



REPORT

Open finance in Sweden

28 June 2023



Summary

Open finance is about sharing and reusing customer data and entails that customers give third-party providers access to customer data in order to receive offers for different types of financial services. This type of data sharing is currently only regulated with regard to payment account information through the second Payment Services Directive (PSD2). However, the European Commission has announced that a proposal for broader regulation will be presented in June 2023.

Currently, open finance occurs via both regulated and unregulated methods. Payment initiation, i.e., the initiation of an electronic payment from the customer's payment account, is a common example of a regulated method, and it is estimated that between 100 and 150 million payments are made this way per year in Sweden. This can be compared to the approximately 900 million¹ payments made in 2022 via the payment service Swish. One big area of payment initiations is payments to the gambling market, an industry that poses a high risk of money laundering and terrorist financing. The regulated methods are also used by approximately 30 per cent of the Swedish bank customers for various account information services.² The account data is primarily used to gather information about the finances of private individuals and in conjunction with credit assessments for and advice to private individuals.

The unregulated methods are used primarily as a competitive advantage and to increase sales, for example prior to switching to a new occupational pension, insurance or mortgage provider.

FI notes that use of both regulated and unregulated data sharing methods can be problematic. The challenges consist primarily of the non-compliance of different actors with statutory rights and obligations and the ambiguous legal framework governing unregulated methods.

A broader regulation of open finance could reduce the ambiguities currently surrounding the unregulated methods. Regulation could also facilitate the emergence of different types of financial services that are beneficial for consumers.

The primary risks for the consumer from increased data sharing are judged to be the consumer not understanding at the point in time when the data is shared what data is being shared or with which parties. This could result in an elevated integrity risk and that consumers will be mapped in a manner that they do not understand.

¹ <https://www.swish.nu/om-swish>

² Based on survey responses to FI from Swedbank, Handelsbanken and Nordea.