

# OPEN BANKING

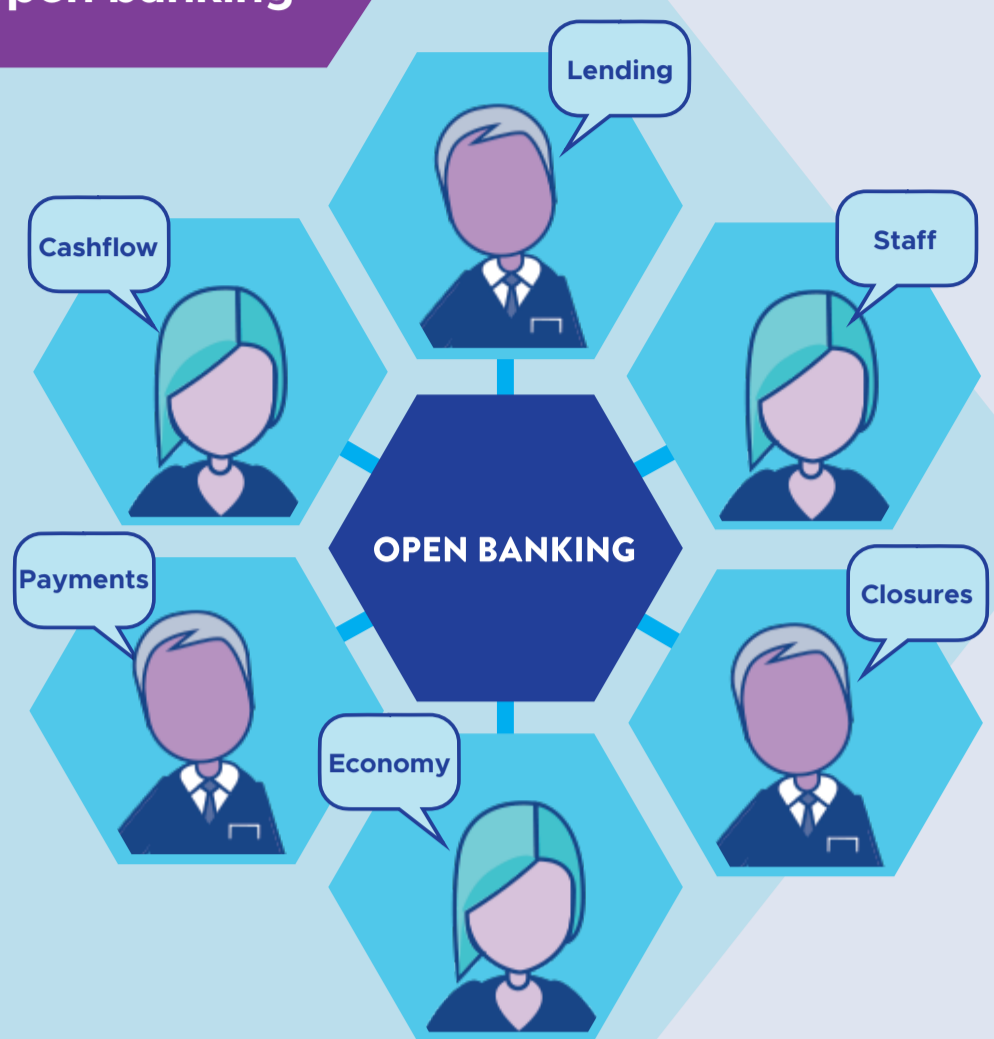
The Open Banking Implementation Entity (OBIE) surveyed decision-makers at 500 UK small businesses (2-49 employees). We wanted to hear their experience of Covid-19: its economic impact, the challenges, and the changes they've made to protect their businesses: taking on credit or grants, switching providers, making and receiving payments digitally as they embrace eCommerce.

Small businesses are the backbone of the UK economy, and we wanted to shine a light on the ways open banking can help them make the most of these difficult times

## Big opportunities in small business for open banking

For many businesses, survival has meant redundancies and taking on new debt – for the very first time for some respondents. There are more than two million customers of open banking-enabled services in the UK – and OBIE estimates that almost one-in-five, or 700,000, of those are small businesses.

Our survey revealed that many accredit their ongoing resilience to switching their financial products and leveraging open banking-enabled services.



## Use of OB enabled products

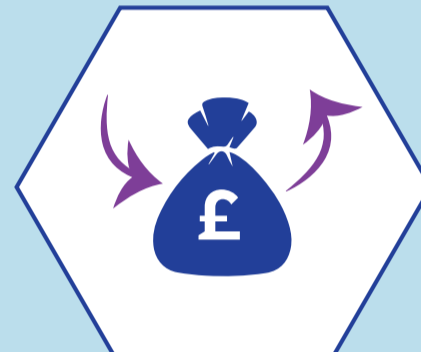
The majority of businesses surveyed claimed to be using products which may be open banking-enabled or contain an element of open banking, such as cloud accounting, cashflow forecasting or alternative credit providers. 86% of these had been prompted by Covid-19.



**24%**



**21%**



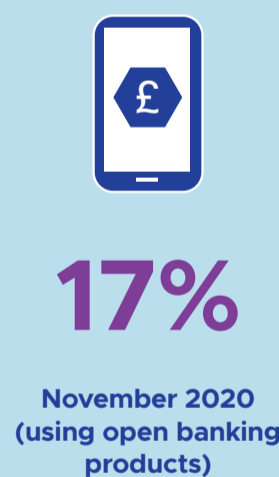
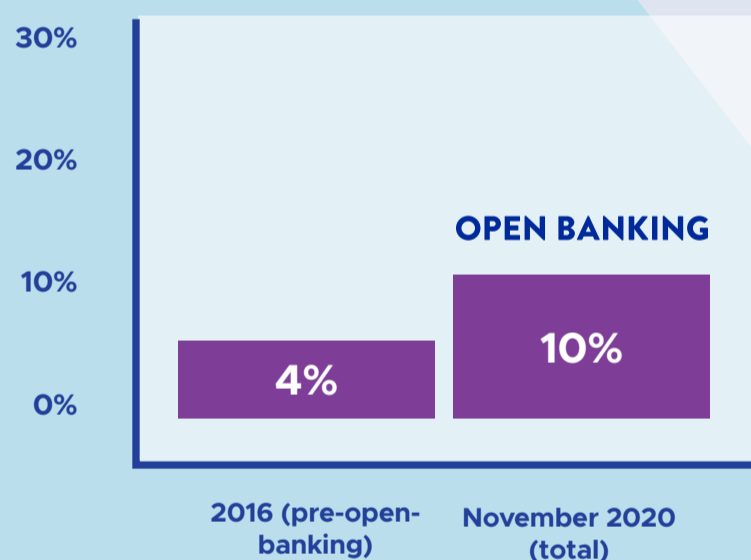
**18%**

For those small business that use these products, the reported impact seen has largely been positive with reduction in paperwork, better understanding of the business and improved business resilience being seen as the benefits.

## Increased Switching

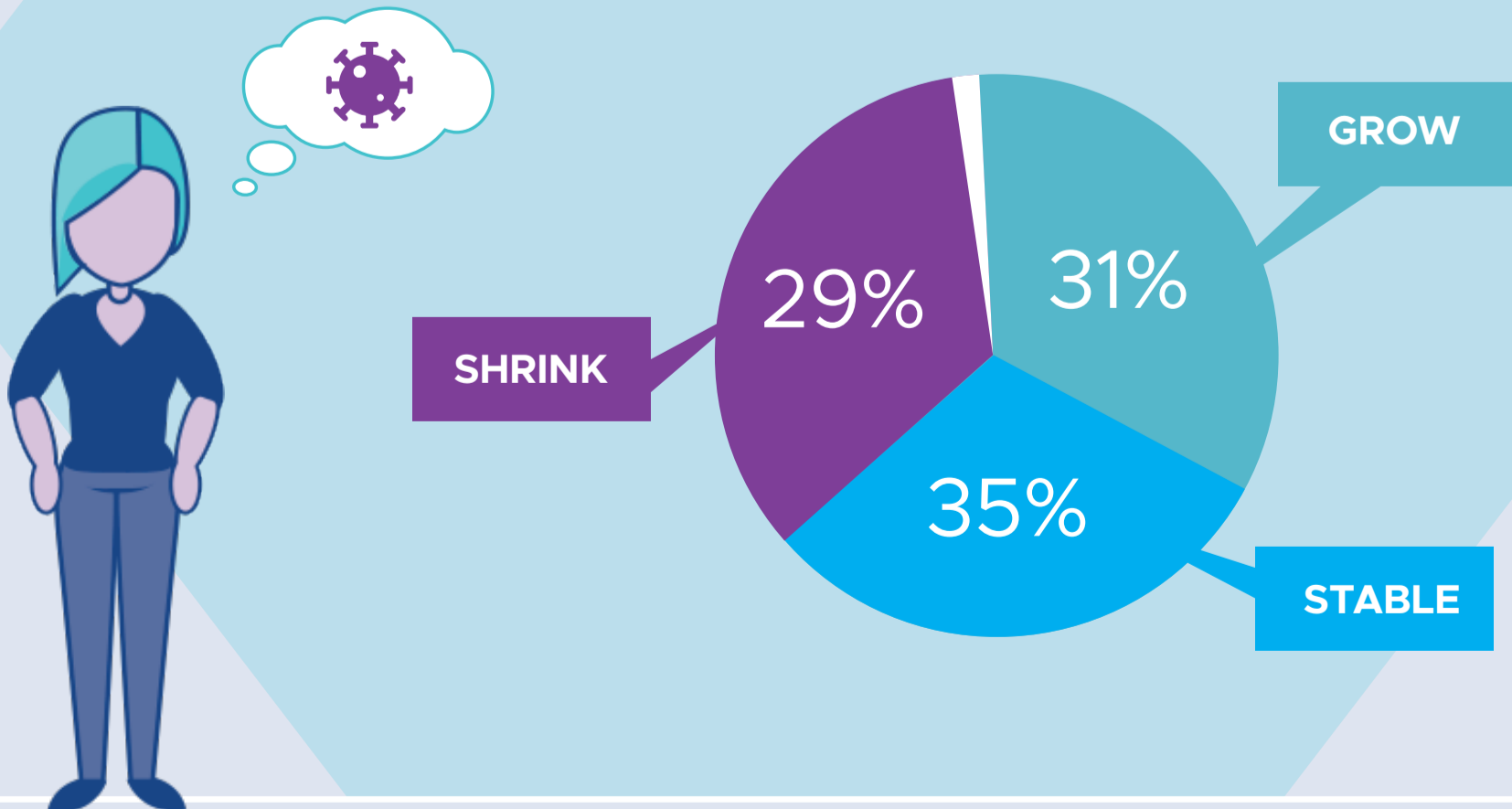
In 2016, the CMA Retail Banking Investigation that resulted in the UK's open banking programme found that only 4% of UK small businesses had switched business current account (BCA) provider in the last year.

Open banking was conceived, in part, to address that, and today that number is 10% (17% for those firms who are already using other open banking products). There's still work to be done, and our research indicates that we're moving in the right direction – with more potentially to come as businesses weather the impact of lockdowns across the country.



## A View to the Future

While the crisis has had a large impact on the UK's small business community, the resilience and optimism of this crucial economic sector was clear in the data: 31% of respondents expect to grow in the coming months, with an additional 35% predicting business levels to remain stable.



While the full economic impact of Covid-19 – particularly on small businesses – remains to be seen, the open banking ecosystem is working tirelessly to develop, launch and grow new offerings that empower SMEs with new and improved control over their financial data and commercial future.