

## Understanding the data networks that help you connect your bank accounts to FinTech apps



**Companies known as data networks or data aggregators give users more control over their financial data, including the ability to connect their bank accounts to their chosen FinTech apps, and control those connections.**

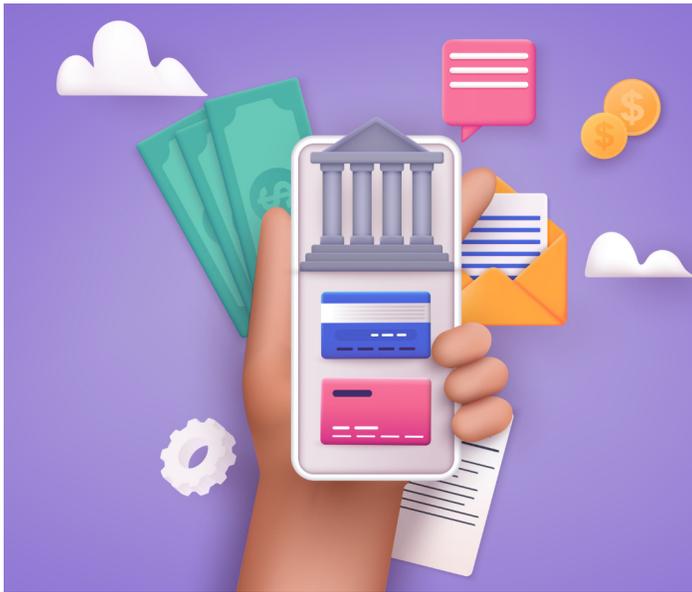
Financial technology—FinTech—enables people to accomplish a wide range of money management tasks more effectively and efficiently, including viewing and managing accounts, sending and receiving money, paying bills, tracking and analyzing spending, paying off debt, saving and investing, and getting a loan. Many FinTech “apps” (mobile software applications or internet platforms) rely on consumers consenting to share their financial information, meaning they share the data from their bank and other traditional financial services accounts with their chosen app so that the app can work.

Whether you already use FinTech to manage your money or you are considering using a FinTech app for the very first time, it’s important to understand how you share your financial data

with the apps you choose, the role data networks—sometimes called data aggregators—play, what control you have over your data, and what steps you can take to stay informed about the financial services you choose.

### **Connecting your bank account to a FinTech app**

FinTech tools can be offered directly to you by the financial institutions you do business with, to help you manage the accounts you have with those companies. Or, they can be created by app developers, for use by anyone who finds the app useful. Many consumers use a combination of FinTech tools from banks and other companies to manage their money.



To use FinTech apps and platforms, you often need to connect them to your financial accounts so that they can carry out the tasks they're designed for. For example, you would need to connect your bank account to a money transfer app to initiate a transfer. Similarly, to use a budgeting app, you would need to connect various accounts (checking, credit card, savings, etc.) to see all of the information about what you've spent and saved.

Typically, you connect your account(s) when you first set up a FinTech app. The option to "connect your account" or "connect with your bank" often leads to a screen where you'll be asked to enter your financial institution account login credentials. Depending on which app you're using, you may see a different set of screens for the connection process. Some might take you directly to your bank's website or application to sign in. Others might first introduce you to a data network and give you information on the role it plays.

The important step in this process is entering your financial account credentials. This allows your bank and the application to confirm that you are the person who controls the account you're connecting to the app. Once you've entered your credentials, you might also have the option to choose which specific accounts you want to connect to the application. For a money transfer app, maybe you want to share

just your checking account, while for a budgeting app, maybe you would share both your checking and credit card accounts. These choices are yours to make—your data belongs to you.

While you're connecting your financial accounts, pay close attention to the screens presented to you. Many data networks introduce themselves in the process of connecting your financial accounts, showing you their logo and telling you about their role in the account connection process. Often these screens will provide information and useful links to help you learn more about who that company is, how they handle your information, what their privacy and security practices are, and what options you have to take more control over your data.

## What data networks do

Data networks—also called data aggregators—are companies that help you connect your chosen FinTech apps to your financial accounts so that you can provide the access and data needed for your apps to carry out their tasks. For example, a data network facilitates the behind-the-scenes handshake that enables a person-to-person payment app to request money from your checking account and send it to your friend's account to pay for your share of last night's dinner tab.

Data networks build technology that allows you to identify your bank account, choose what account information you want to share, and share it with your FinTech app so that you can use its service. These companies work with your apps, and often your bank, to establish that connection for you and ensure that your app can function properly.

Many banks also rely on data networks to let their customers pull together their financial information from across multiple sources and view their entire financial picture at a glance. Like FinTechs, financial institutions can use the data gathered by a network to target product and service offerings to customers who appear to need them.

The most trusted data networks now use "ap-



application programming interfaces” (APIs), which not only keep customers’ login credentials private, but also help consumers limit the data they want to share. To learn more about APIs, you can do an internet search for the name of the data network you see when connecting your accounts to find out if it connects to your bank using an API.

## Transparency

It’s important for you to understand who is involved when you use FinTech, and for those companies to provide transparency into their role and practices. Every FinTech app should have a privacy policy that contains information about its data practices—how it accesses and uses the data you share with it, whether it uses a data network, whether it shares the data you share with it, etc. Some data networks function in the background of an application and might not be apparent as you go through the flow. But this is starting to change, as more data networks make themselves known to you while you’re connecting your applications by displaying a set of screens with information about their company, the services they provide, their terms of use and privacy policy, and where you can learn more.

When connecting your accounts to your FinTech app, you might navigate a set of screens that introduce a data network and give you some in-

formation about who that company is and how it helps you control your data. If you don’t see these screens, then a data network may be functioning in the background, and you might need to go to your app’s privacy policy to learn more about it.

Before using an app, try to find out who is receiving your login credentials, who is accessing your data, how the data can be used, how (if possible) to limit data access and use, and how to view, edit and revoke access to your financial accounts. The best place to find this information, if it is disclosed, is in the app’s terms and conditions. Some of the most widely used data networks are Plaid, Yodlee, MX, Mobius, Fiserv and Finicity. If you are able to learn which, if any, network the app uses, you can look for the network’s terms and policies on the screens they provide to help you connect your accounts, or search the internet to learn more about the company.

## Controlling your data once you’ve shared it

Many FinTech apps provide ongoing services, like a budgeting app that helps you track spending over time. Because these apps function continuously, you need to share your data with them the entire time you use the app. But if you change your mind about using an app, or want to change the types of accounts you’ve



connected that app with, there are some options for you to view and manage your connections.

A growing number of banks are making a “dashboard” available to their online banking customers. For example, there’s Bank of America’s Security Center, Wells Fargo’s Control Tower, Chase’s Account Safe, and U.S. Bank’s My Controls. These and similar dashboards, which are a function of the bank’s data network, let customers see which third-party apps they’re connected to, understand what data is being collected and by whom, adjust permissions, and disconnect (revoke access) from apps they no

## About Consumer Action

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Through education and advocacy, Consumer Action fights for strong consumer rights and policies that promote fairness and financial prosperity for underrepresented consumers nationwide.

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longer want to use.

Standalone tools, accessible outside of an online banking platform or third-party app (Plaid Portal [<https://my.plaid.com/>], for example), are in development.

## Protecting yourself

As FinTech grows and evolves, regulators are likely to require greater transparency and control for consumers. However, as a FinTech app user, you should be informed and proactive when it comes to protecting your own data. Here are some steps all FinTech users should take:

- Read the app’s and, if available, the data network’s terms and privacy policy to find out how your data can be used (shared, retained, etc.).
- Don’t use an app if it doesn’t provide the transparency or control you want or if you don’t approve of the way it accesses and uses your data.
- Opt in to receive notifications from your apps and financial institutions so that you can take advantage of new options and keep an eye out for emails that alert you to changes in terms.
- If your bank offers a dashboard or other tools for managing your data and app access, use them. If it doesn’t, consider using a standalone platform, or portal, that offers you greater information and control.
- Lock out apps you no longer use by revoking access through a dashboard or portal, or by changing your account username and password. (Deleting the app isn’t enough!)

For more about the specific steps you can take to protect your data, read Consumer Action’s *Share financial data with care: Privacy and security when using FinTech apps* ([https://consumer-action.org/english/articles/privacy\\_fintech\\_apps](https://consumer-action.org/english/articles/privacy_fintech_apps)).

## About this publication

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