

Facilitating fair use of the data of consumers and business enterprises

- *Citizens must be free to decide what will happen to their data. This must be the basis for exchanging data within the EU.*
- *In future, it should be easier to transfer personal data between various digital services.*
- *The legislator's idea of asking the receiving enterprise to compensate for the cost of making the data available will accelerate the exchange of data.*

The EU Data Act as a basis for the efficient use of data from networked products

The volume of data that is generated by people and machines is growing rapidly. To ensure that these data do not remain unused, the EU Commission has proposed a draft for a new Data Act. Under this draft legislation, users will have a right vis-à-vis the providers of their networked products and services to free-of-charge provision of their data. And they will be entitled to pass on their data to third parties or to allow third parties to collect and use these data – for a fee to be paid to the provider involved.

Facilitating data exchange between all economic sectors

The Savings Banks Finance Group expressly supports this draft legislation. It gives people data sovereignty and facilitates efficient data use. In this context, it is important that the exchange of data will remain the free choice of citizens and that data can be exchanged between sectors in future, because once data can be drawn from other economic sectors, products and services can be designed that are closer to people's needs than they are at present.

Ensuring data portability

The purpose of the right of citizens to transfer data from one controller to another is to avoid what are called “lock-in” effects. Portability can significantly stimulate competition between companies to attract customers by offering the best product. The financial sector has already proven how much the sector-specific right to portability benefits competition across Europe.

This has an impact on the sector itself – for instance, if users want to transfer their account data to other

banks or FinTechs. However, it also has an impact beyond the financial sector. Airlines can improve their bonus systems by enabling their passengers to download account information into the apps. Comparison platforms can achieve better results by including account data. Accounting solutions can generate reports and tax returns “at the touch of a button” by making it possible to port account data from credit institutions to the solution provider.

Creating the technical prerequisites and pricing in line with the market

For a smooth exchange of data, it is not only important that a right to access is laid down in clear legal rules. The market players need to facilitate it in practical ways through the interoperability of technical infrastructure and standardised data formats. The financial sector has gained extensive experience by pioneering the Payment Services Directive PSD2. The Savings Banks Finance Group will be pleased to share this experience.

One thing is already clear today: investments will be encouraged by certainty. The fact that the legislator expressly provides in the Data Act that receiving enterprises must compensate the “data provider” for its cost is a step in the right direction. An obligation to provide raw, aggregated or processed data free of charge would slow down investments in new programmes, processes and interfaces in all sectors. For this reason, we believe that it makes sense for the legislator to extend the idea behind the Data Act – i.e. compensating the data provider for the exchange of data and, hence, strengthening the rights of citizens – to the financial sector as well.