

Written Testimony of MX Technologies, Inc

Jane Barratt, Chief Advocacy Officer

**Symposium on Consumer Access to Financial Records,
Section 1033 of the Dodd-Frank Act**

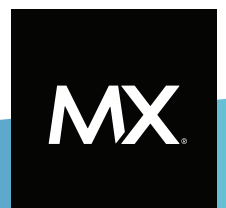
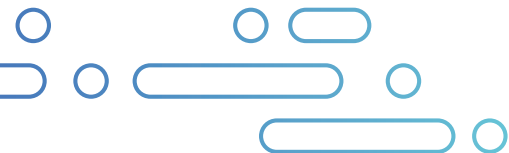
**Consumer Financial Protection Bureau
February 26, 2020**

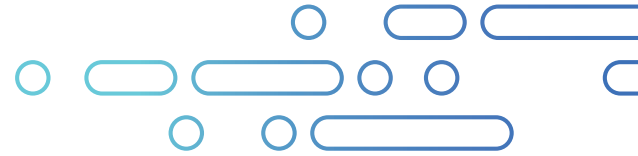
Thank you for the opportunity for MX Technologies, Inc. (“MX”) to participate in the Consumer Financial Protection Bureau’s (“CFPB” or “the Bureau”) symposium on consumer access to financial records. MX partners with more than 2,000 financial institutions representing over 30 million Americans.

MX was founded in 2010 with the mission of ‘Empowering the world to be financially strong’. The MX platform enables tens of millions of people to access their financial data and receive actionable advice with the highest of security and privacy protocols.

We have seen firsthand the direct impact of how data drives better customer experience, and in turn drives growth for financial institutions and fintechs. Whether through scraping connections or APIs, our commitment to customer permissioning and an active stance against data resale have been fundamental to the success of our financial institution customers, and their customers.

We are at a critical moment in financial data sharing. People are used to being able to permission access to their data via credential based sharing and screen scraping - and reducing the use of these is an important goal. However, the use of APIs currently is inconsistent, with limited adoption. Should data be limited, and access denied to data fields that were previously available via scraping - the impact to the consumer will be substantial. Imagine a person who has kept a detailed household budget for ten years (and we have these people on the MX platform) no longer being able to access that budget; or a business whose survival relies on cash flow based credit availability, no longer being able to access that credit. The need to balance access with security has never been greater.





The financial services ecosystem has collaborated to make incredible progress in terms of interoperability of APIs in recent years - but the industry alone cannot solve for the wider issues that will affect both long term financial outcomes for people, and the ability for the industry to innovate well into the future. Key issues where rulemaking could reduce risks and provide clarity and direction include: (1) Data Ownership, (2) Data Parity, (3) Liability, and (4) Monetization.

Ownership

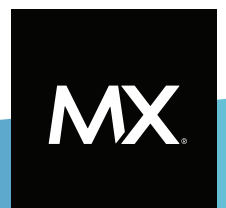
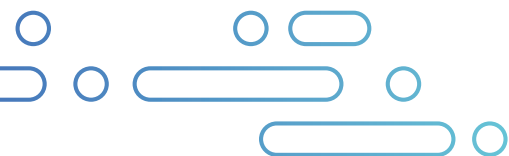
Financial services is by far the largest industry in the world. And financial data is some of the most valuable data a person or business generates. There is an enormous opportunity for financial services to lead the wider industry and set the bar around data ownership. Assigning ownership of financial data via rulemaking will lead to clarity around privacy, which can then enable more consistent security standards. Right now, security and privacy are leading the industry discussions, which will directly impact a person's ability to gain and retain ownership rights over their own data. This would most likely need to be an interagency initiative, with the FTC and CFPB most suitable to lead the charge. A lot can be learned from Australia, where their Consumer Data Right has unequivocally assigned data ownership rights for people and businesses. We recommend the CFPB follows the Australian model to create a financial Consumer Data Right under 1033.

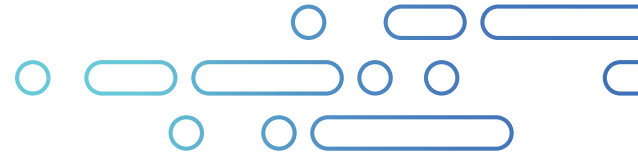
Parity

It's critical for people and businesses to both (a) retain access to data currently available via scraping and (b) have access to new data fields as innovations continue to unfold. Guidance and rulemaking around what data elements should be accessible is required as the current industry API standard is discretionary as to what data elements a financial institution needs to include in their API. Under the authority of Dodd Frank 1033, the CFPB can enforce data parity standards, with fines leveraged to institutions that block access to certain fields.

Liability

There is a lack of clarity around liability guidelines in case of data breaches. The current Reg E rules place the burden on financial institutions, which is now being flowed down-





stream to intermediaries and third (and fourth) parties in ways that are inconsistent and opaque. Guidance on both the cost of breaches and insurance required by different members of the ecosystem would provide much needed transparency. There is also a role for the Fed and/or the FDIC to govern financial data and protect consumers from financial harm from data breaches. The goal being to provide data protection in the way they currently provide for asset protection.

Monetization

Many of the bilateral agreements in the marketplace reserve the right to charge for data access. Should this happen, the bearers of these costs will most likely be consumers and businesses. Alongside the assignment of ownership rights, guidance on whether people should pay to access their data, either directly or indirectly, should be issued. The authority for this seems to exist under Dodd Frank 1033.

In conclusion, substantive interagency guidance, content and rulings are needed to ensure both customer protection and the ability for the financial services industry as a whole to innovate. Central to any data access conversation needs to be the issue of customer experience and customer harm - and grounding both with the concept of data ownership. Right now, the industry is solving for the problems of yesterday versus building for the innovations of tomorrow.

