



DLA
The Power of Fintech Lending

Managing Director

April 1, 2025

Digital Lending Association • Friedrichstraße 95 • 10117 Berlin

Bundesministerium der Finanzen

Unit VII B 6

Wilhelmstraße 97

10117 Berlin

Start of the Trilogue on FIDA

Ladies & Gentlemen,

We are taking the trilogue on the European Commission's proposal on a Framework for Financial Data Access (FIDA), which has begun today, as an opportunity to highlight some aspects of relevance to Fintech Lending in Europe.

Preamble

From DLA's perspective, FIDA is an important milestone on the road to a Capital Markets Union. If we want more EU citizens to invest their money in Europe in the future, we should strengthen their financial responsibility and facilitate swift access to financial services rather than patronizing them. If we want more consumers and businesses to have better access to finance in the future, we should enable them to choose the best product quickly and easily, with minimal friction. This approach is reflected in the Commission's proposal rather than in the Council's and European Parliament's position.

Address

Digital Lending Association e.V.
Friedrichstraße 95
10117 Berlin
AG Charlottenburg, VR 37585 B

Contact

✉: info@digitallenders.eu
☎: +49 (0) 30.94.85.46.60
🌐: www.digitallenders.eu
🌐: www.fintics.de

Board

Marco Hinz
Philipp Kriependorf
Patrick Stäuble

Managing Director

Constantin Fabricius

Tax ID: 27/620/63392

Bank: Berliner Volksbank, IBAN DE19.1009.0000.2794.4660.01, BIC BEVODEBB

Numerous Fintech Lenders are already seamlessly connected to banks and credit brokers via APIs and 'schemes' respectively. Over the years, a well-functioning European ecosystem has emerged that is able to provide financing for consumers and companies quickly, digitally and as an alternative. In this respect, FIDA does not really offer a quantum leap in innovation. In countries outside the EU like Switzerland, for example, we can see that Open Finance in the lending space is already working quite well even without regulation. However, the FIDA proposal for Digital Lenders is of great importance because it forces all EU-regulated entities to join. We very much welcome this approach. The trilogue should be about sticking to this line proposed by the Commission and avoiding exceptions. In particular, we consider any exceptions that could make it more difficult to provide loans to consumers and companies to fall into this category. Actually, this would hamper an efficient single market.

Article 2

We criticize the Parliament's and Council's position to exclude data collected as part of a creditworthiness assessment of consumers via **Art. 2 Sec. 1 Point f)** and **Art. 2 Sec. 3 Point e)** respectively. The expectation is presumably that excluding this data category will increase consumer protection. However, this fails to recognize the main problem. Many consumers in Europe have difficulty accessing loans. This is very often related to a bad creditworthiness driven by the insufficient evaluation of all data already available today. FIDA would now open a path by allowing even additional data points to be used for access to finance. This outlook to improve the situation of consumers should not be barred. Notwithstanding this, the low default rates among Fintech Lenders in Europe with a focus on consumer credit for example demonstrate that using significantly more data points than traditional lenders does not necessarily lead to a poor customer experience. The opposite is true, because as far as the Digital Lending business model is concerned, there is retail and (mainly) institutional money on the other side and investors want their money back. And they will only come back as satisfied customers if the default rates in this business are permanently low. Therefore, FIDA is equally a key to access to finance and alternative investments very well in the sense of the EU Savings and Investments Union.

We also criticize the position of the Parliament to exclude consumer lending by means of the addition in **Art. 2 Sec. 2 Point m)**. Apart from the fact that consumer lending is not possible under

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the provisions of the ECSPR in force (Regulation (EU) 2020/1503), the Commission has a mandate in Art. 46 Sec. 2 of the CCD3 (Directive (EU) 2023/2225) to review precisely that. And if the revision of the ECSPR were to bring consumer credit within its scope, this business model would be excluded from the scope of FIDA though. In this respect, there is a contradiction here that should better not be adopted in the trilogue. Apart from that, we would like to point out that Fintech Consumer Lending currently operates exclusively in the Grey Capital Market. Our common goal should be to subject this segment to the strict regulations of the White Capital Market as well.

We are equally critical of the Council's proposed amendment to **Art. 2 Sec. 2 Point m)**. Crowdfunding Service Providers should fall fully within the scope of FIDA. The idea of a slim majority of member states using the formula for SMEs would, as a matter of fact, to 100% exclude the crowdfunding sector. The motivation behind this is obvious: It is about the supposed protection of a very small niche compared to other segments of the Non-Bank Financial Intermediation sector, which is currently under a lot of pressure in the market. The beginning consolidation linked to it, however, is inevitable. The fact that crowdfunding was in practice be excluded from FIDA according to the Council's position, would not change this at all. Against this backdrop, we suggest retaining the Commission proposal, because it deprives those who will survive this phase economically of the chances that FIDA could offer them.

Finally, we reject the proposed addition by Parliament with **Recital (16a) / Art. 2 Sec. 1 Point fa)**. This would not only contradict the legal AML/TF principle of collecting current data directly from the customer, but would also run counter the idea of the EUDI wallet.

Article 5

Art. 5 puts an obligation on the data holder to make customer data available to a data user. Now, Art. 2 Sec. 1 specifies what 'customer data' is, however, the mere listing of product categories lacks precision. As we understand, Article 5 addresses the obligation to pass on the relevant data points rather. However, the Commission proposal does not specify which data points are meant. Nor does the proposal say how far back in the data history the obligation to forward data extends.

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We called out this problem early on, which could lead to severe friction during implementation of Open Finance in the future and endanger the whole idea in practice. In connection with the Commission's consultation on an SME Referral Scheme in 2021, we had put forward an idea as to how the question of data points could be meaningfully answered using the example of corporate loans. Our proposal showing a certain number of data points can be found on pages 20 and 21 of the Commission [‘Report on an EU SME Referral Scheme’](#) (Doc. SWD(2022) 178 final of June 28, 2022). We suggest that the European Commission be given the power to adopt implementing acts (Art. 291 TFEU) defining the relevant data points. Close involvement in the definition process should be ensured by way of consultation with the industry.

Article 6

We welcome the supplement made by the Council to **Art. 6 Sec. 1**, as it removes doubt as to whether authorization as an EU-regulated company is sufficient.

Article 9

DLA are strongly supportive of the European Parliament's amendment to **Art. 9 Sec. 1**. A deadline set at 30 month seems to be by far more realistic than 18 months as proposed by the Commission.

Yours sincerely



Constantin Fabricius
Managing Director

About DLA

The Digital Lending Association (DLA) is the first and sole organisation focusing on the representation of European Non-Bank Fintech Lenders encompassing various business models

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such as marketplace lending, balance sheet lending, crowdfunding and p2p lending. It is committed to fair competition based on professionalism, integrity, quality and transparency in the interest of debtors, investors and business partners alike. We do not accept harmful business practices [such as pay day lending](#), BNPL for consumers or so called qualified subordinated loans in our membership.

DLA was founded on June 4, 2019 and is based in Berlin, Germany. Its 30 members include Digital Lenders, institutional investors and service providers from the European ecosystem including Great Britain and Switzerland.

We joined Transparency International's "Transparent Civil Society" initiative in 2021. All transparency disclosures can be [viewed here](#).

We are registered in the EU transparency register with number [738019245006-41](#).

We are registered in the Bundestag transparency register with number [R000904](#)

For more information about DLA, please visit [digitallenders.eu](#).

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