

BITS

FINANCIAL SERVICES
R O U N D T A B L E

BITS ISSUES REQUEST FOR INFORMATION TO IMPROVE THE SAFETY AND SOUNDNESS OF AGGREGATION SERVICES

Washington, D.C. May 14, 2002. BITS, The Technology Group for The Financial Services Roundtable, has published a request for information (RFI) to solicit feedback from providers of aggregation services. The RFI's purpose is to help BITS refine a set of voluntary guidelines that will enable the shift of aggregation infrastructure to a data feed environment with more robust security and functionality. These guidelines will help move financial aggregation services beyond the basic data collection functionality of first generation services. The results of the RFI process will be incorporated into the *BITS Voluntary Guidelines for Aggregation Services*, a landmark document published in April 2001. These *Guidelines* were the result of the first collective effort by all the key players to recognize the impact of aggregation technology and to ensure a best-practices approach to developing and delivering aggregation services to consumers. The *BITS Voluntary Guidelines* will be re-released in September 2002 and will reflect the increased levels of sophistication and risk involved in today's aggregation services.

Gayle Wellborn, Senior Vice President, Wachovia, and Chair of the BITS Aggregation Services Working Group, stressed the importance of this initiative, saying, "Financial aggregation services continue to evolve as companies move toward more sophisticated service offerings, including integrated payments, analytical functionality and advisory services. Yet, in order to ensure efficient and secure operations, the industry must come together to enable aggregation-specific data feed guidelines and a robust form of authentication that does not require customers to share their account login information with third parties."

James E. Rohr, Chairman, President and CEO of The PNC Financial Services Group and Chairman of the BITS Board of Directors said, "This BITS initiative is another important step in the process of providing safety and security for customers of financial services. As the industry innovates to provide the convenience of the next generation of products and services for our customers, BITS' efforts will help to ensure that a framework of best practices is in place."

Catherine A. Allen, BITS CEO, said, "Mitigating operational risk is a major focus for BITS. In the case of aggregation services, we are concerned that safety and soundness are maintained at the same time that a range of more sophisticated services are made possible

through increased functionality. The *BITS Voluntary Guidelines for Aggregation Services* helps establish the framework and ground rules for achieving that goal. The revised *Guidelines* will make further improvements possible.”

The BITS Aggregation Services Working Group was formed two years ago, initially to address concerns surrounding screen-scraping practices. The Group consists of over 180 individuals representing 46 BITS member companies and 38 non-member organizations—including aggregators, portals, technology vendors and U.S. banking regulators. Phase I of the Group’s efforts resulted in the *BITS Voluntary Guidelines for Aggregation Services* and promotes the safe, sound delivery of aggregation services through screen scraping. This phase focused on security, privacy, customer education and the legal and regulatory landscape for aggregation. The *BITS Voluntary Guidelines* have been used to help structure agreements between aggregators and third-party providers, to educate consumers and propel the industry toward adoption of safer, more secure data feed and authentication solutions for aggregation.

Phase II covers the same territory from the perspective of more advanced functionality. The focus is on setting minimum guidelines for safety and security in a data feed and authentication environment. Changes to the legal and regulatory framework also are being addressed.

Schwark Satyavolu, Vice President of Yodlee.com, said, “Yodlee’s participation in the BITS Aggregation Services initiative is motivated by our belief that the industry needs enhanced functionality and robustness of infrastructure, as we continue to advance aggregation products and services.”

During the course of this initiative, aggregation services have evolved from a simple data consolidation tool into a service with more sophisticated capabilities such as funds transfer. More than 1 million consumers use aggregation today and predictions for future adoption range from 4.5 million or more by 2005.

With the evolution and increasing sophistication of aggregation services, there are higher risks as well. Addressing these risks in the form of enhanced voluntary guidelines is the goal of this RFI process. Higher risk services require a more robust and secure process, namely a high quality data feed connection between the financial institution and the aggregator and a method of authentication that does not rely on the username and password established to access the consumer’s financial services account. The RFI encourages a range of approaches to meet these business requirements:

- Be based upon open and interoperable standards;
- Enable movement toward more secure and timely data exchange; and
- Significantly tighten the authentication process.

The *BITS Voluntary Guidelines for Aggregation Services* can be accessed at the BITS website, www.bitsinfo.org, under Publications. Responses to the RFI should be submitted to BITS c/o Leslie Mitchell, Director, at leslie@fsround.org prior to June 4.

About BITS

BITS, The Technology Group for The Financial Services Roundtable, was created in 1996 to foster the growth and development of electronic financial services and e-commerce for the benefit of financial institutions and their customers. Throughout its work, BITS seeks to sustain consumer confidence and trust by ensuring the security, privacy and integrity of financial transactions. BITS works as a strategic brain trust to provide intellectual capital and address emerging issues where financial services, technology and commerce intersect. Major areas of emphasis are security, privacy, standards, leveraging industry infrastructure and e-commerce market development. BITS' Board of Directors comprises the Chairmen and CEOs of some of the largest U.S. financial services holding companies as well as representatives of the American Bankers Association and the Independent Community Bankers of America.

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