
The Advisory Committee to the
Open Banking Review/Financial Institutions Division
The Financial Sector Policy Branch
Department of Finance Canada
90 Elgin Street
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Dear Advisory Committee Members,

Re: Invitation for Comments: Consultation Document on a Review into the Merits of Open Banking

Thank you for allowing Home Trust the opportunity to participate in the review of open banking in Canada.

Home Trust supports open banking and is pleased to provide commentary regarding its merits. We view open banking as an important shift and believe it will strengthen the Canadian financial system and improve our competitiveness on the global stage. More importantly, we believe the advent of open banking will reduce friction in the financial ecosystem and will allow individual consumers of financial services better value, more choices and useful new services.

Home Trust believes that financial consumers are becoming less reliant on the 'one-size-fits-all' banking model. Comparing products/services across institutions, switching bank accounts and onboarding/authentication/know-your-customer processes are just a few of the beneficial aspects to consumers in an open banking economy as they provide the ability to choose financial products that are better suited to the unique needs/wants of a consumer.

The benefits to consumers can only be achieved with the recognition that they own their data and as such, should be given choice and flexibility. Information is a powerful tool and we believe that consumers should be able to leverage and share that tool in ways that benefit them but do not leave them unprotected.

Home Trust recognizes the inherent privacy risks that may be associated with an open banking economy. We feel, however, that with proper regulation, a strong and secure

baseline can be achieved. We envision a framework for privacy and consumer protection that is federally-regulated and recommend aligning the approach to risk management with similar systems overseas (such as the General Data Protection Regulation (GDPR) in the European Union for example). We do not recommend creating a new market/industry-driven scheme. We further believe the government should continue to have a pivotal role in enforcing consumer protection legislation which will maintain the stability and integrity of the system and will minimize sub-optimal solutions which may arise in a market-driven system.

Recently we have seen innovators enter the market and provide quasi-open banking services. In some cases, due at least in part to the lack of a formalized framework, sub-optimal solutions are in use, which raises security challenges and provides a poor customer experience. We are confident these risks could be mitigated with the government playing a key role in providing both the baseline foundation for participation in the system as well as oversight. This would help ensure adequate control measures are established and trust is fostered in the open banking ecosystem among financial institutions, fintechs and individuals.

We also understand that cybersecurity risks are an area of concern however we feel such risks are better controlled in an open banking environment with a clear set of standards and roles/expectations relating to security and privacy. In fact, we believe that certain cybersecurity risks may even be reduced as we believe the current industry practice of “screen scraping” would be greatly diminished.

Finally, we believe that international experience can provide helpful lessons vis-à-vis the ultimate implementation as we have seen other jurisdictions experience significant costs associated with open banking. We feel that considerable review and dialogue in this area is warranted, and we recognize that all participants should share in these costs.

We thank you for taking the time to review our submission and commentary. We are available to discuss any of the above points in greater detail at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Y Bissada". The signature is written in a cursive, flowing style.

Yousry Bissada
President & Chief Executive Officer