



Smart Data Group  
ENABLING A DATA SHARING ECONOMY

# Proposal to Convene and Facilitate the Industry-Led Design & Mobilisation of the Future Entity

February 2026



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## EXECUTIVE SUMMARY

Smart Data Group's objective is to facilitate the structured, independent, and regulator-aligned design and mobilisation of the Future Entity as Open Banking transitions from the CMA Order to the Long Term Regulatory Framework under the Data (Use and Access) Act. In response to the FCA's request for industry convergence, our proposal provides a credible, time-bound process that prioritises pace, independence, neutrality, continuity of activities and cost control, while enabling industry-led decision-making.

The Design & Mobilisation Plan establishes a clear governance architecture for a six-month design phase anchored in a company limited by guarantee. It operates through an Interim Board, a balanced Design Steering Group chaired by an industry-appointed Chair, and five focused workstreams covering governance; funding & commercial model; transition planning & execution; corporate functions; and operational functions & infrastructure. Workstreams develop structured, decision-ready outputs; the Design Steering Group consolidates recommendations; and the Interim Board provides formal corporate authority. This ensures structured consultation, defined escalation pathways and disciplined delivery from inception.

Independence and neutrality are embedded by design. There is clear structural separation between design governance, regulatory transition, and any commercial activity. No single stakeholder group can control outcomes through funding, ownership or incumbency. Formal Terms of Reference, conflict management, transparent reporting and regulatory observer participation provide visibility and alignment while retaining industry leadership.

The SDG team combines direct UK Open Banking implementation leadership with international Open Finance experience. Senior members have led standards development, directory services, monitoring frameworks and regulatory coordination, and have established new scheme entities with robust governance, funding, and operating models. The technical and operational approach is modular and clean-core: retain what works, modernise where required, avoid legacy liabilities, and preserve continuity of standards, monitoring, and directory functions without service disruption, while designing for Open Finance and wider Smart Data expansion.

Design-phase funding is ring-fenced, transparent, and independent of existing regulatory or Competition Order funding. Two pathways are proposed: an IEP-determined funding model or a ready-to-implement Industry Advance Contribution Model. The indicative six-month budget is structured, milestone-controlled, and subject to Interim Board approval, with clear separation between design-phase costs and steady-state run funding. Contributions do not confer governance rights and are credited against future participation fees once the Future Entity enters run-mode.

Transition planning is structured and regulator aligned. A due diligence assessment informs a retain, rebuild, or sunset analysis, with continuity of critical activities guaranteed and duplication or dual-running avoided. Authority transfers cleanly to an independently appointed Future Entity Board at the end of the design phase, supported by incorporated Articles, an approved funding framework, a defined target operating model and a Board-approved Transition & Mobilisation Plan.

Taken together, this proposal demonstrates governance independence, structured industry engagement, technical capability, financial discipline, risk management, and operational feasibility across all evaluation criteria. It provides industry with a credible, independent, and mobilisation-ready pathway to deliver a clean, neutral and sustainable Future Entity aligned to the Long Term Regulatory Framework and the UK's wider Smart Data ambition.



## SUMMARY OF SUPPORTING EVIDENCE

### Team and Approach Overview – Evaluation Criteria Mapping

This document maps SDG's team capability and facilitation approach directly against the six KPMG evaluation categories: governance and independence, industry support and stakeholder engagement, technical capability, funding and financial feasibility, risk management and security, and operational feasibility.

It evidences that SDG combines direct UK Open Banking implementation leadership, international Open Finance experience, governance and legal expertise, and large-scale regulated programme delivery capability. It demonstrates structural independence, balanced facilitation, modern modular technical architecture, clean-core transition principles, and ring-fenced funding design, showing readiness to convene, mobilise and guide industry through a structured, regulator aligned FE design process.

### Team CVs

The Team CVs provide detailed evidence of subject matter expertise across governance design, regulatory engagement, Open Banking implementation, directory and standards architecture, payments infrastructure, risk management, transformation, and commercial modelling.

Collectively, the team demonstrates direct experience delivering and implementing UK Open Banking, establishing new scheme entities, leading national Open Banking & Open Finance implementations, negotiating regulatory frameworks and building sustainable funding models. Against the KPMG criteria, this demonstrates depth across governance and independence, technical capability (including standards, directory, and monitoring), funding and commercial design, risk and operational resilience, and the ability to convene and facilitate complex multi-stakeholder industry processes.

### Design & Mobilisation Plan

The Design & Mobilisation Plan sets out a structured, time-bound six-month process to convene and facilitate the industry-led design of the Future Entity through an independent governance architecture comprising an Interim Board, Design Steering Group, and five workstreams. It evidences clear decision-making traceability, separation of roles, transparent consultation, and regulator alignment, directly addressing governance and independence, stakeholder engagement and operational feasibility criteria. The phased roadmap, clean transfer to a permanent Board, and structured transition sequencing demonstrate credible mobilisation capability, pace, and risk-managed delivery aligned to FS25/4 expectations.

### Funding & Costs

The Funding & Costs document sets out a ring-fenced, transparent and milestone-controlled funding framework for the design and mobilisation phase, independent of existing regulatory or Competition Order funding. It details cost assumptions, tranche controls, governance oversight and fairness principles, including tiered contribution logic and no funding-linked governance rights. Against the KPMG criteria, this evidences financial feasibility, cost transparency, sustainability, independence, and robust funding risk mitigation, alongside a clear approach to guiding industry toward a resilient long-term run funding model.



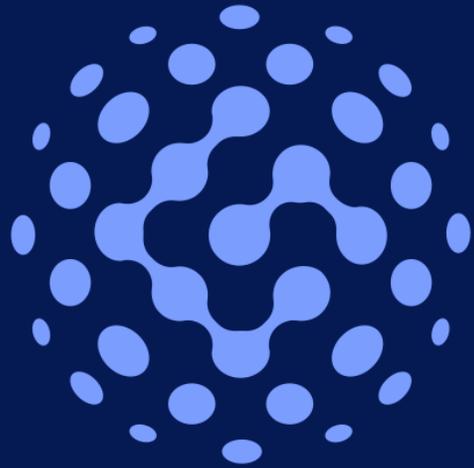
## **SDG Independent Evaluation Panel Presentation**

The IEP Presentation articulates SDG's vision, priorities, and facilitation methodology for the FE design phase, grounded in independence, neutrality, continuity of activities and cost control. It demonstrates structured governance design, technical, and operational design principles, clean-core transition planning, modular architecture, and proportional funding philosophy. Mapped against the KPMG framework, it evidences capability to convene industry, guide consensus, facilitate technical and operational design discussions, ensure regulatory alignment and deliver measurable outcomes within a defined timeline.

## **SDG Blueprint**

The SDG Blueprint is a report developed following consultation and industry engagement at the end of last year. It reflects feedback gathered across the ecosystem and was intended to guide informed discussion rather than prescribe an outcome. It sets out a potential long-term vision for a structurally independent, not-for-profit company limited by guarantee to host and operate the Future Entity, with ring-fenced scheme structures, and scalable architecture capable of extending into Open Finance and wider Smart Data. It provides conceptual governance models, operating principles, funding philosophy, and technical architecture options to support structured, industry-led design discussions.

The Blueprint does not bind the industry, pre-determine the Future Entity's final structure, or limit alternative models. Industry participants remain the decision makers as to the model ultimately adopted. Against the KPMG evaluation criteria, it evidences strategic depth, forward-looking scalability, and a clear commitment to independence and neutrality, while serving purely as a suggested framework and set of options for industry consideration within a structured facilitation process.



# Smart Data Group

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## **TEAM AND APPROACH OVERVIEW -EVALUATION CRITERIA MAPPING**

February 2026



## Team Capability & Evaluation Criteria Map

		Core Team						Support Team				Advisory Team			
		Ruth Wandhöfer	Chris Moore	Fliss Berridge	Andrew Siggemann	Angela Miles	Katherine Kennedy	Clare Ambrosino	Richard Newman	Gavin Wong	Nick Daniel	Paul Scully	Richard Mould	Jonathan Holman	Justin Fitzpatrick
		<i>Design &amp; Mobilisation Lead</i>	<i>Programme Lead</i>	<i>Governance, Funding &amp; Commercial Lead</i>	<i>Operational Functions &amp; Infrastructure Lead</i>	<i>Transition Planning &amp; Execution Lead</i>	<i>Corporate Functions Lead</i>								
Evaluation Criteria	Governance, independence & ethical framework	✓	✓	✓		✓		✓	✓		✓	✓	✓	✓	✓
	Industry support & stakeholder engagement	✓	✓	✓				✓	✓		✓	✓	✓	✓	✓
	Technical capability	✓	✓	✓	✓	✓	✓			✓	✓		✓	✓	✓
	Funding & financial feasibility	✓	✓	✓	✓						✓		✓	✓	✓
	Risk management & security	✓	✓	✓		✓	✓			✓	✓		✓	✓	✓
	Operational feasibility	✓	✓	✓	✓	✓	✓			✓			✓	✓	✓



## **The SDG team is uniquely positioned to support industry design and mobilise the Future Entity, with proven design, implementation, and mobilisation experience**

### **Direct Open Banking implementation leadership**

Senior team members led and delivered core elements of UK Open Banking during the implementation phase, with first-hand experience of standards, directory, monitoring, user experience, and regulatory coordination.

### **Recent scheme establishment experience**

Practical experience establishing a new commercial scheme entity from inception – governance, funding, mobilisation, policy design, and industry coordination.

### **International Open Finance implementation insight**

Advice drawn from live Open Finance implementation in other jurisdictions, bringing lessons on cost efficiency, interoperability, scalability, and modern technical architecture.

### **Deep architecture and directory expertise**

Experience designing, operating, and improving directory services, standards governance, and technical infrastructure – including how to modernise and reduce cost.

### **Governance, legal, regulatory, and ministerial-level policy capability**

Embedded expertise across regulatory policy, legislative alignment, accountability, and scheme governance – ensuring the FE design is robust and regulator-ready.



## The SDG approach has been designed to ensure independence, delivery, and long-term sustainability

### **Independence and neutrality by design**

Structural separation between design, regulatory transition, and commercial activity, with an independent Design & Mobilisation Lead and team, and Workstream chairs drawn from across the ecosystem. No single group can hold a majority, control outcomes, or influence decisions through funding, ownership, or incumbency.

### **Transparent, industry-led engagement**

Open, cross-ecosystem participation through a structured industry Design Steering Group and Workstream model with balanced representation, published outputs, and no pay-to-participate barriers.

### **Modern, modular, and future-ready architecture**

Cloud-native, version-controlled standards and directory services, realistic conformance environments and a portable trust and consent framework designed to scale from Open Banking to Open Finance and wider Smart Data.

### **Clean-core transition with cost discipline**

Selective migration of what works and modernisation of what does not, avoiding legacy liabilities, duplication and inherited inefficiencies through an activity-based cost ramp.

### **Equitable, ring-fenced funding model**

Clear separation from competition-remedy funding, explicit protections against cross-subsidisation, and transparent, industry-agreed funding once mandate is confirmed.



# Governance, independence & ethical framework

This slide summarises SDG capability to work with industry to design a FE that establishes fair, transparent, and trustworthy governance frameworks. It also provides why SDG are well positioned to facilitate the design of the governance framework for FE.

## Governance during the FE design phase

### Team

- Senior leadership with direct Open Banking implementation experience, including standards, governance, policy development, and regulatory engagement.
- Independent Design & Mobilisation Lead with extensive cross-industry stakeholder engagement experience.
- Deep financial regulatory and governance expertise across UK and international institutions, with Board and Executive-level experience operating under FCA and CMA oversight.
- Proven experience establishing and chairing structured governance forums and industry panels.
- Embedded legal, programme management, and architectural understanding to ensure governance design is robust and operationally deliverable.

### Approach

- Rapid stand-up of a formal FE governance structure during the design phase, grounded in regulatory and scheme establishment experience.
- Clear structural separation between design governance and any existing operational or legacy arrangements.
- Independent Design Steering Group chaired by an industry appointed Chair, with balanced representation and structured reporting.
- Formal Terms of Reference, conflicts-of-interest declarations, and transparent documentation from the outset.
- Consensus-led decision-making with defined escalation routes and voting backstops and safeguards where required.
- Regulatory and OBL observers included for alignment, alongside early definition of Board appointments, industry engagement governance, and decision rights.

## Facilitating the design of governance frameworks for the FE

### Team

- Experience designing governance frameworks across regulatory and commercial scheme environments, including independent not-for-profit CLG structures aligned to statutory and regulatory expectations.
- Direct experience establishing new entities (including UKPI) and designing board and committee structures with clear delegated authority and independence safeguards.
- Proven track record of governance reform and control enhancement under FCA and CMA oversight, including embedding risk-based decision-making, documented escalation routes, and conflict management frameworks.
- Experience designing ethical and corporate governance frameworks at Board and INED level, including within regulated financial institutions.
- Cross-sector insight from international Open Finance implementation and payment scheme governance transformation.

### Approach

- Proposed independent Board structure with skills-based appointments and balanced representation safeguards preventing dominance by any stakeholder class.
- Clear committee architecture (Standards, Regulatory, Steering Group) with defined delegated responsibilities and transparent nomination processes.
- Formal conflicts of interest rules, escalation mechanisms, and ethical safeguards embedded from inception.
- Separation between regulatory scheme governance and optional commercial SPVs, with ring-fenced structures to prevent cross-subsidy, undue influence, or structural capture.



# Industry support & stakeholder engagement

This slide summarises SDG's ability to foster collaboration and gain the confidence of the diverse Open Banking ecosystem, both for executing the FE Design phase and for the facilitation of the FE design.

## Industry support & stakeholder engagement during the FE design phase

### Team

- Established relationships across ASPSPs, TSPs, TPPs, trade bodies, technology providers, civil society, government and regulators, SME and consumer bodies. Specific experience during Open Banking implementation phase attending and managing the Implementation Entity Steering Group, JROC workstreams, UKPI, and Smart Data Council.
- Extensive experience facilitating structured industry input into regulatory policy, including through the PRA Practitioner Panel and PSR Panel.
- Proven track record of leading complex multi-stakeholder and European negotiations, balancing regulatory, commercial, and public-interest priorities.
- Experience running large-scale consultations and iteratively refining strategic proposals through structured ecosystem engagement.

### Approach

- Open and inclusive design process with no pay-to-participate barriers, ensuring funding does not determine influence.
- Structured industry-led Design Steering Group and Workstream model with balanced representation to provide technical depth and transparent reporting.
- Clear Terms of Reference, documented outputs, and trade body and direct firm nomination routes to ensure legitimacy and proportional and balanced representation (in the event IEP does not continue as DSG or IEP representation needs expanding).
- Structured civil society, consumer, and SME input embedded into the design phase, with defined pathways for ongoing stakeholder engagement within the Future Entity.

## Facilitating the design of the stakeholder engagement framework for the FE

### Team

- Extensive experience fostering collaboration across diverse and often competing stakeholder groups within the UK open banking ecosystem and beyond.
- Designed and operated FSMA statutory practitioner panels, structuring governance processes and ensuring balanced, disciplined and outcome-focused engagement across banks, insurers, and other financial institutions.
- Led complex legislative and regulatory negotiations (including Solvency II, CRD IV and PSD2) and delivered major structural programmes within banks, demonstrating the ability to reconcile competing interests and sustain long-term stakeholder confidence.
- Strong programme management capability to structure ongoing engagement at scale.

### Approach

- Defined stakeholder map spanning the ecosystem, technology providers, trade associations, and end-user representatives.
- Standing committees embedded within the FE design (Steering, Standards, Regulatory) to ensure structured and continuous engagement.
- Formal consultation cycles, version-controlled standards releases, and transparent publication of key decisions, budgets, and governance changes.
- Clear regulatory coordination channels to avoid duplication, ambiguity or misalignment, ensuring sustained and credible stakeholder participation beyond the design phase.



## Technical capability

This slide summarises SDG's ability to facilitate the design of the technical components needed for the FE, and the approach to deliver, maintain and evolve these. Technical components must cover, but are not limited to, functions set out by the FCA FS24/25 (standards, monitoring API performance, directory, and certification services).

### Facilitating the design of the technical framework for the FE

#### Team

- Deep UK and international Open Banking and Open Finance implementation experience across, including leadership of standards development for PIS and AIS, business rules, technical specifications, and customer experience frameworks including user perspective.
- Extensive expertise in Variable Recurring Payments, delegated authentication models, API performance metrics, monitoring standards, and operational guidelines, alongside certification and conformance frameworks for ASPSPs and TPPs.
- Former architectural leadership within Open Banking, with strong directory and trust framework expertise, combined with international Open Finance implementation and cross-jurisdiction programme delivery.
- Experience delivering innovative Open Finance use cases (including FX, insurance, and real-time quoting services), providing insight into scalable and commercially sustainable technical models.

#### Approach

- Design of a modular, cloud-native technical architecture aligned to future Open Finance and Smart Data expansion.
- Clean-core transition strategy: retain what works, modernise where necessary, and avoid legacy cost inheritance.
- Structured standards governance with version control, transparent change management and industry consultation cycles.
- Modern directory and trust framework strategy, including portable consent and interoperable identity attributes.
- Defined conformance, certification and sandbox environments to support secure onboarding and proportionate participant access.
- Clear separation between scheme-level accreditation and regulatory authorisation to preserve independence and clarity of roles.



## Funding & financial feasibility

Funding during the Design & Mobilisation phase is crucial. Our team bring strong commercial leadership to this work, employing best practice from regulated firms, implementation entities, government and regulators, ensuring effective cost controls and auditable governance around spend decisions.

### Financial feasibility during the FE Design Phase

#### Team

- Strong commercial and financial leadership with experience managing large-scale change budgets at firm and implementation entity level.
- Proven track record developing business cases, strategic sourcing initiatives, and investment prioritisation frameworks to ensure spend decisions are transparent, auditable, and aligned to strategic objectives.
- Experience, within organisations including OBL and UKPI, of building cost models for both regulatory and commercial schemes, with direct knowledge of historic Open Banking cost drivers and ecosystem funding structures.
- Embedded financial and legal oversight within the leadership team to ensure governance, compliance, and financial discipline.

#### Approach

- Activity-based costs aligned to defined delivery milestones, with clear separation between mobilisation and steady-state funding.
- Contractor-first design & mobilisation model to minimise fixed cost exposure and avoid premature structural overhead.
- Open-book accounting, transparent reporting, and audit-ready documentation from inception.
- Explicit guardrails preventing cross-subsidy between regulatory and commercial activities, with clear separation from competition-remedy funding.
- Commitment to broad-based, industry-agreed funding once mandate is confirmed to ensure fairness and long-term sustainability.

### Facilitating the design of a funding model for the FE

#### Team

- Extensive experience designing and assessing funding models across Open Banking, Open Finance, and commercial environments, with direct experience within the UK ecosystem.
- Practical experience developing levy-based, usage-based, and hybrid funding structures, including cost recovery and long-term sustainability modelling.
- Experience supporting voluntary industry fundraising and establishing new scheme entities (including UKPI), structuring equitable contribution frameworks and governance safeguards, and commercial model design.
- Strong understanding of international Open Finance funding approaches, providing comparative insight into scalable and commercially sustainable ecosystems.
- Embedded legal, governance, and public policy expertise to ensure funding arrangements are transparent, regulator-aligned, and resistant to structural conflicts or undue influence.

#### Approach

- Two-phase funding model separating design & mobilisation from steady-state operations, ensuring clarity of purpose and avoiding premature long-term cost commitments.
- Structured options model to allow industry to assess fairness, proportionality, and sustainability.
- Clear guardrails to prevent dual-running cost, free-rider effects, or disproportionate burden on any one participant group.
- Defined reimbursement and transition mechanisms once the steady-state funding model is operational, providing certainty to early contributors while maintaining long-term fairness.



# Risk management & security

This slide summarises SDG's ability to facilitate an industry-led FE design phase that will protect the Open Banking ecosystem, through risk management, information security, and fraud prevention.

## Facilitating the design of the risk management & security framework for the FE

### Team

- Extensive Open Banking implementation experience covering regulatory risk, operational resilience, fraud prevention, and compliance within FCA-regulated and systemically important payment infrastructures.
- Senior leadership experience in cyber security, payment information security, and fraud mitigation, including chairing industry security committees, and contributing to national cyber and resilience boards.
- Direct experience of operational risk and resilience policy within the Bank of England and PRA, including development of operational resilience frameworks.
- Architecture leadership with monitoring, directory security, and data protection oversight, alongside direct experience interpreting complex cyber and regulatory requirements for regulated entities.
- Qualified legal and regulatory expertise embedded within the team, with experience designing risk management frameworks for large-scale transformation and transition programmes.
- Experience managing governance and control calibration in Open Banking environments to protect ecosystem integrity and mitigate fraud and financial crime.

### Approach

- Formal Risk & Audit Committee embedded within FE governance design to ensure independent oversight.
- Security, resilience, and data protection principles designed into the technical architecture from inception.
- Continuous monitoring and management information framework aligned to regulatory expectations.
- Clear regulatory engagement and escalation channels to maintain transparency and supervisory confidence.
- Separation of duties between governance, standards-setting, and operational layers to prevent conflicts and concentration risk.
- Transparent conformance, certification, and testing requirements, supported by conflicts registers and published assurance reporting.
- The framework is grounded in proportionality, transparency, ensuring robust protection without creating unnecessary barriers to participation.



# Operational feasibility

This slide summarises SDG's ability to facilitate the industry design and set up of running the operating entity, in line with the FS24/25 operational requirements.

## Ability to facilitate the design of the FE operating model

### Team

- Direct Open Banking implementation leadership with experience translating regulatory mandates into operational delivery under FCA and CMA oversight.
- Experience establishing new scheme entities from inception (including UKPI), designing operating structures, governance, controls, and mobilisation sequencing.
- Strong programme management capability across complex, multi-stakeholder transformations in regulated financial institutions and national infrastructure environments.
- Led major restructuring and regulatory change programmes, demonstrating the ability to align operating models to supervisory expectations.
- Experience designing supervisory mandates and governance frameworks within regulatory bodies, ensuring clarity of expectations and effective oversight tools.
- International Open Finance implementation leadership, providing comparative insight into scalable, sustainable operating structures.
- Embedded legal structuring, governance design, and Smart Data policy expertise within the team.

### Approach

- Clean-core transition strategy focused on transferring activities rather than inheriting legacy organisational structures or liabilities.
- Modular operating model comprising a minimum regulatory core with optional enhancements, enabling proportionality and scalability.
- Activity-based resourcing model with phased recruitment and contractor-first mobilisation to manage cost and risk.
- Defined mobilisation timeline with milestone sequencing, decision gates and Board oversight.
- Explicit separation between regulatory scheme functions and any commercial innovation activity to preserve independence.
- Strong structural safeguards preventing capture, concentration risk or influence through ownership or funding.



# Smart Data Group

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## **DESIGN & MOBILISATION PLAN**

February 2026



## Designing the Future Entity

**Structured Design. Clear Authority. Industry-Led.**

Open Banking is moving to a Long Term Regulatory Framework.

**The Design & Mobilisation Plan enables industry to:**

- Establish a genuinely independent Future Entity (FE)
- Preserve continuity of standards, monitoring, directory, and trust framework
- Develop a sustainable funding and commercial model
- Deliver a structured transition plan for FE Board approval
- Collaborative, structured design with clear accountability

**Target design start date:** w/c 4 May

**Timeframe:** 6 months (May–October), with a formal checkpoint at 3 months



## Assumptions & Dependencies

### Assumptions

- Industry converges around a single Future Entity model
- Independent Assessment Panel appoints the FE Chair and Board in Phase 3
- Design phase funding model determined via IEP model or SDG Advance Funding Model
- FCA and HMT participate in key sessions as observers
- Alignment to FCA FS25/4 Future Entity Design Principles and Long Term Regulatory Framework

### Dependencies

- Timely funding, nomination, and participation from industry representatives
- Access to sufficient information from OBL to complete due diligence
- Effective coordination of transition activities during the CMA Order period
- Clear decision-making cadence across Workstreams, DSG, Interim Board, and FE Board

These assumptions will support clarity, independence, and delivery discipline across the Design & Mobilisation Plan.



## Objectives of the Design & Mobilisation Plan

**Over a structured six-month period, industry will:**

- Establish a CLG vehicle for the design phase and potentially to host the FE post-transition
- Define the FE governance framework aligned to FCA's FS25/4 Future Entity Design Principles
- Design the long-term funding, commercial model, and target operating model
- Determine and coordinate a transition plan with OBL
- Produce a detailed transition and mobilisation plan for FE Board approval

This phase focuses on governance, funding, structure, and transition readiness.



## Guiding Principles

If approved by the DSG, the Plan will be guided by:

### **Independence by Design**

Clear structural separation, independent governance and no legacy control or undue influence.

### **Continuity of Outcomes & Activity**

Maintain and strengthen standards, monitoring, and directory functions without service disruption.

### **Lean and Activity-Based Delivery**

Incremental cost ramp, contractor-first mobilisation and open-book cost transparency.

### **Minimum Central Functions**

The FE provides core services only, with schemes free to procure additional overlays.

### **Fair and Proportionate Funding**

Shared funding across participants with safeguards against double-charging and free-riding.

### **User-Centred and Trust-Forward**

Portable consent, visible trust signals, and embedded consumer and SME representation.

### **Open Banking First, Extendible by Design**

Deliver Open Banking transition cleanly while enabling future Open Finance and Smart Data schemes.



## Governance Architecture During Design Phase

**The Design & Mobilisation Plan operates through:**

1. CLG Vehicle (Design Phase Governance Anchor)
2. Interim Board
3. Design Steering Group (DSG)
4. Industry Workstreams
5. Industry-Appointed FE Board (Phase 3)

This will ensure structured consultation, defined authority and decision-making, and accountability from inception.



## Interim Board (Design Phase)

Chaired by Dr Ruth Wandhofer and composed by: One ASPSP, one TPP, DSG Industry Chair, and observers from SDG and OBL.

Role: Approves budgets, design outputs, and transition & mobilisation recommendations

## Design Steering Group (DSG)

Chaired by an industry Chair appointed by and from the DSG membership

Role: Provide consolidated recommendations to the Interim Board, informed by the outputs of the workstreams and guided by agreed priorities.

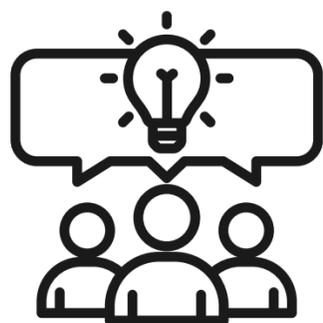
## Workstreams

Develops structured options and decision-ready papers and provides recommendations to DSG and Interim Board. FCA and HMT attend key sessions as observers

<b>WORKSTREAM 1</b>	<b>WORKSTREAM 2</b>	<b>WORKSTREAM 3</b>	<b>WORKSTREAM 4</b>	<b>WORKSTREAM 5</b>
GOVERNANCE	FUNDING & COMMERCIAL MODEL	TRANSITION PLANNING & EXECUTION	CORPORATE FUNCTIONS	OPERATIONAL FUNCTIONS & INFRASTRUCTURE



## Decision Making Flow



**Workstreams  
develop proposals**



**DSG  
reviews, refines and  
makes  
recommendations**



**Interim Board / FE  
Board (once  
appointed) makes  
decisions**



## Funding Approach & Model for Design Phase

The funding model for the design phase will be determined through industry agreement, providing clarity and independence at programme outset.

### Possible approaches (outlined in Funding Note & Costs):

- IEP funding model
- SDG Advance Funding Model

### Once funding is agreed:

- Funds flow into the FE CLG vehicle
- Design Steering Group recommends tranche release
- Interim Board / FE Board governs budget approval
- Programme delivery proceeds under agreed timetable

This structure ensures transparent funding governance and clear accountability.



## Cost Outputs, Visibility & Approval

### Structured cost development

- Indicative budget ranges developed across all design and mobilisation workstreams
- Assumptions and activity drivers documented to ensure transparency
- Cost scenarios support prioritisation and trade-off decisions by the DSG

### Consolidated programme budget

- Aggregated cost envelope combining all workstreams into a single programme view
- Presented for Interim Board / FE Board approval as part of the Transition & Mobilisation Plan
- Provides baseline for mobilisation governance and ongoing cost oversight
- Regular budget versus forecast reporting provided to Interim Board

This approach ensures funding transparency, disciplined cost control, and clear governance accountability.



## Interim Board (Design Phase)

### Voting Members:

- Dr Ruth Wandhöfer (Chair)
- ASPSP representative
- TPP representative
- Industry Chair of the DSG

### Observers:

- SDG representative
- OBL representative
- FCA, HMT, and CMA

### Role:

- Formal governance during design
- Approve budgets
- Consider DSG recommendations
- Provide structured decision authority

This will ensure structured consultation, defined authority and decision-making, and accountability from inception.



## Design Steering Group (DSG)

Chaired by an Industry Chair appointed by and from DSG membership.

### Role:

- Decide industry design priorities
- Guide workstreams
- Review outputs
- Consolidate recommendations
- Escalate defined recommendations to Interim Board / FE Board
- Consider other relevant initiatives, including Retail Payments Infrastructure Board (RPIB), UK Payments Initiative (UKPI), Long Term Regulatory Framework, Open Finance Roadmap, Smart Data Strategy
- Membership drawn from IEP or balanced ecosystem representation and consider regulatory and relevant observers from other relevant initiatives

The DSG will provide recommendations to the Interim Board, it does not exercise final authority.



## Workstreams

### Core Workstreams:

- Governance
- Funding & Commercial Model
- Transition Planning & Execution
- Corporate Functions
- Operational Functions & Infrastructure

### Industry workstreams will:

- Operate under DSG-approved Terms of Reference
- Develop options and structured recommendations for DSG
- Produce decision-ready papers
- Report to DSG

Industry workstreams will provide papers for consideration by DSG.



## Terms of Reference Framework

**Each governance body and workstream operates under published ToRs including:**

- Defined scope and objectives
- Membership balance requirements
- Quorum requirements
- Reporting lines
- Escalation procedures
- Decision methodology
- Documentation standards

ToRs will be approved by DSG and ratified by Interim Board.



## Structured Consultation Process

### The Plan embeds formal consultation:

- Issue papers circulated in advance
- Defined written feedback periods
- Consolidated feedback summaries
- Minority views documented
- Published decision log
- Milestone consultation checkpoints

Consultation will be time-bound and structured.



## Mechanisms for Majority Support

### The process prioritises:

- Facilitated consensus-building
- Iterative refinement
- Broad ecosystem input

### Where consensus cannot be reached:

- Defined voting thresholds apply
- Super-majority requirements may apply
- Minority positions formally recorded

Voting will only be used as a backstop.



## Escalation & Resolution Framework

### Level 1 – Workstream

- Attempt consensus
- Document positions

### Level 2 – DSG

- Review structured outputs
- Request refinement
- Formulate recommendations / voting if required

### Level 3 – Interim Board / FE Board

- Formal decision authority
- Voting if required

Escalation process and timelines defined in ToRs.



## Governance of Delivery & Working Cadence

### **The Design & Mobilisation Plan will operate through structured programme governance:**

- Weekly Core Team stand-up to maintain pace, risk oversight, and cross-workstream alignment
- Fortnightly workstream reviews to capture structured outputs and dependencies
- Monthly Design Steering Group checkpoint with industry representation
- Decision log maintained with clear owners, actions, and deadlines
- Outputs consolidated into structured recommendation packs for Interim Board / FE Board consideration
- Budget tracking and forecast reporting provided regularly to Interim Board

This ensures disciplined delivery, structured consultation, and clear accountability throughout the Design & Mobilisation phase.



## Regulatory Alignment Embedded in Design

### FCA:

- Observer participation in key workstreams
- Alignment to FS25/4 FE Design Principles and Long Term Regulatory Framework
- Ongoing dialogue on cVRP / UKPI / UK Finance; Retail Payments Infrastructure Board; Open Finance Roadmap; and Smart Data Accelerator

### CMA:

- Coordination on transition planning of activities both with OBL and CMA (decision maker)

This retains Industry ownership and leadership but with regulatory alignment and visibility.



## FE Core Capabilities to Be Designed

### The Plan will define:

- Role as primary standards-setting body
- Monitoring of API performance and adherence
- Directory and certification services
- Minimum service consistency framework
- Potential pathway to Open Finance

These are defined during design phase and will be approved by the FE Board as part of a Transition & Mobilisation Plan.



## Relationship to Other Open Banking and Smart Data Schemes

**If approved by the DSG, the Plan will also define:**

- Monitoring adherence to FE standards by commercial schemes
- Support mechanisms for innovation within regulatory guardrails
- Standards necessary to enable commercial schemes
- Clear separation between FE and scheme operators

This will support interoperability with existing schemes and the development of additional schemes .



## Workstream - Governance

### The workstream will develop:

- Draft Articles of Association
- Board composition and skills framework
- Independent Assessment Panel-led Board appointment process
- Committee structure and delegated authorities framework
- Decision rights and reserved matters schedule
- Quorum requirements and voting thresholds
- Escalation and resolution framework
- Industry engagement and working group structure

Ensuring clear authority, independence, and structured decision-making for the Future Entity.



## Workstream - Funding & Commercial Model

### The workstream will develop:

- Equitable funding framework across participant groups
- Long-term run funding model
- Commercial guardrails
- Cross-subsidy protections
- Refinement and monitoring of design phase funding

Outputs will be considered by DSG and approved by Interim Board / FE Board.



## Workstream - Corporate Functions

### The workstream will define:

- Legal and company secretariat framework
- Financial management and reporting framework
- Risk management and internal controls structure
- HR and people framework
- Procurement and supplier management policies
- Security and operational resilience framework

Ensuring the FE operates on robust governance foundations.



## Workstream - Operational Functions & Infrastructure

### The workstream will define:

- Standards development processes
- Monitoring and management information
- Directory and onboarding services
- Trust and consent architecture
- Target operating model
- In-source vs outsource principles

The main deliverable will be a Board-approved and regulator-aligned organisational structure.



## Workstream - Transition Planning & Execution

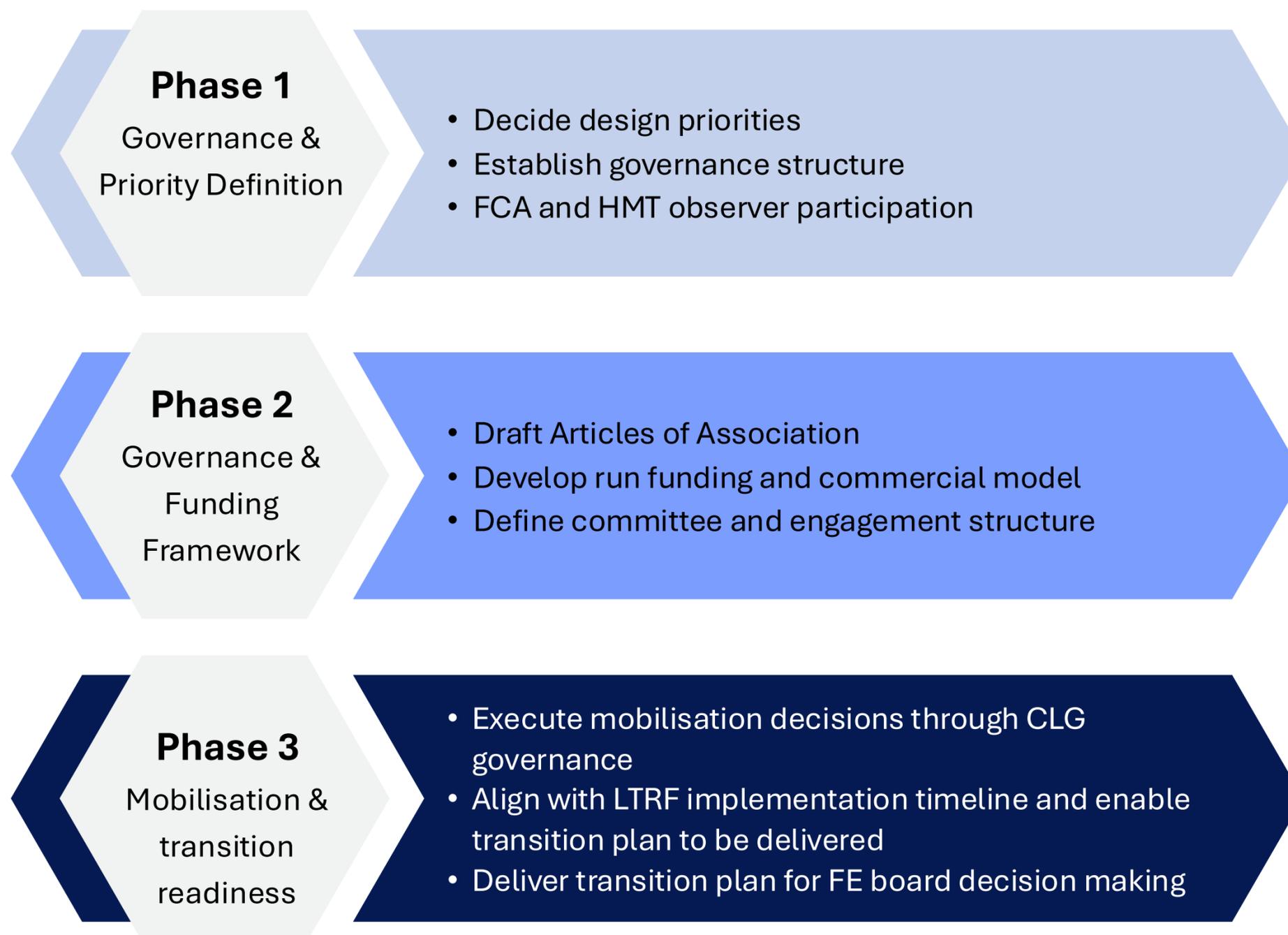
**This workstream will determine and coordinate a transition plan with OBL.**

- Asset and capability assessment of OBL activities
- Retain / rebuild / sunset analysis
- Continuity of activities, including but not limited to directory, certificates, standards, and monitoring
- Detailed mobilisation plan

The main deliverable will be a Transition & Mobilisation Plan for FE Board sign off.

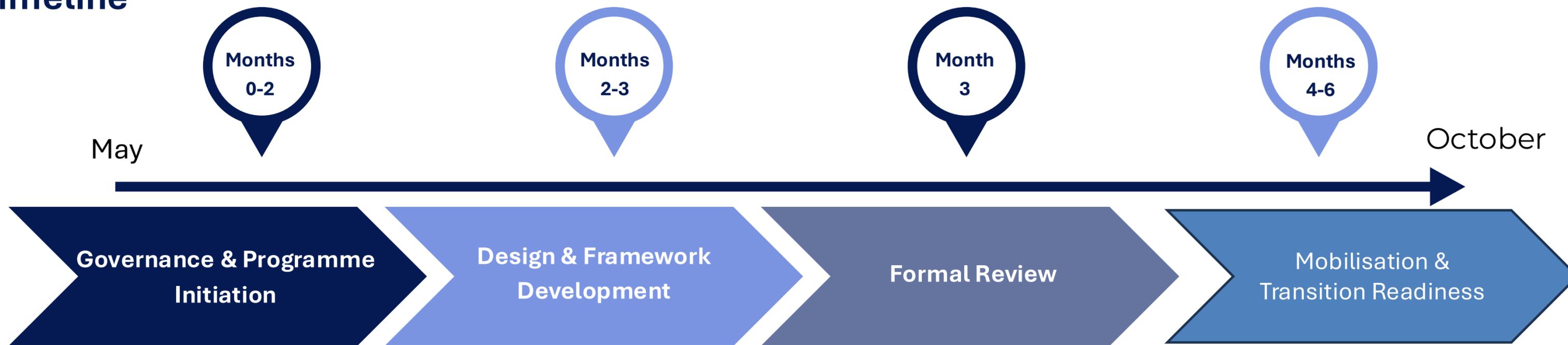


## Phased Design & Mobilisation Plan





# Timeline



**Phase 1:**

- Establish CLG vehicle for the design phase
- Appoint Interim Board and confirm Design Steering Group (DSG)
- Agree Terms of Reference for governance bodies and workstreams
- Confirm industry design priorities and programme cadence
- Launch core workstreams and structured consultation process
- FCA and HMT observer participation embedded

**Phase 2:**

- Draft Articles of Association and governance architecture
- Develop long term funding and commercial model framework
- Define target operating model principles and core capabilities
- Develop committee and industry engagement structure
- Conduct structured assessment of OBL activities to inform transition options

**Checkpoint:**

- Milestone and deliverable review
- Budget and funding review
- Industry confidence confirmation
- Confirmation of priorities for mobilisation and transition phase

**Phase 3:**

- Refine and finalise governance framework for FE
- FE Board appointed via Independent Assessment Panel
- Articles of Association incorporated
- Finalise long term funding and commercial model
- Deliver detailed Transition & Mobilisation Plan for FE Board approval
- Target operating model aligned to FCA design principles and industry priorities



## Resourcing Model

### Core Team

- Includes Design and Mobilisation Lead, Programme Lead, and Workstream leads.
- Coordinate delivery of the Design & Mobilisation Plan, ensuring alignment to DSG priorities, structured consultation, and programme cadence across all workstreams.
- Consolidate outputs into decision-ready packs and Transition & Mobilisation Plan documentation for DSG recommendation and Interim Board / FE Board approval.

### Support team

- Full-time delivery resource providing programme management and operational support across all workstreams.
- Provides specialist capability where required, including legal support, technical due diligence, financial analysis, and stakeholder convening support.

### Advisors

- Provide independent strategic guidance and specialist expertise across governance, government, regulatory, technical, and commercial matters.
- Engaged selectively to inform key design decisions and support stakeholder confidence during the Design & Mobilisation phase.



## Decision Authority During Design

**To ensure accountable and structured decision-making the Plan:**

- Embeds structured consultation
- Defines escalation pathways
- Anchors authority in Interim Board
- Transfers authority to FE Board once appointed

This will guarantee comprehensive industry consultation and decision clarity.



## Deliverables at Completion

### At completion, industry will have:

- FE Board appointed via Independent Assessment Panel
- Articles of Association incorporated
- Final governance and engagement model approved
- Long term funding and commercial model framework approved
- Target operating model agreed
- Board-approved organisational structure
- Transition & Mobilisation Plan approved

**The FE Board then assumes full governance responsibility.**



## Why this Plan is Credible

### **Enables rapid mobilisation through a ready legal structure**

Uses an existing CLG vehicle to stand up governance and operations quickly without delay.

### **Establishes independent governance from day one**

Separates oversight and execution early, avoiding legacy influence or structural conflicts.

### **Creates a structured, representative decision process**

Provides a formal industry and board-led model rather than fragmented bilateral engagement.

### **Defines transition before transfer**

Sets out a clear, industry-agreed pathway before any migration of functions or assets.

### **Aligns with the LTRF at pace**

Moves forward in parallel with policy finalisation rather than waiting for full regulatory completion.

This approach delivers clarity, momentum, and independence while reducing transition risk.



## SDG Funding Approach for FE Design & Mobilisation

### Design-Phase Funding Framework (May–October 2026)

#### Foundational Principles

For the IEP and Future Entity design & mobilisation process to be credible and independent:

- Design-phase funding or resources must not rely on existing regulatory or Competition Order funding.
- There should be no use of embedded regulatory constructs, pre-funded staffing, or incumbent structures.
- Funding must be ring-fenced, transparent, and neutral, and distinct from transition planning and funding.

In particular:

- Existing regulatory funding arrangements must not be leveraged to subsidise and influence FE design activity.
- Design funding should be broad-based and ecosystem-supported, not concentrated within one stakeholder group.
- Funding must not determine who is selected to facilitate the design & mobilisation of the FE.

This ensures:

- Independence of process
- Avoidance of structural conflicts
- Confidence in the outcome across the ecosystem

#### Purpose of This Note

This document sets out:

- A suggested funding model for the six-month Design & Mobilisation Phase.
- A structured governance framework for oversight of funding and expenditure.
- Clear guardrails for transparency, reporting, and reimbursement.

SDG's strong preference remains that the IEP determines and agrees the funding model for this phase.

Funding should be agreed during the IEP process so that:

- Work can commence from 4 May 2026.
- All contributors understand:
  - What they are funding
  - Why they are funding it
  - How funds are governed
  - Review and control points
  - How contributions are credited once the FE enters run-mode



## Governance of the Design & Mobilisation Phase

### Design Steering Group (DSG)

The DSG will:

- Be industry-led and balanced
- Be chaired by an independent industry chair selected from within its membership
- Oversee all design Workstreams
- Make recommendations on budget, design, transition and mobilisation
- Establish an Appointment Panel to recruit the permanent Independent Chair and Independent Board members

Each Workstream will also be chaired by an independent industry chair.

### Interim Board (Phase 1 & 2)

The Interim Board will be responsible for formal corporate decision-making during the design phase.

Composition:

- Mobilisation Lead (Chair of Interim Board)
- Chair of DSG voting member
- One ASPSP voting member
- One TPP voting member
- SDG observer
- OBL observer

The Interim Board:

- Formally approves budget and tranche release
- Approves incorporation and legal documents
- Approves procurement decisions
- Approves transition recommendations
- Acts on formal recommendations of the DSG

The Interim Board does not replace the DSG; it gives corporate effect to DSG recommendations.

### Transition to Permanent FE Board (Phase 3)

The DSG will establish an Appointment Panel to:

- Run a transparent recruitment process
- Appoint an Independent Chair
- Appoint Independent Board members
- Upon appointment:
  - The Interim Board dissolves
  - Authority transfers to the newly appointed FE Board
  - All budget, governance, and mobilisation authority moves to the permanent Board

This creates a clear and clean governance transfer mechanism.



## Two Funding Pathways

### Option 1 – IEP Designs and Agrees the Funding Model

Under this approach:

- The IEP determines the design-phase funding model.
- The model is agreed before mobilisation begins.
- Funding flows into the ring-fenced CLG.
- Design & mobilisation begins immediately upon agreement.

This is SDG's preferred route.

### Option 2 – Industry Advance Contribution Model

If the IEP prefers not to design a funding structure from first principles, a ready-to-implement Industry Advance Contribution Model is proposed.

This model is designed purely to enable rapid mobilisation if required.

It does not represent a preference over an IEP-determined model.

### Industry Advance Contribution Model

#### Purpose

To fund a six-month Design & Mobilisation Phase enabling:

- Structured industry convening
- Governance design
- Long term funding model development
- Transition planning and execution
- Regulatory readiness
- Incorporation of the FE

This phase does not predetermine the FE's final structure.

#### Funding Target

£2m total (indicative)

Final budget, as discussed with IEP or DSG, to be transparently published.

#### Determining Contributions in Practice

Contribution levels would be:

- Tiered and proportionate
- Based on scale and materiality
- Reflective of expected benefit
- Agreed transparently

Larger institutions would be expected to contribute more than smaller participants. No contributor gains governance rights.



## Nature of Contributions

Contributions are:

- Advance payments
- Non-interest bearing
- Non-equity
- Non-repayable
- Credited against future participation fees once run-mode funding begins
- Excess contributions may be distributed back to funders proportionally

This will:

- Reduce free-rider risk
- Align incentives
- Support fairness

## Funding Governance & Reporting

Funds flow into a ring-fenced CLG established for FE design & mobilisation.

Transparency commitments:

- Published budget breakdown
- Forward forecast reporting
- Milestone-based reporting
- Tranche release controls
- Independent oversight via Interim Board

Transparency and disciplined cost control are essential to building trust, particularly where contributors are pre-paying future fees.

## Detailed Cost Structure & Assumptions (Indicative)

### Budget Overview

Duration: 6 months

Entity: CLG

Structure: Two tranches

Total Budget: £2,000,000

No infrastructure build costs are included.



## Budget Summary

Category	Allocation
Programme Leadership & Workstreams	£600,000
SDG Core Support Team	£400,000
Legal & Incorporation	£250,000
Transition & Technical Due Diligence	£300,000
Corporate Setup & Control Framework	£150,000
Regulatory Engagement & Consultation	£100,000
Contingency	£200,000
<b>Total</b>	<b>£2,000,000</b>

### Programme Leadership & Workstreams (£600,000)

Mobilisation Lead (also Interim Board Chair):

- 2 days/week
- 52 days total
- £2,300/day
- £120,000

Four Workstream Leads:

- 2 days/week each
- 52 days each
- £1,700/day
- £360,000 total

Programme Management:

- £2,500/day
- Approx. 44 days
- £110,000

Specialist advisory buffer:

- £10,000

### SDG Core Support Team (£400,000)

Four-person team:

- Blended rate £1,500–£1,600/day
- Approx. 250 delivery days across team
- Supports delivery, documentation, modelling, coordination, consultation



### **Legal & Incorporation (£250,000)**

- CLG incorporation
- Articles drafting
- Regulatory alignment
- Board appointment process
- Transition documentation

### **Transition & Technical Due Diligence (£300,000) *\*potentially covered by OBL transition planning***

- OBL asset review
- Contract review
- Target architecture design
- Trust framework design
- Transition sequencing

### **Corporate Setup & Control Framework (£150,000)**

- Financial controls
- Risk framework
- Security baseline
- Procurement framework

### **Regulatory Engagement (£100,000)**

- FCA & HMT engagement
- Industry consultation
- Documentation

### **Contingency (£200,000)**

Covers:

- Legal complexity
- Technical discovery
- Extended consultation
- Regulatory developments

Held centrally and released only with Interim Board approval.

### **Tranche Structure**

- Tranche: Months 1–3
  - Governance drafting, funding model, incorporation
- Tranche 2: Months 4–6
  - Detailed design, transition planning, regulatory readiness

Release subject to milestone approval and budget reporting.



## Alignment with KPMG Financial Feasibility Criteria

This model demonstrates:

- Transparency
- Detailed cost breakdown
- Budget vs forecast reporting
- Milestone controls
- Independence
- Ring-fenced CLG
- No regulatory cross-subsidy
- Fairness
- Tiered contribution logic
- No funding-linked control rights
- Cost-Efficiency
- Lean mobilisation
- Shared leadership roles
- Contractor-first model
- Achievability
- Clearly defined workstreams
- Defined day allocations
- Structured governance transfer



**Smart Data Group**  
ENABLING A DATA SHARING ECONOMY

**SDG INDEPENDENT EVALUATION PANEL PRESENTATION**

**FACILITATING THE INDUSTRY-LED DESIGN & MOBILISATION OF THE FUTURE ENTITY**

February 2026



## Introduction

**Our Objective:** Deliver a Future Entity designed thoughtfully through a structured, independent, and regulator-aligned design process

**Priorities:** Pace, Independence, Neutrality, Continuity of Activities, Cost Control

### **KEY CONSIDERATIONS:**

- Transition from CMA Order to Long Term Regulatory Framework (LTRF) and transition of activities from OBL to a Future Entity
- Data (Use and Access) Act and LTRF requirement for an industry-led Future Entity
- Industry to coalesce around a credible proposal
- Work led by an independent Design & Mobilisation Lead, Programme Lead and wider team
- Facilitate structured industry decision-making, not pre-determining outcomes



## Background

- Open Banking was implemented through Payment Services Directive 2 (PSD2) and delivered under the CMA competition remedy
- Current structures were not designed for long-term sustainability
- Data (Use and Access) Act and LTRF create a new foundation
- FCA requested industry convergence on a proposal to facilitate the design of a Future Entity for Open Banking
- Smart Data Group (SDG) has developed a proposal that provides industry choice, independence, and future readiness



## Team Capability & Evaluation Criteria Map

		Core Team						Support Team				Advisory Team			
		Ruth Wandhöfer	Chris Moore	Fliss Berridge	Andrew Siggemann	Angela Miles	Katherine Kennedy	Clare Ambrosino	Richard Newman	Gavin Wong	Nick Daniel	Paul Scully	Richard Mould	Jonathan Holman	Justin Fitzpatrick
		<i>Design &amp; Mobilisation Lead</i>	<i>Programme Lead</i>	<i>Governance, Funding &amp; Commercial Lead</i>	<i>Operational Functions &amp; Infrastructure Lead</i>	<i>Transition Planning &amp; Execution Lead</i>	<i>Corporate Functions Lead</i>								
Evaluation Criteria	Governance, independence & ethical framework	✓	✓	✓		✓		✓	✓		✓	✓	✓	✓	✓
	Industry support & stakeholder engagement	✓	✓	✓				✓	✓		✓	✓	✓	✓	✓
	Technical capability	✓	✓	✓	✓	✓	✓			✓	✓		✓	✓	✓
	Funding & financial feasibility	✓	✓	✓	✓						✓		✓	✓	✓
	Risk management & security	✓	✓	✓		✓	✓			✓	✓		✓	✓	✓
	Operational feasibility	✓	✓	✓	✓	✓	✓			✓			✓	✓	✓



## The Importance of the Industry Evaluation Panel

The IEP will help:

- Decide who will facilitate the independent industry-led design of the Future Entity
- Demonstrate independence, experience, and structure
- Guide industry to consensus
- Move Open Banking to its next phase and help unlock its potential

**Smart Data Group's role is to convene, structure, challenge, and mobilise**



## What the Industry Has Told Us

Based on industry feedback, we are prioritising:

- Urgency - avoid drift
- Independence - visible neutrality
- Continuity - preserve standards and service
- Fair funding- proportionate and transparent
- Commercial sustainability - enable growth beyond regulation

This feedback directly informs the structure of the Design Steering Group and the five Workstreams



## What We Are Trying to Achieve

- **Enhance and Extend:** An ambitious program to enhance and extend beyond Open Banking
- **Modern Modular Technology:** Improve upon existing technical architecture
- **Fix What Matters:** Industry-prioritised improvements
- **Restore UK Leadership:** Become global leaders and export UK PLC and approach
- **Commercial Sustainability:** Viable funding model
- **Align and Influence Regulation:** Structured industry influence on LTRF and related initiatives



## Design Governance Structure

**Core Objective: Ensure regulatory alignment and coordinates industry input into live and related initiatives**

Key Components:

- Industry-led design body
- IEP membership, extended IEP membership, or new balanced ecosystem membership
- Independent industry Chair selected and appointed from the membership
- Transparent governance
- Clear terms of reference
- Time-bound mandate focused on design and mobilisation



## Design Governance Structure

### Observers Invited

- OBL
- FCA
- HMT
- DBT
- UKPI
- RPIB

### Purpose

- Co-design the FE
- Maintain alignment with FCA, HMT, and other initiatives
- Provide structured industry input into initiatives including but not limited to:
  - LTRF
  - Open Finance Roadmap
  - RPIB
  - cVRP / UK Finance / UKPI
  - DBT Smart Data Strategy



## Smart Data Group's Role as Facilitator

### We will:

- Structure the process
- Provide realistic options
- Guide consensus
- Ensure independence
- Deliver at pace
- Ask the right questions to work out what good looks like
- Surface trade-offs clearly
- Prevent dominance by any single stakeholder group
- Ensure minority voices are heard

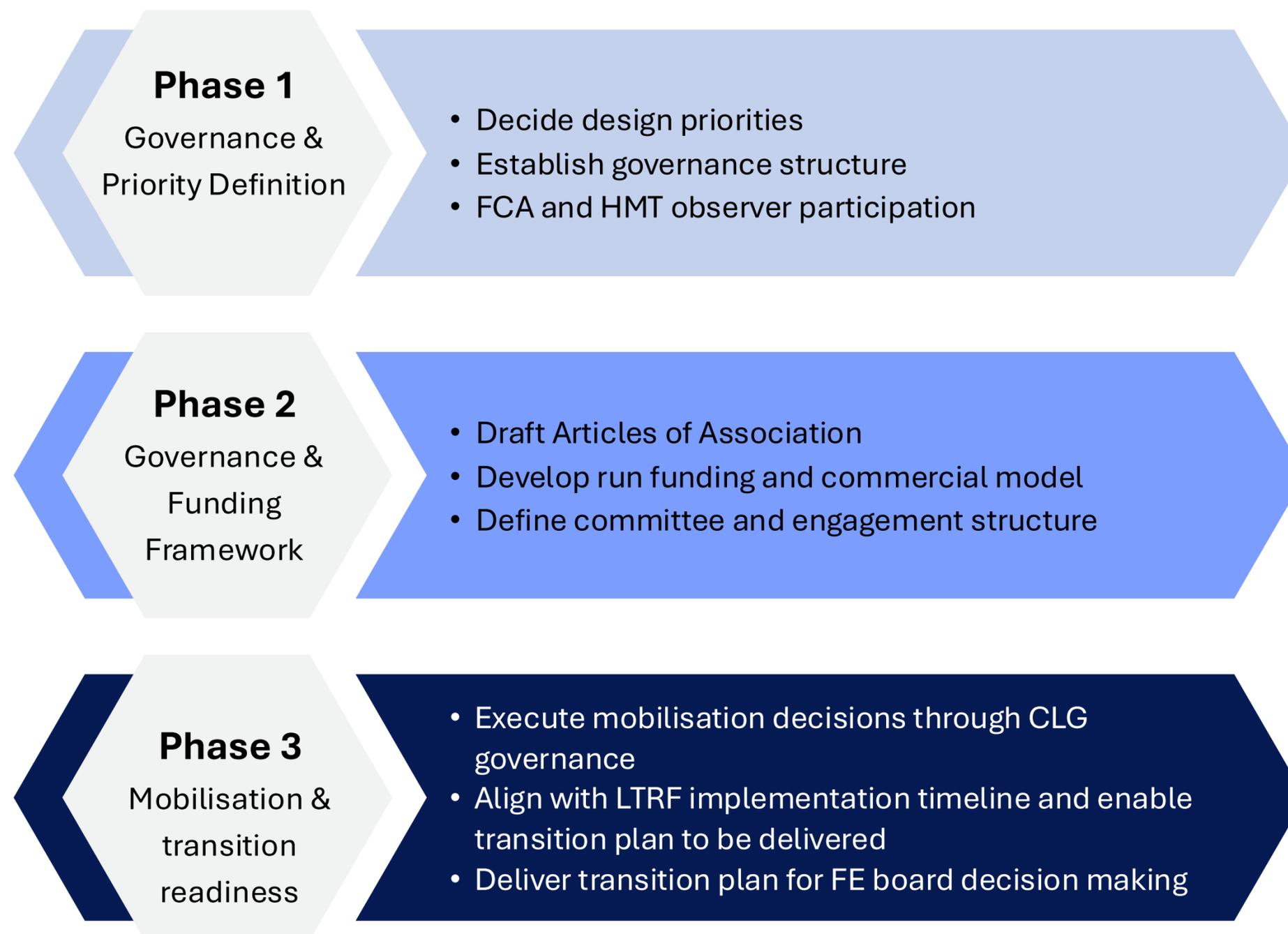
### Outputs:

- High-level Future Entity design
- Agreed governance, scope and core functions
- Technical, funding and risk framework defined
- Clear transition approach and design rationale
- Mobilisation into incorporated entity
- Not-for-profit company limited by guarantee incorporated
- Independent Board appointed
- Governance documents and transition plan approved

**We are facilitating structured decision-making, not prescribing outcomes**



## Phased Design & Mobilisation Plan





## Design Phase Outputs

- Governance framework
- Industry engagement model
- Operating model, functions, infrastructure
- Funding model options
- Technical migration principles
- Risk & security framework
- Regulatory engagement model
- Transition roadmap

This evidences structured delivery capability and operational feasibility



## Programme Structure & Workstreams

KPMG's six evaluation criteria are embedded across these five workstreams

### Deliverables

CLG incorporated  
Independent Board appointed

Funding models agreed  
Transition roadmap developed

### Workstreams

<b>GOVERNANCE</b> Fliss Berridge	<b>FUNDING &amp; COMMERCIAL MODEL</b> Fliss Berridge	<b>TRANSITION PLANNING &amp; EXECUTION</b> Angela Miles	<b>CORPORATE FUNCTIONS</b> Katherine Kennedy	<b>OPERATIONAL FUNCTIONS &amp; INFRASTRUCTURE</b> Andrew Siggemann
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The workstream leads will be supported by Clare Ambrosino and Richard Newman from Smart Data Group and by Gavin Wong and Nick Daniel. Advisory support will be provided by Richard Mould, Paul Scully, Justin Fitzpatrick, and Jonathan Holman.



## Design & Mobilisation Funding Costs

### Scope includes:

- Design Steering Group operation
- Leadership and Programme team
- Workstream support
- Legal incorporation
- Initial corporate framework
- Transition analysis

### Principles:

- Time-limited
- Ring-fenced
- Transparent budgeting
- Published cost breakdown
- Subject to independent oversight

### Funding options for consultation for Design & Mobilisation funding:

- IEP agreed funding model
- SDG Advance funding model

Design & Mobilisation funding is separate from FE run costs.



## Cost Philosophy & Activity-Based Ramp

### Cost control principles:

- Start lean
- Contractor-first model
- Activity-based scaling
- Competitive procurement
- Avoid inherited cost base

Run funding begins only when services are stood up under the LTRF.

### KPMG Criteria evidenced:

- Financial viability
- Cost transparency
- Sustainability
- Funding risk mitigation



## Workstream 1: Governance

### **Core objective: Structural neutrality and legitimacy**

*Governance is designed for durability, not optics*

#### Design features:

- Mobilise an independent not-for-profit company limited by guarantee
- Independent Chair and Board appointed via DSG process
- Ring-fenced SPVs per scheme
- HoldCo structurally separated from FE operational control

#### KPMG Criteria evidenced:

- Governance & Independence
- Stakeholder Representation
- Regulatory Alignment

#### Safeguards:

- Audit & Risk Committee
- Nominations & Remuneration Committee
- Regulatory Committee
- Civil Society, consumer, and SME representation



## Workstream 2: Funding & Commercial Model

**Core Objective: Fair, equitable, and sustainable commercial and funding model**

*Funding structured for sustainability, not for short-term*

### Funding Design Principles:

- Financial sustainability
- Fair cost-sharing
- No double-charging
- No cross-subsidy
- Transparent budgeting

### Two Phases of Funding





## Funding Options & Controls

### Options to be consulted on for FE run funding and commercial model:

- Pro-rata levy
- Hybrid membership and usage
- Open-book cost with capped margin

### Controls:

- Independent benchmarking
- Published budgets
- Multi-year funding commitments
- Free-rider guardrails

### KPMG Criteria Evidenced:

- Financial Viability
- Cost Transparency
- Sustainability
- Funding Risk Mitigation

Funding is predictable, defensible, and regulator aligned.



## Workstream 3: Operational Functions & Infrastructure

### Core Operational Functions:

- Standards
- Monitoring & Management Information
- Directory, certificates, and onboarding
- Trust framework
- Conformance sandbox
- Dispute resolution



## Infrastructure & Architecture Principles

- Modular cloud-native architecture
- Competitive procurement
- Modernised directory
- Activity-based cost ramp
- Cross-sector interoperable trust framework

### **KPMG Criteria evidenced:**

- Technical Capability
- Operational Feasibility
- Scalability
- Security & Resilience

Infrastructure designed for growth beyond Open Banking.



## Workstream 4: Transition Planning & Execution

### Principles:

- Assessment and due diligence review of OBL assets
- Clean-core build
- Selective reuse of valuable artefacts
- Avoid legacy liabilities
- No parallel funding structures
- CMA remains decision-maker on Order-linked matters



## Continuity & Risk Controls

- Collaborative and coordinated approach with OBL
- Transitional service agreements where required
- Monitoring, standards, directory, certificates continuity guaranteed
- Structured sequencing toward LTRF
- Clear wind-down pathway

### **Risk Mitigation:**

- Prevent fragmentation
- Avoid delay in incorporation
- Avoid double charging
- Prevent governance capture
- Ensure regulatory alignment

### **KPMG Criteria evidenced:**

- Transition Feasibility
- Continuity of Service
- Risk Management
- Delivery Timeline Credibility



## Workstream 5: Corporate Functions

### Enterprise-level assurance:

- Audit & Risk Committee
- Finance & Performance Committee
- Procurement rebid cycles
- Conflicts register
- Independent audit
- Security & operational resilience framework

### KPMG Criteria Embedded:

- Risk & Controls
- Assurance Framework
- Accountability
- Operational Resilience

## International Benchmark & System Improvement

### UAE Open Finance – Runs National Operator and Scheme via Nebras Open Finance

- Built national operator from blueprint to execution and operation
- Delivered regulation, standards, API hub, trust framework, directory, commercial model, liability model, operations, dispute resolution, monitoring
- Innovative centralised infrastructure model with multi-dimensional evolution and innovations to create world's first Open Finance 2.0 country
- Designed with scale in mind for breadth and depth across the Open Economy

### Blueprint lessons:

Win – Win – Win dynamics are achievable

Customer experience and functionality wins; viable, investable, scalable TPP model wins; FI distribution and consumption wins including commercial rewards as a product or channel

- Governance first
- Technical architecture as an enabler
- Commercial and cost realism from day one
- Flexible centralised model
- Regulator embedded in design and operations
- Customer centric functionality with unlimited use case API design



## Avoiding Replication of Current Structures

### In the current Open Banking focused remit:

- We have been expensive and slow in progress
- We have not achieved world class customer experiences
- We do not have best in category developer friendly tools and documentation, including accelerating SDKs and resources
- We do not deliver digital levelling, we have focused on larger, already digitally enabled incumbents
- We do not deliver for macro-economic goals like AI enablement, SME financing and financial inclusion
- We constrain sustainable commercial and liability dynamics forcing innovation into other governance, entities and even infrastructure

**The Future Entity can and should catalyse improving the technical infrastructure and Open Banking functionality, not just replace what we've known to date**



## Core Functional Improvements for UK Open Banking

**Globally there have been significant functional enhancements that the IEP and future Design Steering Group to consider including:**

- Expansions into Open Mortgages, Insurance, Wealth, Acquiring, Finance and Credit, Pensions, FX and SME / Corporate segments. Open Trade is also under experimentation within the UK, Brazil, UAE and Hong Kong, via BIS Project Aperta.
- Reciprocity concepts into other parts of the Open API Economy led by e-invoicing initiatives.
- Breath and Depth of data scope across all currencies and products in addition to customer profile, KYC data and transaction / product data.
- Dual / multi-consents
- Aggregated consent management
- Web-hooks and Real-time events
- Open beneficiary VRP
- Delegated SCA
- AI agent MCP enablement
- Complete Lifecycle APIs (quotes, onboarding, account opening, service initiation)
- ULI and OCEN type functionality to enable SME Lending

There are a wealth of opportunities and although continuity and efficiency should be the first order of priority, all foundations should be laid with expansion in mind.



## Open Finance & Wider Smart Data Expansion

**For the wider Open Finance and Smart Data economy to be supported we will need the options to have:**

- Consent as a Service
- Centralised consent mechanism
- Interoperable and federated trust framework
- Centralised API Hub with both value-added service marketplaces and premium API hosting

Without these options and tools, we won't be able to tackle the variety of scenarios we will need to face across the breadth and varying sophistication of our sector



## Coordinated Ecosystem and Regulatory Initiative Alignment

**The Design Steering Group and ultimately the FE will actively coordinate with:**

- RPIB
- UKPI
- Open Finance Roadmap
- HMT & FCA LTRF development
- DBT Smart Data Strategy
- FCA Smart Data Accelerator
- FCA, HMT, DBT, UKPI and RPIB invited as observers

The FE design process becomes a structured forum to influence and align relevant policy



## Strategic Use of the Design Process

### The DSG allows industry to:

- Shape LTRF constructively
- Inform Open Finance roadmap
- Align smart data expansion
- Avoid duplication
- Develop interoperable policy foundations

The FE becomes the delivery anchor for wider Smart Data.



## Mobilisation to Steady State

**Pace. Clear and achievable milestones. Clear accountability.**





## Comprehensive Coverage of All Six Evaluation Criteria

Workstream	Criteria Covered
Governance	Independence, Representation, Regulatory alignment
Funding	Financial sustainability, Cost transparency
Operational Infrastructure	Technical capability, Scalability, Security
Transition	Feasibility, Continuity, Risk management
Corporate Functions	Controls, Assurance, Accountability



## Our Commitment

### Smart Data Group is committed to:

- Stand up FE CLG immediately
- Convene the Design Steering Group either through IEP or a balanced ecosystem representative group
- Work collaboratively with FCA, HMT, and DBT
- Deliver a clean, neutral Future Entity
- Support the UK's wider Smart Data ambition



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# Questions?



Smart Data Group  
ENABLING A DATA SHARING ECONOMY

# A Revised Blueprint for the Open Banking Future Entity

## – a Smart Data Group Industry Proposal

Incorporating Industry and  
Stakeholder Feedback

December 2025

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## 1. Foreword

This revised industry Blueprint reflects the extensive written feedback we received following its initial publication, together with the early engagement that shaped the foundations of the original proposal. Contributors asked for greater clarity on digital identity and verification as core cross-sector enablers, a more explicit treatment of accreditation and authentication boundaries, stronger emphasis on portable and testable consent, clearer standards governance and developer experience, and recognition of the important role technology enablers play within the ecosystem. We have incorporated these themes throughout, and we are grateful for the constructive and thoughtful input that has enabled us to refine the model.

The feedback was consistent in its call for an independent, neutral, and industry-led Future Entity (FE) with balanced governance, transparent processes, proportionate onboarding, and clear separation between regulatory responsibilities and scheme-level participation credentials. Respondents emphasised the need for a modern trust and consent framework that can support reusable identity attributes, portable permissions, and coherent user journeys across sectors. They also stressed the importance of realistic testing environments, versioned standards, and a significantly improved developer experience to reduce implementation cost and support adoption.

There was equally strong recognition that the status quo is not sustainable. Without change, the ecosystem faces slow and fragmented decision-making, expensive and inefficient delivery, and legacy processes that constrain innovation. A new approach is required: one that is lean, industry-aligned, and focused on execution, value for money, and measurable outcomes. Our shared aim is to ensure that the UK can regain its position as a global leader in Open Banking and Smart Data, underpinned by modern technology, practical governance and a clear commitment to industry co-design.

To support this next phase, SDG has appointed an independent Mobilisation Lead and intends to establish, if selected, an Industry Working Group (IWG), with sub-groups responsible for governance, funding, technical infrastructure and transition. This model reflects the feedback we received and guarantees balanced representation, neutral leadership, and published outputs. Mobilisation will not require financial contributions from industry, and OBL will continue to fund its own transition-specific work. The IWG will help finalise the design of the FE, agree an equitable cost framework, define technical and trust-framework requirements, appoint FE leadership, and develop a selective transition plan that maintains continuity while avoiding duplication or the inheritance of outdated structures.

We will continue to respect and follow the designation and assessment process set out by the FCA and if successful in securing industry support, we will work closely with the CMA and OBL to ensure an orderly, well-governed transition. This Blueprint is an interim step in a wider industry-led process. With continued collaboration and a shared commitment to pace, neutrality and transparency, we believe the FE can provide the stable foundation needed to deliver the next phase of Open Banking and enable the wider Smart Data ambitions for the UK.

**Paul Scully**  
**Chair of the Advisory Board, Smart Data Group**

## 2. Executive Summary

This revised Blueprint reflects the written feedback received following publication of the initial version, consolidated in Annex I. It sets out an updated industry proposal for establishing a single, independent FE to deliver Open Banking under the Long Term Regulatory Framework (LTRF). It continues to respond directly to the FCA's request for an industry-led proposal on governance, funding, mobilisation and transition, and incorporates the adjustments necessary to address the themes raised through consultation.

The proposed model remains a fresh start: independent, neutral and transparent, designed to complete the transition from the CMA Order to a long-term regulatory footing capable of unlocking the full potential of Open Banking for consumers, SMEs and wider society. It is structured to evolve naturally to support the delivery of Open Finance and, in time, into broader sector-specific and cross-sector Smart Data schemes.

While this Blueprint sets out the design foundations, the core challenge facing industry is one of long-term sustainability and delivery. The FE is intended to provide a durable, efficient operating model capable of meeting regulatory obligations at lower cost, with clearer accountability and improved performance. Its primary role is to ensure the essential infrastructure of Open Banking is delivered reliably and sustainably.

The FE should deliver clear, measurable outcomes for end-users. This includes simpler and safer consent journeys, improved performance and reliability, and transparent data-use safeguards aligned with the FCA's consumer duty. Consumer and SME perspectives will be embedded through structured engagement and an annual impact report, ensuring the FE remains focused on demonstrable public benefit.

Industry feedback consistently emphasised the need for a model that serves the whole market. As we move beyond the competition remedy and its constraints, the focus must be not only on cleaner governance but on fairness, reach and purpose. The FE must provide infrastructure that works for incumbents and challengers alike, supports inclusion, and enables innovation at pace.

The revised proposal follows the principles set out in FS25/4 and positions the FE, operated through Smart Data Services (SDS), as the standards, monitoring and trust-framework provider for Open Banking, with extendibility to new schemes designated under the Data (Use and Access) Act (DUAA) or developed commercially. Feedback stressed the need for visible momentum, independence from legacy influence, continuity of key functions, and funding that is both proportionate and transparent.

In response, the Blueprint embeds additional safeguards. The IWG, outlined in Annex II, will oversee the finalisation of the FE design, including governance, appointments and transition decisions. It will be independently chaired, with representation across the ecosystem, and will ensure that appointments to the FE Board and management are impartial and industry-led. SDS will operate as a not-for-profit company limited by

guarantee with balanced governance, an independent chair, and ring-fenced scheme structures to ensure accountability and protect independence.

Smart Data Group (HoldCo) will provide shared corporate services only, with no influence over the operation or governance of SDS. Its role is limited to provision of lean, efficient support functions, enabling autonomy for the FE while preserving continuity of expertise. SDS will act as a light coordinating layer across schemes, ensuring interoperability and common trust frameworks, including portable consent, without constraining schemes' ability to procure additional or overlay services from the wider market.

Transition from Open Banking Limited (OBL) will be selective and value driven. The IWG and FE leadership will determine which functions transition, drawing on a clean-core approach that preserves continuity of outcomes while avoiding inheritance of legacy costs or liabilities. The CMA will remain responsible for decisions linked to OBL, ensuring regulatory integrity throughout the wind-down process.

Cost benchmarking demonstrates that equivalent or improved services can be delivered at lower cost than today through streamlined governance, modern directory services and competitive procurement. To support early mobilisation, the FE will adopt an incremental, activity-based cost ramp that is initially contractor-led. SDG can also provide low-cost expertise and delivery resources to support mobilisation and early FE activity. In parallel, SDG will continue to build capability across its commercial entities, Smart Data Group UK (SDG UK) and Smart Data International, at no cost to the ecosystem. This enables the UK's Smart Data model to be leveraged internationally, supporting participants that wish to operate or scale globally. It is not envisaged that the FE will provide promotion activity, therefore SDG will take responsibility for the reasonable promotion of Open Banking, Open Finance, and Smart Data to encourage adoption by u-end-users and industry.

Two funding phases are envisaged: an initial mobilisation phase to incorporate SDS, appoint an independent Board and ensure continuity, followed by run funding under a transparent cost-recovery model governed through open-book principles and independently benchmarked.

The roadmap follows a clear sequence of mobilisation, early operational capability, and LTRF alignment and transition, ensuring continuity of outcomes while allowing governance and structure to mature as the FE embeds.

Taken together, this Blueprint provides a practical framework for collaboration between industry, regulators, and government. Its purpose is not to predetermine all outcomes, but to provide a credible and transparent structure from which the industry and the eventual independent FE Board can finalise a design that delivers long-term sustainability and public value. In its end state, the FE will be an independent, efficiently run, industry-governed operator supported by a wider SDG group capable of providing non-regulatory services, shared infrastructure and international connectivity. This arrangement will give participants a modern, resilient and future-ready model that

reduces cost, improves interoperability, accelerates innovation and positions the UK as a global leader in Smart Data.

### 3. Feedback on SDG's Blueprint and Approach

The FCA's Feedback Statement (FS25/4) set out a clear vision for the FE - independent, industry-led, neutral and sustainable. Stakeholders see the need for a stable, trusted operator capable of delivering the next phase of Open Banking while supporting the wider Smart Data ambitions established under the DUAA. The direction of travel has been broadly consistent since the CMA's earlier consultations on the future of Open Banking oversight. The requirement now is to move from agreement in principle to execution.

SDG was established in 2025 to help meet this need, providing an independent, coordinated vehicle through which industry can design and operate Smart Data schemes across multiple regulated sectors. Its structure includes SDS, the proposed FE operator, supported by SDG UK, which provides design, convening and technical capability. SDG UK will only support SDS if industry chooses to award such work. This structure aligns closely with FS25/4 principles, while remaining flexible enough to adapt as industry requirements evolve.

Since its launch, SDG has undertaken a further round of engagement with stakeholders including trade bodies, firms across banking and payments, fintechs, technology providers and emerging identity and trust services. Feedback has come through both meetings and written submissions. Taken together, these inputs point to a consolidated set of priorities that the FE must meet.

First, urgency and delivery capability are essential. Industry wants a model that can move at pace, supported by proven technical, regulatory and operational experience, to avoid loss of momentum. Second, independence and neutrality remain critical. The FE must be structurally insulated from legacy governance, counter-incentives and perceptions of dominance by any single group. Third, continuity of outcomes must be guaranteed. Standards, monitoring, regulatory coordination and performance oversight must be preserved and improved during transition, not rebuilt from scratch in ways that risk service degradation.

Fourth, governance must be balanced and inclusive. Respondents highlighted the need for representation across all ecosystem groups, including banks, TPPs and TSPs, payment institutions, identity and trust providers, technology enablers and consumer and SME perspectives. Fifth, funding must be transparent, proportionate and safeguarded against double-charging or cross-subsidy. Sixth, the technology architecture must modernise. The supporting infrastructure for a national Smart Data scheme has advanced significantly since the original Open Banking design; the UK needs a future-proof model with modern directory services, realistic testing environments, versioned and developer-friendly standards, and more efficient onboarding and conformance processes.

Additional feedback emphasised that identity and verification will be foundational cross-sector enablers; that consent must be portable, testable and consistent; that authentication must be interoperable while respecting regulatory boundaries; that accreditation should be proportionate and clearly separated from statutory

authorisation; and that technology enablers should have a recognised role in standards development, onboarding and governance. These insights reinforce the need for a trust framework and technical approach that support scalable, user-centric, and cross-sector journeys.

This Blueprint incorporates those themes but remains a draft foundation rather than a finished design. It is intentionally iterative and will continue to evolve as industry needs become clearer. The proposals here are intended to give industry a credible starting structure from which the final FE design can be built. The next stage of work will be taken forward through the IWG process described in Annex II, supported by SDG's independent Mobilisation Lead and secretariat. Through this process, industry will refine governance, funding, technology architecture and transition mechanics, ensuring the final model is practical, balanced and capable of long-term sustainability.

This Blueprint therefore represents a structured starting point, not an end state: a platform on which industry, regulators and the independent FE leadership can build a final design that meets the UK's ambitions and adapts to future requirements.

## 4. Smart Data Group Structure and Model

The SDG model is designed to provide clarity of purpose, accountability and independence while remaining flexible enough to evolve as industry needs change. It incorporates the feedback received through consultation on the importance of modern, modular architecture; proportionate onboarding; portable consent and trust frameworks; developer-friendly standards; and a governance structure that avoids concentration of influence or reliance on legacy arrangements. This Blueprint sets out an indicative model only. It is iterative by design and will continue to evolve through the IWG process.

**Smart Data Group (HoldCo):** the overarching holding company providing strategic oversight, shared corporate services and a neutral platform for investment. HoldCo is intentionally lean and limited to core support functions. A critical aspect of this structure is that HoldCo serves as the vehicle through which inward investment can be secured to fund the mobilisation of the FE. This ensures that ecosystem participants are not required to finance mobilisation activity and that early-stage funding is delivered without imposing additional costs on banks, TPPs or other regulated firms. HoldCo has no influence over SDS governance, standards, scheme decisions or FE operations. Its role is limited to providing an efficient corporate wrapper, enabling access to private capital, and offering optional shared services if required.

**Smart Data Services (SDS):** the independent operating entity and proposed FE. SDS delivers, at a minimum, the functions required under the LTRF: standards-setting and governance, monitoring and management information, directory and onboarding services, trust and consent framework operation, and dispute resolution. It will be governed by an independent Board and Chair appointed through an industry-led process and is responsible for appointing its own management team. SDS is strictly insulated from commercial risk and is structurally ring-fenced from SDG UK and all HoldCo activities. This ensures that the FE remains protected, financially resilient and operationally independent regardless of the performance or continuity of other SDG group entities.

**Scheme Special Purpose Vehicles (SPVs):** each regulatory or commercial scheme may establish its own SPV, where industry believes it appropriate. SPVs have their own boards, budgets and governance structures, ring-fencing liabilities and ensuring scheme-specific priorities can be addressed without affecting other schemes. SPVs retain full procurement freedom and may choose SDS services or source alternatives from the wider market, including enhanced or competing offerings. This promotes competition, flexibility and innovation. Feedback highlighted the need for SPV governance to be able to incorporate technology enablers, identity providers and other actors who play a critical role in scheme delivery; this discretion sits fully with each scheme.

**Smart Data Group UK (SDG UK):** a separate design, technology and operational support entity capable of tendering competitively for work from SDS or scheme SPVs. SDG UK brings access to international capability, global technology partners and expertise in



## 5. Governance and Independence

SDS will operate with robust and transparent governance designed to protect independence, ensure accountability, and reflect the needs of a broad and evolving ecosystem. The structure outlined here represents an indicative Blueprint position and will remain iterative. It will be refined through the IWG and subsequently by the independent FE Board as the final design and mobilisation process progresses.

### Board composition

The SDS (FE) Board will be chaired by an independent, highly experienced non-executive, selected through a transparent, merit-based process overseen by an IWG comprising nominees from relevant trade associations to ensure independence, legitimacy and balanced representation. Once the FE Board is established, responsibility for appointing future non-executive directors will transfer to the FE Board Nominations and Remuneration Committee, composed of the FE Board Chair and the Chairs of scheme SPVs. This creates a long-term industry-owned renewal mechanism that avoids dominance by any single organisation or group.

The Board will comprise a balanced mix of independent non-executives and sector-agnostic experts, ensuring diverse perspectives without allowing any participant category to exert disproportionate influence. This approach provides independence at mobilisation and embeds a durable governance framework that can adapt to new schemes and requirements as the Smart Data ecosystem broadens.

A wider set of relevant scheme SPV Chairs may sit on the FE Steering Group, creating a structured forum for shared learning, coordinated standards and trust-framework development, and alignment across schemes without undermining scheme autonomy or accountability. As the ecosystem develops, the Steering Group may also engage with technical enablers, identity providers and trust-framework specialists where doing so supports cross-scheme interoperability.

SDS and SDG HoldCo will each maintain governance and assurance frameworks consistent with recognised best practice. HoldCo's governance will focus solely on its narrow corporate functions and will not influence SDS operations. Both entities will maintain appropriate board-level committees, including Audit and Risk, Nominations and Remuneration, and Finance and Performance, each operating under transparent published terms of reference. This ensures prudent management, financial integrity and accountability to regulators and participants while maintaining the strict ring-fencing that protects SDS from commercial or group-level risk.

## Committees and stakeholder engagement

Three standing committees will underpin SDS governance and provide structured routes for industry, consumer and regulatory engagement:

- 1. Steering Committee:** a strategic forum of senior industry representatives across banks, fintechs, TPPs/TSPs, technology enablers and trade bodies, alongside consumer and SME representation. It will advise on the FE work programme, cross-scheme coordination, user-experience priorities and emerging requirements such as identity, consent portability and developer experience.
- 2. Regulatory Committee:** the formal channel between the FE, the FCA and other regulators, ensuring coherent supervision, clear boundaries between regulatory and scheme-level accreditation functions, and early engagement on matters such as authentication approaches, risk management and cross-sector alignment. The FE's role will remain one of coordination and service provision, avoiding unnecessary centralisation or regulatory duplication.
- 3. Standards Committee:** the technical and operational standards-setting body, with balanced representation across the ecosystem. It will oversee versioning, change control, testing requirements, and alignment with identity and trust-framework standards. Its procedures will be published and transparent, ensuring openness and predictability for developers and scheme participants.

Consumer and SME perspectives will be embedded within these committees through representative or observer roles, ensuring that end-user benefit, clarity of consent, usability and accessibility remain central to FE operations.

## Scheme-level governance

Each scheme SPV will maintain its own Board and Managing Director, accountable for delivery, budget, compliance and scheme-specific priorities. Scheme SPVs will be fully insulated from one another and from SDS, ensuring that Open Banking operations are not affected by the evolution of other schemes such as pensions, energy or digital markets. As the Smart Data ecosystem grows, SPVs may increasingly collaborate through the Steering Group on cross-sector trust-framework development, identity integration, and common technical enablers, while retaining full autonomy over their own governance.

## Independence safeguards

Independence will be reinforced through balanced representation across committees, open publication of budgets and audited financial statements, transparent procurement with periodic rebid cycles, and published access and pricing principles. Regulatory observers will participate in key committees to ensure alignment while maintaining appropriate distance from operational decisions.

The FE will maintain conflicts registers, proportionate accreditation practices that respect regulatory boundaries, and clear contractual accountability to participants.

These measures collectively ensure that SDS operates transparently, maintains neutrality, and serves the collective interests of all ecosystem actors.

## 6. Functions and Services

SDS, as the FE, will provide a coherent suite of core functions essential to the sustainable operation of Open Banking and capable of forming the foundation for future Open and Smart Data schemes. The scope described here reflects the priorities highlighted through consultation and remains indicative and iterative. The final definition of functions will be refined through the IWG process and by the independent FE Board as the ecosystem evolves.

- 1. Standards maintenance and development:** governance of technical and operational standards, change control, versioning and transparent consultation processes. This includes commitment to developer-friendly documentation, predictable release cycles and alignment with emerging identity and trust standards.
- 2. Directory and onboarding:** streamlined, modular and proportionate onboarding processes, including scheme-level accreditation aligned to regulatory boundaries. The architecture should support self-service capabilities, modern identity attributes where appropriate, clear separation from statutory authorisation functions, and recognition of the role played by technology enablers.
- 3. Monitoring and management information:** real-time and periodic performance data, benchmarking and escalation mechanisms to maintain scheme integrity. This includes monitoring API availability, latency, payload quality and other metrics required under the LTRF, ensuring continuity from current arrangements while improving transparency and automation.
- 4. Trust framework and consent infrastructure:** a cross-scheme trust architecture supporting identity, permissioning, authentication and assurance. The trust framework should enable portable, testable and user-centric consent artefacts, with the possibility of extending into reusable consent orchestration where this is determined by industry. The design must support interoperability across schemes and sectors and avoid unnecessary centralisation or duplication of regulatory roles.
- 5. Conformance testing and sandbox:** a continuously available conformance environment enabling firms to test against FE standards in realistic conditions. This includes functional, performance and interoperability testing, with the FE able to act as a consumer of APIs for assurance purposes. Innovation sandboxes, proofs of concept and wider R&D activity will sit outside the FE remit to preserve neutrality and avoid undue scope expansion.
- 6. Dispute resolution:** a neutral and transparent mechanism for handling participant disputes, compliance issues and appeals, with proportionate timelines and clear governance. This process should reflect the need for predictability and independence while supporting regulatory escalation where required.
- 7. Promotion and adoption:** structured engagement with participants, developers, consumer groups and SMEs. The FE may support communications, awareness and industry education, while SDG UK or other entities may lead broader market development activity where industry so chooses.

To support clarity, user confidence and cross-scheme consistency, the ecosystem may also consider optional enhancements such as a shared permissions dashboard, common user-experience patterns and, if appropriate, a voluntary Trustmark or other

visual cues. These elements would be intended to improve transparency and predictability for end-users, particularly as Smart Data expands into new sectors. Any such components would be developed only where industry determines that they add value and would be agreed through the Industry Working Group and, in due course, the independent FE Board. Their inclusion would remain entirely optional and subject to consensus, ensuring that the FE's trust and consent framework is both proportionate and responsive to industry and user needs.

The FE will operate on a minimum service-plus principle. Its core remit is to provide only the minimum set of functions required under the DUAA and the LTRF, including standards, monitoring, directory and trust-framework services. Beyond this baseline, schemes retain complete freedom to procure additional or alternative services from any provider, ensuring competition, innovation and flexibility are preserved. This approach ensures the FE remains focused on regulatory and interoperability responsibilities while avoiding unnecessary expansion into areas better served through market choice.

All SDG structures, including SDS, are designed to enable reuse of core functions across multiple schemes, supporting economies of scale, consistent frameworks and cross-sector interoperability. At the same time, strict ring-fencing between SDS and other SDG entities ensures that commercial activities, optional enhancements or international work undertaken elsewhere in the group do not affect the FE's independence, financial resilience or operational continuity.

## 7. Accreditation and Authentication

The FE will adopt a proportionate, coherent, and regulator-aligned model for accreditation and authentication to ensure trust, security and interoperability across Smart Data schemes. Accreditation will operate within established regulatory perimeters, with sector regulators remaining responsible for licensing and authorising firms within their statutory remit. Building on established UK and international practice, the FE will manage scheme-level participation credentials, ensuring that firms authorised by sector regulators can safely and consistently access Smart Data schemes through a harmonised, risk-based onboarding and accreditation process. This dual-layer approach provides regulatory clarity, avoids duplication and enables cross-sector consistency while respecting the mandates of existing regulators.

The FE will also establish a clear and interoperable approach to end-user authentication that supports both security and usability. A redirection-based model, similar to existing app-to-app journeys in Open Banking, will form the baseline authentication pattern. This allows each data holder to apply an authentication method commensurate with the sensitivity and risk profile of its services, while ensuring a broadly consistent experience for users across schemes. Authentication will align closely with the FE's trust and identity framework, enabling the incorporation of reusable and portable identity solutions as the market evolves, while avoiding centralised authentication functions that could conflict with regulatory responsibilities.

Together, this accreditation and authentication framework ensures that participation in Smart Data schemes is safe, proportionate and predictable, supports cross-sector interoperability, and provides a foundation for scalable adoption as Smart Data expands into new sectors and use cases.

## 8. Benefits of the Proposed Approach

The proposed model draws upon international best practice and the lessons of the last seven years of Open Banking implementation in the UK. It combines independence, efficiency, interoperability and proportionality with a modern technical and governance architecture. The benefits described below reflect both domestic consultation feedback and evidence from successful data-sharing ecosystems globally. The Blueprint remains iterative, and these benefits represent a foundation on which the IWG and, later, the independent FE Board will refine, validate and extend the final design.

### **Independence and neutrality**

SDS will operate as an independent, not-for-profit entity with a balanced Board and industry-led appointments, ensuring neutrality, transparency and accountability. This model reflects the strongest global precedents. The Australian Consumer Data Right uses a multi-regulator governance framework with a neutral technical operator; Brazil's Open Finance ecosystem uses an independent association structure; and India's account-aggregator model relies on licensed, neutral infrastructure entities rather than participant-controlled governance. These systems demonstrate that independent governance reduces conflicts of interest, increases trust, accelerates participation and creates durable conditions for innovation and regulatory confidence. By separating scheme-level decision-making, FE governance and technical operations, the SDS model ensures that no single group can dominate outcomes or steer the ecosystem in ways that impede fairness or innovation.

### **Cost efficiency and sustainability**

International comparisons show that modern, modular, cloud-based Smart Data infrastructure can be delivered at significantly lower cost than legacy architectures. Brazil's Open Finance directory, built using modern cloud-native services, operates at a fraction of the cost of early UK and EU models. The Indian account-aggregator network also demonstrates that decentralised trust frameworks and lightweight accreditation significantly reduce operational overhead. Based on these comparators, and drawing on benchmarking of registry, directory and trust-framework platforms in other jurisdictions, the FE can operate with a steady-state cost base at least 50 per cent lower than Open Banking Limited's former peak cost of approximately £24 million. Efficiencies arise from leaner governance, a reduced standing workforce, contractor-first mobilisation, modern technology procurement, modular directory services, reusable trust frameworks and shared services across schemes. An activity-based cost ramp ensures that cost only scales with demonstrable activity, avoiding the legacy fixed-cost burden that has constrained other markets.

### **End-customer focus, industry value and ecosystem balance**

Successful Smart Data ecosystems internationally place the customer and developer at the centre of design. Brazil's Open Finance standardisation has been strongly developer-oriented, resulting in rapid adoption by fintechs. Singapore's SGFinDex has

demonstrated that clean user journeys, portable consent and clear value use cases dramatically increase uptake. Feedback to SDG stressed the same expectation for the UK: the FE must optimise for customer benefit and ecosystem value rather than compliance alone. This requires clear and predictable API standards, SDKs and implementation patterns, realistic testing environments with open access, strong developer documentation, stable versioning and clear value propositions. The model also needs to recognise the role of technology enablers, identity providers and orchestration platforms, which in other jurisdictions have been critical in reducing onboarding time, lowering implementation cost and accelerating innovation. A balanced ecosystem focused on end-user value ensures that the FE supports both competition and economic benefit across market participants.

### **Modernised directory and onboarding**

Directory and onboarding services have been identified by industry as areas requiring modernisation. Markets that have adopted cloud-native directories, such as Brazil, India and certain EU eIDAS 2.0 infrastructures, have demonstrated reductions in onboarding time, increased reliability and improved data quality. A modular, standards-based directory service, decoupled from monolithic architecture, can reduce operational costs, improve uptime, and provide better diagnostic and monitoring tools for participants. Streamlined onboarding, combined with proportionate accreditation aligned to regulator boundaries, reduces barriers to entry and supports innovation while maintaining necessary safeguards.

### **Faster mobilisation, lower risk**

Purpose-built Smart Data entities such as Brazil's Open Finance governance structure and India's account-aggregator ecosystem have shown that clean-start models significantly reduce transition complexity, avoiding the contractual, technical and governance constraints of retrofitting older organisations. This reduces mobilisation time, ensures continuity of outcomes, and lowers legal and operational risk. The SDS structure, supported by independent mobilisation leadership and ring-fenced governance, can be mobilised rapidly and in parallel to regulatory development of the LTRF.

### **Balanced governance and confidence**

Consultation feedback emphasised the need for governance that is balanced across banks, fintechs, payment institutions, technology enablers, and consumer bodies. This mirrors models such as the Australian CDR Data Standards Body, which includes private-sector representation, and Singapore's MAS-led steering arrangements for cross-sector financial data initiatives. Balanced governance increases legitimacy, improves technical decision-making, ensures that diverse operational needs are considered, and creates durable regulatory confidence. The FE's governance framework separates oversight from execution, embeds consumer and SME perspectives, and ensures transparent appointments and renewal processes.

### **Extendibility and scalability**

International best practice shows that modular Smart Data infrastructure enables cross-sector expansion without rebuilding core platforms. Singapore's SGFinDex expanded from banking to pensions using the same digital infrastructure; India's account-aggregator model now supports lending, insurance and investment data sharing; Brazil has extended Open Finance into Pix payments and insurance. The SDS architecture, by separating directory, trust framework, onboarding, standards and conformance layers, ensures that new sectors can be added with minimal incremental cost. This creates a coherent ecosystem capable of supporting financial services, energy, telecoms, and digital markets over the long term.

### **Continuity with progress**

Selective migration of valuable artefacts, standards, monitoring capabilities and trust-framework components ensures stability while reducing the inheritance of outdated systems or liabilities. The SDS structure enables reuse of what is proven and improvement of what has become inefficient or obsolete. This approach protects service continuity while enabling modernisation, neutrality and reduced cost.

## 9. Funding and Costs

A sustainable and transparent funding model is fundamental to the long-term success of the FE. The approach described here reflects international best practice and extensive industry feedback, while remaining iterative and subject to refinement through the IWG and, later, the independent FE Board. There are two distinct phases of funding: mobilisation, and the subsequent transition and operational phases under the LTRF.

### **Mobilisation funding**

Mobilisation funding covers the establishment of SDS, recruitment of the FE Board, appointment of management, and the continuity of essential functions such as standards, directory and monitoring. The UK industry has been clear that early-stage costs should be minimised and should not fall on ecosystem participants. The SDG group structure has been designed to meet this expectation. SDG HoldCo can secure inward investment for mobilisation, ensuring that the FE can be established with no requirement for mandatory industry contributions. This mirrors models in other markets, where upfront investment is often secured through commercial or government innovation funding rather than participant levies.

Mobilisation funding will be time-limited, auditable and ring-fenced, with full transparency over budget, spend and governance. All mobilisation budgets and proposed mechanisms will be consulted on with industry and subject to independent audit before implementation. Mobilisation activity will focus only on essential continuity functions, avoiding unnecessary expansion or cost prior to formal designation of the FE under the LTRF.

Budgets and audited accounts for SDS will be published annually. No cross-subsidy will occur between regulatory and commercial schemes, and all fees will be benchmarked independently at appropriate intervals to verify cost efficiency and proportionality. This follows global norms: Brazil, India and Australia each require transparent, independently reviewed cost models to maintain participant confidence.

### **Ongoing funding**

Once operational, the FE will transition to a steady-state cost recovery model. International comparisons show that modern modular architectures, cloud-native directories and streamlined onboarding processes significantly reduce operating costs compared to legacy models. Benchmarking indicates that SDS, once stabilised, can operate at a cost level significantly lower than historic Open Banking operations, with at least a 50 per cent saving compared to prior levels, reflecting efficiencies in governance, staffing, technology, contracting, and shared services across schemes.

Three alternative funding models are proposed for consultation:

1. Pro-rata levy based on measurable activity, such as API call volumes or usage metrics, comparable to usage-based funding models used in Brazil's Open Finance ecosystem.
2. Hybrid membership and usage model, combining predictable membership fees with variable elements to recognise differentiated usage and scale, similar to the commercial-regulatory hybrid models used in Australia's CDR for some voluntary services.
3. Cost and margin model, where SDS charges schemes on an open-book basis with a capped margin, allowing for reinvestment in quality, modernisation and security while maintaining strict transparency.

Guardrails will prevent double-charging during transition, protect against free-rider effects, ensure multi-year commitments for stability, mandate open publication of budgets and audited accounts, and prohibit cross-subsidy between regulatory and commercial schemes. These principles reflect global expectations for Smart Data infrastructure, ensuring affordability and predictability for all participants.

### **Activity-based costs**

To ensure proportionality and avoid unnecessary burdens, SDS will adopt an activity-based cost ramp that increases expenditure only when specific delivery milestones are met. This avoids the fixed overheads associated with legacy models and aligns cost growth with actual operational need and value. Other jurisdictions have used similar approaches to maintain affordability during early years of implementation, including phased build-out in the Australian CDR and staged rollout of the Indian account-aggregator network.

Indicative profile, subject to industry consultation and FE Board refinement:

**Year 1:** Low initial activity using a contractor-first model to minimise fixed costs. Focus on incorporation, governance, continuity of essential functions and initial testing capabilities. Targeted expansion as functions mature and early transitions begin. Recruitment of a small number of permanent staff to ensure operational resilience.

**Year 2:** Scaling of operations to support LTRF implementation and increased scheme activity.

**Year 2/3:** Broader reuse of shared services across schemes, improved cost distribution and enhanced procurement-led efficiencies.

**Year 3:** Full steady-state operation under the LTRF and other schemes with embedded governance, mature monitoring, stable standards processes and optimised running costs.

This graduated cost profile provides a credible, low-risk pathway for participants from a near-zero baseline toward a sustainable long-term model. It supports early momentum while avoiding large, front-loaded financial commitments.

The model is broad-based and scalable. As additional regulatory and commercial schemes adopt SDS services, the cost base is spread across a wider group of participants, reducing per-scheme and per-participant contributions over time. This creates long-term affordability, predictable funding and economies of scale, while maintaining the neutrality and clarity required under the LTRF.

Taken together, the mobilisation and ongoing funding approaches provide a practical and sustainable financial framework. They protect participants from unnecessary cost, ensure transparent stewardship of resources, align with global best practice, and support the long-term viability of the FE as a trusted, independent operator for the UK's Smart Data ecosystem.

## 10. Mobilisation and Transition

Mobilisation will ensure uninterrupted continuity of service while preparing for transition to the LTRF. The proposed approach to the final FE design and mobilisation process is set out in Annex II and will be refined through the IWG, supported by SDG's independent Mobilisation Lead and an independent secretariat.

### Mobilisation priorities

1. Incorporate SDS as the FE and enable the IWG to oversee the transparent appointment of the FE Board and senior SDS management.
2. Secure mobilisation funding through the proposed investment routes, ensuring no requirement for compulsory industry contributions.
3. Maintain continuity of standards, monitoring, directory and trust-framework functions through transitional service arrangements, avoiding disruption while the LTRF is finalised.

### Transition approach

Transition to the new regulatory framework must be orderly, transparent, and regulator-led. We will defer to the CMA as the formal decision-maker for all matters relating to transition from OBL and the closure of the CMA Order. At the same time, it is important that the CMA sets out, in advance, clear expectations, processes and timelines for transition, including what will be required of OBL, so that industry can plan effectively and ensure continuity of service.

Transition will be selective wherever possible and permitted by the CMA. Our priority is to safeguard continuity of essential services while enabling improvements in technology, performance, capability and cost-efficiency. SDG has appointed an independent Mobilisation Lead for this purpose. In line with the precedent set in 2021, we also expect the CMA and OBL to appoint an independent Transition Lead to mitigate conflict risk and to prepare, document and manage transition artefacts in a manner consistent with regulatory expectations. SDG will work constructively with OBL and the CMA to support a transparent, industry-informed transition.

The process will involve:

- 1. Due diligence:** An industry-led assessment of all existing services, assets (including IP), contracts and operational processes will determine what should be retained, transitioned, rebuilt, re-procured or retired. These decisions will be evidence-based, cost-effective and made in the interests of participants. SDG will provide expertise to support this work, ensuring transparency and structured documentation. The findings will form the transition plan, subject to CMA oversight where required.
- 2. Transition plan execution:** Migration of functions will occur only once the CMA has set out its expectations and industry has validated readiness. SDS will transition retained functions in a phased and controlled manner, ensuring continuity throughout. Where new technology or infrastructure is required, SDG can support

procurement or design activities, drawing on relevant delivery experience. No unnecessary liabilities or legacy structures will transfer.

3. **Assurance during transition:** CMA9 firms and existing OBL structures will continue operating under the CMA Order until revocation. SDS will coordinate a fully documented handover covering standards, monitoring, directory and trust frameworks. The CMA Order should be revoked as soon as reasonably possible following a successful handover, ensuring that duplication of oversight and dual running are minimised.

Clear delineation of responsibilities is essential. The CMA will determine the legal and regulatory pathway, including the timing and conditions for transition and the orderly wind-down of OBL. Industry, through SDS and the IWG, will advise on which functions and artefacts should transition and when, ensuring that the operational model adopted under the LTRF is fit for purpose. SDG will continue to advocate for a timely, industry-led transition wherever consistent with CMA oversight and the need for regulatory integrity.

This approach ensures continuity of outcomes without relying on legacy structures. It enables the new entity to inherit what works, modernise outdated processes and avoid unnecessary cost, complexity or duplication. Mobilisation plans will make clear that the market should not be exposed to parallel operating costs for Open Banking services and that any remaining OBL functions will be wound down as soon as reasonably possible once transition decisions are confirmed by industry and validated by the CMA.

By the end of the transition, the FE will be fully operational, independently governed and sustainably funded, delivering continuity, clarity of accountability and a stronger, more efficient and more modern service for the UK's evolving Smart Data ecosystem.

## 11. Commercial Schemes and Competition

A key strength of SDG and the proposed FE model is its ability to support both regulatory schemes and voluntary commercial schemes within a clear, transparent and neutral governance framework. This structure provides flexibility for innovation while ensuring that mandated Open Banking functions remain insulated from commercial interests and protected by appropriate safeguards.

### Competition and neutrality

The FE will operate on strict principles of structural neutrality. SDS, as the regulatory operating entity, will not act as a commercial beneficiary and will be ring-fenced from any commercial activity undertaken elsewhere in SDG. Commercial schemes will operate through separate SPVs with independent governance, budgets and decision-making. This ensures that the FE remains solely focused on meeting its regulatory obligations under the LTRF and DUAA, while allowing market-led initiatives to develop alongside it. The model reflects global experience, where clear separation of regulatory and commercial functions has supported trust, innovation and adoption.

### Enabling innovation

Feedback emphasised the importance of ensuring that innovation can progress at pace without waiting for regulatory cycles. SDG UK can convene participants to design new commercial propositions such as extended or optional standards, premium APIs, enhanced developer tooling, reusable identity and verification capabilities, or technologies that support emerging agentic AI use cases. These activities will take place entirely outside the FE's minimum service remit.

As SDS develops capability and transition begins from OBL, SDG entities may also provide services to commercial or voluntary schemes such as commercial VRP (cVRP) or other emerging propositions where industry opts to develop them. This creates continuity with existing experimentation while avoiding the risk of embedding commercial services within the FE. SDG UK can provide shared infrastructure, where procured, on a transparent marginal-cost basis, enabling elegant and interoperable technical solutions and reducing duplication across schemes. This structure supports the ecosystem's desire for coherence between regulatory and commercial propositions while maintaining a strict boundary between them.

### Safeguards

Commercial schemes operating through SPVs will be subject to published access and pricing principles, proportionate competition assessments and conflict-of-interest management, with oversight committees maintaining transparent conflict registers. Procurement will occur through open, non-discriminatory processes and SPVs will retain complete freedom to procure services from providers other than SDG UK or SDS. These safeguards ensure that innovation and competition flourish while neutrality and fair access are protected.

## **Market flexibility and pilot alignment**

Nothing beyond the FE's minimum service is mandated. Individual schemes retain full autonomy to procure additional services, use alternative providers, or develop bespoke propositions. This promotes competition, flexibility and continuous improvement.

Where appropriate, government-supported pilots and innovation activity, such as those aligned with the Department for Business and Trade (DBT) or the Centre for Finance, Innovation and Technology, can be leveraged to accelerate adoption of early Smart Data use cases. The structure also allows emerging propositions such as SME data-sharing, enhanced credit insights or reusable identity to be tested in a real-world context before regulatory designation. These pilots can inform future LTRF development and support a more evidence-driven evolution of standards and operational models.

Providing services to the cVRP scheme during the transition period is an example of a commercially valuable proposition that could operate alongside the regulatory scheme under a clear and consistent governance model. Commercial schemes may trial modern technology or operational capabilities that, if successful, can inform the long-term optimisation of the FE's services, in the same way that innovation testbeds in other jurisdictions (for example, Brazil's iterative Open Finance model or Singapore's SGFinDex expansion) have influenced broader regulatory frameworks.

Lessons from recent initiatives will inform SDG's wider resourcing and service strategy, enabling efficient mobilisation, rapid iteration, and scalability. The model ensures that innovation can proceed without imposing cost or risk on the FE, while still contributing insight and practical experience to the evolution of regulatory schemes.

Taken together, the approach enables a balanced ecosystem: regulatory stability and neutrality for mandated Open Banking functions, and flexible, market-driven innovation through commercial SPVs. This dual capacity will allow the UK to maintain momentum, support experimentation, and ensure the long-term evolution of Open Finance and Smart Data is grounded in real-world evidence, interoperability and efficient delivery.

## 12. Roadmap and Timetable

This roadmap provides an indicative sequence for implementation. It is illustrative and does not bind any future IWG, FE Board or leadership but serves to demonstrate industry readiness and provide regulatory clarity.

<b>Phase</b>	<b>Key Activities</b>	<b>Target Date</b>
<b>Industry Convergence</b>	Publish and socialise this blueprint; secure endorsements; launch IWG for detailed planning; align with FCA, HMT and CMA.	Q1 2026
<b>Early Mobilisation</b>	Incorporation and execution of SDS; appoint IWG; secure mobilisation funding; establish IWG committees.	Q1 2026
<b>Design Finalisation</b>	IWG develop transition / implementation plan, governance, funding model, infrastructure, initial standards roadmap and baseline monitoring.	Q2 2026
<b>Operationalisation and Full Mobilisation</b>	Appoint SDS Board and Management; Transition any continuity services, technology and functions to SDS; launch any new platforms.	Q2/3 2026
<b>Transition and Alignment</b>	Complete selective migration; decommission redundant services; prepare for CMA Order revocation; publish joint progress statement with FCA.	Q3/4 2026
<b>Steady State / LTRF Implementation</b>	Complete transition; CMA Order revoked; FE operational as SDS with FCA oversight; begin future Open Finance and Smart Data work.	Q1 2027

The IWG will continue until the FE Board assumes responsibility, ensuring coordination and transparency throughout mobilisation and transition.

## 13. Expansion and Cross-Sector Capability

While the immediate priority of the FE is the delivery of Open Banking under the LTRF, the SDG model has been designed from the outset to support broader Open and Smart Data schemes. Under the DUAA, government may designate additional sectors in future, including energy, telecoms, pensions, insurance, digital markets and other regulated verticals. The structure outlined in this Blueprint is therefore intentionally modular, enabling expansion without reconstruction of core infrastructure.

SDS provides a scalable foundation for these schemes through shared services such as standards, monitoring, directory and trust frameworks, combined with ring-fenced SPVs that ensure accountability, cost separation and clear scheme-level governance. A standing Regulatory Committee will support coordination across regulators, helping avoid duplication and enabling proportional, sector-specific implementation.

The next logical evolution of the ecosystem is Open Finance. Commercialised payments, savings, investments, pensions, insurance, foreign exchange, underwriting, credit insight and affordability data can all be supported by the same underlying architecture. The shared standards, trust and consent frameworks established for Open Banking will create a coherent foundation for interoperability across financial and non-financial sectors. As seen internationally in jurisdictions such as Brazil and Singapore, early investment in shared cross-sector components shortens delivery timelines and increases adoption.

SDG UK will convene participants to design and test voluntary commercial propositions that complement regulatory schemes. These may include enhanced VRP, delegated SCA, retail and merchant APIs, portable identity and verification models, reusable credentials, digital wallets, permissions dashboards and emerging technologies such as model context protocols that support agentic AI. These initiatives may sit inside or outside SDS depending on whether they are regulatory or commercial in nature, with industry retaining control over where and how they are delivered. This work will be coordinated with relevant government and regulatory initiatives, including the FCA's Smart Data Accelerator and DBT's Smart Data Council, to ensure alignment with broader innovation and Smart Data policy.

### **Cross-sector enablers and interoperability**

Industry feedback emphasised the importance of early cross-sector enablers that improve interoperability, user experience and trust. These include the trust framework, portable consent, digital identity and verification, authentication patterns, tokenisation, wallets, permissions dashboards, real-time monitoring and developer tooling. Developing these elements in a proportionate and extensible way will create a consistent and portable experience for consumers and businesses as they move between services and sectors. International experience shows that coherent trust frameworks and reusable identity capabilities materially increase adoption and improve safety without imposing unnecessary uniformity.

By developing cross-sector enablers in alignment with DUAA implementation and regulatory expectations, the FE can support a phased and evidence-based expansion of Smart Data schemes. This approach maintains flexibility and proportionality while giving industry the tools to innovate across multiple sectors without fragmented standards or duplicated infrastructure.

### **Voluntary Innovation Fund**

To complement its regulatory remit, the FE could establish a Voluntary Innovation Fund to enable participants to co-invest in enhancements, pilots and premium API development. Participation would be optional, allowing firms to pool resources for innovation without creating mandatory cost burdens. The work programme would be directed by the SDS Steering Group, ensuring alignment with ecosystem priorities, and each initiative would be subject to SDS Board approval and transparent funding sign-off.

This mechanism would support industry-led innovation on Open Banking LTRF enhancements and could expand to support additional regulatory schemes as they are designated under the DUAA. SDG UK may tender for design, scoping or technical services for these initiatives, with service providers appointed by the SDS Board following competitive procurement. The structure ensures that innovation can progress without compromising SDS neutrality or regulatory obligations and without exposing the FE to commercial or speculative risk.

The Innovation Fund would create a sustainable pathway for industry-driven, industry-decided improvements. It supports rapid testing, reduces duplication, and ensures that lessons from commercial pilots, including VRP use cases, consent and identity prototypes, and new security or data-sharing patterns, can inform the evolution of the regulatory scheme. In this model, SDS remains focused on delivering its minimum regulatory mandate, while the wider SDG enables optional, market-led exploration that benefits the ecosystem.

Taken together, this framework supports a coherent and extensible Smart Data ecosystem. It enables regulatory schemes to operate with neutrality and independence, while allowing market-led initiatives to grow around a shared standards and trust infrastructure. This structure positions the UK to accelerate adoption, build cross-sector interoperability and establish a sustainable pathway for Smart Data expansion in a way that is proportionate, evidence-led and aligned with industry needs.

## 14. Next Steps and Acknowledgements

Following publication of the Blueprint on 30 October 2025, SDG received and considered a wide range of written and oral feedback from across the ecosystem. We are grateful to all participants who engaged with us and provided constructive challenge and insight.

SDG will continue engaging with stakeholders as we refine and strengthen the proposals. The Blueprint will continue to evolve as further insight, regulatory guidance and IWG decisions shape the final FE design.

A consolidated summary of feedback received to date is included in Annex I, and the proposed approach to the final FE design and mobilisation process is set out in Annex II. Further updates will be made as stakeholders contribute to the next phase of work.

Next steps include:

1. SDG will participate fully in the FCA's assessment process and continue broad consultation across the ecosystem to refine and strengthen the Blueprint.
2. Subject to clear industry support, SDG will work with trade associations to establish the IWG, supported by our independent Mobilisation Lead, to finalise the FE design and prepare for mobilisation in line with Annex II.
3. SDG will work constructively with the CMA and OBL to support an orderly, industry-led transition, securing mobilisation funding through inward investment and ensuring continuity of service as SDS is stood up and the CMA Order is wound down as soon as reasonably possible.

### **Acknowledgement:**

SDG is grateful for the insight and input from stakeholders across the Open Banking and Smart Data ecosystem. This Blueprint reflects extensive feedback and a shared ambition to deliver an independent, neutral, efficient and sustainable FE for the UK. It also reflects a commitment to transparency, collaboration and industry leadership throughout the design and transition process.

*\*\*\*This Blueprint represents an indicative industry proposal developed collaboratively by SDG and informed by ecosystem feedback. It provides a credible framework for discussion and alignment but does not bind the independent Industry Working Group, the Future Entity Board or its management in their final decisions. Its purpose is to support convergence, clarity and pace in delivering the next phase of Open Banking, and to establish the foundations for a wider, coherent Smart Data ecosystem in the UK.*

## **Annex I – Consolidated Industry Feedback on the SDG Future Entity Blueprint**

*(Anonymised and aggregated feedback from written submissions since 30 October)*

The following provides a consolidated summary of written feedback submitted following publication of the Blueprint. It reflects input from firms across the ecosystem and key stakeholders and aggregated into common themes.

### **1. Governance, Independence, and Representation**

#### **Strong support for independence**

Respondents consistently emphasised that the FE must be independent, neutral, and free from legacy influence, with governance that ensures no single group can dominate decision-making.

#### **Balanced ecosystem representation**

Feedback stressed the importance of representation across all relevant categories of participants, including ASPSPs, TSPs, TPPs, payment institutions, technology enablers, and consumer-facing voices.

#### **Industry-led appointments**

Written submissions supported an appointments process led by industry, with transparent criteria and clear separation between those convening the process and those ultimately managing the FE.

#### **Support for an Industry Working Group (IWG)**

There was broad support for an IWG to oversee Board appointments and major FE design decisions, ensuring legitimacy and balanced influence.

### **2. Consultation, Engagement, and Transparency**

Respondents valued the open consultation process and requested:

- Continued visibility of how feedback informs Blueprint updates.
- Clear future timelines for consultation, FE design process, and transition.
- Ongoing engagement through trade associations and structured channels.

### **3. Digital Identity, Verification, and Trust**

Across multiple submissions, digital identity and verification were identified as essential enablers of Smart Data and Open Banking.

Key themes included:

- Identity should be treated as a core cross-sector capability, underpinning onboarding, permissions, trust frameworks, and reusable credentials.
- The FE should support portable, interoperable verification across sectors.
- Digital identity could, in time, also form a standalone scheme if industry chooses.
- The trust framework should incorporate identity attributes to improve assurance and reduce friction.

#### **4. Consent, User Experience, and Consumer Protection**

Feedback highlighted the need for a consent model that is:

- Simple and intuitive for end-users.
- Portable, allowing permissions to be viewed, reused, and revoked easily.
- Transparent, providing clear explanations of what data is being shared and why.
- Consistent with good consumer-duty practice.

Respondents also encouraged development of:

- A Trustmark or common user interface patterns to build user confidence.
- Clear permissioning tools that support ongoing user control.

#### **5. Standards, Developer Experience, and Testing**

Respondents from technical and product backgrounds emphasised:

- The need for modern, stable, versioned standards.
- Clear, well-maintained, open developer documentation.
- Improved testing environments, capable of realistic, end-to-end integration.
- Efficient, proportionate and more lightweight onboarding and conformance processes.

A recurring theme was that better developer experience and testing support would reduce implementation cost and improve adoption.

#### **6. Role of Technology Enablers**

Feedback consistently recognised the importance of technology enablers, such as aggregation platforms, consent orchestration tools, and test-suite providers.

Expectations included:

- Recognition of enablers as formal participants within governance and consultation structures.
- Engagement in standards development and testing approaches, given their practical insight into implementation.

- Ensuring scheme design accommodates the role these actors play in enabling connectivity and innovation.

## **7. Scheme Scope, Expansion, and Future-Readiness**

Respondents supported the Blueprint's modular approach:

- Prioritising Open Banking, with clear sequencing before expanding into Open Finance and other Smart Data schemes.
- Allowing for future extension across multiple sectors while maintaining clarity on immediate priorities.
- Ensuring the FE is architected for future-readiness but without unnecessary complexity at the outset.

## **8. Transition and Implementation Expectations**

Written responses emphasised:

- The need for a lightweight mobilisation focused on essential functions.
- Clarity regarding which existing activities will transition and which may be re-procured or modernised.
- Avoiding duplicative cost during transition and ensuring any required lift-and-shift is managed proportionately.
- Improving on legacy approaches that were seen as overly complex or administratively heavy.

## **9. Accreditation and Authentication**

On accreditation, respondents noted three broad models:

- Accreditation handled separately by each sector regulator.
- A single Smart Data accreditation authority.
- A dual-layer approach in which regulators license firms and the Smart Data entity manages scheme-specific participation credentials.

Feedback emphasised the importance of keeping accreditation proportionate and risk-based, maintaining a clear boundary with regulators' statutory roles, and avoiding models that could lead to regulatory confusion.

On authentication, submissions outlined options ranging from a single universal credential to sector-specific approaches. The most practical and widely supported pattern was a redirection-based model (like existing app-to-app journeys), which provides interoperability while allowing data-holders to apply authentication strength appropriate to their risk profile.

Respondents stressed the need for consistent user experience, alignment with the trust and identity framework, and avoiding centralised authentication models that could duplicate or conflict with regulatory responsibilities.

The FE should clarify its limited role in scheme-level onboarding, recognise sector regulators as the authorisation authorities, and adopt a coordinating rather than regulatory role in accreditation and authentication design. Redirection-based authentication is the most appropriate baseline approach.

## **Annex II - SDG Industry Working Group (IWG): Full Framework**

### **Purpose of the IWG**

To deliver a truly industry-led, independent, and neutral process for designing the Future Entity (FE), aligned with FCA FS25/4 principles, and to:

- Finalise FE governance
- Propose an equitable and transparent funding model
- Define infrastructure and technical requirements
- Design a clean, orderly transition from OBL to the FE, ensuring continuity and avoiding legacy liabilities

The IWG does not replicate or retrofit OBL structures; its role is to set out the design of a new, future-ready model within Smart Data Services (SDS).

### **1. IWG Structure**

#### **1.1 Composition**

Balanced, cross-ecosystem representation:

- SDG independent Mobilisation Lead, supported by Secretariat
- CMA independent Transition Lead, supported by OBL
- Major ASPSPs (3–4)
- Challengers & building societies (2–3)
- TPPs/Fintechs (3–4)
- Trade associations
- Consumer/SME representative bodies
- Technology providers (observer status only)
- FCA / HMT / CMA (observer status only)

#### **Key principles of composition**

- No single class of participant may constitute more than 30% of the voting members
- SDG, OBL or CMA9 cannot chair, host, act as secretariat
- Membership of the IWG is nominated and confirmed via trade associations (where relevant) to ensure legitimacy

### **2. Governance of the IWG**

- Independent Chair appointed jointly by trade associations
- Secretariat led by Mobilisation and Transition Leads
- All minutes, decisions, and drafts published to the ecosystem (unless sensitive)
- Voting is consensus-driven; where consensus cannot be reached, supermajority rule applies (e.g. 75%)

The Chair and Secretariat must guarantee neutrality and regulatory alignment.

### 3. Sub-Working Group Structure

#### 3.1 Transition Working Group (TWG)

**Purpose:** Design the transition pathway from OBL to SDS (the FE operator)

**Chair:** Industry Representative (non-SDG, non-OBL, non-CMA9)

**Secretariat:** CMA independent Transition Lead supported by OBL Secretariat

**Membership:** Majority industry (ASPSPs, TSPs, TPPs, trade bodies)

**Funding:**

- SDG funds general IWG operations
- OBL funds its own transition-specific work, including documentation, artefact mapping, transition activity, and due diligence
- Industry does not pay for FE design or transition activity

**Scope includes:**

1. Selective lift-and-shift analysis from OBL to FE
2. SLAs and continuity for standards, monitoring, and directory
3. Liabilities, TUPE, and contractual separation
4. Directory procurement strategy
5. CMA Order closure sequencing and OBL wind-down plans
6. Avoidance of dual running costs

#### 3.2 Governance Working Group (GWG)

**Purpose:** Determine FE governance aligned to independence, neutrality, and balance

**Chair:** Industry Representative (non-SDG, non-OBL)

**Secretariat:** SDG independent Mobilisation Lead supported by Secretariat

**Membership:** Majority industry (ASPSPs, TSPs, TPPs, trade bodies)

**Scope includes:**

- Independent Board structure for SDS (FE operator)
- Appointment mechanism via trade associations
- Committee architecture (Standards, Regulatory, Steering, Consumer/SME Panel)
- Conflict-of-interest rules
- Transparency requirements (publication of budgets, audit, meeting summaries)
- Governance safeguards preventing dominance by any single group
- Clear separation between regulatory and commercial schemes

#### 3.3 Funding Working Group (FWG)

**Purpose:** Define cost model and equitable run-cost distribution

**Chair:** Industry Representative (non-SDG, non-OBL)

**Secretariat:** SDG independent Mobilisation Lead supported by Secretariat

**Membership:** Majority industry (ASPSPs, TSPs, TPPs, trade bodies)

**Scope includes:**

- Activity-based cost ramping
- Avoiding dual-run cost between OBL and SDS
- Pro-rata / hybrid / cost-plus models
- Entry fees, free-rider mitigation (SDG funding for mobilisation)
- Ensuring transparency and open-book accounting
- Guardrails preventing cross-subsidy between regulatory & commercial schemes

### **3.4 Infrastructure & Technical Working Group (ITWG)**

**Purpose:** Define FE technical infrastructure, directory model, and standards approach

**Chair:** Industry Representative

**Secretariat:** SDG independent Mobilisation Lead supported by Secretariat

**Membership:** Majority industry (ASPSPs, TSPs, TPPs, trade bodies)

**Scope includes:**

- Modern modular directory (procure vs build)
- Standards governance & version control
- Monitoring & MI infrastructure
- Conformance sandbox
- Trust & consent framework (interoperable cross-sector)
- API lifecycle management
- Data quality benchmarks

This delivers technical certainty and avoids replicating OBL's outdated architecture.

## **4. Terms of Reference (ToRs)**

### **4.1 Core ToR for the IWG**

The IWG will:

1. Develop a consensus industry proposal for the FE design, governance, funding model, and infrastructure.
2. Ensure independence, neutrality, and regulatory alignment.
3. Lead an open, transparent co-design process.
4. Publish outputs for consultation across the ecosystem.
5. Deliver a final proposal to FCA, HMT, and CMA within the agreed timeline.
6. Avoid any conflicts of interest, including ensuring no single organisation or participant sets or controls the agenda.
7. Ensure transition is industry-led, selective, clean-core, and avoids legacy liabilities.

### **4.2 ToRs for Sub-Working Groups**

Each WG must:

- Operate under the authority of the IWG
- Be chaired by an independent industry expert

- Produce draft outputs for IWG review
- Vote by supermajority
- Disclose conflicts of interest
- Publish minutes (unless sensitive)
- Adhere to FCA FS25/4 principles
- Use OBL (TWG) SDG (all other WGs) as the Secretariat

## **5. Funding Model for the IWG**

### **General IWG and Governance/Funding/Infrastructure WGs**

**Fully funded by SDG:** This avoids OBL's the need for ecosystem funding for mobilisation.

### **Transition WG**

- OBL pays for all transition-related artefact preparation, knowledge transfer and due-diligence materials because these activities relate to the wind-down of OBL's competition-remedy obligations.
- OBL funds the Secretariat and industry coordination.

This is fully consistent with competition law expectations and avoids misuse of remedy assets.

## **6. Safeguards Against Capture or Overreach**

### **This structure ensures:**

- Industry shapes the FE.
- OBL participates only in transition matters, not FE design – through CMA appointed independent Transition Lead.
- SDG remains neutral by acting only as Secretariat and convenor – through an independent Mobilisation Lead.
- Regulatory observers ensure transparency.
- No duplication of cost or function.
- No stakeholder (banks, OBL, fintechs) can dominate decisions.

## 7. Timeline

A suggested industry-aligned timeline:

Phase	Activities	Timing
<b>Establish IWG</b>	Confirm members; appoint Independent Chair; publish ToRs	2–4 weeks
<b>Initiate Sub-WGs</b>	Begin drafting FE governance, funding, infrastructure options	1–2 months
<b>Transition WG Starts</b>	OBL provides artefacts & inventory; continuity mapping	Parallel, early
<b>Industry Consultation</b>	Publish options for consultation	Month 3
<b>Final Proposal</b>	IWG signs off unified FE proposal for FCA / HMT / CMA	Month 4
<b>Mobilisation</b>	Form interim SDS Board; procure directory; stand-up FE	Month 5–6

## 8. Why This IWG Model Works

This process:

- Responds directly to FCA’s request for an industry proposal
- Prevents SDG, OBL or CMA9 from controlling FE design
- Uses OBL where appropriate, transition only
- Ensures independence, neutrality and legitimacy
- Reflects ecosystem feedback across all meetings
- Creates a feasible, fundable pathway to FE selection



# Smart Data Group

ENABLING A DATA SHARING ECONOMY

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