

MX's policy head breaks down CFPB's upcoming open banking regulation

Article

The **Consumer Financial Protection Bureau** (CFPB) has been on something of a regulatory blitz under Director Rohit Chopra — in June alone, it began investigating [rent-a-bank lending](#), [overdraft fees](#), and [banking customer service](#).

But for nearly six years now, the CFPB has worked on implementing a decade-old policy crafted after the fallout from the global financial crisis: [Section 1033](#) of the Dodd-Frank Act.

Section 1033 governs consumer access to financial information and has [broad implications](#) for the future of [open banking](#) and open finance. As we await the CFPB's rules, Insider Intelligence sat down with Lexi Hall of MX, who heads the data aggregator's policy efforts. We talked about the state of open banking regulation, the sticking points that have prolonged action on 1033, and what open banking means for the broader financial ecosystem.

The following are some highlights from our conversation. [Click here to read the full interview.](#)

Insider Intelligence (II): What's your sense of the regulatory and policymaking environment right now—are there any policy points that industry players still disagree on?

LH: I think there are two things.

No. 1 is data access. The CFPB is promulgating the consumer's right to data access so that consumers can access their data and share it with third parties. But they're still determining exactly what data that is.

Then the other big issue is liability in the event of a data breach or consumer harm. MX, aggregators, and fintechs advocate for a common-sense approach to loss and fault: Whoever is responsible for the adverse action should bear responsibility for it. That's just not the way that it's set up right now.

II: I'm thinking about Big Tech and privacy data as a comparison. When Apple came out with those data tracking updates, the fear was that when consumers are prompted whether to share, they're more likely to say, "No, I don't want to share my data." Is there a similar concern for open banking?

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II: Are there any specific proposals being floated that raise red flags?

LH: As open banking moves in and the intervening technologies like screen scraping and tokenized screen scraping are phased out, it's important to recognize that smaller institutions

without large resources take advantage of those the most. Those are still an important component of open banking, and we wouldn't want to see a restriction in that regard because they still help facilitate financial access and inclusion.

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