

A stylized graphic featuring a city skyline in white and blue silhouettes. Two green palm trees are positioned on either side of the skyline. Behind the skyline is a large orange sun with horizontal stripes. The entire graphic is set against a blue-tinted background of a city skyline.

2025 SPRING MEMBER MEETING

April 23-24 / Westin San Diego Bayview Hotel

Open Banking, CFPB 1033 & Unlocking Financial Opportunities

What is Open Banking?

- The genesis of Open Banking has its roots in 2016 rule making by the Competition and Markets Authority in the UK mandating the largest UK banks enable access to customer account data



Dodd Frank 1033

12 USC 5533.

SEC. 1033. CONSUMER RIGHTS TO ACCESS INFORMATION.

(a) IN GENERAL.—Subject to rules prescribed by the Bureau, a covered person shall make available to a consumer, upon request, information in the control or possession of the covered person concerning the consumer financial product or service that the consumer obtained from such covered person, including information relating to any transaction, series of transactions, or to the account including costs, charges and usage data. The information shall be made available in an electronic form usable by consumers.

(b) INFORMATION.—A covered person may not be required by this section to make available to the consumer—

(1) any confidential commercial information, including an algorithm used to derive credit scores or other risk scores or predictors;

(2) any information collected by the covered person for the purpose of preventing fraud or money laundering, or detecting, or making any report regarding other unlawful or potentially unlawful conduct;

(3) any information required to be kept confidential by any other provision of law; or

(4) any information that the covered person cannot retrieve in the ordinary course of its business with respect to that information.

(c) NO DUTY TO MAINTAIN RECORDS.—Nothing in this section shall be construed to impose any duty on a covered person to maintain or keep any information about a consumer.

(d) STANDARDIZED FORMATS FOR DATA.—The Bureau, by rule, shall prescribe standards applicable to covered persons to promote the development and use of standardized formats for information, including through the use of machine readable files, to be made available to consumers under this section.

(e) CONSULTATION.—The Bureau shall, when prescribing any rule under this section, consult with the Federal banking agencies and the Federal Trade Commission to ensure, to the extent appropriate, that the rules—

(1) impose substantively similar requirements on covered persons;

(2) take into account conditions under which covered persons do business both in the United States and in other countries; and

(3) do not require or promote the use of any particular technology in order to develop systems for compliance.

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Jul 2024, GovInfo; <https://www.govinfo.gov/content/pkg/PLAW-111publ203/pdf/PLAW-111publ203.pdf>

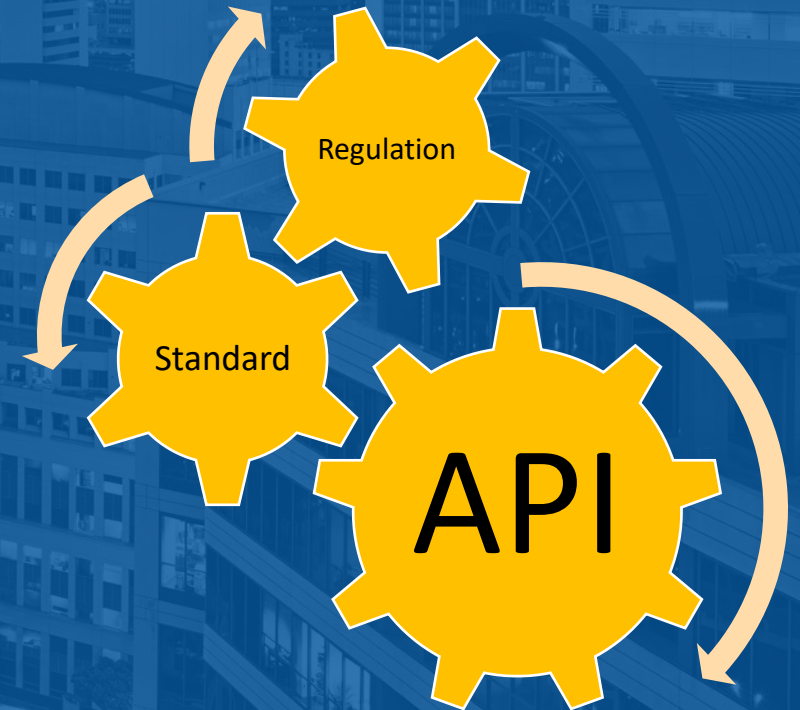
CFPB Personal Financial Data Rights Rule

- Final Rule issued October 2024

(Read all **594** pages here:

https://files.consumerfinance.gov/f/documents/cfpb_personal-financial-data-rights-final-rule_2024-10.pdf)

- Consumer right to access & share financial data



Panel



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Consumer Empowerment and Data Rights

Control over who accesses their data.

Access to more personalized services including value add services.

Easier accounting switching and account aggregation.

“But while Europe and the U.K. approached this issue as a legislative mandate, in the U.S. the need for open banking has bubbled up from consumer demand, especially from younger, digital native customers. ‘Consumers want this control,’ says Alex Harris, a general partner at Fiat Ventures. “If they’re having a bad experience somewhere, they want to be able to snap their fingers and live in a better world.”

[Consumers Will Drive Open Banking, Not Regulators](#)

CFPB 1033 Rule

“CFPA section 1033 lets consumers take action by giving them a right to access their account information and authorize certain third parties acting on their behalf to access that information.

This right enables consumers to evaluate their account relationships and switch providers that are not benefiting them, and allows consumers to authorize third parties to access data on their behalf to provide valuable products and services they request.

Increased competition can lead to innovation, attractive rates, quality service, and other benefits.”

[Notice of Final Rulemaking - Required Rulemaking on Personal Financial Data Rights](#)

CFPB 1033 Key Terms/Roles

Data Provider – The party required to make financial services data available to applicable third parties, including financial institutions and other non-financial institutions (Non-FIs) that provide cards, transaction accounts, and other payment services.

Access Requirements – Data Providers must make covered data available to third parties upon request.

Developer Interface – Mechanism by which covered data is made available to applicable third parties.

Authorized Third Party – Seeks access to covered data from consumers and gains customer consent to provide financial services and disclose terms related to data access.

Data Aggregators – Performs authorization procedures on behalf of third parties seeking consumer authorization-covered data.

More About Authorized Third Parties

Authorized Third Parties must certify to the following:

- **Written policies and procedures regarding the receipt and sharing of consumer data.**
- **Apply for information security programs that comply with the GLBA Safeguards Framework.**
- **Providing consumers with a copy of the authorization disclosure.**
- **Have written policies and procedures to provide consumers with information about converted data.**
- **Have a process in place for consumers to revoke their authorization.**
- **Require downstream third parties to also comply with these obligations.**

Covered Data

- **Account balances.**
- **Terms and conditions such as fee schedules, rates, and rewards program terms.**
- **Upcoming bill information.**
- **Basic account verification information, including name, address, email address, and phone number.**
- **Account details, transactions, and balances.**

Timeline and Scope

“Compliance with the rule will be implemented in phases, with larger providers subject to the rule sooner than smaller ones. Financial firms will be required to comply based on their size; the largest institutions will have to comply by April 1, 2026, while the smallest covered institutions will have until April 1, 2030. Certain small banks and credit unions are not subject to this rule.”

[CFPB Finalizes Personal Financial Data Rights Rule to Boost Competition, Protect Privacy, and Give Families More Choice in Financial Services | Consumer Financial Protection Bureau](#)

What Does Open Banking Mean To The US?

- Enhanced consumer control for financial services
- Secure, consumer-permissioned data sharing through secure APIs
- Innovation opportunities – for both FIs and fintechs
- Financial inclusion
- Competitive landscape shifts



Opportunities – Financial Institutions

- Providing more personalized services
- Speed up digital transformation for processing and operational efficiency improvements
- Risk management and security improvements
- New revenue streams – monetize APIs, data insights
- Create marketplace platforms/ecosystem plays
- White label fintech solutions

Opportunities – Fintechs/Non-FI Providers

- Connect easily to financial data of customers
- Specialized products using financial data
- Payment innovation
- Low barriers to entry
- B2B embedded finance solutions
- Financial inclusion

Opportunities for Consumers

- More control over financial services data
- Improved financial services satisfaction
- Easy access to all financial accounts in one place
- Access to credit through financial inclusion
- Easier account switching

Panel Discussion and Q&A



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