

*October 20, 2025*

*RE: [Docket No. CFPB-2025-0037] RIN 3170-AB39 Personal Financial Data Rights Reconsideration*

The Financial Data Exchange (FDX) appreciates the opportunity to submit this letter in response to the CFPB’s Advance Notice of Proposed Rulemaking (ANPR) for Personal Financial Data Rights (PFDR) Reconsideration.

FDX has nearly 200 member organizations—including banks, credit unions, fintechs, data access platforms, technology providers, and consumer advocates—who have come together to develop and maintain open, consensus-driven standards for secure permissioned access to financial data.

We welcome the CFPB’s focus on the evolving Open Finance<sup>1</sup> landscape. We believe that open, industry-led standards are essential infrastructure for the future of safe consumer-permissioned data sharing.

In this letter, we provide (1) an overview of FDX, our standards, and our role in the marketplace; (2) a description of how industry-led, open technical standards benefit the market; and (3) a view on why clear government direction on the use of specific, open, industry-led standards is helpful.

In short, if a new PFDR rule requires developer interfaces for the sharing of covered data with third parties, FDX believes it is critical for CFPB to provide clarity, certainty and direction on the use of technical standards issued by industry-led standard setting body(s) that meet the attributes of openness, balanced decision-making, consensus, due process and appeals, and transparency.

These recommendations reflect a consensus view reached after extensive, open dialogue among FDX’s diverse membership.

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<sup>1</sup> We use the term “Open Finance” to refer to the industry practice of user-permissioned sharing of *financial* data between parties. This is similar to the common industry term “Open Banking” but extends also to other forms of financial data beyond banking—for example, wealth or payroll data.

## 1. About the Financial Data Exchange

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The Financial Data Exchange (FDX) is an industry-led technical standards body, founded in 2018. Our mission is to unify the financial industry around a common, interoperable, royalty-free technical standard for the secure and convenient access of permissioned consumer and business financial data.

FDX was founded by a diverse group of organizations on the shared belief that widespread adoption of common, open technical standards can bring significant benefits to all—including data providers, third party data users, intermediaries that enable connectivity, and consumers.

FDX technical standards are **market-led**. They are built and refined by FDX’s diverse members. Each member has a voice, ensuring FDX standards reflect both mainstream and niche needs.

FDX facilitates collaboration through a well-established process for engaging diverse parties in standard setting. Numerous industry experts have contributed to adapting FDX standards over the past several years through our technical working groups and balanced, consensus-driven process.

FDX standards are openly available to the public to view and implement on a royalty-free basis. These standards define how data providers, authorized third parties (or “data recipients”), and “data aggregators” (i.e., data access platforms) can build interoperable connections that handle both customer authorization and secure transmission of account information. The FDX API standard covers a wide array of account types and use cases.

Today, FDX maintains the market’s most widely used technical standard in North America for user-permissioned financial data sharing integrations. Numerous companies have invested heavily over the past several years in building API integrations that align to FDX standards.

Adoption of FDX standards has grown steadily over the past several years:

- Today, more than 114 million customer connections are happening via APIs that align with FDX standards. This number has grown ~50% in the past year and over 250% in the past three years.
- Over 1,000 data providers (including banks, credit unions, and fintech data holders) have now enabled third-party access to user-permissioned data via APIs that align to FDX standards.
- The steady growth in industry adoption of FDX API standards from 2018-2025 has come during a period of (1) growing industry participation in FDX; (2) preparation among many firms for a 2024 PFDR regulation that included requirements around developer interfaces and standardized data formats; and (3) a growing consensus around the benefits of standardized APIs over screen-scraping.
- The continued growth in FDX API standards adoption has also come amid growth in the “open finance” ecosystem overall. In the past year, the total number of consumer data sharing connections in the industry (across all connection types, including both APIs and credential-based methods) is up ~17%, according to FDX member surveys.

Whereas credential-based (“screen-scraping”) methods accounted for a vast majority of user-permissioned financial data access just a few years ago, token-based API methods (like FDX) now represent about two-thirds

of such traffic. Legacy methods of connecting accounts typically require consumers to give their account login credentials to a third party, who then gains broad access to a customer's data (potentially beyond what the consumer wishes to authorize access to).

In contrast, FDX standards enable user-permissioned data to flow in a more secure and reliable way than credential-based ("screen-scraping") methods:

- **Consumer Control, Privacy, and Transparency:** FDX standards define protocols for explicit, revocable consumer consent with scope, duration, and account-level parameters, giving consumers meaningful control over data access.
- **Security and Reliability:** The FDX specification embeds proven security practices, including OAuth 2.0, FAPI protocols<sup>2</sup>, and end-to-end encryption. A consumer connecting via an FDX-aligned interface can share their data without giving their login credentials to a third party.

## 2. Industry-led, open technical standards benefit the market

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Broad adoption of open, consensus-driven, industry-led technical standards can bring numerous benefits to data providers, authorized third parties, data access platforms, consumers, and society.

1. **Enabling continuous innovation and support for emerging use cases:** In a rapidly evolving financial services ecosystem, an *industry-led* standards body can update technical specifications quickly to address new risks, consumer expectations, and emerging technologies.

The FDX standard is extensible and has been continually adapted over the years to support emerging use cases, including **crypto, digital wallets, new payment methods, and alternative forms of credit underwriting**.

Moreover, as technology changes (for example, amid increasing **use of AI**), an industry-led standards body like FDX can adapt its standards where appropriate to facilitate secure financial data access using new technologies while maintaining important core features (e.g., consumer control, security, and data minimization).

FDX facilitates ongoing adaptation in numerous ways, including regular meetings of technical working groups, an ongoing "request for comment" process, and periodic updates to our published standards.

The **adaptability** of FDX standards ensures that innovation does not fragment the ecosystem but is absorbed into a consistent standard.

2. **Promoting competition:** By facilitating the more efficient flow of consumer-permissioned data between parties, robust industry standards help more companies to build higher-quality services and products

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<sup>2</sup> OAuth2.0 is an open standard for access delegation. FAPI (Financial-grade API) from the OpenID Foundation is a general-purpose API protection profile built on top of OAuth 2.0 and OpenID Connect. Both serve as a basis for FDX security profiles.

that depend on consumer-authorized third-party data. When more interoperable plumbing is established, greater competition can occur (with products, user experience, etcetera). This includes competition not only between and among financial institutions, but also with and among fintechs, data access platforms, technology vendors, and new entrants.

3. **Capturing industry ingenuity and expertise:** When companies come together to create industry standards, they pool their knowledge in ways that benefit the entire industry. At FDX, our standards have been developed and refined over time through the contributions of hundreds of industry professionals with diverse perspectives and specialized expertise. Pooling this expertise allows standards to address complex issues (such as authentication protocols, data minimization, authorization models, and user consent flows) in a way that no single firm or regulator could achieve on its own.
4. **Encouraging balance:** When the process for technical standard-setting is transparent, consensus-driven, and open to diverse parties—including banks, data access platforms, fintechs, credit unions, consumer advocates, and others—as it is at FDX, standards are less likely to become overly rigid, stale, or dominated by a single company or segment of the market.
5. **Assuring security and trust:** When diverse stakeholders come together to collectively define and vet shared security model(s) for data sharing, consumers benefit and can have increased confidence in the system. FDX standards address many important security topics including secure token transmission, encryption, step-up authentication, and scope restrictions.
6. **Ensuring reasonableness:** When technical standards are driven by industry consensus, that helps ensure standards are *reasonable* to implement. At FDX, any proposed changes to our technical standards are subject to a transparent feedback process and must be approved by a two-thirds majority of balanced stakeholder groups. This helps mitigate the risk of standards evolving in a way that becomes unreasonable or overly costly for implementers.
7. **Reducing costs and improving efficiency:** When companies use common standards for data connectivity, the cost of building and maintaining data-sharing integrations is significantly reduced. This cost reduction enables *more firms*, including smaller banks, credit unions, and emerging fintechs, to participate in the ecosystem. Additionally, lowering costs helps *all firms* to more sustainably support the infrastructure needed to share customer data securely for years to come.

### 3. Regulatory clarity on developer interface technical standards is important

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The U.S. Open Finance ecosystem is unique in that it has grown in an environment largely free from prescriptive regulations. And yet, this ecosystem will inevitably have a lot in common with ecosystems around the world because they are all trying to solve for the same challenge – giving consumers the ability to efficiently and securely access and use their financial data for their own benefit.

Regulatory clarity around technical standards has proven to be one of the most important factors in determining the success or failure of a given ecosystem. A lack of clear regulatory direction toward any particular standard(s) can result in inefficient fragmentation. For example, in continental Europe regulators

avoided naming any EU-wide formatting standard(s) under the PSD2 regulation several years ago. Subsequently, Europe ended up with myriad incompatible standards and implementation patterns (including Berlin Group, STET, and many bank-specific variants). This created substantial complexity and additional cost for companies when it came time to integrate; it also slowed industry adoption and consumer uptake.

To the extent a new PFDR rule requires developer interfaces for the sharing of covered data with third parties, FDX encourages the CFPB to provide clarity and certainty about the role technical standards will play in those requirements and the regulatory treatment of demonstrated conformance to such standards.

Specifically, the CFPB should provide direction on the use of widely-adopted standards for data formatting promulgated by industry-led standard setting body(s) that meet the attributes of openness, balanced decision-making, consensus, due process and appeals, and transparency.

## Why the CFPB should provide such direction

Requiring the use of standardized formats and providing direction on *specific*, open, industry-led technical standards brings several benefits to the market.

1. **Clarity under regulation:** Providing direction on specific data formatting standards fulfills the Bureau’s directive under 1033(d) “to promote the development and use of standardized formats for information.” This path gives clarity to the market to keep moving forward with widely used standards that are working well today for millions of consumer connections.

By contrast, without specific regulatory requirements around standardized formats, thousands of companies would be left with greater uncertainty around possible standards mandated by future Administrations. That uncertainty may thwart investment and industry progress off screen-scraping onto safer data sharing methods. And, if a future Administration were to issue new standards requirements under 1033(d), those future standards could require expensive rebuilds.

2. **Aligns with OMB guidance:** Providing direction on use of industry-led standards is consistent with OMB Circular A-119, which guides government agencies to use voluntary consensus standards in lieu of government-unique standards to eliminate the costs of the government developing standards, decrease the burden of regulatory compliance, incentivize standards that serve national needs, encourage long-term growth for U.S. enterprises, promote efficiency and economic competition through harmonization of standards, and to rely on the private sector to supply government needs.
3. **Regulatory direction will support continued coalescence:** Over the last few years, a significant number of financial institutions have built APIs that align to certain components of the FDX standard. A majority of data providers that have built APIs recently to support “Open Finance” connectivity are at least partially using FDX API standards, and many companies report substantial interoperability benefits.

That said, hundreds of companies today still have “Open Finance” APIs that are *not* aligned to any open, consensus-driven standard. Many of these companies are using proprietary API standards developed prior to the emergence of open API standards in the U.S., creating a headwind to interoperability. Still other companies have built APIs aligned to only *certain components* of FDX’s open standard. As a result,

integrations between companies often still require significant bespoke configuration work, which can increase the cost to all parties involved.

A regulatory nod toward the use of specific, open industry standards would help to promote greater market coalescence and would likely thereby lower the overall cost burden the CFPB would be placing on both data providers and third parties through a 1033 regulatory mandate to maintain developer interfaces.

4. **Why *open*, industry-led standards are best:** When recognized standards are the product of robust debate and industry collaboration among a broad, balanced group of stakeholders through an open, consensus-driven, transparent process, the market can have greater confidence that data sharing integrations will not function in a way that heavily preferences one group of stakeholders over another. Such standards balance varied interests with an eye toward technical excellence, public good and ecosystem health.

By contrast, if the CFPB does not provide direction toward the use of **open** and consensus-driven standards, *proprietary* data formatting standards (e.g., standards developed by a single company or group with significant market power) may gain increasing adoption in ways that hinder competition, innovation, and interoperability.

5. **Clarity on which standards to use can help parties accelerate integrations,** move onto safer interfaces faster, and aid the market's task of meeting any compliance deadlines set by the CFPB. Many companies report that when all parties are aligned on which technical standards to use, they can integrate faster.
6. **Supporting *continuous evolution of industry standards*:** Government promotion of industry-led standards helps to advance the continued *maintenance and evolution* of strong industry-led standards long term by adding to a *positive cycle*:
  - Many companies will feel more comfortable and inclined to use particular standards when they have confidence that those standards are helpful and relevant for compliance.
  - That widespread usage makes the *substance* of those standards *matter* more.
  - That materiality undergirds industry investment in the process of maintaining great standards.

High-quality technical standards are a key ingredient to a healthy ecosystem and need ongoing investment. Governance, process execution, specification tools, conformance validation tools, change management, and help-desk support all require investment to maintain. Clarity from the CFPB on the use of specific, industry-led standards can help promote continued industry-wide engagement and investment in high quality, continuously adapting standards.

7. **Clarity on standards can especially help smaller entities:** Smaller institutions have fewer resources to navigate choices around standards and less power in negotiation with counterparties. Having clear government direction on which standards to use can provide a clearer and faster path to building compliant developer interfaces while also helping smaller companies keep costs down.

Additionally, clarity on which standardized format(s) to use helps create the conditions for vendors and standards body(s) to create shared tooling that can dramatically reduce the cost of implementing and maintaining developer interfaces. Having clarity on which standards to use can also help core providers and online banking platforms—who play a critical role in helping hundreds of financial institutions to safely

share data—to more efficiently scale their tools and minimize coordination costs, accelerating the adoption of safer methods at scale for the “long tail” of banks and credit unions.

## How regulatory guidance on technical standards could be given

There are several policy tools the government could use to provide clarity on industry-led technical standards for data formatting. Here are two notable options:

**Option 1:** Maintain (1) the existing regulatory requirements around data formatting and (2) the existing process for CFPB recognition of industry standard-setting bodies. However, modify the existing regulatory text to provide a full regulatory compliance safe harbor for companies that demonstrate conformance to a recognized industry standard (instead of having conformance count merely as an “indicia of compliance.”).

**Option 2:** Rescind the CFPB’s prior June 2025 rulemaking and process for recognizing industry standard-setting bodies. Instead, require a data provider’s developer interface to “demonstrate conformance with a widely used standard issued by an industry-led standard setting body that meets the attributes of openness, balanced decision-making, consensus, due process and appeals, and transparency.” In addition, modify the existing regulatory text to provide a full regulatory compliance safe harbor (instead of indicia of compliance) for companies that demonstrate conformance to such a standard.

Option 1 has several advantages over Option 2.

- It provides greater clarity and certainty to companies on which standard(s) they can confidently use to achieve both compliance and interoperability.
- Option 1 also avoids every company needing to undertake their own assessment around the qualifications of standards body(s).
- Option 1 has a greater likelihood of incentivizing market coalescence around an open standard, which can maximize the interoperability and innovation benefits described above.
- Finally, Option 1 may provide a higher degree of market assurance that the standards being adopted truly meet the healthy criteria of openness, transparency, balance, due process, and consensus.

Option 2 would largely remove the CFPB’s *upfront* role in recognizing industry standards bodies. (That said, the CFPB would still need to consider the applicability of specific industry standards under either Option in its supervision.)

Meanwhile, Option 1 retains sufficient *flexibility* and *guardrails* to alleviate potential concerns about market control or stagnation.

- First, Option 1 does not *require* a data provider to use any single recognized standard. It provides only that if a company *does* use such a standard, that company is well positioned for regulatory compliance. As such, this approach arguably strikes a reasonable balance between providing a clear nod toward specific industry-led standards while not strictly forcing the adoption of a single standard.
- Second, this principles-based approach gives flexibility by allowing for any industry-led standards body to become a “recognized standard setter” if it meets the required attributes.



- Third, the very fact that standards bodies must be *open* and *balanced* to gain recognition is pro-competitive. This structure ensures healthy competitive tensions over standards can be appropriately channeled into a balanced body where all voices are welcome at the table. [Indeed, the large and diverse membership of FDX includes a broad array of companies that compete with one another.]
- Fourth, CFPB recognition of standards body(s) (as in Option 1) need not represent an enshrinement of any particular technology. For example, while FDX standards today define a secure method for data sharing using OAuth and REST APIs, this can evolve in the future. Indeed, having an industry-led body with broad participation from experts across the industry can be a helpful mechanism for ensuring that standards evolve as technology and market needs change.

## Where greater clarity would be helpful

In whatever form a government nod toward industry-led technical standards comes, the industry benefits from having direction that is **clear** and **durable**.

In particular, data providers want clarity and confidence that—if they can demonstrate their interface design is conformant with a recognized or qualifying industry standard—that demonstration of conformance will suffice for purposes of complying with regulatory requirements. A regulatory safe harbor is preferred over having conformance to a recognized standard serve merely as “indicia of compliance.”

Having greater regulatory clarity here would provide three important benefits.

1. First, it can greatly help companies who are planning investments in their developer interfaces and integrations. Building a standards-aligned conformant interface, testing integrations with numerous counterparties, and migrating traffic can be a multi-million-dollar, multi-year project that impacts millions of customers. Any ambiguities or changes in regulatory direction that muddy investment decisions or force companies to rework their integrations can be highly costly and disruptive to consumers.
2. Second, if the market is confident that certain standards can be used for compliance, this helps bolster confidence in the importance and relevance of those recognized standards, which in turn helps fuel the necessary industry-wide investment to maintain high-quality standards over the long run.
3. Third, this clarity helps reduce the likelihood of a Data Provider’s formatting being subject to supervisory scrutiny that differs from another’s at the whim and discretion of whoever is conducting supervision. This unequal and unpredictable treatment (and lack of transparency thereof) could undermine the use of helpful industry standards and create additional costs.

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FDX appreciates the opportunity to engage with the Bureau in promoting a healthy ecosystem for secure, user-permissioned financial data sharing. We believe open, industry-led technical standards are a critical ingredient for a thriving ecosystem that supports innovation, efficiency, security, and consumer control.