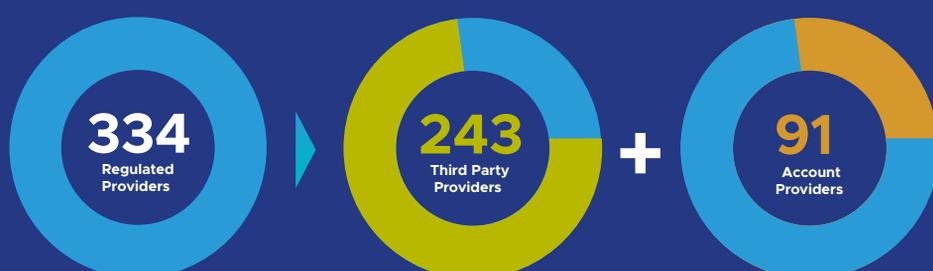


OPEN BANKING

NOVEMBER HIGHLIGHTS

2021

Ecosystem numbers:



124 regulated entities with at least one proposition live with customers

Powered by open banking

The FCA removes 90-day reauthentication rule

In November the FCA announced that consumers will no longer need to reauthenticate permissions with Account Servicing Payment Service Providers (ASPSPs, e.g., banks) every 90 days if accessing account information through a third-party provider. This simple step will allow third party providers to collect consumers' re consent every 90 days instead.

Tide attempts major shake-up of market by targeting customers of rival banks

Tide is planning to offer its accounting products to non-customers. While the launch of Tide Open Access will initially be restricted to invoicing, the fintech says its expense management, payroll and credit services will all soon be available to any SMEs, not just those whose current account is with Tide. The FinTech hopes that opening up its services will tempt established businesses who are typically more reluctant to switch financial provider to give the challenger a try.

Partnerships related to open banking are most in demand

B2B platform Finnovate's X-Tech Matching Report 2021 H1 found that the most sought-after activities and the largest collaboration agreements in the first half of 2021 were those related to open banking. This was followed by buy now, pay later (BNPL). Open banking FinTechs Tink and Plaid were at the top of the most active ranking, while the most dynamic corporations were payment institutions and banks, where Mastercard, VISA and BBVA took the lead.

Juniper Research predicts the global value of payments made through open banking will be \$116bn by 2026

According to a study from Juniper Research, the global value of payments made through open banking will be \$116bn by 2026, compared to \$4bn this year, showing that the sector is about to have a major acceleration in take-up. Increased user awareness is expected to drive the increased take-up over the next five years with Europe leading the way and expected to account for 75% of the total in 2026.

Open banking payments remove pain points for Lightyear investors

TrueLayer is collaborating with investment platform Lightyear to deliver instant account funding through open banking payments. Lightyear's customers can now connect their primary bank account to the trading app for instant and secure funding using Payments Initiation. This means customers can fund their accounts in seconds and make timely investment decisions, supporting Lightyear's strategic ambition of making investing easy and approachable and removing all the traditional pain points that create a clunky customer journey.

Key Highlights

3rd November - APPG on open banking and payments ecosystem participants

OBIE Chair and Trustee Charlotte Crosswell attended the All-Party Parliamentary Group on open banking and payments for a briefing and discussion with the Economic Secretary to HM Treasury, John Glen MP. The discussion focused on the government response to the Payments Landscape Review, plans to make legislative and regulatory changes post-Brexit to enhance open banking in the UK, as well as the next steps towards a new open banking governance model. Glen welcomed Crosswell to her new position and concluded by stating the OBIE will have an important role to play in defining the next chapter of open banking and payments in the UK and he's keen to collaborate with parliamentarians, the OBIE, and industry to deliver the future vision for payments and enhance open banking for the benefits of consumers.

4th November - OBIE Chair & Trustee delivers closing keynote at Open Banking Expo

Newly appointed Chair and Trustee Charlotte Crosswell shared her insights and vision for how the true potential of open banking in the UK can be realised. In her address, Charlotte said that the industry must together to ensure that open banking doesn't become a missed opportunity, while emphasising that the positive impact of open banking for consumers, businesses, and the wider economy will expand as adoption grows.

4th November - OBIE publishes latest iteration of Open Banking Impact Report

The second edition of the OBIE Open Banking Impact Report, which assesses the extent to which open banking is helping consumers and SMEs. The research highlights the growing number of services in the market that are increasingly being adopted by customers.

5th November - Independent Non-Executive Director, Open Banking Implementation Entity

OBIE announced that a search for a second independent Non-Executive Director (NED) to join its Board was underway, with the individual to provide support and independent oversight, scrutiny, policies and controls to OBIE Chair and Trustee Charlotte Crosswell and recently appointed NED Jeremy Newman. (This position has subsequently been filled by Barbara Ridpath).

11th November - Update from Charlotte Crosswell, Chair and Trustee, Open Banking Implementation Entity (OBIE)

Chair and Trustee Charlotte Crosswell published an update on the progress made to address the findings and recommendation outlined in Alison White's independent review of OBIE.

16th November - VRPs for Sweeping timetable agreed

The CMA provided additional clarity regarding the implementation timeline for VRPs, which were revised to allow ecosystem participants to pilot new propositions in early 2022, while also ensuring that the CMA9 have the appropriate amount of time to implement VRPs for sweeping by mid-2022.