

Consultation on a new digital finance strategy for Europe / FinTech action plan

– Swedish Bankers' Association's Response

The Swedish Bankers' Association (SBA), supports and encourages the ongoing development in the digitalization of financial services. The SBA acknowledges the Commissions' effort to enable financial service providers, consumers, businesses and the public sector to reap the potential of and benefit from new technology and new innovations for financial services, while also mitigating new risks and ensuring consumer protections and a stable financial market in all respects. We therefore welcome the opportunity to contribute with our perspectives to the European Commission's consultation on a new digital finance strategy for Europe / FinTech action plan.

The SBA represents banks and financial institutions active on the Swedish market, working to establish common standards in matters of common interest for its members. Furthermore, the SBA is a member of the European Banking Federation EBF.

Digital financial services have rapidly increased and by international standards, Sweden has been in the vanguard as its financial institutions have traditionally contributed to a broad development of digital financial services. Online banking and mobile apps with services such as savings, loans, pensions, securities, payments and transactions as well as personal and advisory services have been used continuously for a long time by all categories of customers.

The SBA supports to a large extent the EBF's reply to the consultation and at the same time will contribute with own comments to the individual questions raised to highlight areas of particular interest to our community or to inform of areas where Sweden experiences differences, as is the case for example on sandboxes. Our answers on AI mainly refer to the Swedish Bankers' Associations response to the European Commission's AI White Paper.

The SBA believes that it is important for Europe to take advantage of innovative technology and develop new digital services. Especially in this time of pandemic which has shown the need for and benefits of further digitalization. Such developments must, however, **ensure trust in financial services and not at the expense of consumer protection or financial stability.**

Digital financial services place high responsibility and requirements on financial institutions concerning consumer integrity and security. Especially to assure that all users, consumers, businesses as well as the public sector have knowledge of how to use the service, how to secure the information and how the customer's data is or will be used.

In order to enable further digitalization at a rapid pace, with continued confidence in the users, it is a prerequisite that cyber- and information security issues are given a high

attention and that these issues gain more resources. This is especially important in times of Covid19 which has served as a catalyst for increased digitalization globally.

We further encourage that additional resources are allocated to public information and education, to create "awareness" of how new digital products and services work and how to protect against fraud. Knowledge and understanding are key to trust and a well-functioning digital society. Our experience is that proven digital processes and services technically almost always have a higher level of security than previous physical counterparts, but lack of user knowledge and user experience can create room for fraud to exploit this. By simple or sophisticated means.

The SBA emphasizes a high focus on customer safety and ensuring a stable financial market, avoiding new risks in all respects.

Additionally, the SBA would recommend taking global initiatives outside Europe into consideration as much as possible in order to offer competitive services internationally. We see a need for good standards with international harmonization and the possibility of interoperability across member states.

A precondition for a successful digitalisation is that all players in the financial industry need to have the same conditions and opportunities to offer innovative services. The SBA therefore supports the principle, *"same services, same risks, same rules and same supervision"*.

The Swedish Bankers' Association

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