

and services. Alternative data offers a different perspective in evaluating consumer preferences and activities, which allows deeper understanding of factors that affect behavior,” the BSP said.

Furthermore, the BSP ensures data collection process will follow through regulations and standards that are consumer-centered.

“The Open Finance Oversight Committee Transition Group, working alongside the BSP, will spearhead the development of these standards and protocols to ensure that the Open Finance ecosystem provides a safe, secure, and interoperable financial system,” the BSP said.

There are benefits to the use of alternative data. The Oliver Wyman paper said: “Having more data is only valuable if it results in real incremental benefits; in this case, the benefits of using alternative data in addition to traditional bureau data, beyond just technical improvements to the credit score, should flow to both consumers and lenders.”

Such benefits will affect both potential and existing borrowers. The chance for interested borrowers will more likely increase. Similarly, existing borrowers would be granted possible lower interest rates.

In the long run, the NSFI six-year plan will reap benefits and more opportunities for the unbanked and underserved.

The central bank dissecting the already-available resources or data most Filipinos now have, would highly increase the chances for better banking.

“Other use cases include statement sharing or account aggregation and direct debit payments or fund transfers. This data-sharing framework can also facilitate financial inclusion and MSME access to finance as it provides information to third-party financial service providers through application programming interfaces (APIs),” the BSP said.

“Existing regulations notwithstanding, the provision of regulatory guidelines specific to the use of alternative data for credit evaluation may further promote its adoption toward greater financial inclusion,” the BSP said.

Likewise, BAP commits to maintaining the practice of adopting policies and measures that could prevent consumer’s financial data to be at risk.

“The BAP understands that digitalization and technological innovation is key to expanding financial inclusion in the country. By providing every Filipino greater access to financial products and services — with savings accounts and personal loans as a starting point — will drive the economy to grow and recover from the crippling effects of the COVID-19 pandemic,” it said. 

