

# CANADIAN INDUSTRY RESPONDS TO FINAL REPORT ON OPEN BANKING

Posted on December 22, 2021

**Categories:** [Insights](#), [Publications](#)

Senior financial services executives across the country recently participated in a survey regarding the [Final Report](#) on open banking (the “**Report**”) from Canada’s Advisory Committee (the “**Committee**”), released in August 2021 (see our related bulletin series [here](#)). The survey results [\[1\]](#) highlight key areas of interest and concern of stakeholders within the financial services industry on the proposed open banking framework.

The overall results of the survey demonstrate that industry members are eager to move forward with implementing open banking in Canada, despite how lengthy the process has been since the Department of Finance first established the Committee in 2018.

While the Report was a welcome step forward, the survey demonstrates that several questions remain unanswered. Indeed, half of respondents noted that the Report did not go far enough to move the conversation from hype to implementation.

With respect to the proposed implementation timeline set out in the Report, 48% of respondents believe the 2023 deadline to be realistic, while 52% do not. This likely reflects the fact that the process has been lengthy thus far, in addition to the complexities involved in the implementation process. Respondents indicated that the biggest implementation challenges banks may face are technical and infrastructure challenges, creating a viable business model, and security and privacy concerns.

Respondents agreed that privacy legislation is important to the successful implementation of open banking, with 46% answering that Bill C-11 (which would have overhauled Canada’s *Personal Information Protection and Electronic Documents Act*) [\[2\]](#) is critical to an open banking future and 49% agreeing that it should be a consideration. See our related bulletin on privacy and open banking [here](#).

Other notable results from the survey include:

- 75% of respondents think that regulation and a market-driven approach to open banking go hand in hand, while 23% believe that regulation is the only way to ensure open banking’s success.
- 67% of respondents think that the ‘all players large and small should pay to play’ commercial model

should be undertaken to deliver an open banking roadmap, while 25% prefer the 'larger institutions support for initial roadmap' option.

- 94% of respondents believe that Canada's payments network can benefit from open banking implementation.

While respondents recognized that implementing open banking will be complex, they also recognized the potential positive impacts that open banking in Canada may create, including giving consumers control of their data, enhancing competition, and creating greater product choice. Respondents identified Fintechs, challenger banks, and incumbent banks as the potential biggest winners within the financial ecosystem if open banking comes to fruition.

The survey results also provide commentary from a variety of industry members who share their perspectives on the Report and the future of open banking in Canada.

It is clear from the survey results that stakeholders are eager to move towards implementing open banking in Canada by 2023 and the Government is urged to move forward with the Report's recommendations, for example, by immediately appointing an open banking lead to guide the implementation process. The survey demonstrates that stakeholders remain committed to pursuing open banking and look forward to the modernization of Canada's financial services sector.

[1] Open Banking Expo & EQ Bank, "Future of Open Banking in Canada: Survey Results 2021", [online](#).

[2] Bill C-11 died on the order paper when the federal election was called in the Fall of 2021. However, new privacy legislation similar to Bill C-11 is expected to be introduced forthwith.

by [Darcy Ammerman](#) and [Ricki-Lee Williams](#) (Articling Student)

### **A Cautionary Note**

The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained.

© McMillan LLP 2021