



Department for
Business & Trade

Kevin Hollinrake MP
Minister of State

Department for Business and Trade
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Clive Betts MP
Chair, Levelling Up, Housing and Communities
Committee
House of Commons
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9 April 2024

Dear Clive,

The role of Smart Data in improving the home buying and selling process in England

I am writing to you together with my co-chair of the Smart Data Council, Gavin Starks, founder and CEO of Ice Breaker One. The Smart Data Council works support the Government's vision for data sharing that benefits consumers and small businesses, by establishing collaboration between government, regulators, industry bodies, and consumer groups.

We would like to express our support for the inquiry recently launched by the Levelling Up, Housing and Communities Select Committee, on improving the home buying and selling process. As you know, the Home Buying process is slow and stressful for consumers, with an industry-led survey reporting that 35% of transactions fell through in 2023. Whilst the Department for Levelling Up, Housing and Communities is leading the way on making the changes needed to improve the system, Smart Data, led by my Department, presents a key opportunity for consumers in the sector to see real change.

Smart Data is the secure sharing of customer data with authorised third parties, so that the customer can access innovative services, saving them time and money. Open Banking is the live example of Smart Data. Coade analysis shows that Open Banking has led to a £4 billion eco-system, raising £900m in investments in 2022. To unlock the potential for Smart Data to drive the wider data economy, the government wants to see similar and interoperable schemes in sectors beyond retail banking to realise a world-leading Smart Data economy, which will empower consumers and small business customers, turbo charge competition, innovation and growth.

The Smart Data Discovery Challenge has recently explored potential opportunities for Smart Data in home buying, as well as in other priority sectors. Earlier this month, I announced the winners, who demonstrated the more innovative ideas with the greatest benefits for consumers.

The Open Property Data Association were amongst entrants, proposing the use of data across the property ecosystem to create a digital property pack for home buying and mortgages to address the length, expense, and failure rate of the home buying process. They estimate that their use case has the potential to save home buyers £40m per annum. We hope to explore further opportunities and barriers for Smart Data, in the second stage Smart Data Challenge Prize, launching later this year. The Prize will invite shortlisted applicants to test their ideas in a cross-sector synthetic data sandbox, with access to a share of up to £750,000 in grant funding.

In the 2023 Autumn Statement, the government committed to kickstarting a Smart Data Big Bang and to set out the UK's ambition for using the new Smart Data powers created in Part 3 of the Data Protection and Digital Information (DPDI) bill. The Bill will provide the government with new powers to deliver the benefits and safeguards required for a Smart Data economy, including the ability to mandate industry involvement in Smart Data schemes. The DPDI Bill is expected to reach Royal Assent in the Summer.

The Chancellor set out seven sectors that the government will explore, including the Home Buying sector. We are shortly due to publish the Smart Data Roadmap, which sets out how we will build on the success of Open Banking over the coming year by identifying the opportunities and challenges in implementing Smart Data schemes in the seven sectors. The home buying and selling sector is at the identification stage of Smart Data scheme development. There are several barriers that need to be addressed ahead of Smart Data implementation in the sector, such as a lack of digitised and centralised datasets. By Summer 2024, DLUHC will deliver a number of pilot projects to inform future digitalisation of the buying and selling process, which is an important first step towards Smart Data Scheme development.

We support the inquiry's aims and look forward to working with you to tackle the much-needed reform of the home buying and selling process.

Yours ever,



KEVIN HOLLINRAKE MP

Minister of State for Enterprise, Markets, and Small Business
Co-chair of the Smart Data Council



GAVIN STARKS

Founder and CEO of Icebreaker One
Co-chair of Smart Data Council