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### Digital at the core of Santander's ONE Europe strategy

European banks are facing many simultaneous challenges – the prolonged pandemic, lower-for-longer interest rates, the need to accelerate innovation with new players competing for the customer attention and existing profit pools, and finally the potential cyber-security and data protection risks. The Digital transformation is one of the critical enablers that will allow banks to face those challenges, but to be successful we also need new rules to allow Europe to be truly competitive and lead this transformation.

At Santander we aim to be the world's best open financial services platform with three strategic pillars: the development of a digital native consumer lending business; the launch of a disruptive payments company, PagoNxt; and Santander One Europe, creating scale to leverage the substantial investments made in recent years to automate and digitalize our processes.

We welcome the Digital Finance Strategy launched by the European Commission last year and share its objective to “embrace digital finance for the good of consumers and businesses”.

From my point of view, the Commission is rightly pointing at some of the fundamental changes to enable the digital European economy: data, facilitate migration towards a modular IT architecture and the implementation of the “same activity, same risk, same rules” principle.

Data is a core asset in the digital economy. It enables companies to improve their products, better serving customer needs and expanding their reach to enter new sectors/markets. Our financial ecosystem is diverse, with a wide range of participants. These now include non-financial companies like tech platforms, who can leverage users' financial and non-financial data to innovate and enrich their financial products and services. We believe access to the data that users generate and agree to share should be made available across sectors, in a symmetrical fashion, to drive innovation and ensure a level playing field.

We have seen the benefits of sharing of data on payments as part of the revised Payment Services Directive, and there is no reason why non-financial data from other sectors should not follow the same example and be made widely available, to further benefit consumers and businesses. We need to work towards enhancing data sharing and

openness across and within sectors, of course in compliance with data protection and competition rules.

To accelerate the digital transformation, we must move quickly towards modular IT architecture, which will allow for closer collaboration with other players. Our regulators could support this by creating an oversight framework for critical third-party Cloud services and their providers that meets the supervisory expectations.

Santander continues to make strides on improving our Digital offering, innovating to surpass customers' expectations and meet their evolving needs. We operate with customer's interest in mind, following a robust risk framework and always observing regulatory requirements. In the market we see non-financial service players specialising in a particular leg of the value chain and becoming intrinsic part of the Financial Services ecosystem. With that in mind, I believe it is important for the European Supervisory Agencies to assess whether to apply a more proportional approach over those activities to safeguard financial stability, consumer protection, market integrity, fair competition, and security. I believe on the use of the “same activity, same risk, same rules” principle to take us closer to the level playing field we seek.

The Digital Finance strategy also includes measures to promote digital innovation and facilitate the adoption of key technologies for the financial sector such Artificial Intelligence, block-chain and digital identification. This coincides with other related initiatives such as the Data Strategy and the Digital Services package. We expect the Commission to work horizontally to address the new dynamics at work in our economy, which are so important to the future of the European Union and its citizens. I welcome and support the European Commission proposals and hope that they can be agreed quickly. In our digital world, time is of essence