Invela™

OPEN BANKING EXPO 2026
POWERHOUSE DEBATE

Visibility before pain

Who pays when open finance goes wrong in the UK, and what changes now AI agents are in the chain?

Richard Koch, UK Payments Initiative (UKPI) · **Stephen Wright,** NatWest · **Simone Plances,** Financial Conduct Authority (FCA) · **Chaired by Dr Louise Beaumont**, Invela

EXECUTIVE SUMMARY

When open finance goes wrong in the UK, the customer calls the bank, regardless of which entity in the chain caused the problem.

At the Powerhouse Debate at Open Banking Expo 2026, UK Payments Initiative (UKPI), NatWest and the Financial Conduct Authority (FCA) agreed that liability for open finance is unresolved and risk is largely unpriced. Moreover, AI agents are entering the open finance chain before liability is resolved.

Key findings

The FCA does not yet have an answer on who is liable in open finance. Its Smart Data Accelerator will test roles with industry in the coming months.

UKPI's commercial variable recurring payments (cVRP) scheme is the only place UK open banking prices risk. The rest runs on free access.

A scheme and a bank independently proposed the same fix. UKPI's Richard Koch wants stalled Open Banking Limited (OBL) work on a data audit trail revisited, and NatWest's Stephen Wright would make transaction risk indicators a prerequisite.

Banks are blind past the first hop. They often cannot see why data is shared, who receives it, or who to contact at the third-party provider (TPP), let alone the processors and sub-processors beyond it.

Allocated liability is not the same as covered liability. UKPI's Richard Koch warned some firms may not be resilient enough to pay, and said UKPI is already working on what happens if they cannot.

AI agents raise a consent problem nobody has solved. The FCA called identity and consent the mechanisms for understanding agent risk and liability, and asked whether an agent's purpose can drift as it learns.

Invela

Invela is the infrastructure layer that makes open finance trustworthy. Invela is building the open finance risk management network for financial institutions, intermediaries and TPPs across the UK, US and Canada. The Invela Network combines three integrated layers: standardised Accreditation, continuous risk monitoring through the Invela Risk Indicator (IRI), and an insurance-backed Warranty designed to compensate financial institutions when an issue is caused by an open finance participant. Invela delivers visibility of which companies are accredited, what their risk score is, and where liability lands when something goes wrong.

WHAT TO DO NOW

Get visibility:

Accredit companies once.

Monitor risk continuously.

Know where liability lands.

THE PERSPECTIVES



Richard Koch

Chief Executive Officer
UK Payments Initiative (UKPI)

Leads the first commercial scheme in UK open banking. Delivered the Competition and Markets Authority (CMA) order at Open Banking Limited (OBL).



Stephen Wright

Open Banking Lead
NatWest

Runs open banking for a UK high street bank. Speaks for the customer who needs to know who to call when something breaks.



Simone Plances

Smart Data Accelerator Manager
Financial Conduct Authority (FCA)

Manages the FCA team testing how roles, responsibilities and liability should work in open finance and Smart Data.



Dr Louise Beaumont (Chair)

Head of Marketing, Communications & Design
Invela & UK Smart Data Council

Fifteen years in open banking and open finance. Member of the UK Government's Smart Data Council.

The Powerhouse Debate, "Open finance's liability gaps: what's new now AI agents are in the mix?", took place at Open Banking Expo in October 2026. Invela, which is building the open finance risk management network across the UK, US and Canada, produced this report.

KEY TERMS

Open finance liability

Open finance liability is the question of which participant in a data-sharing or payment chain bears the cost, operational burden and reputational damage when something goes wrong.

Transaction risk indicators

Transaction risk indicators are metadata that travel with a payment or data share, telling the next party its purpose, its recipient and who to contact.

Concentration plus contagion

Concentration plus contagion is the risk that many firms relying on the same AI model or agent fail at the same time, in the same way.

Commercial variable recurring payments (cVRP)

cVRP lets a customer authorise a business to take variable payments from their bank account within agreed limits. In the UK it runs under the UKPI commercial scheme.

PART ONE

Who pays when an open finance chain breaks?

Today, the customer calls the bank. An open finance chain can run to three, five, ten or more parties, and when it breaks, the FCA says it does not yet have the answer on who is liable.

Does liability follow the party that caused the problem?

Stephen Wright of NatWest argued that liability should rest with the party controlling the activity, and pointed out that payments already work this way. The bank is liable for a misauthorised payment, the merchant for the goods, and a payment initiation service provider (PISP) for money sent to the wrong account. The difficulty is that customers rarely see the middle of the chain.

Why is liability the regulator's first priority?

For the FCA, liability is a priority because of what is coming. Simone Plances explained that open finance and Smart Data bring far more parties and journeys complex enough to make it hard to establish what went wrong, where and why. Industry will invest only when there is enough trust, and that depends on defining each role, which in turn depends on the shape of the underlying infrastructure: who can access data, use it and act on it. The FCA was candid that it does not yet have the answer on liability, and its Smart Data Accelerator will test roles with industry in the coming months.

> "Customers focus on either end of the value chain (their bank and the company they asked to act on their behalf), because that's where they have visibility. And, at the moment, they call their bank. Call volumes are low but will rise as volumes grow and use cases get riskier."
>
> – Stephen Wright, NatWest

Can the industry trace where data has gone?

Not yet, though not for want of trying. Richard Koch of UKPI recalled work at Open Banking Limited (OBL) to attach metadata to data, so that after an incident the industry could see where the data had flowed. It stalled on complexity, and Koch believes it deserves a rethink now that chains have grown so long. Meanwhile, UKPI has built a scheme underpinned by contract, in which whoever creates the loss bears the liability. It covers payments today, and Koch expects data schemes to follow.

> "This is the simplest the open finance chain will ever be. It only gets more complex from here."
>
> – Louise Beaumont, Invela

PART TWO

Can banks see their exposure past the first hop?

No. Once data leaves the bank and passes its first hop – typically an intermediary - financial institutions cannot see where it goes. Exposure is growing as open banking moves from low-risk payments into e-commerce and AI-driven advice.

Where is the exposure growing?

Stephen Wright explained that payment initiation service providers (PISPs) and account information service providers (AISPs) are building new use cases with new merchants. In five or six years, open banking has moved from paying HM Revenue & Customs (HMRC) to buying holidays, flights and drinks. AI now adds another player to a model in which consent is given to the third party and authorisation to the bank or building society, and that split is one reason liability is so hard to pin down.

Wright expects the payments liability rules in the Payment Services Regulations to carry into any long-term framework, but says regulation must also define liability for data sharing, which he sees as the biggest risk in open banking today. Aggregating accounts is not risky in itself. The risk climbs when AI starts giving advice and recommending next best actions, raising the chances of data misuse and poor customer outcomes, which is exactly the ground the FCA's Consumer Duty covers.

> "Allocating liability is one thing. Having assurance it will be covered when it crystallises is another."
>
> – Richard Koch, UK Payments Initiative (UKPI)

Is allocating liability enough?

Richard Koch said the industry is starting to work out how to quantify what happens down the chain after an issue. His bigger concern is what happens once liability has been allocated. Parts of the open banking market are immature and may not be financially resilient enough to pay, and UKPI is thinking hard about what to do if they cannot. He expects it to take several attempts to get right.



Do contracts manage the risk?

Louise Beaumont illustrated the point with a US bank that told her it handles open finance risk by contract, backing it off to the intermediary. The bank knew the contract did nothing to surface, mitigate or manage the risk. The intermediary would push it on to its TPPs, daisy-chaining it down the line, and the end of that chain might be a TPP, processor or sub-processor too thinly capitalised to ever pay, or a global platform able to keep the bank in court for years.

PART THREE

Is open finance risk priced correctly?

Barely. UK open banking was built on free access, and UKPI's cVRP scheme is the only place risk is priced. NatWest's Stephen Wright said account information services have not priced in risk at all.

How did the market get here?

Louise Beaumont put it to Richard Koch that risk is being priced as if the market were more mature than it is. Koch, who delivered the Competition and Markets Authority (CMA) order at Open Banking Limited, credits that regulatory push, built on free access to data, with achieving what the market would not have done alone. UKPI, in his view, is the first step towards putting loss on a commercial footing, which creates the incentive to consider risk and price it.

UKPI's rollout of cVRP began with use cases considered very low risk and is opening to e-commerce in measured stages, building risk management capability as it goes. Koch pointed to Invela as one of the companies exploring options that could help firms and schemes like UKPI manage risk better, noting that Invela is in the market looking at exactly this gap and that the need is long term.

KEY POINT

Two panellists arrived at the same conclusion. Koch wants the stalled OBL audit-trail work revisited, and Wright would make transaction risk indicators a prerequisite. Both point to the same fundamental point: you cannot price what you cannot see. Markets tend to reprice after incidents. The only protection is evidence of the good standing of companies in the ecosystem; accreditation and real time risk monitoring, coupled with the associated allocation of liability..

> "Today as a bank you don't know what purpose data is being shared for, who the end recipient is, how they're using it, or, for most TPPs, who the customer should contact."
>
> – Stephen Wright, NatWest

What would fix pricing?

Stephen Wright was blunter. Outside UKPI's cVRP scheme, open banking runs on free access. Payment pricing between PISPs and merchants has been close to a race to the bottom, and account information services have not priced in risk at all. If he were starting again as regulator or standard setter, he would make transaction risk indicators a prerequisite: metadata travelling with both payment and account information data. Knowing who to contact matters as much as understanding the risk, he said, because that is where a consumer's problem gets resolved.

> "You may not understand every risk across the business, but you learn, adapt and control your exposure as far as you can while you look for the right tools."
>
> – Richard Koch, UK Payments Initiative (UKPI)

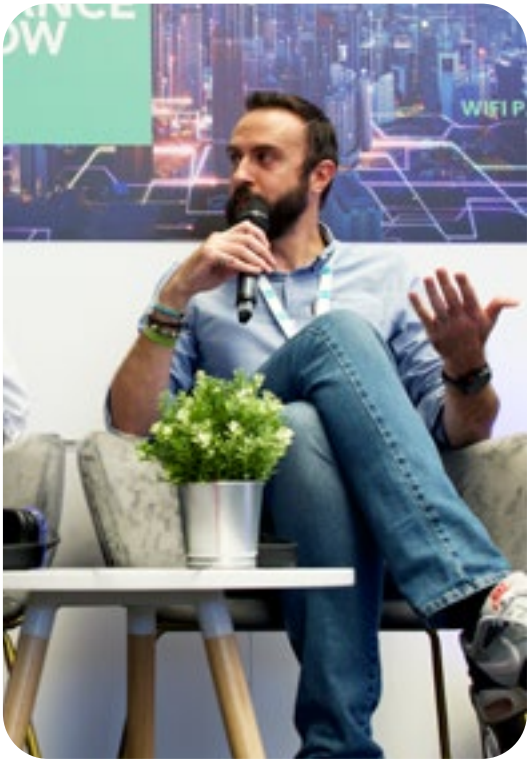
PART FOUR

Who is responsible when an AI agent acts in the open finance chain?

Nobody agreed. AI agents are already in the chain, but UK law and the FCA Handbook have not defined who consents, who is authorised or who is liable. The FCA will add agents to its Smart Data Accelerator testing.

Is an AI agent a third-party provider?

Louise Beaumont opened the agentic discussion by noting that agents are entering the chain before anyone has agreed who is responsible for what they do. She asked Simone Plances whether an agent is a TPP and, if so, who gets authorised: the agent, or the company behind it.



"Small questions!" Plances replied. The FCA's Smart Data Accelerator will add agents to its testing, covering agents that act for consumers and for firms, such as a consumer's agent dealing with a firm's agent that draws data from ten organisations to produce advice. That means working out what identity and consent mean in that setting. Then there is intent: whether an agent changes its behaviour and purpose based on what it learns while accessing data. An agent whose purpose can drift is one more reason a check at onboarding is no longer enough.

> "Identity and consent are the mechanisms for understanding risk and liability."
>
> – Simone Plances, FCA

What consent model do agents need?

For Stephen Wright, who has consented to what, when an agent acts for a customer, is yet to be established. He sees the need for a new consent model between the customer and the agent provider, with a party that assures the mandate and what the agent can do. All of it needs to be visible, so customers can see what they instructed the agent to do and for what purpose. Liability, he repeated, goes with the controlling activity.

Richard Koch worries that agents will arrive before regulatory certainty, as new things always do. When he uses AI at work, he checks it and owns the output. He questioned whether a model in which consumers carry very limited responsibility for outcomes is sustainable once agents act for them, and suggested regulatory oversight may need a more balanced perspective.

> “The biggest risk? Concentration plus contagion.”
>
> – Louise Beaumont, Invela

What is the biggest agent risk?

Louise Beaumont named the scenario that worries her most: concentration plus contagion, where many firms rely on the same model or the same agent and something goes wrong for all of them in one place. That is why Invela accredits who is in the network and monitors risk continuously. Her summary of where things stand was blunt: agents are already in the open finance chain, and the law and the FCA Handbook are still catching up.



PART FIVE

How mature is open finance risk management in the UK?

Early stage. NatWest and the FCA both put the market at minimum viable product (MVP) stage. Scaling beyond early adopters needs a risk model, customer protection and dispute resolution.

Richard Koch would be sceptical of anyone claiming to know the end state, given the pace of AI. Stephen Wright agreed that open banking and open finance are still at the early adoption stage of the cycle, and that the risk model, customer protection and dispute resolution all need addressing before they can scale.

> "The market is still at minimum viable product stage."
>
> – Stephen Wright, NatWest



What should travel with the data?

Asked for one ingredient, Wright named the intent for how data will be used, with visibility or confirmation of it, plus contact details, even if those are looked up elsewhere, so people know where to go when something goes wrong. In other words, a trusted register of who is who in the chain.

What does the FCA want industry to do?

Simone Plances agreed the market is at MVP stage. The build phase needs everyone, avoiding a top-down, ivory-tower approach and leaving room for commercial agreements that handle risk in practice. His invitation was open: join the FCA's testing, respond to the forthcoming discussion paper, or simply pick up the phone.

> "The regulator sets the boundaries and the outcomes it wants to achieve. Industry needs to come forward, show what's possible and identify where things can go wrong."
>
> – Simone Plances, FCA

Visibility before the pain

Some firms prefer to have the pain first and look for visibility afterwards. Louise Beaumont argued for the reverse: know who is in the network, understand how risk moves through it, and know where liability lands before incidents occur – well before anyone ends up in court or in front of the regulator.

FAQ

Frequently asked questions

Who is liable when open finance goes wrong in the UK?

Liability for open finance data sharing is not yet defined in UK regulation. For payments, NatWest's Stephen Wright said liability already follows the party controlling the activity. In practice, customers call their bank first, whichever entity in the chain caused the problem.

Who is responsible when an AI agent acts for a customer?

No UK rule yet defines who consents, who is authorised or who is liable when an AI agent acts in an open finance chain. The FCA's Smart Data Accelerator is adding agents to its testing with industry.

What are transaction risk indicators?

Transaction risk indicators are metadata that travel with a payment or data share, showing its purpose, its recipient and who to contact. NatWest's Stephen Wright argued they should be a prerequisite for open finance.

Can insurance help with open finance liability?

Yes. Louise Beaumont said liability management has to make sure harm is mitigated as well as allocated, because some firms may not be resilient enough to pay the liabilities placed on them.

Can shared data be recovered if something goes wrong?

Rarely. A questioner from the floor pointed out that once data is shared it is almost impossible to ring-fence and recover, and that open finance could expose pensions and wider finances. Louise Beaumont's answer was that consumers will never see everywhere their data has been, so the whole market has to be made safe: accredit companies so you know they're a good guy, then monitor their risk continuously so you know they're a good guy having a good day.

How can firms take part in the FCA's work?

The FCA invited firms to join its Smart Data Accelerator testing, respond to a forthcoming discussion paper, or contact the team directly.

CONCLUSION

Data is moving faster than accountability

UKPI, NatWest and the FCA agreed on the diagnosis. The UK open finance market is early, the chain is getting longer, and AI agents make the liability gap more urgent.

Open banking's regulatory push worked, but it left a market built on free access, where risk is barely priced and data travels past the first hop without being tracked. UKPI is taking the first step towards pricing loss, and is already working on what happens when allocated liability cannot be paid. The FCA is testing roles and responsibilities, and has been candid that it does not yet have the answer on liability.

Richard Koch's observation was that pain focuses the mind. The job for the market is to get visibility in place first. Invela is building that visibility now: accrediting the firms in the network, monitoring their risk continuously through the Invela Risk Indicator (IRI), and making sure liability lands in the right place.



"Data is moving faster than accountability, agents make that more urgent, and pain focuses the mind. The job for everyone in this room is to get visibility in place before the pain."

– Louise Beaumont, Invela

CHECKLIST

Open finance liability readiness

Eight questions for financial institutions, intermediaries and TPPs.

01 If a customer's data were misused by a company three hops away from you, would you know?

02 Do you know the purpose of each data share, and who to contact at each TPP in the chain?

03 Is the risk you carry priced into your commercial model?

04 When something goes wrong, can you identify where the fault lies, and are you confident that you can recover costs?

05 Do you know which AI agents your customers, intermediaries and TPPs use?

06 When an AI agent acts for your customer, can you see what it was instructed to do, and on whose authority?

07 Is your view of TPP risk continuous, or a snapshot taken at onboarding?

08 Could you answer all seven questions above in a board-level conversation tomorrow? If not, which gap would you close first?

Invela™

About Invela

Invela is the infrastructure layer that makes open finance trustworthy - accrediting who's in the network, monitoring risk in real time, and ensuring liability lands in the right place.

Open finance, covered.

See where your company benchmarks on the Invela Risk Indicator.

invela.com

This report was produced from the Powerhouse Debate "Open finance's liability gaps: what's new now AI agents are in the mix?", held at Open Banking Expo in October 2026. Nothing in this report constitutes legal or regulatory advice. Panellist titles and affiliations are as stated at the time of the panel. Quotes have been lightly edited for clarity.