



Smart Data Group
ENABLING A DATA SHARING ECONOMY

Future Entity Blueprint – a proposal for industry

Prepared by Smart Data Group
for Consultation

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1. Executive Summary

This paper presents an industry proposal, developed by Smart Data Group (SDG) in close collaboration with partners across the ecosystem, to establish a single, independent Future Entity (FE) to deliver Open Banking sustainably under the Long-Term Regulatory Framework (LTRF). It responds directly to the FCA's request for a unified industry proposal on the FE's governance, funding and mobilisation.

The proposed model represents a fresh start: independent, neutral and transparent, designed to complete the transition from the CMA Retail Banking Market Investigation Order to a long-term and sustainable regulatory framework, that unlocks the full potential of Open Banking for consumers, SMEs and wider society, while ensuring public trust and measurable consumer benefit. It also aims to evolve naturally into Open Finance and wider Smart Data schemes.

The FE should deliver clear outcomes for end-users: simpler and safer consent journeys, faster access to financial services, and transparent data-use safeguards aligned with the FCA's consumer-duty principles. Under the proposal, consumer and SME representatives will attend the FE's Steering Group, publish an annual Consumer Impact Report to demonstrate real-world benefit, and inform the work of the FE.

The new FE must serve the whole market, from major incumbents to smaller participants and individuals who are often excluded or disadvantaged. As we move beyond the competition remedy and its structures, change should not just focus on cleaner governance. It is about fairness, reach and purpose, ensuring the UK's data infrastructure works for everyone and demonstrably supports inclusion, innovation and public good.

The FE proposal is built around the FCA's FS25/4 design principles of independence, neutrality, sustainability and consumer benefit, and positions the entity as the standards, monitoring and trust-framework operator for Open Banking, with extendibility to new sectors (both sector specific and cross-sector) as they are designated under the Data (Use and Access) Act (DUAA) or developed commercially.

Feedback from across the ecosystem has been consistent. Industry wants visible momentum to avoid drift and to see that consumer and public interests remain front and centre; a truly independent and neutral operator, free from legacy or dominance by any single participant group; continuity and enhancement of service to preserve standards, monitoring and directory functions and improve performance; and fairness of funding through proportionate contributions, transparency and avoidance of duplication.

In response to this feedback, the proposed model embeds additional safeguards to guarantee neutrality and industry confidence. An independent selection process will be established, overseen by an Industry Working Group (IWG) comprising nominees from relevant trade associations, to ensure appointments to the FE Board and management is impartial and industry-led. The IWG will be independently convened and be subject to



regulatory oversight (if approved by the FCA). FE operations, governance and independence are delivered through Smart Data Services (SDS), a not-for-profit company limited by guarantee, with a balanced Board, independent Chair, regulatory and industry committees, and ring-fenced scheme structures to ensure accountability and separation of liabilities.

Smart Data Group (HoldCo) is focused solely on providing shared corporate services, a small executive layer comprising the Managing Directors, Chief Financial Officer, General Counsel and Chief Operations Officer, with no influence over scheme and SDS governance or the operational decisions of the FE. This structure guarantees operational neutrality while enabling cost efficiency and continuity of expertise.

The FE, through SDS, should operate as a light coordinating layer across schemes, ensuring interoperability and common trust frameworks, including a portable-consent model that delivers tangible consumer benefit and enables cross-sector data sharing, while allowing each scheme to retain autonomy and freedom to procure additional or overlay services from the market beyond the FE's minimum core functions. This balances independence, flexibility, and scalability, allowing future schemes under the DUAA, or commercial schemes, to connect seamlessly while maintaining competitive choice for participants.

Under the proposal, the transition of services and functionality from Open Banking Limited (OBL) will be decided by the IWG and FE leadership and managed through a build-from-clean-core approach, selectively re-using valuable artefacts and functions under SDS to ensure continuity of outcomes while leaving legacy costs, liabilities, and structures behind. The CMA, on advice of the Trustee, will remain the decision-maker for any OBL-linked transition, while industry, through SDS, will determine the specific functions required by the LTRF. This ensures continuity and efficiency without carrying forward outdated governance, structures, or duplication.

The FE's cost base has been benchmarked against current operating levels and international comparators. Analysis indicates that equivalent or improved functions can be delivered at lower cost through streamlined governance, modernised directory services and competitive, open-market procurement. To further manage affordability, an incremental, activity-based cost ramp, initially contractor-led, will enable early delivery without a large post-incorporation funding requirement.

Two clear funding phases are envisaged:

1. Mobilisation to establish SDS as the FE operator, appoint an independent Board, and ensure continuity of critical functions.
2. Run funding based on transparent cost recovery across participants, structured through a levy or hybrid model, independently benchmarked and governed under open-book principles - competitive where material, transparent in cost and criteria, and overseen by SDS's independent governance.



The implementation roadmap follows a logical sequence, mobilisation, early wins, LTRF alignment and transition, ensuring continuity of outcomes while allowing the structure and governance to evolve naturally.

This proposal serves as a practical blueprint for collaboration between industry, regulators and government. It sets out a credible starting framework for an independent FE that delivers clear public benefit, demonstrable cost efficiency and trusted data infrastructure for the UK economy. While non-binding, it provides a foundation on which an the industry and independent FE Board can build a final design with transparency and accountability.



2. Background and Feedback on SDG's Proposal

The FCA's Feedback Statement (FS25/4) set out a clear vision for the FE: independent, industry-led, neutral and sustainable. The CMA, HMT and Department for Business and Trade have each emphasised the need for a stable and trusted operator capable of delivering Open Banking's next phase while supporting the UK's Smart Data ambitions.

The parameters and design for a future entity and framework have been broadly consistent since the CMA consultation on the future oversight of the CMA's open banking remedies, and subsequent reports by regulators, trade associations and OBL. Momentum is now needed to move from agreement in principle to delivery.

SDG was established in 2025 precisely to meet this need, providing a neutral, coordinated vehicle for industry to design and operate Smart Data schemes across multiple regulated sectors. Its structure combines an operational arm (SDS) with a convening and design arm (SDG UK), aligning fully with FS25/4 principles.

Since its launch, SDG has engaged extensively with government, regulators, industry trade bodies, and firms across banking, fintech, energy and technology. Across these conversations, there has been broad consensus on five points:

1. Urgency: early mobilisation is critical to avoid drift.
2. Neutrality: independence from legacy governance and undue influence.
3. Continuity: preservation of standards, monitoring and performance oversight.
4. Balanced governance: representation for all ecosystem groups, including TPPs/TSPs and end-users.
5. Transparent funding: fair cost-sharing with safeguards against double-charging.

SDG's work to date has translated this consensus into a practical, implementable design that can be adopted quickly and refined collaboratively. This proposal represents that collective effort, an industry-built framework ready for regulator and government consideration.



3. Benefits of the Proposed Approach

Independence and neutrality

The FE will be operated by SDS, an independent not-for-profit entity limited by guarantee, governed by an impartial Chair and balanced Board. With its own management. This ensures transparent decision-making, free from dominance by any class of participant, and allows industry to move forward without legacy constraints.

Cost efficiency and sustainability

Benchmarking against comparable bodies shows that the FE can operate within a steady-state cost base that is significantly lower than OBL's current annual cost of circa £24 million. Savings arise from leaner management, modernised directory services, open-book procurement, and shared services across schemes. In addition, an activity-based cost ramp ensures the cost profile starts low and scales only with verified activity, adopting a contractor-first approach in the early phase to avoid fixed overheads and maintain flexibility.

Modernised directory and onboarding

The directory and onboarding functions, currently among the most resource-intensive, will be re-procured on a modular basis using proven, modern technologies. This approach will enhance user experience, reliability and scalability, while significantly reducing cost.

Faster mobilisation, lower risk

A clean, purpose-built structure avoids the contractual and governance complications of adapting existing entities. The FE can be mobilised rapidly, ensuring seamless continuity while the LTRF is finalised.

Balanced governance and confidence

The new model separates oversight from execution, includes independent non-executive representation and incorporates consumer and SME perspectives. This balance enhances legitimacy, transparency and public trust.

Extendibility and scalability

The SDS platform is modular, allowing new schemes such as Open Finance, energy and digital markets to be added efficiently without rebuilding core infrastructure, ensuring consistent standards and interoperability across sectors.



Continuity with progress

This approach maintains continuity of outcomes rather than continuity of organisations. Functions that work well can be retained; others can be re-procured or redesigned to deliver efficiency and neutrality.

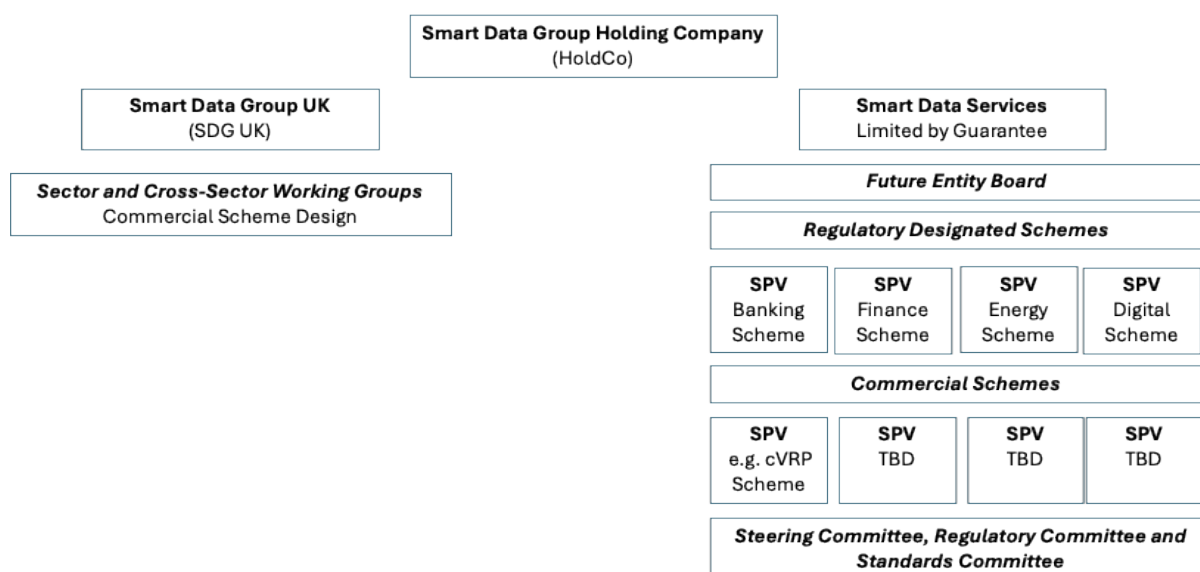


4. Smart Data Group Structure and Model

Transparent structure

The SDG model ensures clarity of purpose, accountability and independence.

1. Smart Data Group (HoldCo): the overarching holding company providing group oversight, executive support, strategic and capital planning. HoldCo will be lean, providing shared executive services, limited to core roles, to both SDS and SDG UK. It does not influence scheme/SDS governance or operational decisions of the FE, which sit wholly outside HoldCo.
2. Smart Data Services (SDS): the independent operator and proposed FE. SDS delivers shared services including standards, monitoring, directory, trust frameworks and dispute resolution, governed by an independent Board, Chair, and responsible for appointing its own management. To ensure the FE remains responsive to scheme requirements, the Chairs of each scheme SPV will sit on the SDS Steering Committee and FE Board Nominations and Remuneration Committee, embedding accountability and cross-scheme coordination.
3. Scheme Special Purpose Vehicles (SPVs): each regulated or commercial scheme will have its own SPV under SDS, with separate boards and budgets to ensure ring-fenced governance, liabilities and decision-making, and a focus on scheme specific priorities. Schemes retain procurement freedom to source additional or overlay services from the market beyond the FE's minimum service, promoting competition, flexibility and innovation.
4. Smart Data Group UK (SDG UK): the convening and design arm responsible for industry coordination, development of voluntary commercial schemes and cross-sector alignment. SDG UK scopes and designs voluntary schemes, such as premium APIs, digital identity and wallets, which SDS may then operate neutrally where appropriate, ensuring interoperability and consistency across both regulatory and commercial schemes.





Alignment with regulatory design principles

The model mirrors the FCA's FS25/4 principles of independence, transparency, accountability, neutrality and sustainability. Each entity has a clearly defined role, preventing overlap or conflict and ensuring confidence among regulators, government and participants.



5. Governance and Independence

SDS will operate with robust, transparent governance designed to protect independence and deliver accountability.

Board composition

The SDS 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 and legitimacy of selection. Once the FE Board is established, the FE Board Nominations and Remuneration Committee, composed of the FE Board Chair and the Chairs of all scheme SPVs, will assume responsibility for appointing future non-executive directors when vacancies arise. The Board will include a balanced mix of independent non-executives, ensuring diversity of perspective without dominance by any single group.

This approach ensures independence at mobilisation while embedding a long-term mechanism for collective industry oversight and renewal. It guarantees that the governance of the FE remains industry-determined, transparent, and representative of all schemes as the ecosystem grows.

In parallel, all SPV Chairs will sit on the SDS Steering Group, creating a structured forum for scheme coordination, shared learning, and alignment on standards and trust-framework delivery, while maintaining the autonomy and accountability of each scheme SPV Board.

Both the SDG HoldCo and SDS will operate under robust governance and assurance frameworks consistent with recognised best practice. Each will maintain appropriate board-level committees, including Audit and Risk, Nominations and Remuneration, and Finance and Performance, to ensure strong oversight, integrity of financial management, and accountability to the FCA and wider stakeholders. These committees will operate under transparent terms of reference, ensuring that the group and its subsidiaries are managed prudently, efficiently, and in the collective interest of the ecosystem.

Committees and stakeholder engagement

Three standing working-level committees of SDS will underpin governance:

1. **Steering Committee:** a strategic forum of senior industry representatives from banks, fintechs and trade bodies, in addition to consumer and SME representatives, to advise on SDS work programme and cross-scheme coordination.
2. **Regulatory Committee:** providing structured engagement between SDS, the FCA and other regulators, ensuring proactive coordination and enabling regulatory oversight. The FE's role will be one of coordination and service provision across verticals, to promote coherence and cross-sector efficiency without stifling scheme-level innovation or autonomy.



3. **Standards Committee:** the technical and operational standards-setting body, comprising balanced representation across the ecosystem and operating under published, transparent procedures.

Consumer and SME perspectives will be embedded across the governance, with observer or representative roles as appropriate, ensuring that end-user interests are reflected consistently in decision-making.

Scheme-level governance

Each scheme SPV will have its own Board and Managing Director, accountable for delivery, budget and compliance within a defined remit. This structure guarantees that Open Banking operations, for example, are insulated from unrelated schemes such as Open Finance or Energy Smart Data. It is anticipated that as the Smart Data Ecosystem develops, there will be an increase in cross-scheme and cross-sector collaboration.

Independence safeguards

Balanced representation, open publication of budgets and audits, regulatory observers on key committees and contractual accountability to participants all ensure that SDS operates transparently and in the collective interest of the ecosystem. Conflicts registers, open procurement with regular rebid cycles, and published access and pricing principles will further reinforce neutrality and maintain trust across all participants.



6. Funding and Costs

A sustainable, transparent funding model is fundamental to long-term success of the FE. There are two distinct funding phases, one for mobilisation, and one for the run costs of the FE.

Mobilisation funding

Mobilisation funding will cover full incorporation of SDS, FE Board recruitment, management resourcing and continuity of key services. Funding sources may include industry and public contributions, subject to consultation and approval.

Mobilisation funding will be time-limited, fully auditable and ring-fenced to ensure transparency and accountability. Final budgets and funding mechanisms will be subject to consultation and independent audit before implementation.

Budgets and audit accounts will be published annually. No cross-subsidy will occur between regulatory and commercial schemes, and fees will be benchmarked by an independent assessor to verify cost efficiency.

Run funding

Once operational, the FE will transition to steady-state cost recovery. Benchmarking indicates that the FE's annual budget will be significantly below current costs of OBL, with savings achieved through efficiencies and shared services.

Three alternative models are proposed for consultation:

1. Pro-rata levy: based on measurable activity such as transaction volumes or API calls.
2. Hybrid membership and usage: a fixed membership tier plus variable usage element.
3. Cost and margin: SDS charges each scheme on an open-book basis with a capped margin, allowing reinvestment in quality and innovation.

Guardrails include avoidance of double-charging during transition, free-rider protections, multi-year commitments for stability, open publication of budgets and audited accounts, and strict prohibition of cross-subsidy between regulatory and commercial schemes.

Activity-Based Costs

To ensure proportionality, transparency and affordability, the FE will adopt an activity-based cost ramp that scales expenditure in line with verified delivery milestones rather than fixed overheads. This approach avoids the large, front-loaded funding requests associated with legacy models and provides participants with confidence that costs will grow only as functions and services mature.



The ramp is indicative and will be subject to industry consultation and decisions will be taken by the FE leadership, but an illustrative profile is as follows:

Year	Key Characteristics
Year 1	Low initial activity; contractor-first model to maintain agility and avoid fixed costs. Focus on incorporation, governance stand-up, and continuity of core functions (standards, monitoring, directory).
Year 2	Early expansion of functions and limited recruitment of core permanent staff as services stabilise and early schemes begin transition.
Year 3	Scaling of operations as the LTRF is implemented and the first schemes move into steady-state delivery.
Year 4	Broader adoption of shared services across schemes; further efficiency gains through open-market procurement.
Year 5	Mature steady-state operation under the LTRF with full cost efficiency and governance controls embedded.

This measured cost profile complements the steady-state benchmarking and provides a credible pathway for participants starting from a near-zero baseline. It demonstrates that the FE can be mobilised and operated sustainably without a large post-mobilisation funding requirement, while maintaining momentum, accountability and value for money.

Importantly, the model is broad-based and scalable: as additional regulatory and commercial schemes come online and consume shared SDS services, overall operating costs will be spread across a wider base of participants. This results in lower per-scheme and per-participant costs in the medium to long-term, while retaining the efficiencies of a shared infrastructure. The combination of incremental ramp-up and cross-scheme cost sharing ensures that the FE remains both affordable and sustainable, delivering value to the ecosystem.



7. Functions and Services

SDS will provide a coherent suite of shared functions essential to Open Banking and future Smart Data schemes.

1. Standards maintenance and development: clear governance of technical and operational standards, version control and consultation.
2. Directory and onboarding: streamlined participant accreditation, modular architecture, and self-service capabilities for efficiency and reliability.
3. Monitoring and management information: real-time performance data, benchmarking and escalation processes to maintain ecosystem integrity.
4. Trust and consent frameworks: cross-scheme architecture for identity, consent and assurance, providing consistency and portability for users.
5. Conformance sandbox: a continuously available environment to test compliance and assure conformance, ensuring continuity from OBL's assurance functions while keeping wider innovation activity outside the FE remit.
6. Dispute resolution: neutral adjudication and compliance mechanisms with transparent timelines and rules.
7. Promotion and adoption: SDS will support participant engagement and education; SDG UK will lead public communications and awareness.

The FE will operate on a minimum service plus overlays principle. Its core remit is to deliver the minimum set of functions required to meet obligations under the DUAA and the LTRF, including standards, monitoring, directory and trust framework services. Beyond this baseline, individual schemes will retain full freedom to procure additional or “overlay” services, either from SDS or from external providers, according to their specific needs and commercial priorities. This model preserves flexibility, fosters competition, and ensures that innovation at scheme level is not constrained by the FE's regulatory oversight.

All functions are designed for reuse across multiple schemes, creating economies of scale and promoting interoperability across sectors.



8. Mobilisation and Transition

Mobilisation will ensure continuity of service while preparing for transition to the LTRF.

Mobilisation priorities

1. Fully incorporate SDS and IWG to appoint an FE Board and SDS management team.
2. Secure mobilisation funding through agreed routes.
3. Maintain continuity of standards, monitoring, directory and trust frameworks through transitional service agreements where appropriate.

Transition approach

Transition will be industry-determined, selective, pragmatic and value-driven. The process will be designed to ensure continuity of essential services while avoiding any duplication of cost or liability for the CMA9 firms and ensuring an efficient, well-managed wind-down of OBL once transition decisions are made.

1. Due diligence: An industry-led review of existing assets, contracts and IP will determine what to retain, rebuild or retire, ensuring that decisions are transparent, evidence-based and in the collective interest of participants.
2. Selective transition: A clean-core approach will be adopted, rebuilding key components under SDS while selectively re-using valuable artefacts to maintain continuity of service and outcomes, without inheriting legacy liabilities, structures or costs.
3. Continuity assurance: CMA9 and current structures will continue to meet their CMA Order obligations until revocation. SDS will coordinate a structured, fully documented handover to maintain standards, monitoring, directory and trust-framework continuity throughout the transition period.

Clear delineation of responsibilities will underpin the transition. The CMA will remain the formal decision-maker for any transition linked to OBL, ensuring regulatory integrity and an orderly closure of the CMA Order. In parallel, industry, through SDS and the IWG, will determine which functions, assets or artefacts should transfer into the FE under the LTRF.

This approach guarantees continuity of outcomes without relying on continuity of legacy structures, allowing the new entity to inherit what works, modernise what is needed and leave behind unnecessary complexity, cost or liability. The mobilisation plan will make clear that there must be no parallel operation or funding of Open Banking services, and that any residual OBL functions should be wound down promptly once industry confirms what, if anything, is to be transitioned.

The IWG will work closely with OBL to coordinate and oversee the process, ensuring a smooth transition that is efficient, transparent and avoids duplication. The objective is a swift and well-managed wind-up of OBL and revocation of the CMA Order once the



LTRF is in place, preventing duplication of regulatory oversight and ensuring the CMA9 banks and building society are subject solely to the FCA's framework.

By the end of the transition, the FE will be fully operational, independently governed and sustainably funded, providing continuity of outcomes, clarity of accountability and confidence across the ecosystem.



9. Commercial Schemes and Competition

A key strength of the SDS model is its ability to host both regulatory and voluntary commercial schemes under a single, transparent governance framework.

Competition and neutrality

The FE will operate under a principle of structural neutrality, ensuring that SDS, as the regulatory operator, does not act as a commercial beneficiary. Each commercial scheme will sit in a separate SPV with independent budgets and governance.

Enabling innovation

SDG UK will convene participants to design new commercial propositions such as premium APIs, digital identity and consent-based data services. As the FE capability is developed within SDS and as transition of service provision from OBL to the FE begins, SDS could also provide services to the commercial VRP (cVRP) scheme. This would allow the industry to maintain momentum, test and refine shared services, and demonstrate interoperability between regulatory and commercial schemes ahead of full LTRF implementation. SDS will provide the shared infrastructure for these schemes on a transparent, cost-based basis, ensuring interoperability and efficiency.

Safeguards

Access and pricing principles will be published, oversight committees will maintain conflict registers, and competition assessments will be conducted where appropriate. This ensures innovation and competition can flourish without compromising neutrality or fair access.

Market Flexibility and Pilot Alignment

Nothing beyond the FE's minimum service is mandatory. Schemes will retain full freedom to procure services from the wider market, ensuring flexibility, competition and innovation. Where appropriate, DBT-supported pilots and Centre for Financial Innovation and Technology-aligned use cases, such as SME lending, can be leveraged to accelerate adoption and scheme delivery. Providing services to the cVRP scheme during the transition period would complement this approach, creating a practical pathway for early commercial use cases to operate alongside the regulatory scheme under a consistent governance and shared-services model.

Lessons from recent initiatives, including the cVRP contractor model and its incremental-costing approach, will inform the SDG's ramp-up and resourcing strategy, ensuring efficiency, scalability and responsiveness from the outset.



10. 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.

Phase	Key Activities	Target Date
<i>Industry Convergence</i>	Publish and socialise this blueprint; secure endorsements; launch IWG for detailed planning; align with FCA, HMT and CMA.	Q4 2025
<i>Mobilisation</i>	Full incorporation of SDS; appoint Board and management team; secure mobilisation funding; establish core committees.	Q1 2026
<i>Design Finalisation</i>	IWG and SDS develop Implementation Plan, funding model, standards roadmap and baseline monitoring.	Q2 2026
<i>Operationalisation</i>	Transition continuity functions to SDS; launch new directory/onboarding platform, finalise Board and management appointments.	Mid-2026
<i>Transition and Alignment</i>	Selective migration; decommission redundant services; prepare for CMA Order revocation; publish joint progress statement with FCA.	Late 2026
<i>Steady State / LTRF Implementation</i>	Complete transition; CMA Order revoked; FE operates under SDS governance with FCA oversight; begin Open Finance and Smart Data work.	2026–27

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



11. Future Expansion and Cross-Sector Capability

Whilst the priority of the FE is Open Banking, the FE model has been designed from the outset to support wider Smart Data schemes beyond Open Banking. Under the DUAA, government may designate new sectors such as energy, telecoms, pensions and digital markets.

SDS provides a scalable foundation for these schemes through:

1. Reusable shared services (standards, monitoring, trust frameworks, directory).
2. Ring-fenced SPVs ensuring accountability, ring-fenced liabilities and cost separation.
3. A standing Regulatory Committee coordinating across regulators.

The next logical evolution is Open Finance, encompassing savings, investments, pensions, insurance and credit, all supported by the same technical and governance architecture. In parallel, SDG UK will convene ecosystem participants to design and test voluntary commercial schemes, such as enhanced VRP, retail APIs, digital identity and wallets, hosted and operated by SDS. This will include collaboration with initiatives such as the FCA's Smart Data Accelerator, enabling SDG to help pilot and refine new use cases that support innovation, interoperability and consumer benefit across sectors.

Cross-Sector Enablers and Interoperability

Early cross-sector enablers, including digital identity, wallets and permissions dashboards, will be developed proportionately to underpin interoperability and user trust across schemes. These components will create a consistent, portable experience for consumers and businesses as they move between regulatory and commercial environments. By developing these enablers in alignment with government and regulatory initiatives under the DUAA, the FE will help accelerate the maturity of the wider smart data ecosystem while maintaining flexibility, proportionality and openness to innovation.

Voluntary Innovation Fund

To complement its regulatory and operational remit, the FE may establish a Voluntary Innovation Fund, enabling participants to co-invest in industry-led enhancements and premium API development. Participation will be optional, with contributions made by scheme members who choose to opt-in.

The fund's work programme would be developed by the SDS Steering Group, ensuring it reflects wider ecosystem priorities, and each initiative will be subject to approval and funding sign-off by the SDS Board. This structure provides a transparent, collaborative mechanism for exploring improvements and market-led innovation across regulatory schemes.



Initial focus will be on enhancements to the Open Banking LTRF scheme, with scope to expand to other regulatory schemes as they are designated under the DUAA. The Innovation Fund will allow the industry to share the costs of innovation and empower collective decision-making on new propositions. SDG UK will provide scoping and design services for projects commissioned under the fund, or the SDS Board may appoint alternative service providers as appropriate.

This mechanism creates a sustainable route for industry-led and industry-decided innovation, ensuring that the FE remains a dynamic, forward-looking platform capable of evolving alongside market needs and technological change.



12. Endorsements, Next Steps and Acknowledgements

This proposal and blueprint will be published for consultation ahead of SDG's Parliamentary event on 30 October 2025. Following publication, SDG will continue to engage with trade associations, banks, fintechs, end-users, technology providers, and other relevant stakeholders to refine and finalise this proposal.

Next steps include:

1. Circulating the proposal for comment.
2. Establishing the Industry Working Group and implementation plan.
3. Consulting on mobilisation funding and governance.

Consultation on the proposal and blueprint

Please send any written comments to richard.newman@smartdatagroup.org

The deadline for responses is 30 November 2025.

Acknowledgement:

SDG is grateful for the insight and input from stakeholders across the Open Banking and Smart Data ecosystem. This blueprint reflects initial feedback and a shared ambition to deliver an independent, efficient, and sustainable FE for the UK.

**This blueprint represents an indicative industry proposal developed collaboratively by SDG and others. It provides a credible framework for discussion and alignment but does not bind the independent IWG, FE Board or leadership in their final decisions. It is intended to enable convergence, clarity, and pace in delivering the future success of Open Banking and Smart Data in the UK.*



Smart Data Group

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