

Role of Account Aggregators in Shaping DPDP Act



The Digital Personal Data Protection (DPDP) Act, 2023 has been passed, and the Final DPDP Rules, 2025 have been released with an enforcement timeline of 12 months for Consent manager framework for Consent Managers (CMs).

Consent manager is a Unique concept in India's DPDP Act, unlike GDPR or any other global standards of data protection.



How the Concept of Consent Manager Got Introduced in DPDP Act??

Before we know the key requirements and role of a Consent manager, its imperative to understand the origin and relevance of introducing the new term of Consent manager in Indian Data protection framework.

Consent manager was inspired by **The Account Aggregator (AA) framework-**

A practical model already working in India's financial sector that enables individuals to share their financial data securely, based on explicit consent.

What are Account Aggregators (AAs)?



An Account Aggregator is a type of **Non-Banking Financial Company (NBFC-AA)** regulated by the **Reserve Bank of India (RBI)** that allow individuals to:

- View, manage, and share their financial data (like bank statements, insurance, tax info) from multiple sources.
- Share this data digitally and securely with other institutions like lenders or investment platforms – only if they give consent.
- It acts as an **intermediary** between Financial Information Providers (FIPs) and Financial Information Users (FIUs).
- Revoke consent any time they want.
- This system does not store data – it simply acts as a secure bridge between the data holder (like your bank) and the data receiver (like a loan provider), based on user consent.
- The system is based on a '**consent layer**', ensuring user control and privacy.

How do Account Aggregators function?

Users link their bank accounts to an Account Aggregators.

- Gives consent to share data (e.g., bank statement) with a Financial Information User (FIU) like a bank or NBFC.
- The AA fetches the data from the Financial Information Provider (FIP), like a bank, and shares it securely with the FIU.



Key Stakeholders Involved:

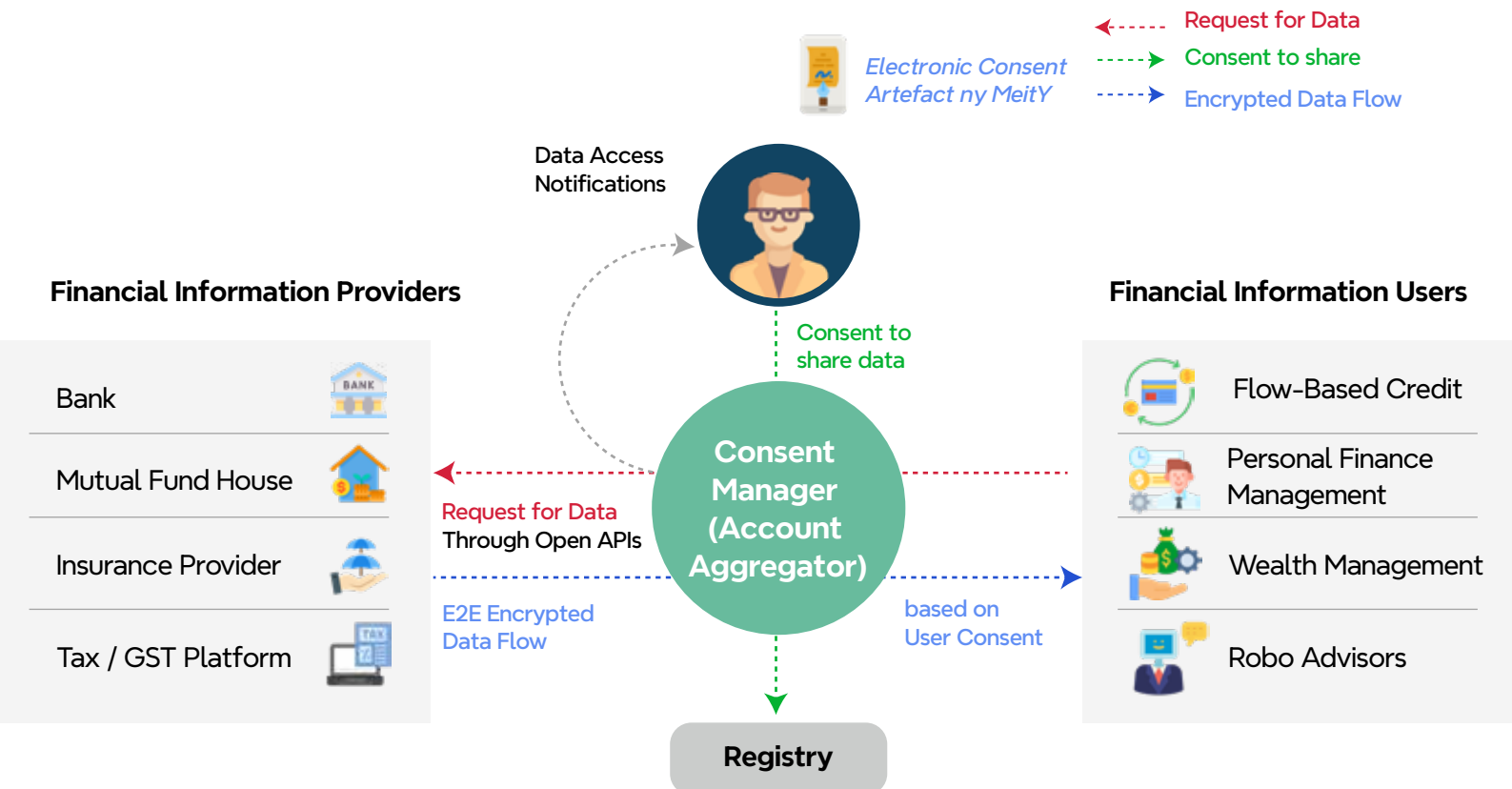
- **Financial Information Providers (FIPs):**
Banks, mutual fund companies, insurance companies, etc.
- **Financial Information Users (FIUs):**
Lenders, wealth managers, insurers, etc.
- **Account Aggregators (AAs):**
Licensed entities that facilitate data flow between FIPs and FIUs.



Examples of Account Aggregators:



As India planned to roll out the DPDP Act, **Consent Managers (CMs)** were being proposed as key players to ensure that people have full control over who uses their personal data and for what purpose. The Account **Aggregator model is seen as a blueprint** for this broader regime.



Consent Managers as per DPDP Act:

The DPDP Act, 2023 aims to create a rights-based framework where:

- Data can be collected or processed only after the user consents.
- Consent must be free, informed, specific, and revocable.
- Users must be able to manage and withdraw this consent easily.



Consent manager- means a person registered with the Board who acts as a single point of contact to enable a Data Principal to give, manage, review and withdraw her consent through an accessible, transparent and interoperable platform.



Under the DPDP regime:

- The Consent Manager shall help the Data Principal to **give, manage, review or withdraw consent** through an accessible, transparent and interoperable platform.
- The Consent Manager shall be **accountable** to the Data Principal and shall act on their behalf.
- Every Consent Manager shall be **registered with the Data Protection Board of India**.
- They act as user-friendly dashboards that work across sectors – not just finance, but also healthcare, education, employment, e-commerce, etc.
- This mirrors the AA model but on a wider, all-sector scale.

Why the AA Model is the Blueprint?

The AA framework already works at scale in finance and has:

- A strong legal foundation (via RBI's Master Directions).
- Real-time, machine-readable, API-based consent flows.
- A focus on user control, privacy, and data minimisation.



Given this experience, it makes sense to use it as the base model for Consent Managers under the DPDP Act. This would help India avoid starting from scratch and create one interoperable, unified framework for all personal data.

Key Proposals & Needed Reforms

Mandatory Registration with the Data Protection Board (DPB): All Consent Managers should be officially registered to ensure accountability and legal compliance.

- Allow Sector-Specific Consent Managers
- Let different sectors (health, education, etc.) have their own consent managers, as long as they follow common technical standards.



Enable Commercial Sustainability: Consent Managers should be allowed to form legitimate business arrangements with Data Fiduciaries (like banks, hospitals, etc.), provided they don't compromise user rights.

Wider Significance and Challenges

Benefits:	Challenges:
Builds trust in digital services.	<ul style="list-style-type: none"> • Ensuring data security during transfers. • Preventing dark patterns or manipulation in consent seeking. • Educating citizens about how and when to give or deny consent. • Avoiding fragmentation between sectoral consent systems (finance, health, etc.).
Gives citizens more control over their data.	
Prevents data misuse or unauthorized sharing.	

Significance of a Unified Consent Infrastructure

- **Avoids duplication:** Aligning AA and CM frameworks reduces regulatory overlap.
- **Increases efficiency:** Leveraging existing AA insights accelerates CM implementation.
- **Promotes innovation:** Encourages startups and established entities to develop secure data services.
- **Supports Digital Public Infrastructure (DPI):** Strengthens India's ambition for a holistic, interoperable data governance regime.



Conclusion

India has an unprecedented opportunity to become a global pioneer in citizen-centric data governance. By harmonising the Account Aggregator framework with the emerging Consent Manager regime under the DPDP Act, India can move toward a secure, scalable, and inclusive data economy.

