



European mutual/cooperative insurers call on EU institutions to ensure that FiDA is genuinely fit for purpose

In the rapidly evolving landscape of financial policy, the European Union's proposed Financial Data Access (FiDA) regulation is an excellent ambition. Yet, as with any ambitious endeavour, it demands careful scrutiny and thoughtful discussion to truly benefit citizens. We, representing the mutual/cooperative insurers of Europe, urge EU decisionmakers to pause and reflect on the potential repercussions of this regulation, particularly its impact on consumers, our members/policyholders.

The FiDA regulation aims to enhance and secure the sharing and access of financial data across the EU. While the intention is commendable, we believe that a more thoughtful process would encourage the necessary dialogue with industry stakeholders to ensure its effectiveness. The regulation's current form raises significant concerns, particularly regarding its scope and the potential consequences for citizens, especially the most vulnerable. Therefore, we urge decisionmakers to work with all stakeholders to significantly improve the regulation and especially its added value for consumers.

FiDA should ensure sound consumer protection and prevent the risk of demutualisation

The digitalisation of our society and economy brings many benefits to citizens and the opportunity to simplify their lives. However, the digital world also introduces challenges and complexities that put them in a position of vulnerability. Over-simplification of sensitive and complex issues, supported by a wrong appraisal of the possible "digital benefits", could be detrimental to the solidarity principle that is the foundation of insurance in our society. A digital fairness fitness check is necessary to improve the FiDA regulation to avoid the exploitation of consumers' data by oversimplifying access rights. Consumers need more control and protection over what happens with their data, particularly financial data. FiDA should offer consumers more informed choices while effectively mitigating risks of exclusion, discrimination, and privacy intrusiveness.

Insurance, unlike other financial products, is deeply rooted in the principle of mutualisation. For our members, it is a social contract that spreads risk across a community. The proposed regulation, however, could undermine this foundational principle by inadvertently promoting demutualisation. This shift could lead to a landscape where insurance becomes a tool for cherry-picking profitable segments, leaving the most vulnerable consumers exposed and underserved. Furthermore, the risk of demutualisation would threaten market stability through constricting diversity, reducing consumer choice and potentially destroying a sector of the European insurance industry which currently represents one-third of all insurance conducted in the region and has a core focus on its societal role and responsibilities.

Insurance differs fundamentally from bank activities by giving individuals and entities a possibility to acquire an economic protection against the unexpected in life, whether it be sickness, early death, damage or loss of property or objects. It operates on a completely different business model, with a different risk profile as a result of this. Therefore, FiDA within the domain of insurance must take into consideration the special features and especially, the risk of demutualisation. Hence, The regulation's current scope as regards insurance is particularly troubling, as the purpose and nature of insurance are distinct, playing a crucial social role in protecting the population from life's hazards through risk pooling.

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The financial burden of FiDA's implementation should not be neglected

The financial burden of implementing such a regulation cannot be overlooked. Previous regulatory changes have already driven up costs, and the FiDA proposal will follow this trend. At a time when our ambitions are to assist in closing the insurance protection gap across many facets of citizens' activities and lives, our members must be able to justify a new and extensive mandate without a thorough impact assessment which has the value to customers as a fundamental remit. We believe that the impact assessment published with the European Commission proposal underestimates costs implied for the 'build' part of the implementation and fails to reflect the scale of the IT work required to standardise and supply data on demand and continuously. Ultimately, the cost of such work – which in the case of mutual insurers must be passed on to their policyholders in their role as the mutuals' owners – could increase not decrease protection gaps.

Genuine consumer empowerment does not solely depend on access

The regulation might be considered as a necessary step towards financial transparency and consumer empowerment. However, without a robust framework to enhance financial literacy, mere access to data becomes a marketing tool rather than a genuine benefit to consumers. True empowerment comes from understanding and using data effectively and with care, not just having access to it.

We call on EU Institutions to pause the decision-making process

It is imperative that EU decisionmakers convene with industry leaders, consumer advocates, and financial experts to refine the FiDA regulation. A comprehensive impact assessment is crucial, one that considers the unique needs and vulnerabilities of consumers. Besides the above-mentioned shortcomings, the EC impact assessment appears to overlook considerable risks such as data standardisation, demutualisation, and consumer protection. In addition, a comprehensive impact assessment should be based, amongst others, on theoretical studies and feedback from field experience. A more collaborative approach will ensure that the regulation not only meets its objectives but also safeguards the interests of all stakeholders involved.

In conclusion, the FiDA regulation represents a pivotal moment for the EU's financial landscape. Given its significance for the sector and for consumers, it is vital for decision-makers to embrace a more inclusive and deliberative decision-making process. By doing this, the regulatory framework will truly enhance financial data access while preserving consumer protection.

AMICE recommendations

The main recommendation is to take the time to conduct an in-depth impact assessment with all stakeholders, with a central focus on the true value to the consumer.

We believe the following aspects of the FiDA regulation should be reviewed:

- Clarification on how data is made available is essential and ensuring that the provisions of the regulation do not generate a lot of uncertainties at the expense of citizens' protection.
- The regulation's scope, which includes both life and non-life insurance, is particularly troubling for the latter category of insurance. Non-life insurance is profoundly different from banking and purely financial activities. Its purpose and nature are distinct, playing a crucial social role in protecting the population from life's hazards through risk pooling and mutualisation.

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- More reflection should be taken in order to better align FiDA with other EU regulations such as the GDPR. In this perspective, we propose considering strengthening the consent verification process in FiDA and clarify which data is subject to consent. FiDA's right of access to certain categories of data needs to be well defined to prevent the disclosure of commercially sensitive information or sensitive data from citizens.
- The challenges of opening and sharing individuals' financial data requires a careful approach and a sound assessment of all the consequences. We believe that the provisions regarding the Financial Information Service Provider (FISP) status are not strong enough to mitigate the risk of financial data being captured by actors with significant market power. We ask for stronger provisions to prohibit gatekeepers, as defined by the Digital Markets Act, from obtaining FISP status.
- This regulation does not appear to protect European consumers from the cross-referencing of personal financial data with sensitive and "social" data, which could be exploited to refine customer knowledge. It is necessary to prohibit the use of such data as well as the use of personal and "profiling" data.