

Bank of England PRA

CFO roundtable summary: Future Banking Data

On May 19th, the PRA hosted a roundtable with Chief Financial Officers (CFOs) of the largest, most systemic firms operating in the UK to discuss Future Banking Data (FBD). Senior representatives from the Bank of England (the Bank) and the Financial Conduct Authority (FCA) also attended. The session focused on gathering feedback on planned work for the year ahead and the longer-term direction of this new project, **including opportunities to develop and implement a long-term reporting approach for firms operating in the UK, which is coherent, proportionate and cost-effective.**

Feedback on this year's planned deliverables

There was broad support from attendees for two near-term deliverables planned for this year. The first is the deletion of little-used PRA rules-based reporting templates. **The PRA plans to publish a Consultation Paper on an initial, targeted set of deletions by the end of the year.** This could be followed by further proposed deletions and streamlining in later phases of the FBD project. In parallel the Bank will be announcing shortly the deletion of one statistical collection; and is also developing a plan for the review of statistical collections, where it will consider where further streamlining may be appropriate.

Firms also generally supported the second near-term deliverable: **the development of a firm-facing digital portal to facilitate more efficient communication and case management.** The initial use case will address data submission for regulatory transactions, replacing manual processes – such as email submissions of printed forms – with digital submissions via a secure platform. This is expected to deliver operational efficiencies and cost savings for firms, while also establishing the foundation for broader potential use cases of the portal – including enhanced management of reporting queries, which was identified as a key concern by firms during the roundtable.

Longer-term reform: Key themes

Firms also supported the PRA's plans for more comprehensive reforms over a longer period, with several key themes emerging.

1. Importance of a clear vision and incremental progress

Firms welcomed the regulators' goal of greater clarity on the longer-term direction of reporting, including the future approach to data collections and the underlying systems and technology. Traditional template-based collections were seen as costly and

outdated. While reform should be anchored in a clear long-term vision, firms stressed the importance of **delivering change through incremental, tangible improvements, each supported by robust cost-benefit analysis.**

2. Need for greater alignment across UK collections

A recurring theme was the fragmentation of current reporting requirements. Firms noted that duplicative collections as well as inconsistent use of standards and definitions add to the burden they face by creating inefficiencies and uncertainty in the interpretation of reporting requirements. There was widespread support for **a more integrated approach to reporting, including the development of a data dictionary to help align standards and definitions.** Firms expressed a preference for a coherent sub-section of a dictionary being developed in the first instance to evidence the benefits for firms.

Firms noted that achieving greater alignment in UK reporting is a key priority, encouraging continued **collaboration across the PRA, Bank and FCA.** Over time, consideration might also be given to achieving greater international alignment, with many firms facing significant burden associated with reporting in multiple jurisdictions.

3. While transforming data to meet reporting requirements increases costs, the level of aggregation should be driven by the purpose of each collection

A key insight from firms was that aggregating and transforming data is a major driver of reporting costs, particularly where this occurs across different but similar requests. Collecting more granular data should help reduce costs and support **the objective of collecting once for multiple purposes.** Collection of **loan-level mortgage data** was seen as a potentially relevant use case to increase the reporting, sharing and usage of more granular data across the PRA, Bank and FCA. However, firms also emphasised that there might not be a one-size-fits-all approach to the desired level of aggregation: this should ultimately be dictated by the purpose of each collection.

4. Additional considerations

Firms noted the **importance of stability and predictability in regulatory reporting.** Frequent changes, ad-hoc data requests and variations in reporting frequency can significantly increase the cost and operational complexity of reporting. **While firms understood the need for flexibility – particularly in response to emerging risks or supervisory priorities – they emphasised this may come with trade-offs.** For example, increasing the frequency of reporting may impact data quality. Firms encouraged regulators to consider these trade-offs when defining reporting obligations.

To help reduce interpretation costs and support a more proportionate approach to reporting, firms called for **greater transparency around the purpose of collections**. A clearer understanding of how reported metrics are used would help firms in prioritising effort and ensure more meaningful submissions. Firms also encouraged regulators **to provide greater guidance on materiality** – both in terms of which metrics are more relevant to the objectives of the collection, and which entities are expected to report (e.g. group-wide or a defined subset).

Conclusion and next steps

The roundtable surfaced broad support for the Bank's proposed approach for FBD for this year as well as the priority areas for further reform to improve coherence and reduce firm burden.

We are taking stock of the views and insights shared, and reflecting on how these could inform an effective and phased approach to longer-term change in reporting, with incremental, tangible improvements, each supported by robust cost-benefit analysis. Given the roundtable feedback, we expect to focus further engagement this year on developing a clearer understanding of the desirability of, and best approach to, delivering a data dictionary across UK reporting, as well as moving towards more granular reporting. This will include exploring the potential to focus on loan-level mortgage reporting as an initial use case for further work.

Next steps include further engagement with a wider set of firms, including through the various trade associations (e.g. UK Finance, Association of Foreign Banks, Building Societies Association). The Bank also plans to provide an update to the group of CFOs in Q3 and seek further feedback on the direction of travel once again later in the year. **Our plan is to develop, by the end of 2025, a vision for a multi-year programme of change in reporting, which will deliver tangible cost reduction to firms.**

Finally, reflecting the general feedback on the value of increased transparency on the purpose of reporting, **the PRA plan to publish a Discussion Paper on current data use and challenges** – providing a high-level overview of why the PRA collects data, including some wider use cases within the Bank.

Annex – List of participants

Regulators: PRA, Bank, FCA

Firms: Bank of America, Barclays, Citi, Goldman Sachs, HSBC, JP Morgan, Lloyds, Morgan Stanley, Nationwide, NatWest Group, Nomura, Santander, Standard Chartered, and UBS.