

EUPHONIOUS TECHNOLOGY

The Financial Conduct Authority (FCA) recently announced it will launch a “call for input” on the regulatory barriers to innovation in digital and mobile services, and developments, later this year.

This is most welcome as the UK and European financial services markets are faced with a demanding set of regulations and a technological development ecosystem which is rapidly developing all manner of smart solutions.

For the regulator, hopefully, it will aid their understanding where changes are needed, or simply where they need to communicate the correct approach better.

It has become apparent in a number of the TISA policy councils and project groups that there are some barriers to innovation grounded possibly more in perception than reality.

Chris Woolard seems to get the concept of innovation development and recently said there is a digital and mobile “revolution”, commenting: “The way in which consumers engage with financial services is changing rapidly. Digital and mobile channels are making a huge impact. We think there is real disruptive potential in the switch to digital channels and more specifically, use of mobile.”

In his speech, Chris revealed that the FCA, through its Innovation Hub, is engaging with the financial services businesses and developing a growing understanding of the pace of change.

The Innovation Hub is part of the FCA's Project Innovate. It offers businesses seeking to enter the financial services market the opportunity to flag up their plans to the FCA and obtain an informal steer on how to address regulatory compliance issues that their new products or services would raise. Traditional financial services businesses also have the opportunity to apply for the FCA's assistance through the Innovation Hub when they wish to introduce either brand new concepts to the market or make significant improvements to existing ideas and practices.

This is welcomed by TISA's new Technology Innovation Policy Council and its other project groups, particularly the Digital Passport Working Group. We are interested to see how the regulator is anticipating how to address financial services companies' wish to be able to test new products and services with consumers and at the same time as ensuring protection for consumers. The real question for the FCA is how do they allow for experimentation while still ensuring an appropriate degree of consumer protection?

Hopefully we can now work closely with the FCA to develop open industry standards around digital evolution and also work with the European parliament to encompass the EU Digital Single Market strategy that was launched a few weeks ago.

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