



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 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

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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 DUA. 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.

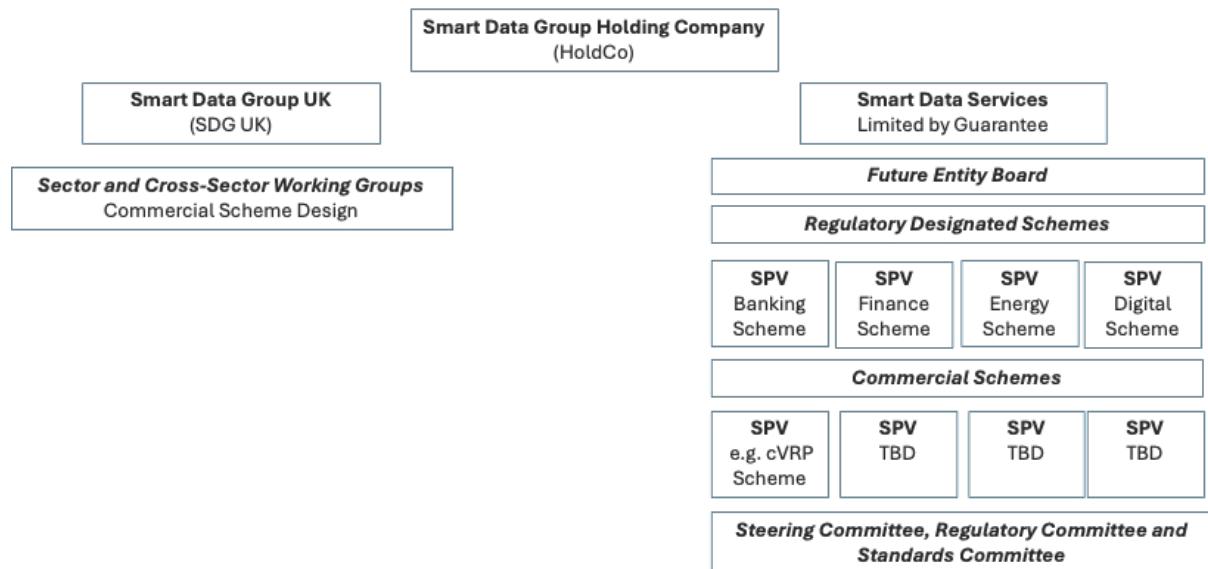
Smart Data Group (HoldCo): the overarching holding company providing strategic oversight, shared corporate services and a neutral platform for investment. HoldCo is intentionally lean and limited to core support functions. A critical aspect of this structure is that HoldCo serves as the vehicle through 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

identity, trust, AI-enabled data services and premium APIs. It may support voluntary or commercial schemes beyond mandated ones. SDG UK is fully ring-fenced from SDS both legally and operationally. Any financial or commercial risk faced by SDG UK would have no impact on the stability, funding or operation of the FE. This separation ensures the FE remains resilient and insulated from group-level commercial risk while allowing the wider SDG group to support innovation, international expansion and market-led propositions without exposing the FE to those commercial activities.



Alignment with regulatory design principles

The structure mirrors FS25/4 principles of independence, transparency, accountability, neutrality and sustainability. Each entity has a clearly defined remit: SDS provides regulatory-aligned core FE functions; SPVs retain full autonomy and procurement freedom; HoldCo facilitates inward investment without influencing FE decisions; and SDG UK operates entirely separately from the FE and only through competitive tender. This design ensures the FE is protected, operationally independent, and able to evolve as industry requirements change through the ongoing work of the IWG and future independent FE leadership.

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.

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.	Q1 2026
<i>Early Mobilisation</i>	Incorporation and execution of SDS; appoint IWG; secure mobilisation funding; establish IWG committees.	Q1 2026
<i>Design Finalisation</i>	IWG develop transition / implementation plan, governance, funding model, infrastructure, initial standards roadmap and baseline monitoring.	Q2 2026
<i>Operationalisation and Full Mobilisation</i>	Appoint SDS Board and Management; Transition any continuity services, technology and functions to SDS; launch any new platforms.	Q2/3 2026
<i>Transition and Alignment</i>	Complete selective migration; decommission redundant services; prepare for CMA Order revocation; publish joint progress statement with FCA.	Q3/4 2026
<i>Steady State / LTRF Implementation</i>	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
Establish IWG	Confirm members; appoint Independent Chair; publish ToRs	2–4 weeks
Initiate Sub-WGs	Begin drafting FE governance, funding, infrastructure options	1–2 months
Transition WG Starts	OBL provides artefacts & inventory; continuity mapping	Parallel, early
Industry Consultation	Publish options for consultation	Month 3
Final Proposal	IWG signs off unified FE proposal for FCA / HMT / CMA	Month 4
Mobilisation	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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