

A hand holding a smartphone is the central visual element. The phone's screen shows a music player interface with a green and yellow abstract graphic, the text 'Mr. President - Coco Jambo', and various playback controls. The background is a light blue gradient with several out-of-focus, colorful bokeh circles in shades of green, blue, and purple.

Opportunities for consumer – the consumer perspective

Harry Weber-Brown, Digital Innovation Director, TISA

What is it?

Open Finance refers to the potential for financial services providers to enable consumers to better manage their money and access the right products and services at the right time.

It enables consumers to own and control their data, in an environment that provides for safe and ethical re- use by other financial services providers and with informed consent.



Background

Background

The UK population is not saving enough:

14.4 million working age adults in Britain are not saving at all and 26.5 million working age adults in Britain do not hold adequate asset balances in either rainy day or pension savings.

One in seven UK pensioners currently living in poverty.

Low levels of liquid assets is also associated with poor psychological wellbeing

The current situation

When households do save, they are not making the most of their money:

70% people in Britain hold **no medium to long-term assets**

6.8 million people hold more money in cash assets than they require to cover their rainy day needs

£200billion held in held in cash accounts in excess to rainy day

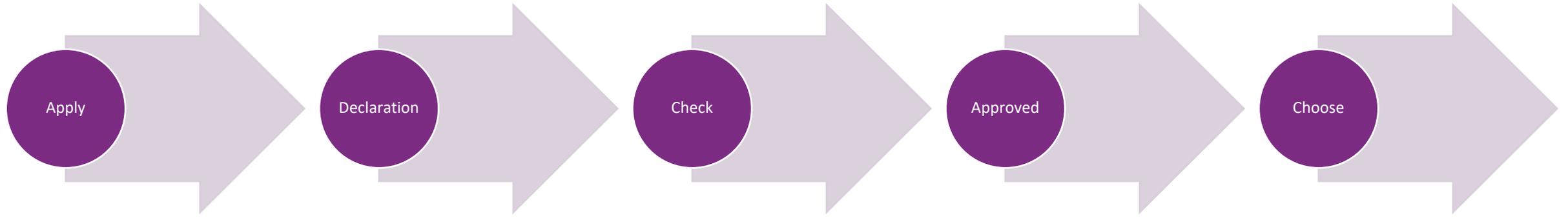


Opportunities for consumer

Opportunity

- It is not just the amount of saving that households undertake, there is a a critical **issue with the behaviour of those who save**, which is a **bias for “riskless”**.
- **Some 85% of savers** say that rates of return (interest rates) is an important factor in making savings and investment decisions
- Providing an **aggregated view of assets and liabilities** allows savers to view and plan their financial position across their immediate needs, rainy day funds and longer term saving for retirement.

Case Study – Quicken Loans Application



- 1) Quicken Loans turned the US mortgage industry on its head with the introduction of Rocket Mortgage, an online mortgage application that takes less than 10 minutes to complete, in November 2015
 - a) **The goal was to allow a person to get a mortgage or re-mortgage their home while standing in line for a cup of coffee.**
 - b) Its product simplified the mortgage process by offering a clean and quick online application form, allowing online information verification, and providing conditional preapproval within minutes.
 - c) In 2017, Quicken became the largest US residential mortgage provider by volume, surpassing Wells Fargo
- 2) The company leverages technology to retrieve information real time through **secure API's** from:
 - a) Financial institutions (banks, platforms etc) to confirm assets
 - b) Credit agencies to confirm status
 - c) Employers to confirm both employment status and income
 - d) Real estate data on the intended purchase/remortgage
- 3) This allows the application to **provide an instant mortgage** if the consumer pass the **eligibility criteria** as traditional mortgage providers, but without the need for the consumer to provide all the physical evidence



Consumer Vision + Proposition

TISA project: Open Savings & Investments

Open Savings and Investments will provide a common set of open standards and APIs to allow customers to share their data between firms.

It will be the fundamental building block to achieve the future digital marketplace for financial services.

What is the user need (Pension Dashboard)

High level user need

“I need to know how much money I’ll have to live on when I retire so that I can plan for my future”.

What is the user need (Pension Dashboard)

Additional user needs

“I need to know that the information will be displayed **in a clear and easy to understand** way, as I am already confused by current pension information and this may put me off from logging on”.

“I need to know that the service is **secure and that my information is safe** and protected so that I am reassured other people cannot see and access my financial information”.

“I need to know that I am **accessing the correct service** provided by one impartial and reliable source so that I’m reassured I can trust the guidance and information I am given”.



Benefits

What value can Open Finance deliver to the consumer

Remove the perceived and/or actual difficulty in **managing multiple financial products** across different providers that results in low levels of customer engagement.

Opportunity for consumers to **reduce the time and effort** required to manage their finance

Opportunity to enable consumers to make **better informed decisions** based on having a single view of their full financial position in a single place.

Ability to easily **compare the returns** on money and make decisions - move money at the appropriate time

Assist consumers and advisors with the **completion of various forms or returns** (e.g. tax return, mortgage application).

Enable improved access to **advice and guidance** and to help consumers to make better financial decisions

Consumer Benefits

- At the consumer level benefits come in many forms; however the key benefit is in allowing them to have complete pictures of their overall wealth .

Category	Benefit
Consumer Engagement	Simplification of experience
Consumer Engagement	Ownership of personal data.
Consumer Engagement	Facilitates more effective financial planning - both self-directed and advised
Improved customer decisions	Auto prompts to clients. E.g. would you like to invest your bonus payment?
Costs & Efficiency	Reduction in costs due to competitive pressure in the market
Consumer Education	Better education personalised on total asset holdings

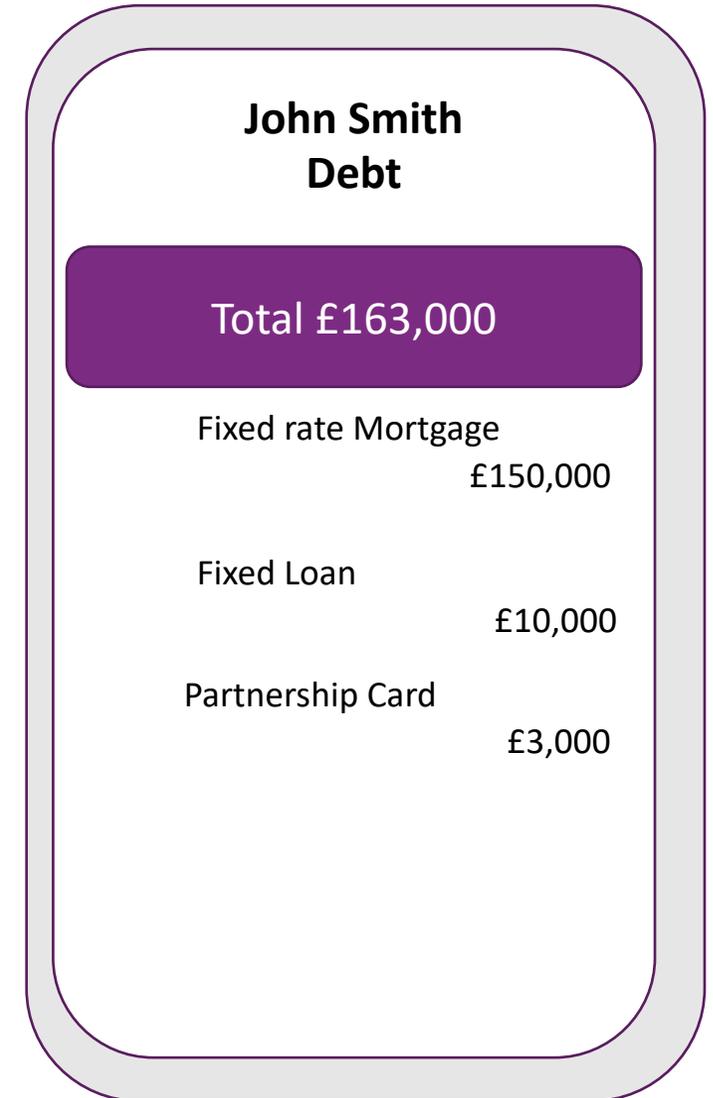
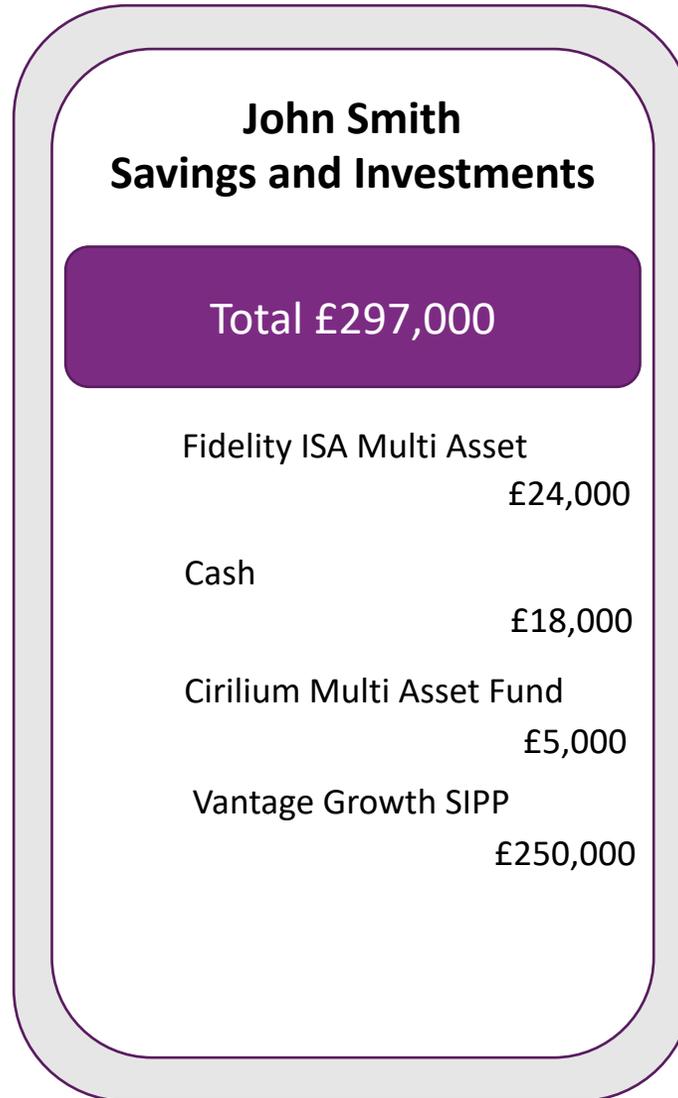
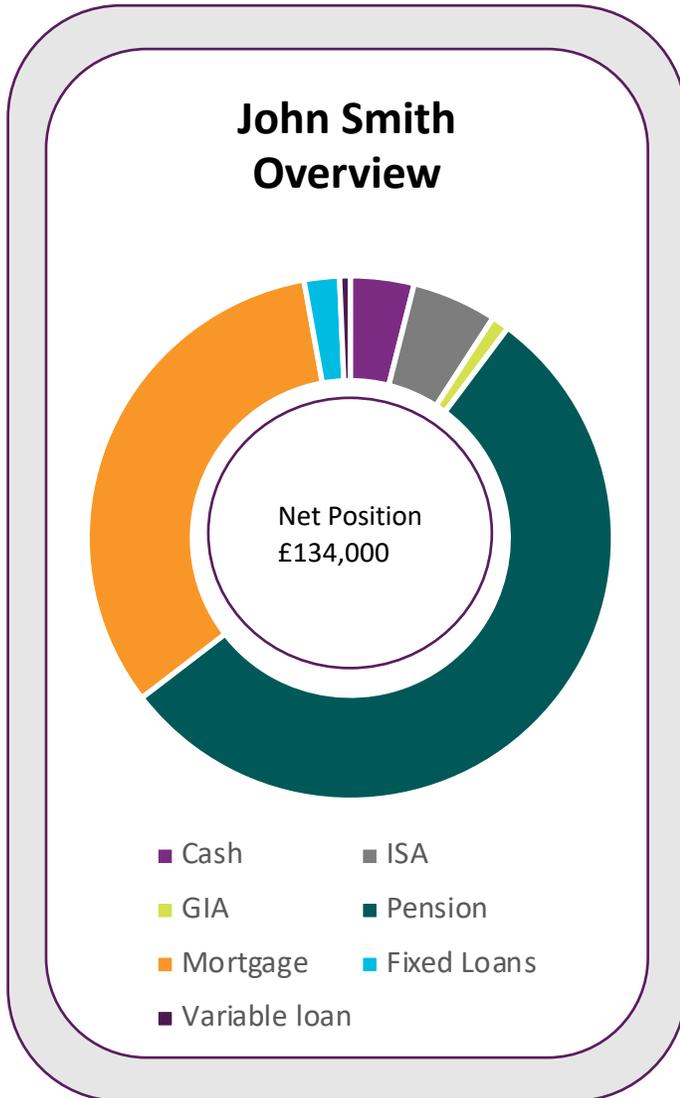


Service Propositions

Possible services built on Open APIs (Savings and Investments)

- Wealth Dashboard – virtual platform
- Tax Optimisation
- Portfolio risk review
- Support for Life events (planned and unplanned)

What a Dashboard Could look like



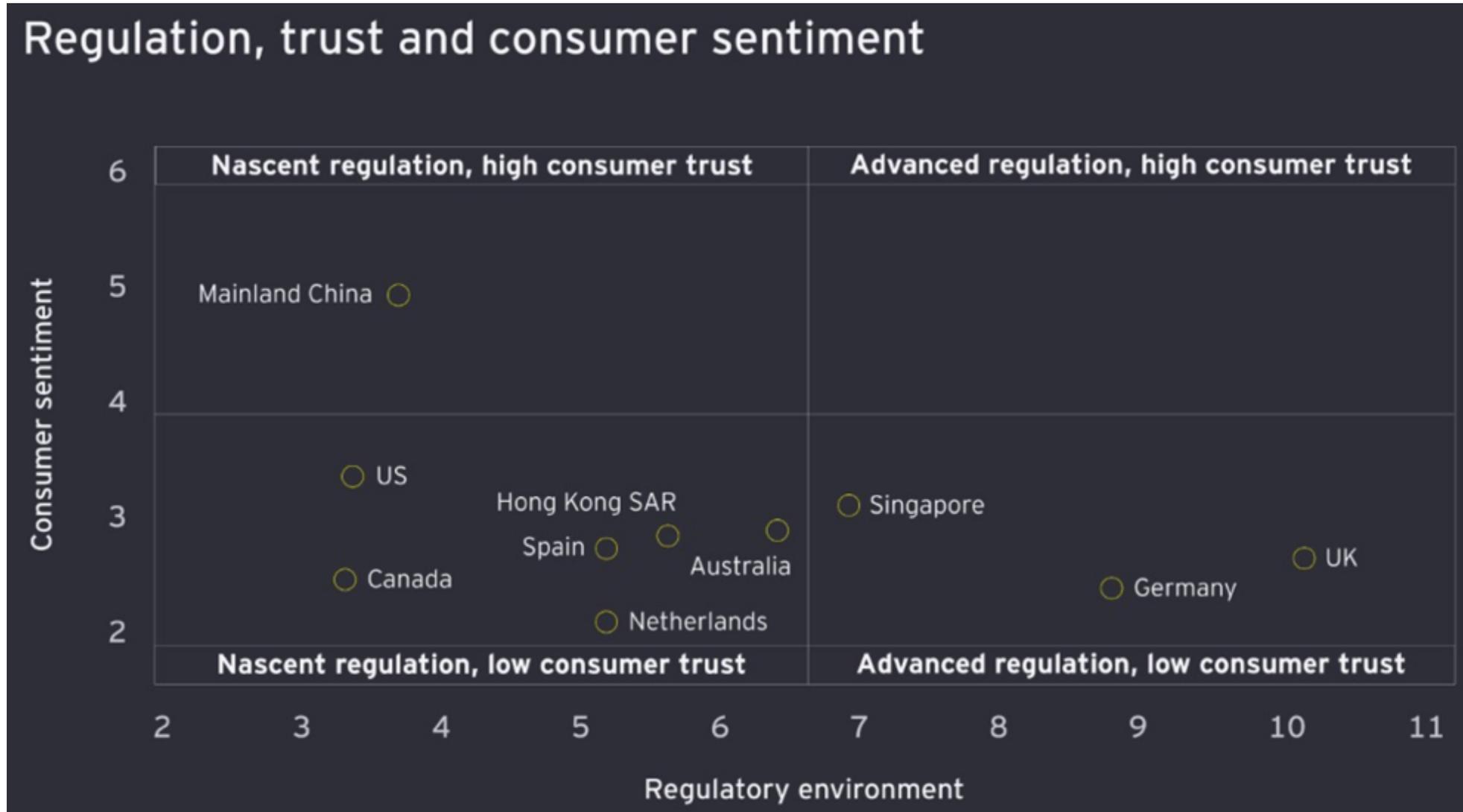


Consumer obstacles and how to mitigate

Obstacles

- Consumers cautious about sharing data unless services are credible and trustworthy
- Consumer apathy and lack of awareness of the value of services delivered using Open Finance
- Regulation is still designed for old world and not data rich, so relying on technology driven solutions.

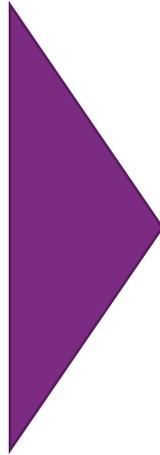
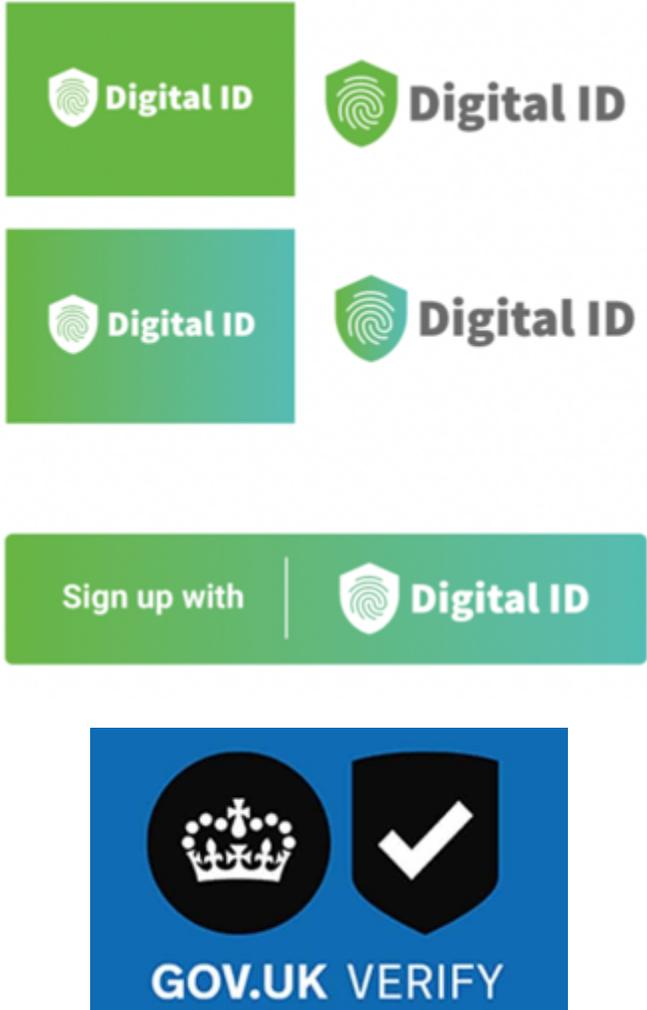
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Trust Models

TRUST CONCEPT	QUESTION	KEY FACTORS TO HELP BUILD TRUST
Security	Is there protection to ensure the security of any information being shared?	<ul style="list-style-type: none"> • Standards • Oversight and enforcement
Integrity	Is there a set of values or behaviours, will all parties stick to them, and do the right thing even if costs them	<ul style="list-style-type: none"> • Legal contracts • Dispute resolution services • Codes of Conduct • Trustmarks and registers
Credibility	Does the other party have the necessary ability, competence, technical knowledge?	<ul style="list-style-type: none"> • Licensing, certification and accreditation • Trustmarks • Oversight and enforcement
Clarity	Is what is being provided and what is expected clear and transparent?	<ul style="list-style-type: none"> • Education and awareness raising • Trustmarks and registers
Reliability	Is it consistent? Will it do what they say it will do?	<ul style="list-style-type: none"> • Standards • Legal contracts and SLAs agreed between participating firms • Licensing, certification and accreditation
Privacy	Is there a suitable level of protection to ensure that data privacy rights will not be compromised?	<ul style="list-style-type: none"> • Legal • Codes of conduct • Oversight and enforcement

Trust Marks



The shield is a common theme and conveys security and trust

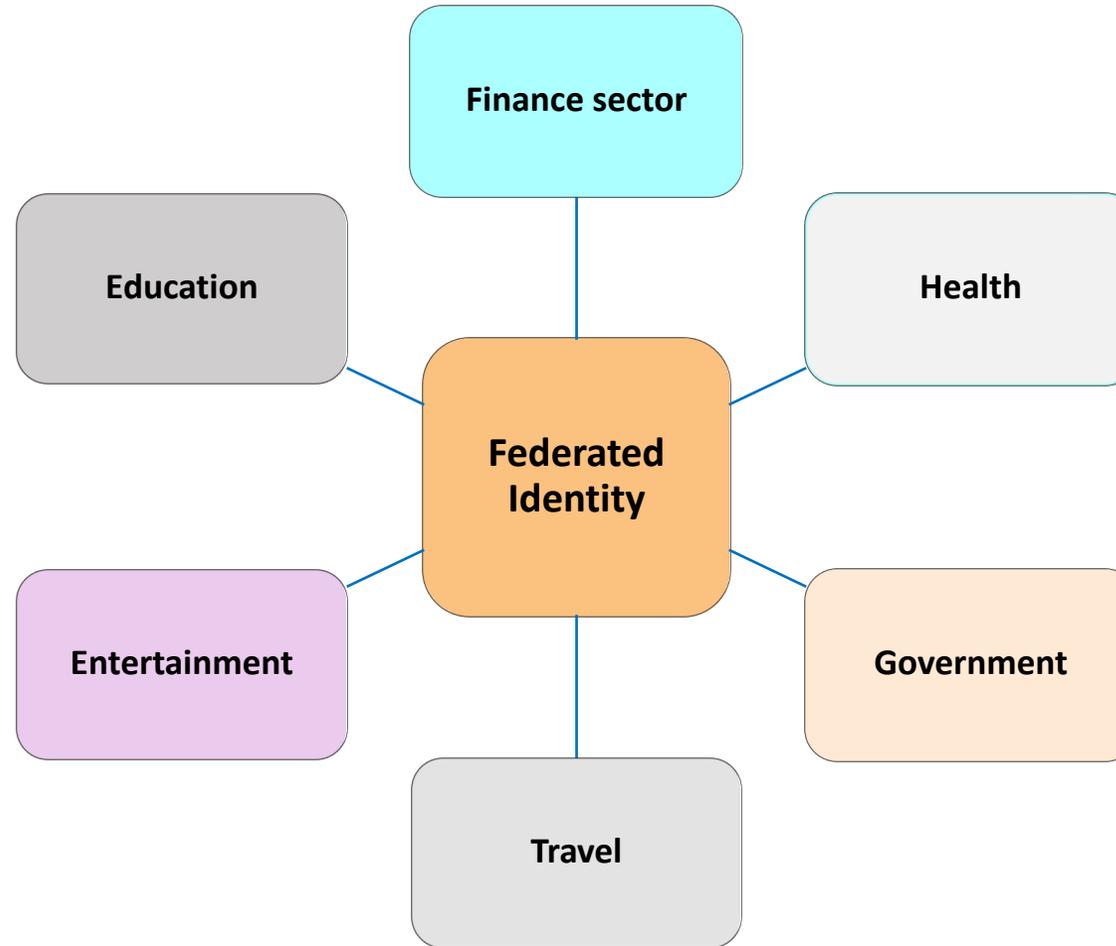
The finger print is a modern and recognizable way to convey accessing your digital identity

A single trustmark across sectors and products is probably desirable

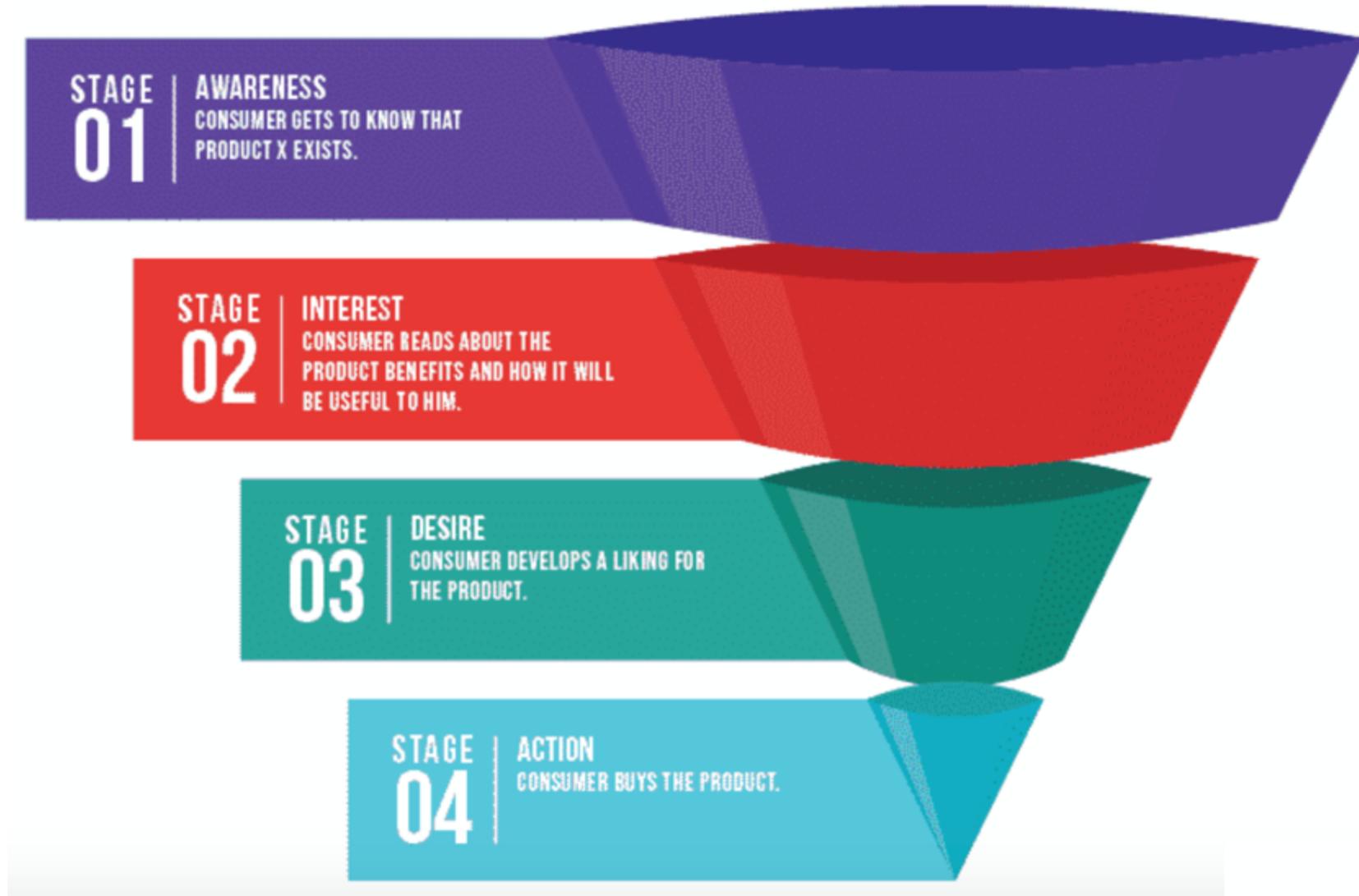
Users do need some way to understand where they can use gather and aggregate their personal data using the Open Finance scheme: trustmark may convey this.

Digital Identity

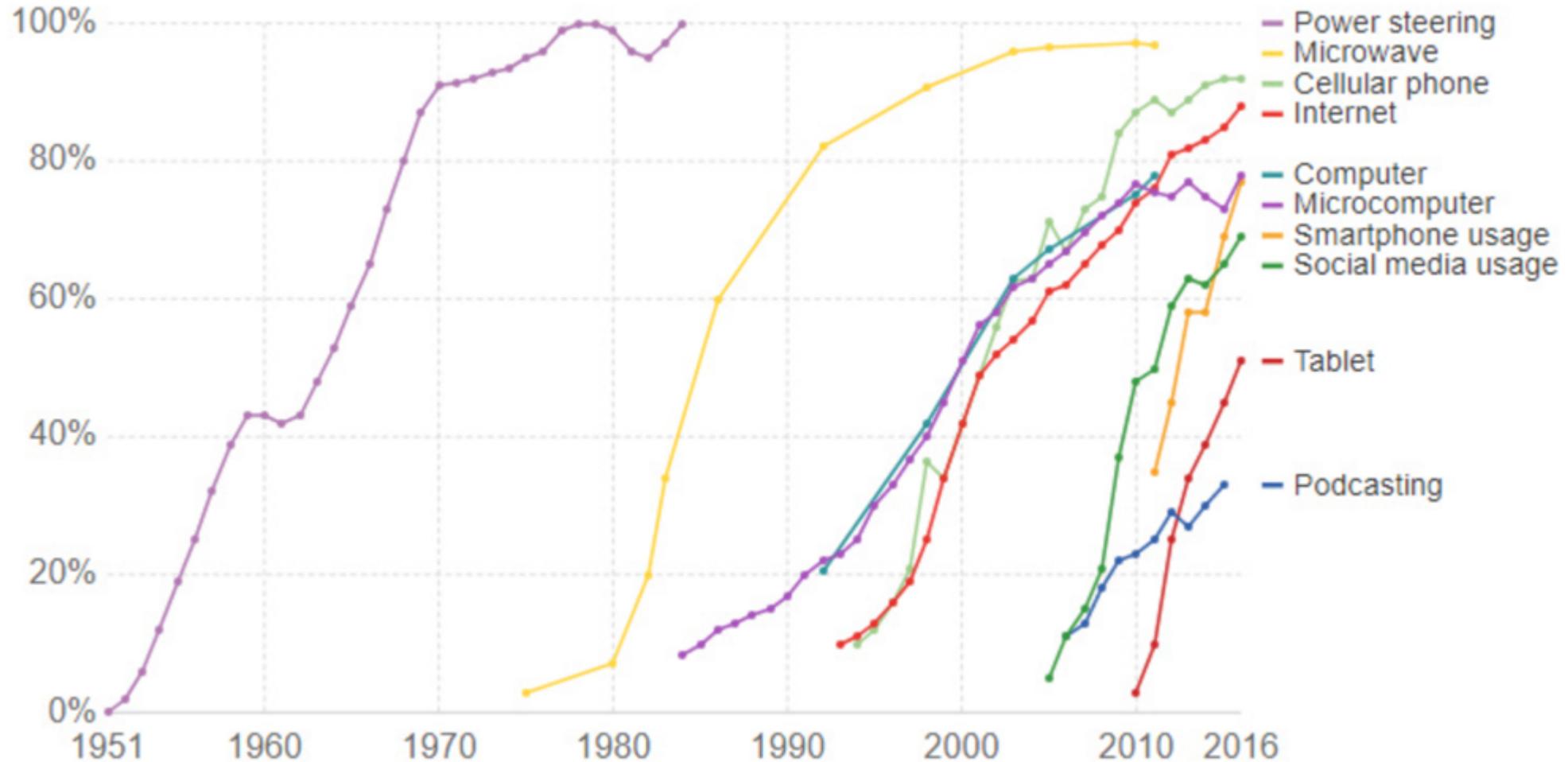
A variety of access points and proliferation of Open Finance services requiring ID authentication to synthesise the services and experience.



Adoption

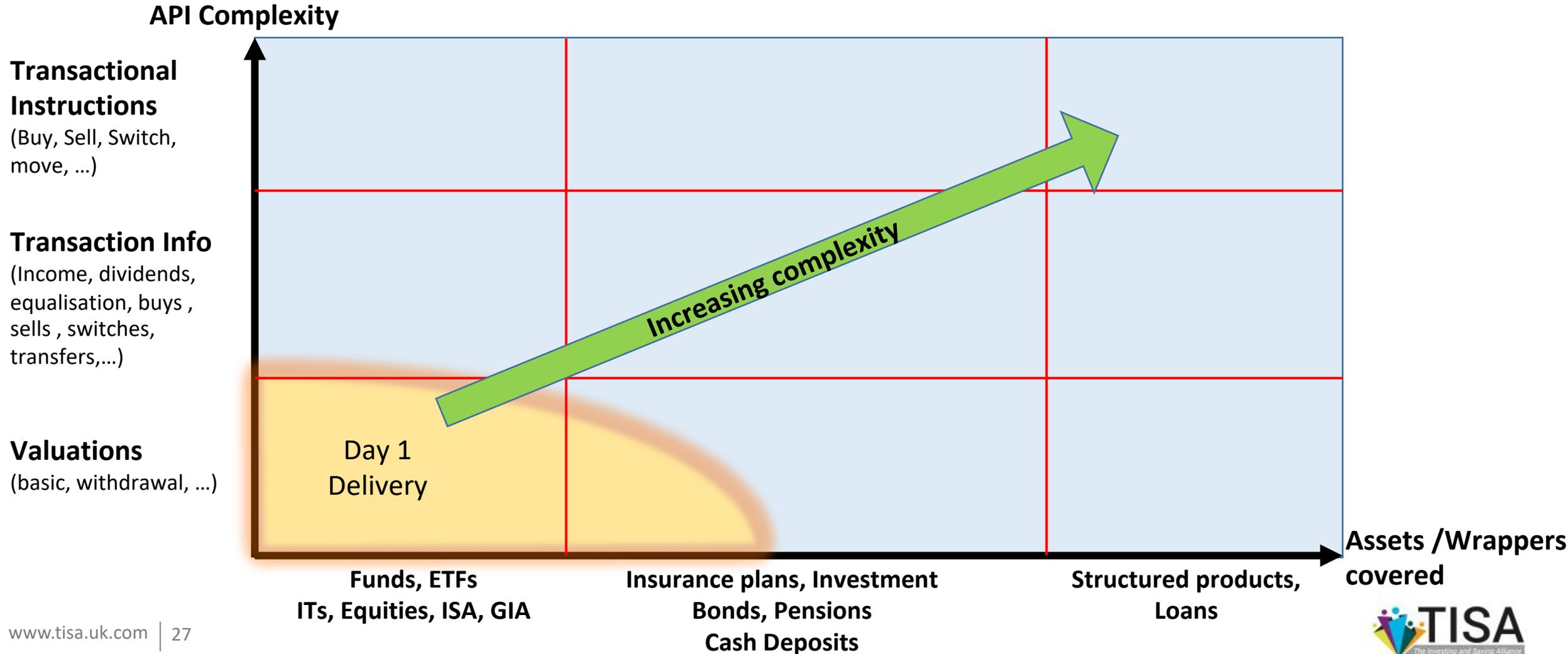


Rising Speed of Technological Adoption



Day 1 - Scope Management

- For day 1 we have defined a scope that is a Minimum Viable Proposition but also establishes and tests the legal and governance model





The way ahead

Vision for the future

Develop a range of Digital tools and services to help consumers understand their financial situation and make better better financial decisions.

Shape public policy to ensure Open Finance creates positive disruption and the appropriate flows of capital allocation in markets that optimise financial outcomes for the consumer.

Promote this through direct to consumer communications such as value propositions, weaved into education, guidance and advice to provide better financial wellbeing for all.



THANK YOU

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