
Rolling out the red carpet for American tech giants if FiDA dies

While Europe hesitates, procrastinates, and once again postpones trilogue negotiations, real-world use cases are not waiting.

Every day, millions of European consumers use generative AI tools to seek financial, wealth or insurance advice. In doing so, they voluntarily, and massively, share personal, financial and sometimes highly sensitive data¹. These use cases are not theoretical. They already exist.

Regulators are already asking how existing rules apply to AI-driven financial services². This should serve as a wake-up call: the age of AI agents interacting with consumers in finance has already begun, and Europe urgently needs a clear framework such as the proposed Financial Data Access (FiDA) Regulation to ensure these services develop within a secure and sovereign European data ecosystem.

Claiming that “consumers do not want FiDA” is not only false but also dangerous. Consumers want simple, personalised, efficient and affordable services. And when a European framework does not exist, data access will continue to expand through proprietary ecosystems.

Let us not confuse the debate: **In the absence of a European framework regarding Open Finance, market dynamics will increasingly be shaped by actors operating under different regulatory philosophies and infrastructures, not always benefiting the European Union, consumers and companies.**

The illusion of the status quo: a gift to American tech giants

By continuously postponing FiDA, Europe will miss a critical window to strengthen its internal market and innovation capacity in financial and insurance services. Financial and insurance data are the fuel powering artificial intelligence, agent-based systems, dynamic pricing, risk prevention, fraud detection and the innovations of tomorrow.

If Europe does not rapidly put in place a clear, balanced and secure framework for data sharing, the one it eventually adopts will already be outdated, as use cases and innovation will have evolved far faster elsewhere. And, in the meantime, Europeans will go to other regulated non-EU technologies and services.

¹ For example, the Consumer Digital Index published in 2025 by Lloyds Banking Group explains that 56% of the adult population in the United Kingdom reports having used artificial intelligence tools in the last 12 months to manage their personal finances.

² The European Insurance and Occupational Pensions Authority has recently referred a question (Q&A 3407) to the European Commission asking whether AI-based chatbots interacting with customers could fall under the Insurance Distribution Directive [[See Andres Lehtmets Advisory's article](#)]

The status quo is not neutral. It already encourages:

- unregulated data collection practices;
- a growing dependence of European banks and insurers on American infrastructures and intermediaries.

In addition, the argument put forward by insurers against the FiDA regulation – that it would primarily benefit Big Tech – is not credible. Financial institutions and insurers are already heavily dependent on these actors for their communication and customer acquisition activities³. By promoting the development of applications based on expanded and secure access to data, the FiDA regulation would enable consumers to be offered more personalised and transparent comparison and selection tools. These solutions would provide a credible alternative to search engines, where the visibility of offers currently depends largely on advertising expenditure and paid search engine optimisation.

FiDA is not perfect — but inaction is far worse

The FiDA text can and must be improved: greater progressivity, clearer prioritisation of use cases, strong attention to cybersecurity and operational sustainability and greater customer focus.

But **none of these improvements justifies withdrawing the text altogether, nor the current state of inertia.**

Recent history has taught us this:

- PSD2 was not perfect, but it enabled the emergence of open banking in more European countries.
- GDPR was not perfect, but it gave Europe a global voice on data protection.

Sovereignty, competitiveness, customer engagement: the stakes go far beyond FiDA

At its core, FiDA raises a fundamental question: does Europe want to:

- retain control over its financial data,
- allow the digital finance industry to innovate and improve user experiences,
- strengthen customer engagement with banks and insurers,
- preserve a standardized, inclusive and competitive European financial and insurance model?

³ For example, based on data from consulting firms, professional organizations in the advertising sector, and GAFAM sources, it is estimated that the insurance sector in France spends between €450 million and €730 million annually on digital advertising through Search and Social channels on Google and Meta.

A call for collective responsibility

EDFA therefore calls on:

- European institutions to keep FiDA on the agenda and accelerate discussions;
- Member States to move beyond their current wait-and-see attitude;
- banking and insurance executives to take collective responsibility in shaping the future of the sector over the next 20 years, and to engage proactively in building the foundations of open finance in Europe. This implies looking beyond short-term balance sheet considerations and recognising that early investment in data infrastructure and interoperability will be essential to foster innovation, resilience and global competitiveness in the decades ahead.
- the entire European financial ecosystem to work together on improving the text, instead of burying it.

Without FiDA, there will be no data sovereignty, no European AI-driven finance, and no credible alternative to Big Tech.

About EDFA

The European Digital Finance Association (EDFA) is a pan-European federation of fintech associations striving for an innovative financial ecosystem in Europe, one that empowers citizens' well-being and enables enterprises to prosper. Our membership spans fintech associations and ecosystem actors from across Europe. We welcome direct engagement with the Commission on these topics and are happy to facilitate exchanges with relevant firms across Europe.

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