

A Scottish Databanking Pilot

A proposal for a regulated personal-data intermediary demonstrator

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Organisations rarely need a copy of a person's data. They need an answer derived from it: whether someone is over 18, professionally licensed, financially eligible, resident at an address, entitled to a service. Prevailing architectures answer such questions by disclosure. The individual hands over the record, the organisation derives the answer itself, and thereby acquires, stores and becomes liable for far more personal information than the transaction required.

— The model

Databanking reverses that relationship. Personal data remains under the custodial control of a regulated intermediary. The relying organisation submits an authorised query or computation, and the Databank returns only the permitted output: an attestation, a token, a match result, an eligibility decision, an aggregate. The underlying records never leave the custodial environment. A Databank is not a conventional cloud provider or data broker. It earns revenue from custody, authorised queries and computation rather than from exploiting what is entrusted to it. The model is set out in full in the [Databanking whitepaper](#).

— The proposal

A limited Scottish pilot, testing Databanking first as specialised regulated infrastructure for one narrow class of high-value transactions, selected jointly with the participating organisations and regulators.

The more difficult questions are institutional and economic.

— What the pilot would test

The constituent technologies largely exist. The more difficult questions are institutional and economic, so the pilot is designed to test four kinds of viability at once.

Technical. Can useful information be derived and released while disclosure of the data underneath it is prevented?

Institutional. Can an independent custodian hold a credible structural separation between custody and exploitation?

Market. Will individuals use such an intermediary, and will organisations accept its constrained outputs?

Regulatory. Can its outputs, controls and accountability mechanisms be made robust enough to be treated as trustworthy?

— Solving the initial adoption problem

Databanking has a multi-sided network problem: individuals have little reason to join a Databank until organisations accept its answers, and organisations have little reason to integrate until enough individuals use one. The pilot therefore establishes a closed initial ecosystem. Relying organisations agree in advance to accept a defined output, data providers agree to supply or verify it, and a bounded cohort of individuals is recruited for

whom the transaction has an immediate practical use.

— Why Scotland

The problem is interdisciplinary, requiring technology, regulation, academia, public policy and industry in the same room. Scotland offers a compact institutional ecosystem covering distributed systems, privacy-preserving computation, cybersecurity, information law, financial technology and public-sector data governance, at a scale where a bounded infrastructure experiment is meaningful without national deployment. The objective is not to persuade Scotland to adopt Databanking universally. It is to determine whether Scotland can serve as an incubator for a new regulated data-infrastructure model, producing the architecture, governance mechanisms, regulatory

principles and economic evidence on which any wider decision would rest.

— Programme

Five phases: scoping and consortium formation; architecture and governance design; constrained prototype on synthetic data; regulated demonstrator with a bounded population; evaluation and an evidence-based expansion decision. Success requires three propositions to hold simultaneously: individuals entrust the data, organisations accept the minimal output instead of the record, and the custodian is economically sustainable while remaining independent of commercial exploitation of what it holds.

Failure on any of them is itself evidence about where the model must change.

— The pilot ecosystem

Four roles are modelled explicitly, with stated liability boundaries. Regulators and independent auditors provide an additional governance layer.

The individual

Authorises the use of their information, and whose interests the custodial framework is intended to protect.

The authoritative data provider

Supplies or verifies the underlying information from which answers are derived.

The Databank

Maintains custody, identity binding, policy enforcement, computation, auditing and controlled disclosure.

The relying organisation

Submits an authorised query and accepts the resulting output instead of the underlying record.

— Proposed next step

The proposal is to establish a small interdisciplinary group to examine the model, identify the strongest Scottish use case and determine the institutional and funding structure. The immediate requirement is therefore not a commitment to deploy at scale. It is to answer one bounded question.

Scotland as an incubator for a new regulated data-infrastructure model.

Can Scotland demonstrate, in one carefully selected domain, that valuable decisions can be made using personal data without requiring the organisations making those decisions to possess the underlying personal record?

Full proposal: databanking.org/pilots/Scotland.html | Enquiries: contact@databanking.org