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The Interoperable Utility

What can energy learn from Open Banking?



**Common standards.
Open markets.
Connected systems.**

The Open Banking lesson

17m+

USER CONNECTIONS

2bn+

MONTHLY API CALLS

34m+

MONTHLY PAYMENTS

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The UK energy sector does not have a shortage of data. The challenge is making that data work effectively across organisations, systems and markets.

It is a challenge another highly regulated UK industry has already confronted.

In 2016, following its investigation into retail banking, the Competition and Markets Authority required the UK's largest current-account providers to make customer data securely available, with consent, through common technical standards and APIs. Open Banking went live in 2018.

Eight years later, the scale is significant.

By May 2026, UK Open Banking supported more than 17 million user connections, over two billion API calls every month and more than 34 million monthly payments. By July 2026, the ecosystem had passed 100 billion cumulative API calls and one billion Open Banking payments

This is no longer a technology experiment. It has become part of the UK's financial infrastructure.

But perhaps the most interesting lesson for utilities is not the scale. It is how that scale was created.

Banks were not required to transfer all their customer information into one enormous central database. Nor was one central organisation asked to build every new financial product or service.

Instead, common standards were established around areas such as APIs, data structures, security and consent. Banks retained their own systems, while regulated third parties were able to develop new services using those common foundations.

That distinction matters.

Standardisation created the conditions for competition rather than replacing it.

The parallel for energy

And the benefits have not been confined to new fintech entrants.

Established banks have used the same infrastructure to develop new propositions of their own. NatWest, for example, has built Open Banking capabilities into services such as Payit, allowing it to provide payment and information services beyond its traditional customer base. Banks have also used Open Banking to allow customers to see accounts held elsewhere within their own digital experience.

In other words

Opening the market
did not make the
incumbent irrelevant.
It gave incumbents
new ways to compete.

There is an important parallel for energy.

As the sector becomes more decentralised, the number of organisations and assets that need to exchange information is increasing rapidly.

Electric vehicles, battery storage, distributed generation, heat pumps, flexibility services, smart tariffs and new consumer propositions all depend on trusted information moving between different organisations and systems.

Ofgem's direction of travel is therefore towards greater standardisation, better data quality and a more interoperable energy-data environment.

That is welcome.

But interoperability should not automatically mean centralisation.

Common infrastructure clearly has a role. Identity, security, consent, governance and genuinely common market rules may benefit from being provided consistently across the industry.

But the services built on those foundations should, wherever possible, remain open to competition and innovation.

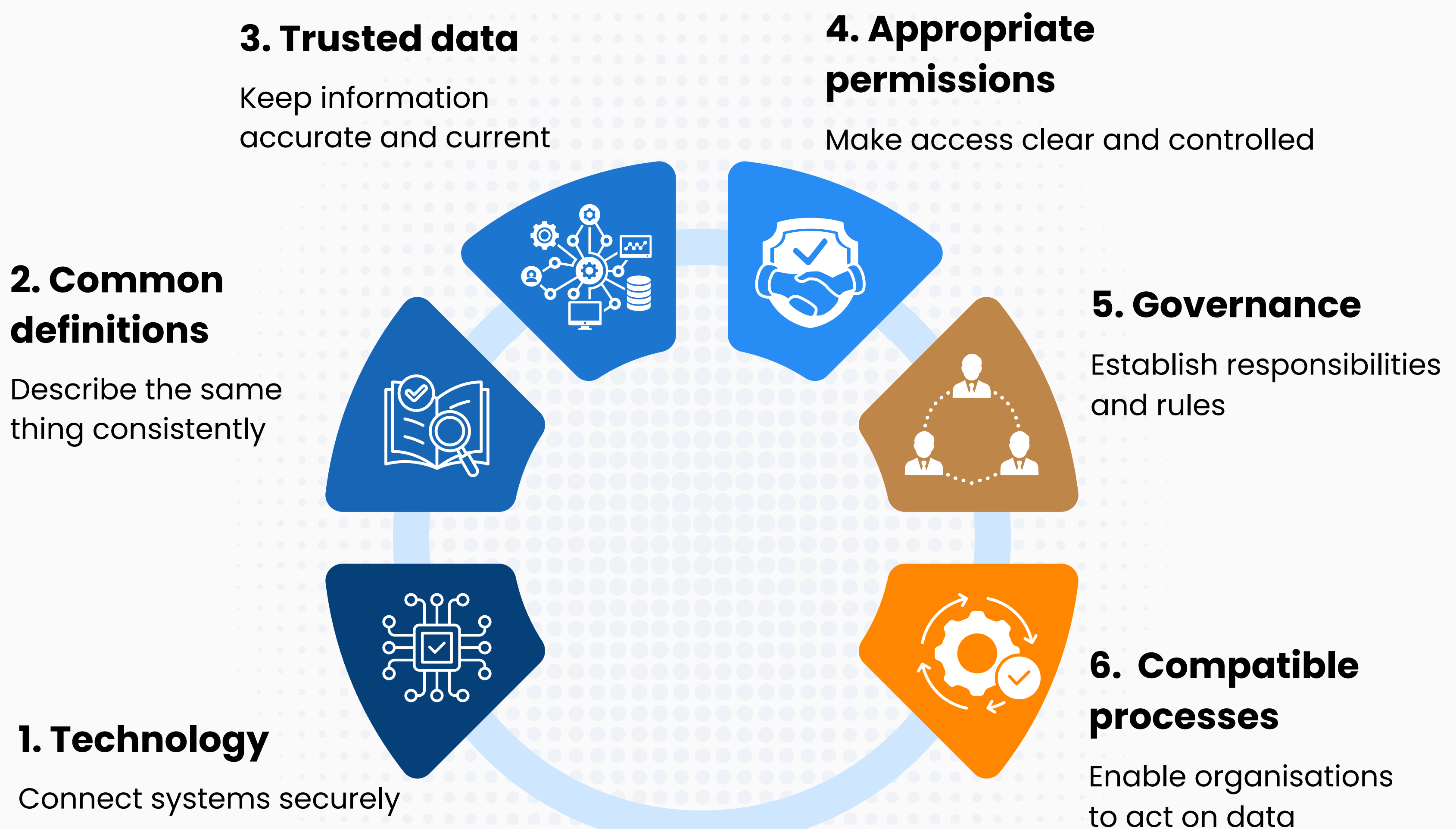
More than an API

There is also a practical issue.

True interoperability is about much more than connecting two systems through an API.

Two organisations can technically exchange information and still describe the same asset differently. Data may be incomplete or out of date. Permissions may be unclear. And receiving information provides little benefit if the organisation's processes cannot act upon it.

Interoperability therefore requires several things to work together:



The potential benefits are significant.

Better interoperability could reduce duplicated data entry, simplify regulatory change, improve network planning, support flexibility markets and make it easier for new services to emerge without repeatedly rebuilding underlying infrastructure.

The question for utility leaders

The question for utility leaders is therefore not simply:

How do we share more data?

It is:

How do we create an environment in which trusted data can move easily, existing systems can work together and organisations can innovate without continually rebuilding the market around them?

Open Banking suggests one possible answer.

The next stage of utility digitalisation does not necessarily require every system to be replaced or every dataset to be centralised.

It may instead depend on three simple principles

Common standards.
Open markets.
Connected systems.