necessary accuracy and dependability goals.

During workshop discussions, financial institutions expressed a desire to leverage technical standards from existing initiatives where possible, such as the Berlin Group, or CEN, to simplify and standardise their compliance processes. The Berlin Group works with over 200 organisations across Europe and has begun developing standards and models for savings, loans and securities to guide implementation for those required to comply with FIDA. Additionally, the breadth and depth of data agreed upon for accessibility during the scheme development process will significantly influence costs, the richness of shared data, and the ultimate potential for innovation.

D. Liability

FIDA regulation requires a contractual agreement on liability for inadequate, inaccurate or compromised data which is provided by a data holder to a data user. Workshop discussions revealed liability to be a top four component both in complexity and in strategic priority. Although this will be clarified within the published regulatory text once schemes are developed, participants expressed concern that this building block was politically sensitive and could result in discussions between scheme participants.

E. Dispute mechanism

Regulatory requirements include creating a dispute resolution system to resolve disputes among scheme members. These mechanism requirements can be leveraged and adapted to FIDA from other schemes as they are of a highly standardised nature.

F. Change procedure

Regulatory requirements include a complete procedure for any changes that occur within the scheme, including an impact assessment and democratic decision-making. Furthermore, scheme participants need to define rules for transparency regarding any changes being made for all scheme members.

6.5 STAGE 3: SCHEME OPERATIONALISATION

Once schemes have been created, the scheme management body will be monitoring how they evolve. First, the body will likely oversee standard management, which involves the development, maintenance, and management of both technical and functional standards to ensure consistency and interoperability among participants. Additionally, it could engage in continuous development, drafting a multi-year roadmap that facilitates new agreements, amends existing ones, and manages change request processes to adapt to evolving needs. Finally, the body could handle operational management, providing crucial support for onboarding new members, testing tools, consolidated reporting, dispute resolution, and maintaining essential system provisions (e.g., member register and developer portal).

When considering the structure of a scheme management body, three options emerge, each with their own distinct advantages and challenges: a delegation to an existing external party, the creation of a new entity to manage a specific scheme, or the creation of an entity to manage multiple schemes.

The first option allows for the reuse and scaling of established processes and structures, significantly reducing start-up costs. However, this requires that the external party has the necessary expertise and experience for specific management tasks of that scheme, such as managing standards.

The second option involves creating a new entity with the single, specific purpose of managing that given FIDA scheme. This tailored entity can offer bespoke services which allows for higher flexibility for scheme members, making it easier to adjust and scale to the needs of each scheme. However, this option entails high start-up costs, including a legal setup and resourcing process, and provides limited experience for the newly formed entity which may result in a prolonged implementation phase.

The third option is to establish a "cross-schemes" entity that manages multiple schemes. Due to the economies of scale, this option could lead to aggregated cost savings across schemes. Moreover, synergies between schemes can also enhance efficiency by promoting the sharing of best practices and driving innovation. However, the complexity of managing diverse schemes can hinder operational management due to differing content and subject matters of multiple schemes. Additionally, the potential lack of flexibility may lead to the entity to struggle to address the specific needs of individual members in particular sectors or regions.

Financial institutions must carefully consider the strategic implications of the scheme operationalisation body that is set up. Workshop discussions revealed a potential desire for option one as a preferrable scenario for simplicity, however option two was seen as the most realistic outcome. By leveraging initiatives and players with proven expertise in scheme management such as existing scheme operators and/or infrastructure players, financial market players can reduce costs and administrative burdens for scheme members. The decisions made today will directly influence the scalability and interoperability capacities across Europe in the future, shaping the landscape of financial collaboration and innovation.

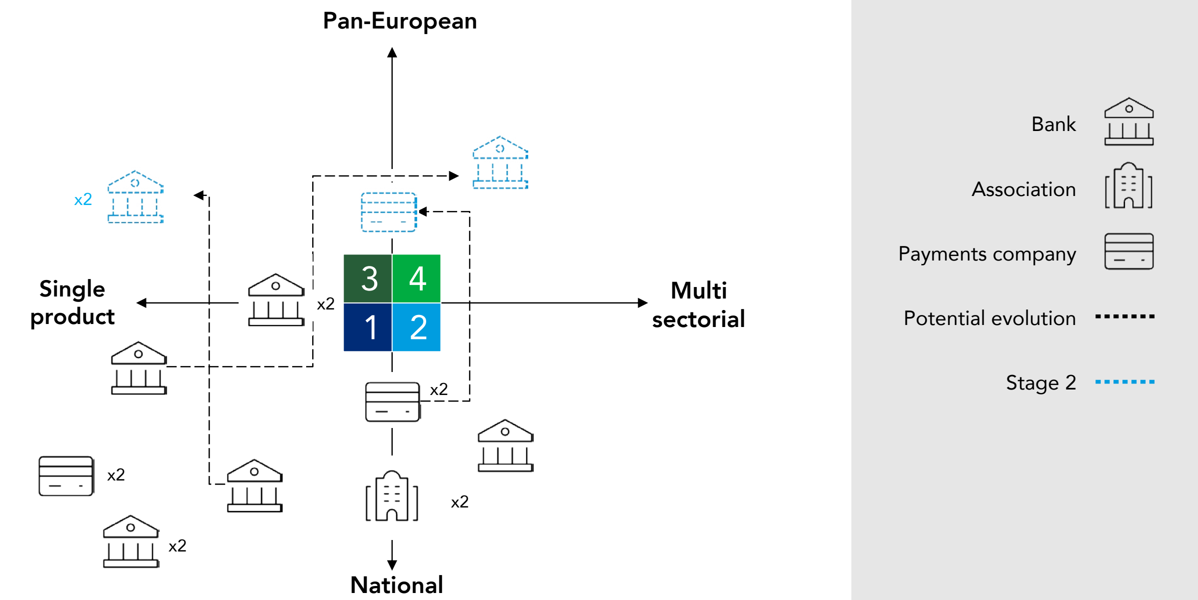
6.6 SCHEME DEVELOPMENT SCENARIOS

How financial institutions organise and implement FIDA schemes has profound strategic implications which can develop in multiple scenarios. Exhibit N illustrates the answers of working group members regarding their "expectation for the most likely scenario for the development of schemes to occur".

Scenario 1: Fragmented schemes across national and product levels

This scenario would lead to the most fragmented result, potentially prompting the creation of 135 or more distinct schemes — one for each product category in every European member state. Such fragmentation would require substantial governance efforts and could escalate the costs of engagement for financial institutions, which

EXHIBIT N



Source: Oliver Wyman & Innopay analysis

may need to become members of multiple schemes across countries and products. Moreover, this complexity could hinder customer adoption of Open Finance, as permissions might differ from scheme to scheme, which might prevent a seamless customer experience. The sheer number of schemes could also strain resources, limiting management options for scheme members. Interestingly, 29% of financial institutions view this scenario as the most likely, with some market players suggesting it may serve as a starting point for the European market, evolving into a more cohesive landscape as the ecosystem develops and insights are gained.

Scenario 2: Multi-sectorial or multi-product schemes at a national level

In this scenario, working group members envision a possible consolidation of schemes to develop across products or sectors at a national level. This structure facilitates easier administrative management for financial institutions that offer multiple products and simplifies permission management for customers. However, collaboration across sectors may prove challenging due to varying levels of digital readiness among participants, for example Insurers were out of scope of complying with PSD2 and therefore may be less experienced than banks in building the technological and operational capabilities required to comply with FIDA. Furthermore, working group members highlighted possible complications in negotiating a compensation and governance model that would need to be agreed upon. Notably, 29% of survey respondents consider this scenario the most likely. Nils Lawerenz from DZ Bank notes "for the banking sector in Germany, we expect schemes to be developed and adopted locally first, with the aim of becoming pan-European and interoperable with other schemes over time."

Scenario 3: Cross-country or regional schemes for each individual product category

In this scenario, market players establish regional or multi-national schemes for each product category or sector, for example within the banking industry for a particular region. This would allow market players to adapt schemes to their sector with a higher standardisation across markets that have similar conditions. 29% of survey respondents view this scenario as the most likely and interviews highlighted the possibility for this to emerge, particularly in regions with similarities in market conditions, customer behaviour (e.g., digitalisation) and homogeneity of data holders that are incentivised to simplify compliance requirements (e.g., Nordics, Baltics, and CEE regions). However, the collaborative effort required make this scenario challenging to accomplish within the current timelines and the added complexities of negotiating across countries. Furthermore, some products are hard to standardise due their complexity (e.g., insurance, mortgages) and data requirements differ across markets.

Scenario 4: Pan-European (or cross-country) schemes across all product categories

In this scenario, schemes are established at a pan-European level leading to a highly harmonised landscape across sectors and markets with maximum value generation for customers and market players. Whilst 0% of survey respondents believe this is the most likely, discussions in workshops about this option highlighted how this could be a potential long-term evolution, particularly for commercial schemes. These predictions reflect the reality that a singular, or small collection of pan-European schemes would require the most complex governance and effort which would be highly challenging to accomplish within the current proposed implementation timelines.

Workshop discussions revealed that the most realistic preferrable outcome is for schemes to be developed at regional and sector levels (e.g., banking, insurance) where possible (e.g., Nordics, Baltics) and at an individual market and product level in other markets, where standardisation, customer behaviour, interoperability and regionally operating companies would drive the development of schemes. Linnea Schönström of Finance Sweden notes “some efforts are being explored to develop Nordic schemes in banking or insurance. However, due to the timelines and complexities involved, our discussions will primarily focus on national schemes.” Complex governance requirements, market specific products, and regulatory ambiguity pose multiple challenges. According to Tuulia Karvinen the Legal Adviser of Finance Finland, “there is still no concrete understanding between our members on how the scheme building process should work and who may take the lead".

For financial institutions to navigate this process, working group participants highlighted the importance of seeking objectivity during the scheme development process to ensure fair representation of interest as well as flexibility to adapt to changing circumstances as a critical factor for success. Additionally, participants highlighted the need to define the mission of the scheme with clarity from the outset, balancing the goals of minimising costs and timelines for some schemes against the creation of commercial opportunities and customer offerings during others. With regard to the long-term sustainability, participants suggested implementing penalties for non-conformers to maintain compliance and integrity within the scheme and establishing an advisory board. Moreover, leveraging the capabilities and expertise of existing archetypes—such as associations, current scheme operators, and infrastructure builders—could provide valuable insights and resources to support the development and implementation of effective FIDA schemes.

7. FIDA EVOLUTION OUTCOMES

7.1 DIFFERENT SCENARIOS FOR FIDA'S EVOLUTION

FIDA has ignited a robust dialogue regarding its potential to catalyse innovation and disrupt the existing financial landscape across Europe. This section delves into the various levels of market disruption that FIDA could instigate, outlining three potential scenarios with the assumption the regulation passes the trilogue negotiations as depicted in Exhibit O.

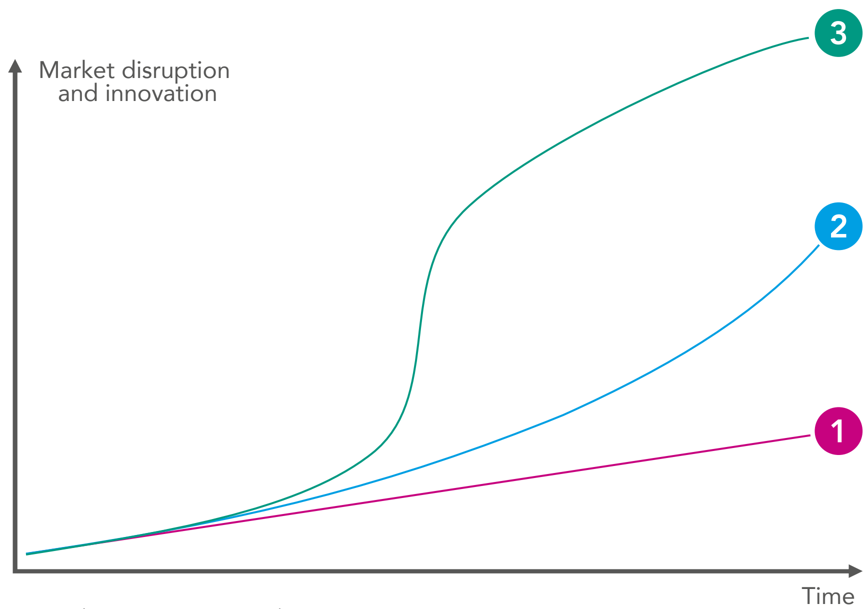
Scenario 1:

Under this scenario illustrated in Exhibit O, FIDA mirrors a trajectory similar to PSD2, primarily seen as a compliance exercise for incumbent banks with limited returns on investment in a few areas, such as enhancements in credit decision-making and underwriting processes. Most of the value generated from this regulation would accrue to third-party entities, including technology infrastructure providers, digital platforms, and fintech companies. However, only 26% of workshop attendees consider this scenario to be likely, indicating scepticism about its feasibility.

Scenario 2:

In this scenario, incumbent financial institutions could initially experience budgetary constraints, leading them to prioritise compliance. However, as customer adoption increases, these institutions gradually pivot towards seizing new opportunities. As the ecosystem matures, other market participants such as challengers and digital players will innovate and earn customer trust through attractive value propositions, resulting in a gradual market disruption. The tight implementation timelines associated with FIDA may compel market players to focus narrowly on compliance in the early stages, potentially stifling exploration of broader opportunities.

EXHIBIT O



Source: Oliver Wyman & Innopay analysis

Representatives from Finance Finland note that, “The Council’s version of the proposed phased implementation is likely to reduce the burden on data holders and is preferred by our members; however, the proposed timelines may still be too short.” Despite these challenges, 68% of workshop attendees consider this outcome to be most likely, indicating a desire to explore FIDA opportunities.

Scenario 3:

In this optimistic scenario, the Open Finance strategy succeeds, unleashing innovation within the ecosystem at an accelerated pace once products are introduced in the market, with seamless data flow generating substantial value for customers. Both incumbent players and third parties stand to benefit from heightened innovation, contributing to overall growth in the financial sector and increased revenue/customers.

Joris Hensen, founder and co-lead of the Deutsche Bank API Program, emphasises the potential for market transformation, stating, “With so much data in the ecosystem, it is possible that the entire dynamic will shift; other players may enter the market, and banks may no longer be able to maintain their current approach to structuring products.” Despite this potential, it is noteworthy that none of the workshop attendees anticipate this scenario as the most likely outcome, suggesting that the industry believes that Europe still faces challenges and/or longer timelines before realising the full potential of Open Finance.

7.2 DRIVING FACTORS BEHIND FIDA’S EVOLUTION

A. The level of customer demand for Open Finance solutions and permission granted to data users

Customer trust is paramount in this new ecosystem as permission is required for data access. Financial institutions must prioritise building and maintaining this trust by ensuring that data-access mechanisms are secure, transparent and user-friendly. To facilitate this, permission dashboards should be developed to empower customers, allowing them to easily manage and understand who can access their data, the purposes for which it is being used, and the duration of the access. A strong demand for solutions that prioritise customer autonomy and security will be essential for fostering a thriving data-sharing environment.

B. The level of supply and value propositions

The development of compelling new value propositions is crucial for incentivising market players to innovate and create a ‘domino’ effect with offerings that deliver clear benefits to individuals and businesses alike. A balance of incumbent players, and third parties which operate as data users can mean that the right number and a rich diversity of high-value propositions are regularly coming to market. A collaborative approach that encourages both sides to contribute to the ecosystem will enhance the overall value delivered to customers, thereby driving adoption and engagement.

C. The evolution of schemes, and how market players decide to pursue implementation

The breadth and depth of financial data made accessible under FIDA will play a critical role in shaping the ecosystem. The quality of API implementations encompassing performance, availability, and user experience considerations such as authentication will also be of critical importance. Additionally, the level of fragmentation or standardisation in the implementation of these schemes must be carefully managed to avoid technical complexity and excessive governance burdens. A streamlined approach will facilitate smoother integration and enhance the overall user experience (see section 6 for more detail on schemes).

D. Clear legislative approach

A clear and coherent legislative framework is essential for the successful rollout of FIDA. This framework should align seamlessly with existing regulations, such as PSR/PSD3, GDPR and the Data Act, to prevent overlapping or conflicting requirements and maximise the potential value created. Furthermore, the guidelines should avoid being overly prescriptive or complex, as such intricacies may lead to increased costs and operational inefficiencies. A well-defined legislative approach will provide the necessary clarity and support for stakeholders navigating the evolving landscape, which may be defined during trilogue negotiations.

8. CONCLUSION – A CALL TO ACTION

In a time of global instability and changing expectations for Europe, the choices made in the following years by regulators and market players could affect Europe's competitiveness moving forward. The European commission believes that a bolder and faster financial sector can make a real difference in customers' lives to prepare for a more secure, and prosperous future for generations to follow.

As financial institutions stand on the cusp of a transformative era in the financial services landscape, the introduction of FIDA presents both significant challenges and opportunities for the financial sector. This report has highlighted the diverse perspectives within the financial services industry regarding the question of how to position a regulation with such a wide impact. While there is not a singular "right" path forward, it is important that financial institutions actively choose a direction of travel that aligns with their strategic objectives and meets the evolving needs of their customers.

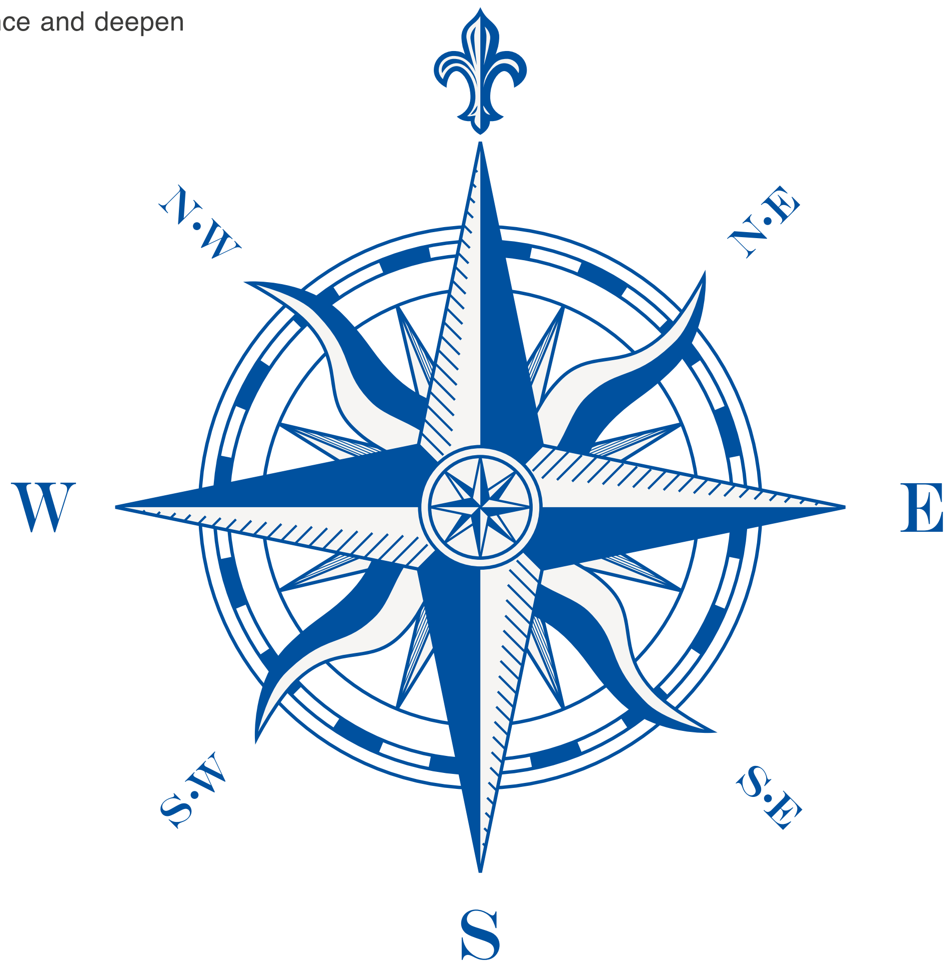
In the short term, many financial institutions seem to choose "no regret moves" to strategically position themselves as FIDA evolves. As Giorgio Andreoli, Director General of the EPC, notes, "given the challenging process of negotiation between parties to form a scheme, the sooner the players start a serious discussion the better result for all parties involved". This highlights the criticality of timing to begin engaging with the regulation at an institutional level, even while navigating an uncertain regulatory landscape. Key actions identified include:

1. Create awareness: both at the board level to ensure sponsorship as well as throughout the organisation to ensure buy-in across product divisions and ensure a common baseline understanding of FIDA across the organisation
2. Conduct impact assessments and create strategic alignment: perform comprehensive assessments to understand how FIDA will affect existing products, services, and operational processes to develop an understanding of business strategy opportunities and potential revenues at risk
3. Explore collaboration on schemes: proactive engagement with selected players within the same ecosystem and identification of key market players within the same region and proactively building forums for exchange and collaboration, potentially forming an initial positioning on schemes
4. Engage with existing initiatives and players: actively engage with emerging initiatives, such as the Berlin Group, SPAA, GiroAPI, as well as collaborate with existing market players, including infrastructure providers and industry associations, that could provide expertise and support on building schemes
5. Invest in data infrastructure: understand current data capabilities and develop an

IT infrastructure that can drive continuous innovation and transform the IT function into a co-creator of data-driven products and services and a critical driver of strategy that places customer control at the centre

Many industry representatives recognise that FIDA might be viewed not merely as a regulatory obligation but as a strategic enabler that can enhance existing strategic ambitions in the long term. By integrating FIDA into a broader strategic vision, financial institutions can leverage data access to create innovative and personalised solutions that solve customer needs. This perspective aligns with the growing interest in creating synergies between data alongside other initiatives such as embedded finance and banking-as-a-service, which can significantly enhance the customer experience and deepen customer relationships.

As the digital landscape evolves, it is crucial for financial institutions to consider diverse viewpoints and take informed steps to embrace the opportunities and address the challenges presented by FIDA. By engaging with the topic now, financial institutions can navigate the complexities of this new landscape while contributing to a more dynamic and customer-focused financial ecosystem.



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