Press Release

CFPB Finalizes Open Banking Rule

PAULINA ENCK | OCTOBER 24, 2024

The Consumer Financial Protection Bureau (CFPB) finalized a long-awaited open banking rule that seeks to give consumers better control over their financial data and make it easier to shop around for competing products and services. In a new insight, Director of Financial Services Policy Thomas Kingsley analyzes the rule's proposed benefits and considers its potential harms.

Kingsley concludes:

> *A CFPB rule that meets with overwhelming bipartisan support in Washington is a novelty. Increased competition, enhanced data safety, and a more open financial services ecosystem are policy goals to be applauded. Provided that the rule fends off legal challenge – which is in no way guaranteed considering the continued questions over the bureau's constitutionality and source of funding – it is likely to survive future Congresses. It remains to be seen, however, whether the rule will prove a victory for consumers, an avenue for fraud that destabilizes the economy, or some combination of both.*

Read the analysis